



• PROPERTY DEVELOPMENT • CONSTRUCTION • INVESTMENTS



# 2025

ANNUAL REPORT

## Forge Ahead with Resilience



# INSIDE THIS REPORT



## 01

### ABOUT US

Vision and Mission	01
Corporate Information	03
Corporate Structure	04
Board of Directors' Profile	05
Profile of Key Senior Management	12

## 02

### REVIEW & OUTLOOK

Chairman's Statement	15
Management Discussion and Analysis	25

## 03

### OUR COMMITMENT TO SUSTAINABILITY

Sustainability Statement	37
Performance Data Table	127
External Assurance Statement	130

## 04

### HOW WE ARE GOVERNED

Corporate Governance Overview Statement	135
Additional Compliance Information	161
Five-Year Financial Highlights	162
Statement of Directors' Responsibilities	163
Audit Committee Report	164
Statement on Risk Management and Internal Control	172

## 05

### FINANCIAL STATEMENTS

Directors' Report	185
Statement by Directors	191
Statutory Declaration	191
Independent Auditors' Report	192
Statements of Financial Position	196
Statements of Profit or Loss and Other Comprehensive Income	198
Consolidated Statement of Changes in Equity	199
Statement of Changes in Equity	200
Statements of Cash Flows	201
Notes to the Financial Statements	204

## 06

### ADDITIONAL INFORMATION

Analysis of Shareholdings	251
List of Group Properties	254
Notice of Annual General Meeting	257
Form of Proxy	264



## VISION AND MISSION



### OUR VISION

To be a renowned property developer that deliver innovative, excellence and quality products with positive economic, social and environmental impact through responsible actions and sustainable management to safeguard the interests of all stakeholders.





## OUR MISSION

We are committed to be the leading developer across the industrial and commercial sector by providing innovative, excellence and quality development that strive to exceed the expectation and meet the evolving needs of our customers and thereby achieve the sustainability of returns which creating the long-term values for all stakeholders.

We perform our best to safeguard and build a sustainable environment by continuously seeking improvement and implement solution to the environmental concern.

We aim to cultivate an energetic, positive, motivating and results-driven working environment for our employees to best unleash their individual potential ability, growth and enhancing overall organisational capability to drive successful execution of corporate strategy over the long term.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Sri Edwin Tan Pei Seng**  
Executive Chairman

**Dato' Sri Godwin Tan Pei Poh**  
Group Executive Director

**Mdm. Leong Siew Foong**  
Executive Director

**Mr. Tee Boon Hin**  
Senior Independent  
Non-Executive Director

**Dato' Haji Ismail Bin Karim**  
Independent Non-Executive Director

**Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar**  
Independent Non-Executive  
Director

**Dato' Jeffrey Lai Jiun Jye**  
Non-Independent  
Non-Executive Director

### AUDIT COMMITTEE

- Mr. Tee Boon Hin (Chairman)
- Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar
- Dato' Haji Ismail Bin Karim

### NOMINATION COMMITTEE

- Dato' Haji Ismail Bin Karim (Chairman)
- Mr. Tee Boon Hin
- Dato' Jeffrey Lai Jiun Jye

### REMUNERATION COMMITTEE

- Mr. Tee Boon Hin (Chairman)
- Dato' Haji Ismail Bin Karim
- Dato' Jeffrey Lai Jiun Jye

### RISK MANAGEMENT COMMITTEE

- Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar (Chairman)
- Dato' Haji Ismail Bin Karim
- Mr. Tee Boon Hin

### SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Tee Boon Hin  
Tel : (07) 278 6668

### COMPANY SECRETARY

Leong Siew Foong  
MAICSA 7007572  
CCM PC No.: 202008001117

### REGISTERED OFFICE

Level 10-02, Grand Paragon Hotel,  
No. 18, Jalan Harimau, Taman Century,  
80250 Johor Bahru, Johor.  
Tel : (07) 278 6668  
Fax : (07) 278 6666  
Email : enquiry@pgbggroup.com.my  
Website : [www.pgbggroup.com.my](http://www.pgbggroup.com.my)

### PRINCIPAL PLACE OF BUSINESS

Level 10-02, Grand Paragon Hotel,  
No. 18, Jalan Harimau, Taman Century,  
80250 Johor Bahru, Johor.

### STOCK EXCHANGE LISTING

**Bursa Malaysia Securities Berhad**

**Main Market**

Stock Name : PGLOBE

Stock Code : 3611

### PRINCIPAL BANKERS

- Al-Rajhi Bank
- CIMB Bank Berhad
- Malayan Banking Berhad
- United Overseas Bank

### AUDITORS

**BDO PLT**

(201906000013(LLP0018825-LCA) & AF 0206)

(Chartered Accountants)

Suite 18-04, Level 18, Menara Zurich,  
No. 15, Jalan Dato' Abdullah Tahir,  
80300 Johor Bahru, Johor.

Tel : (07) 331 9815

Fax : (07) 331 9817

### SHARE REGISTRARS

**Tricor Investor & Issuing House  
Services Sdn. Bhd.**

197101000970 (11324-H)

### Office

Unit 32-01, Level 32, Tower A,  
Vertical Business Suite, Avenue 3,  
Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur.

Tel : (03) 2783 9299

Fax : (03) 2783 9222

Email : is.enquiry@vistra.com

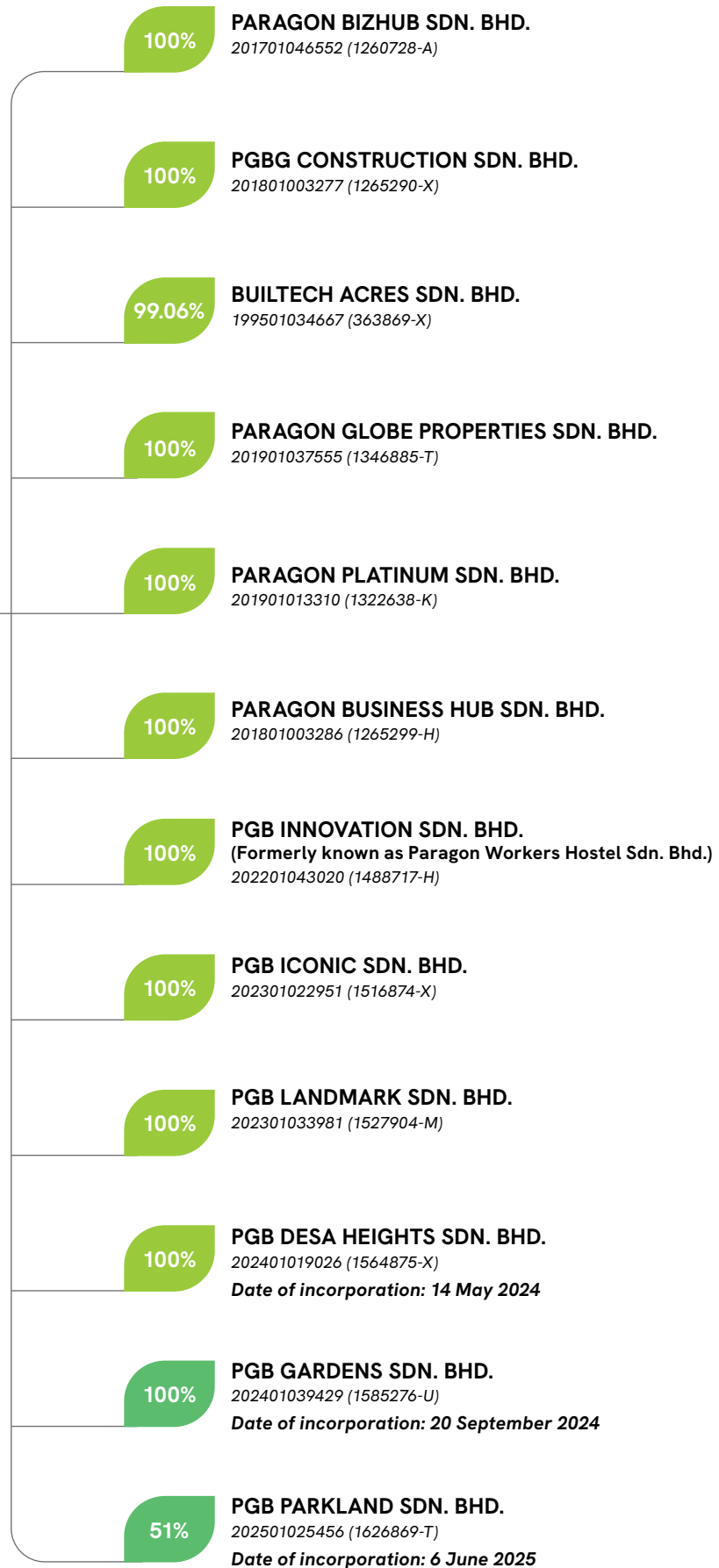
### Tricor's Customer Service Centre

Unit G-3, Ground Floor,  
Vertical Podium, Avenue 3,  
Bangsar South,  
No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur.

# CORPORATE STRUCTURE



 Dormant Companies





## BOARD OF DIRECTORS' PROFILE

### DATO' SRI EDWIN TAN PEI SENG

Executive Chairman



Age:  
44



Gender:  
Male



Nationality:  
Malaysian



Date of Appointment: 27 October 2017



#### WORKING EXPERIENCE AND OCCUPATION

Dato' Sri Edwin Tan Pei Seng began his career as a Financial Executive before advancing to the position of Financial Controller. He later served as Executive Director across various private companies involved in hospitality, investment holding, property development and other sectors.

He has been instrumental in the successful development of notable projects such as Bizhub Skudai 8, Paragon Residences and Paragon Suites. He also played a pivotal role in establishing Paragon Private and International School, which commenced full operations in January 2017.

Dato' Sri Edwin Tan was recognised among the 100 Most Influential Young Entrepreneurs in 2016 and was awarded the Young Entrepreneurs Super Model Awards 2022 by the Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM"). He currently serves as an Honorary Life President of the Johor Bahru Chinese Chamber of Commerce & Industry ("JBCCCI").

As the Executive Chairman of Paragon Globe Berhad, he is responsible for setting the Group's strategic direction, formulating company policies, ensuring operational efficiency and driving sustainable and profitable growth.

#### ACADEMIC / PROFESSIONAL QUALIFICATION / MEMBERSHIPS

Bachelor of Commerce in Finance and E-Commerce Management, Deakin University, Melbourne, Australia.

#### BOARD COMMITTEE MEMBERSHIPS

None.

#### DIRECTORSHIPS IN OTHER PUBLIC LISTED COMPANIES

None.

#### FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS

Brother of Dato' Sri Godwin Tan, Group Executive Director. Both are directors and shareholders of the Company's ultimate holding company, Paragon Adventure Sdn. Bhd.

#### CONFLICT OF INTEREST

The details of potential conflict of interest and recurrent related party transactions are disclosed in the Statement on Additional Compliance Information and Audit Committee Report on pages 161 and 164 of the Annual Report.

#### CONVICTION OF OFFENCES

None within the past five (5) years, save for possible traffic offences.

#### BOARD MEETINGS ATTENDANCE

Attended all board meetings held during the financial year ended 31 March 2025.

## DATO' SRI GODWIN TAN PEI POH

Group Executive Director

Age: 41 | Gender: Male | Nationality: Malaysian  
Date of Appointment: 27 October 2017



### WORKING EXPERIENCE AND OCCUPATION

Dato' Sri Godwin Tan Pei Poh started his career as management trainee upon graduation and he steadily ascended to Executive Director roles within various private companies. In collaboration with his brother, Dato' Sri Edwin Tan, he spearheaded the development of several projects, including Paragon Residences and Paragon Suites, and contributed to the successful establishment Paragon Private and International School.

Dato' Sri Godwin Tan also actively engaged in the management of Paragon Market Place, a retail mall located in Johor Bahru. Furthermore, he successfully concluded collaborations with Selgate Healthcare Sdn. Bhd. for the development of healthcare industry.

As the Group Executive Director, he is responsible for strategic administration, marketing initiatives, operational planning and financial management across the Group's business activities.

### ACADEMIC / PROFESSIONAL QUALIFICATION / MEMBERSHIPS

Bachelor of Science in Business Administration, Alliant International University, San Diego, California, United States of America.

### BOARD COMMITTEE MEMBERSHIPS

None.

### DIRECTORSHIPS IN OTHER PUBLIC LISTED COMPANIES

None.

### FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS

Brother of Dato' Sri Edwin Tan, Executive Chairman. Both are directors and shareholders of the Company's ultimate holding company, Paragon Adventure Sdn. Bhd.

### CONFLICT OF INTEREST

The details of potential conflict of interest and recurrent related party transactions are disclosed in the Statement on Additional Compliance Information and Audit Committee Report on pages 161 and 164 of the Annual Report.

### CONVICTION OF OFFENCES

None within the past five (5) years, save for possible traffic offences.

### BOARD MEETINGS ATTENDANCE

Attended all board meetings held during the financial year ended 31 March 2025.

## BOARD OF DIRECTORS' PROFILE

### MDM. LEONG SIEW FOONG

Executive Director

Age: 58 | Gender: Female | Nationality: Malaysian

Date of Appointment: 16 June 2022



#### WORKING EXPERIENCE AND OCCUPATION

Madam Leong Siew Foong began her career at a renowned corporate secretarial firm, where she gained extensive experience in corporate governance, regulatory compliance and corporate management. Over the years, she has accumulated more than thirty-four (34) years of working experience in corporate secretarial industry.

As an Executive Director, she is responsible for overseeing the Group's corporate governance functions, risk management and sustainability matters.

#### ACADEMIC / PROFESSIONAL QUALIFICATION / MEMBERSHIPS

- Diploma in Commerce (Business Management), Tunku Abdul Rahman University College, Malaysia.
- Chartered Secretary, Institute of Chartered Secretaries and Administrators, United Kingdom (A.C.I.S.).
- Member, Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

#### BOARD COMMITTEE MEMBERSHIPS

None.

#### DIRECTORSHIPS IN OTHER PUBLIC LISTED COMPANIES

None.

#### FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS

None.

#### CONFLICT OF INTEREST

None.

#### CONVICTION OF OFFENCES





None within the past five (5) years, save for possible traffic offences.

#### BOARD MEETINGS ATTENDANCE

Attended all board meetings held during the financial year ended 31 March 2025.



**MR. TEE BOON HIN***Senior Independent Non-Executive Director*

 Age: <b>63</b>	 Gender: <b>Male</b>	 Nationality: <b>Malaysian</b>
 Date of Appointment: <b>27 October 2017</b>		

**WORKING EXPERIENCE AND OCCUPATION**

Mr. Tee Boon Hin is a Chartered Accountant in public practice. He is an approved company auditor, tax agent and corporate advisor. He began his career in New Zealand, where he gained foundational experience in accounting and financial management.

Over the years, Mr. Tee has developed extensive expertise across a wide range of industries, including property development, construction, manufacturing, hospitality, agricultural and retail sectors. His core competencies include financial modelling, management restructuring, corporate tax planning and business advisory. He has also prepared valuations and court-related assessment reports and provides litigation support services.

As a Corporate Director, he has led successful corporate restructuring exercises, mergers and acquisitions and the implementation of risk management systems in several companies across the retail, manufacturing (electronics and plastics) and agricultural sectors.

In addition to his professional work, Mr. Tee is actively involved in community service. He contributes through the Parents Teachers Association, supporting local education initiatives and charitable causes.

**ACADEMIC / PROFESSIONAL QUALIFICATION / MEMBERSHIPS**

- Bachelor Degree in Commerce, University of Canterbury, New Zealand.
- Chartered Accountant, Malaysian Institute of Accountants.
- Fellow, Chartered Tax Institute of Malaysia.
- Chartered Accountant, Chartered Accountants Australia and New Zealand.
- Member, Governance New Zealand Incorporated.

**BOARD COMMITTEE MEMBERSHIPS**

- Chairman, Audit Committee.
- Chairman, Remuneration Committee.
- Member, Risk Management Committee.
- Member, Nomination Committee.

**DIRECTORSHIPS IN OTHER PUBLIC LISTED COMPANIES**

None.

**FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS**

None.

**CONFLICT OF INTEREST**

None.

**CONVICTION OF OFFENCES**

None within the past five (5) years, save for possible traffic offences.

**BOARD MEETINGS ATTENDANCE**

Attended all board meetings held during the financial year ended 31 March 2025.

## BOARD OF DIRECTORS' PROFILE

### DATO' HAJI ISMAIL BIN KARIM

*Independent Non-Executive Director*

Age: 70 | Gender: Male | Nationality: Malaysian

Date of Appointment: 27 November 2017



#### WORKING EXPERIENCE AND OCCUPATION

Dato' Haji Ismail Bin Karim has over thirty-five (35) years of distinguished public service experience, culminating in his appointment as the Johor State Secretary until his retirement in December 2016. His career in government encompassed various roles, including positions at the Johor Land Office, Johor State Economic Planning Unit, Johor State Secretary Office and Johor State Islamic Religious Department.

He also serves as President of the Johor State Football Association and Treasurer of the Football Association Malaysia. In addition, he holds a position on the Board of the Tunku Laksamana Johor Cancer Foundation. Additionally, Dato' Haji Ismail was appointed to the Board of UTM Holdings Sdn. Bhd. in July 2023.

#### ACADEMIC / PROFESSIONAL QUALIFICATION / MEMBERSHIPS

- Diploma in Education, University Kebangsaan Malaysia, Malaysia.
- Bachelor of Arts (Hons) in History, University Kebangsaan Malaysia, Malaysia.

#### BOARD COMMITTEE MEMBERSHIPS

- Chairman, Nomination Committee.
- Member, Audit Committee.
- Member, Risk Management Committee.
- Member, Remuneration Committee.

#### DIRECTORSHIPS IN OTHER PUBLIC LISTED COMPANIES

- Independent Non-Executive Director, Dialog Group Berhad
- Independent Non-Executive Director, BCB Berhad

#### FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS

None.

#### CONFLICT OF INTEREST

The details of potential conflict of interest are disclosed in the Audit Committee Report on page 164 of the Annual Report.

#### CONVICTION OF OFFENCES

None within the past five (5) years, save for possible traffic offences.

#### BOARD MEETINGS ATTENDANCE

Attended all board meetings held during the financial year ended 31 March 2025.

**TAN SRI DATUK WIRA DR. HJ.  
MOHD SHUKOR BIN HJ. MAHFAR**

*Independent Non-Executive Director*

Age: **70** | Gender: **Male** | Nationality: **Malaysian**

Date of Appointment: **27 November 2017**



**WORKING EXPERIENCE AND OCCUPATION**

Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar began his career in banking before joining the Inland Revenue Board of Malaysia ("IRBM") in 1979. He ascended through the ranks, ultimately serving as Chief Executive Officer ("CEO") of IRBM from January 2011 until his retirement in December 2016.

Throughout his illustrious career, he has held numerous leadership roles, including serving as President of the Malaysian Association of Statutory Bodies and Chairman of The Commonwealth Association of Tax Administrations ("CATA"). He was honored with the CEO of the Year 2015 Award by The European Emerging Markets Awards and the 2015 Lifetime Achievement Award - Outstanding Contribution in Shaping People by the Asia HRD Awards.

With extensive experience spanning taxation and management, acquired during his tenure with IRBM, he currently leads his own tax and management consultancy firm, MSM Management Advisory. He also holds key positions including Chairman of McMillan Woods National Tax Firm, Chairman of the Board of Directors of University Utara Malaysia, Advisor to Century Software (Malaysia) Sdn. Bhd. and Trustees of Yayasan Tenaga Nasional. Additionally, he was appointed to the Board of IRMB on 1 August 2021.

**ACADEMIC / PROFESSIONAL QUALIFICATION / MEMBERSHIPS**

- Bachelor of Economics, University of Malaya, Malaysia.

- Postgraduate Diploma in Computer Science, University Technology Malaysia, Malaysia.
- Master of Taxation, Golden Gate University, United States of America.
- Doctor of Public Administration, Golden Gate University, United States of America.
- Honorary Doctor of Management, University Tenaga Nasional and Asia Metropolitan University.

**BOARD COMMITTEE MEMBERSHIPS**

- Chairman, Risk Management Committee.
- Member, Audit Committee.

**DIRECTORSHIPS IN OTHER PUBLIC LISTED COMPANIES**

- Independent Non-Executive Director, Censof Holdings Berhad
- Independent Non-Executive Director, Cyberjaya Education Group Berhad (formerly known as Minda Global Berhad)
- Independent Non-Executive Director, Ann Joo Resources Berhad

**FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS**

None.

**CONFLICT OF INTEREST**

None.

**CONVICTION OF OFFENCES**

None within the past five (5) years, save for possible traffic offences.

**BOARD MEETINGS ATTENDANCE**

Attended all board meetings held during the financial year ended 31 March 2025.



## BOARD OF DIRECTORS' PROFILE

### DATO' JEFFREY LAI JIUN JYE

Non-Independent Non-Executive Director



Age:  
45



Gender:  
Male



Nationality:  
Malaysian



Date of Appointment: 1 February 2019



#### WORKING EXPERIENCE AND OCCUPATION

Dato' Jeffrey Lai Jiun Jye has extensive experience in corporate management and entrepreneurship across diverse sectors, including engineering, data center solutions, ICT solutions, property investment and development, education, medical services, shopping mall management, agriculture and food and beverages.

He serves as the Executive Chairman and Chief Executive Officer ("CEO") of Cabnet Holdings Berhad, having been subsequently appointed as Executive Chairman on 28 April 2025. He also serves as Executive Director of Kuopacific Malaysia Sdn. Bhd., and as Director and CEO of Paragon Private and International School in Johor Bahru, Malaysia, which has received multiple awards for excellence. In addition, he is also the Managing Director of MindChamps Preschool Malaysia, an award-winning preschool brand.

Dato' Jeffrey Lai was honored with the Best Intelligent Figures Brands Award 2021 (Top15) by China Press and National Consumer Action Council ("MTPN").

He is also actively involved with the Associated Chinese Chamber of Commerce and Industry of Malaysia ("ACCCIM"), where he holds the following positions:

1. Vice-President, The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM), 2024-2027
2. President, Johor Associated Chinese Chambers of Commerce and Industry ("JACCCI"), 2024-2027

3. President Johor Bahru Chinese Chamber of Commerce and Industry ("JBCCCI"), 2024-2026

#### ACADEMIC / PROFESSIONAL QUALIFICATION / MEMBERSHIPS

Bachelor of Commerce and Management, Lincoln University, New Zealand.

#### BOARD COMMITTEE MEMBERSHIPS

- Member, Nomination Committee.
- Member, Remuneration Committee.

#### DIRECTORSHIPS IN OTHER PUBLIC LISTED COMPANIES

Executive Chairman and CEO, Cabnet Holdings Berhad

#### FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS

None.

#### CONFLICT OF INTEREST

The details of potential conflict of interest are disclosed in the Audit Committee Report on page 164 of the Annual Report.

#### CONVICTION OF OFFENCES

None within the past five (5) years, save for possible traffic offences.

#### BOARD MEETINGS ATTENDANCE

Attended all board meetings held during the financial year ended 31 March 2025.

## PROFILE OF KEY SENIOR MANAGEMENT

### EILEEN TEY YEE LIN

Finance Director

 Age: **43** |  Gender: **Female** |  Nationality: **Malaysian**

 Date of Appointment: **1 November 2017**

#### WORKING EXPERIENCE AND OCCUPATION

Ms. Eileen Tey Yee Lin began her career with Ernst & Young, where she gained extensive experience in auditing, taxation and financial advisory, progressing to the position of Audit Senior Manager. Her professional portfolio included engagements with both public listed and private companies across a wide range of industries.

She later served as the Group Assistant Financial Controller at Joland Group of Companies for three (3) years, overseeing financial management and internal reporting functions.

Ms. Eileen Tey currently serves as Finance Director of the Company. She leads the Group's Accounting and Finance Department and is actively involved in various corporate exercises, including group restructuring, fundraising initiatives and development rights agreements. Throughout her tenure, she has demonstrated strong leadership and contributed significantly to the Group's financial performance, operational efficiency and long-term sustainability.


#### ACADEMIC / PROFESSIONAL QUALIFICATION / MEMBERSHIPS

- Bachelor of Accounting (Hons), Multimedia University, Malaysia.
- Fellow Member, Association of Chartered Certified Accountants, United Kingdom.
- Member, Malaysian Institute of Accountants.

### TAN HUI BOON

Senior General Manager & Director for all of the subsidiaries of Paragon Globe Berhad

 Age: **68** |  Gender: **Male** |  Nationality: **Malaysian**

 Date of Appointment: **1 December 2017**

#### WORKING EXPERIENCE AND OCCUPATION

Mr. Tan Hui Boon began his career with IJM Corporation Berhad in May 1981 as a Senior Site Superior, where he garnered extensive industry expertise. In October 1993, he joined Joland Group of Companies as General Manager, where he successfully led the planning, management and execution of a wide range of development projects.

With over forty (40) years of experience in construction and project management sectors, Mr. Tan has managed a diverse range of developments, including landed and high-rise residential, hospitality, healthcare, industrial, education and infrastructure projects across Malaysia and Singapore.

Mr. Tan currently serves as Senior General Manager and Director for all subsidiaries within the Group. He is primary responsible for overseeing project supervision and management, strategic planning and operational leadership to ensure alignment of subsidiary operations with the Group's overall objectives and strategic direction. His leadership has been instrumental in driving operational efficiency, quality delivery and project excellence.

#### ACADEMIC / PROFESSIONAL QUALIFICATION / MEMBERSHIPS

- National Certificate in Construction Supervision, Singapore Polytechnic, Singapore.
- High School Certificate, English College, Malaysia.

## PROFILE OF KEY SENIOR MANAGEMENT

### CHEW SAI PING

*Project Director*



Age:  
**54**



Gender:  
**Female**



Nationality:  
**Malaysian**



Date of Appointment: **12 September 2022**

#### WORKING EXPERIENCE AND OCCUPATION

Ms. Chew Sai Ping began her career in 1997 as a Contract Manager at a reputable construction company, where she gained invaluable experience in project management, contract administration and site supervision.

In 2020, she transitioned to a property development company, where she assumed a pivotal role in overseeing project planning, cost management and strategic execution, contributing to the company's growth and expansion initiatives. With more than twenty-five (25) years of industry experience, her professional portfolio includes mixed-used developments, high-rise residential projects, landed housing and industrial developments.

Ms. Chew currently serves as Project Director of the Company. She is responsible for managing project planning and implementation, project costing, contract administration and ensuring the successful execution of the Group's property development projects. Her strategic insight and operational expertise continue to support the Group's ongoing and upcoming development initiatives.

#### ACADEMIC / PROFESSIONAL QUALIFICATION / MEMBERSHIPS

Bachelor of Science (Hons), University of Greenwich, United Kingdom.

#### DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS

None of the Key Senior Management personnel holds any directorship in other public companies.

#### FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDERS

Mr. Tan Hui Boon is related to Dato' Sri Edwin Tan and Dato' Sri Godwin Tan. Save as disclosed above, none of the other Key Senior Management personnel has any family relationship with the Directors and/or major shareholders of the Group.

#### CONFLICT OF INTEREST

None of the Key Senior Management personnel has any conflict of interest with the Group.

#### CONVICTIONS FOR OFFENCES

None of the Key Senior Management personnel has been convicted of any offence (other than potential traffic offences) within the past five (5) years, nor been subjected to any public sanctions or penalties imposed by relevant regulatory bodies during the financial year ended 31 March 2025.





# REVIEW & OUTLOOK

---

Chairman's Statement **15**

Management Discussion and Analysis **25**





# CHAIRMAN'S STATEMENT

Dear Valued Shareholders,  
On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report and Audited Financial Statements of Paragon Globe Berhad ("PGB" or "Group") for the financial year ended 31 March 2025 ("FY2025").

**Dato' Sri Edwin Tan Pei Seng**  
*Executive Chairman*

FY2025 marked a pivotal chapter in our journey, a year that tested resilience, rewarded agility and reaffirmed our strategic purpose amid global volatility. Despite persistent challenges, including inflationary pressures, geopolitical tensions and economic fragmentation, the Group delivered one of its strongest performances to date, underpinned by property sales, well-timed land disposals and disciplined capital management.

This achievement is a testament to the agility of our business model and the clarity of our long-term strategy. As the global economy charted a steady growth of 2.7%, supported by strong labour markets and improving trade dynamics, Malaysia outperformed expectations with a gross domestic product ("GDP") growth of 5.1%, driven by healthy domestic demand, recovering exports and proactive policy support.

Initiatives under the National Energy Transition Roadmap and the New Industrial Master Plan 2030 in reinforcing investor confidence and accelerating growth across key industries including clean energy, advanced manufacturing, logistics and real estate development. Budget 2025 is expected to further strengthen this trajectory through spillovers from the tech upcycle, tourism revival and the swift implementation of infrastructure projects.

We approached the year with clarity of purpose and a strong commitment to value creation. Our ability to remain agile, while staying anchored to long-range ambitions, enabled us to act decisively, optimise capital deployment and reposition the Group for sustainable growth. FY2025 was not just about navigating challenges; it was about seizing the momentum of growth and translating it into purposeful transformation.

Building on this momentum, we remained steadfast in executing our strategic priorities. Anchored in the state of Johor, our development focus aligns with the region's emergence as a thriving economic corridor, propelled by catalytic initiatives such as the Johor-Singapore Special Economic Zone ("JSSEZ") and the Rapid Transit System ("RTS") Link. Our projects are strategically positioned to capitalise on these macro shifts, enabling us to contribute meaningfully to the future of regional urbanisation and industrial advancement.

## BUSINESS PROGRESS AND DEVELOPMENT HIGHLIGHTS



FY2025 was a year of meaningful execution. We deepened our foothold in Johor's growth corridors, delivered progress on flagship developments, activated strategic development rights, positioned ourselves for the future through landbank optimisation and formalised sustainability aligned partnerships. Each decision reflected a deliberate approach to align our projects with long-term macroeconomic trends, while responding swiftly to market opportunities.

### Key Development Highlights

#### Pekan Sentral Shop Offices

Our earlier phases, including Pekan Sentral Phase 1 and 2, laid the foundation with consistent demand for flexible commercial spaces. This momentum continued with the launch of Phase 3 in April 2024, comprising 48 units that reached over 90% construction progress by FY2025. The continue development affirms our strategy of delivering scalable, infrastructure-ready developments that respond to real-time market needs.

#### Detached Factories

We also recorded progress on a series of single-storey detached factory units, delivered over two (2) phases. Phase 1, comprising three (3) units, reached 96% completion by the end of FY2025. These standard-build industrial offerings were designed to cater to enterprises seeking ready-built facilities with practical layouts and strategic connectivity. The uptake signals emerging interest from owner-occupiers and industrial tenants in scalable formats within established growth zones.





Sepang Medical Centre



Pekan Sentral Shop Offices

## PGB Workers Hostel

This year, we also advanced a key initiative that had long been part of our development narrative, the PGB Workers Hostel, a four-block, five-storey accommodation complex designed to support the industrial ecosystem within Pekan Nenas Industrial Park. With two blocks well underway and achieving 81% construction progress, the project has already attracted strong tenant interest, with 46% of units pre-reserved, including anchor commitments from Shimano Components (M) Sdn. Bhd. Significantly, the project has obtained provisional GreenRE Silver certification, underscoring our emphasis on sustainable design and operational standards. More than just a supporting facility, the hostel represents our commitment to integrated, community-centric development, enhancing the attractiveness and operational efficiency of the park for industrial tenants and their workforce.

## Desa 27

Meanwhile, we also made meaningful progress on Desa 27, our next-generation industrial development designed to deliver modular, ESG-aligned solutions for modern occupiers. The project is divided into several plots, with Plot 3 and Plot 4 currently under development. Both plots have secured provisional GreenRE Bronze certification, a reflection of our continued commitment to sustainability standards in the industrial space. Significantly, these plots are reserved and leased to Meiban Technologies (Malaysia) Sdn. Bhd. and Woleco Hotel Supplies Sdn. Bhd., demonstrating strong market confidence in the project's value proposition. Desa 27 is set to become a strategic industrial node within our portfolio, supporting high-quality tenants while advancing our sustainability and recurring income objectives.

## Sepang Medical Centre

Further diversifying our portfolio, the Sepang Medical Centre neared completion as of FY2025. This 121-bed private hospital which developed under a long-term lease agreement with Selgate Healthcare Sdn. Bhd., marks our first entry into the healthcare infrastructure space. At 96% completion, the facility will soon deliver stable, recurring income while also enhancing private healthcare accessibility in the growing Sepang district. More than a property investment, this project reflects our ability to deliver socially relevant infrastructure in line with national development needs and extends beyond traditional real estate.

Together, these milestones reflect our expanding footprint, growing tenant partnerships and continued delivery of income-generating, sustainability-aligned developments across key growth sectors.

## Landbank Optimisation Strategy

In FY2025, we continued to sharpen our landbank strategy to reinforce our medium- to long-term development pipeline while enhancing capital efficiency and strengthening earnings visibility. Guided by strategic foresight and financial discipline, our approach to acquisitions and monetisation was deliberate, value-oriented and aligned with evolving market dynamics.

## Strategic Acquisitions Anchored in Long-Term Value

A key highlight during the year was the strategic acquisition of approximately 115.90 acres of freehold land across Mukim of Tanjung Kupang and Pulai in Johor, earmarked for the development of PGB Tech





PGB Workers Hostel



Desa 27

Park, our flagship green industrial park targeted for GreenRE Gold certification. As of FY2025, six (6) out of total eight (8) parcels, totaling 96.70 acres, have been successfully completed, with the remaining parcels pending fulfilment of conditions precedent. This initiative reflects our forward-looking approach in capturing the rising demand for ESG-aligned industrial infrastructure and positioning PGB as part of enabler of Johor's sustainable industrialisation.

In tandem, we completed the acquisition of over 40 acres across various parcels in Mukim of Plentong, reinforcing our footprint in one of Johor Bahru's most vibrant and infrastructure-rich industrial corridors. These assets are well-positioned to meet growing demand from warehousing and industrial sectors, benefiting from proximity to major highways and established economic nodes.

Further enhancing our urban footprint, we acquired approximately 1.31 acres in the Township of Johor Bahru, strategically located near the upcoming RTS Link and adjacent to our earlier completed acquisitions. Combined with two (2) adjoining parcels secured earlier, this site will serve as the foundation for The Iconic by PGB, a premium residential development targeting GreenRE Gold certification. The project exemplifies our emphasis on transit-oriented, sustainable urban growth aligned with evolving investor and regulatory expectations.

Collectively, these acquisitions reflect our commitment to cultivating a well-diversified, strategically located land portfolio. Each investment is underpinned by a long-term view of value creation, strengthening our ability to deliver resilient, future-ready developments that align with market trends and sustainability ambitions.

### Unlocking Value through Development Rights Agreements

Beyond direct acquisitions, we continued to advance our capital-efficient strategy through Development Rights Agreements ("DRAs") with reputable landowners. These arrangements offer a prudent and strategic mechanism to unlock development potential while preserving financial flexibility.

In FY2025, we formalised DRAs with Tropicana Danga Bay Sdn. Bhd. ("Tropicana") and Iskandar Capital Sdn. Bhd., collectively unlocking development rights to over 70 acres of freehold land across the Township of Johor Bahru and Mukim of Pulai. These parcels are strategically located within rapidly evolving urban and industrial corridors, including areas in close proximity to transformative infrastructure such as the RTS Link, as well as mature zones with established residential and commercial demand.

One of the key developments under this initiative is Calia Residence by PGB, an upcoming residential development under the DRA with Tropicana. Positioned within a high-growth precinct and also targeting GreenRE Gold certification, this project reflects our ability to shape developments that align with both market demand and sustainability standards.

More than just access to land, these DRAs affirm the trust and confidence that leading industry players place in PGB's execution capabilities. They reinforce our ability to unlock high-potential sites without immediate capital deployment, strengthen investor confidence and broaden our development pipeline in a scalable, risk-managed manner. Such partnerships not only reflect our reputation in the Johor property landscape but also expand our platform for long-term, sustainable value creation.

## CHAIRMAN'S STATEMENT

### Realising Value through Strategic Disposals

Complementing our acquisition strategy, we undertook selective land disposals in FY2025 to unlock value from mature assets and enhance capital efficiency. These transactions reflect our proactive approach to portfolio optimisation, monetising strategic holdings to strengthen our financial position and deliver value to shareholders.

The most notable was the disposal of approximately 67.62 acres of freehold land in Mukim of Plentong for a total consideration of RM337.30 million. These parcels, earmarked for hyperscale data centre development, are situated within a rapidly evolving digital infrastructure hub in Johor. The transactions are expected to generate a net proforma gain of RM112.91 million, underscoring the embedded value of our landbank and our ability to capitalise on structural growth trends within emerging industries. Subsequent to FY2025, we also divested an additional 3.53 acres of freehold land, further demonstrating our disciplined capital allocation strategy.

Together, these disposals reinforced the strength of our balance sheet and demonstrated our ability to extract substantial value from strategically located assets. This disciplined capital management approach positions the Group with greater agility and financial headroom as we continue to pursue sustainable, long-term growth.

### Strategic Partnerships



We continued to deepen our collaborative ecosystem through purposeful alliances that advance our development priorities and sustainability ambitions.

A key highlight was the signing of a Memorandum of Understanding ("MOU") with United Overseas Bank (Malaysia) Bhd ("UOBM"), which forms the foundation for the development of PGB Tech Park. This partnership extends beyond financing, UOBM provides sustainability advisory services, access to tailored green financing solutions and regional investor engagement support. These elements collectively position the project for long-term success while reinforcing our ESG-driven approach to industrial development.

In conjunction with this collaboration, we co-hosted the "Seizing Business Opportunities in Johor" forum alongside UOBM, Invest Johor and the Malaysian Investment Development Authority ("MIDA"). This platform enabled PGB to showcase its offerings, engage with investors and promote Johor's growing appeal as a hub for commercial and industrial investment.

Another key milestone was our Memorandum of Collaboration with GreenRE Sdn. Bhd. ("GreenRE"), a recognised green building certification body under the Real Estate and Housing Developers' Association ("REHDA"). This partnership builds on our earlier sustainability progress, including provisional GreenRE certifications for both Desa 27 and PGB Workers Hostel, and supports our certification aspirations for upcoming flagship developments such as The Iconic by PGB and Calia Residence by PGB, both targeted for GreenRE Gold certification. It reflects our strategic intent to embed measurable ESG outcomes throughout the entire project lifecycle, from planning and design through to construction and post-completion performance.

These partnerships underscore our disciplined approach to value creation, prioritising collaborations that are strategically aligned, investor-relevant and sustainability-driven.

Meanwhile, we undertook a thoughtful recalibration of our strategic collaborations during the year. In mutual agreement with Solarvest Holdings Berhad, the MOU entered in FY2024 was brought to a close, allowing both parties to independently pursue their respective sustainability pathways. This decision reflects our disciplined approach to partnership curation, anchored in long-term strategic fit and value creation.

Collectively, these engagements reflect our growing ability to forge high-impact partnerships, attract institutional confidence and extend our presence across Malaysia's dynamic real estate and industrial landscape.

### **Future Development and Outlook**

Looking ahead, we are strategically positioned to accelerate value creation through a disciplined rollout of high-potential developments across Johor's most dynamic growth corridors. With a firm focus on long-term planning and execution, our pipeline continues to evolve in response to market demand, national development priorities and sustainability imperatives.

At Pekan Sentral Phase 3, we will intensify sales efforts to unlock commercial value, capitalising on the area's expanding catchment and enhanced connectivity. For the PGB Workers Hostel, our priority remains on securing additional tenants to optimise occupancy, supported by the increasing presence of industrial employers in the vicinity. Desa 27, meanwhile, reinforces our credentials in sustainable development. With current plots having attained provisional GreenRE Bronze certification, our efforts will be shift toward scaling tenancy and positioning the site as a benchmark for ESG-aligned industrial solutions tailored to modern occupier needs.

Our future-ready residential portfolio is also gaining momentum. The Iconic by PGB, a premium residential development strategically located near the RTS Link, will offer transit-oriented urban living and is targeted for GreenRE Gold certification. Similarly, Calia Residence by PGB, our vibrant coastal development under a DRA, will deliver quality residential offerings in the heart of Danga Bay and is also targeted for GreenRE Gold certification. Both projects reflect our commitment to thoughtfully designed, sustainability-aligned urban assets that meet evolving lifestyle needs and investor expectations.

Beyond our active developments, we are poised to unlock the potential of newly acquired and secured land parcels across strategic zones in Johor. Upcoming initiatives will focus on industrial, commercial and transit-oriented developments, leveraging connectivity infrastructure such as the RTS Link and benefit from Johor's growing appeal as a regional economic hub.

To complement our upcoming launches and strengthen market engagement, the Group opened the new PGB Experience Gallery in April 2025. This dedicated space enhances our ability to showcase both current and future offerings, delivers an immersive customer journey and reinforces PGB's brand presence across Johor's key growth corridors. It also functions as a strategic platform to support our evolving sales and marketing initiatives as we scale our development pipeline.

We remain confident in our ability to deliver consistent performance and purposeful transformation, shaping resilient communities and building future-ready assets that align with the evolving needs of businesses, society and the environment.

## SUSTAINABILITY COMMITMENT

*Building Green, Moving Forward with Purpose*



"Sustainability is at the core of our business strategy. We believe that by developing GreenRE-certified projects, we are not only creating value for our stakeholders but also contributing to a more sustainable future for Malaysia."

— Dato' Sri Edwin Tan Pei Seng, Executive Chairman

At PGB, sustainability is a foundational pillar of our value creation strategy. As stakeholder expectations and regulatory landscapes evolve, we remain focused on building a resilient and responsible organisation that delivers long-term value through environmental stewardship, social inclusivity and sound governance.

FY2025 marked a pivotal chapter in our sustainability journey. We deepened the integration of sustainability principles across our operations, strategic planning and project execution. Guided by a comprehensive materiality assessment and aligned with the United Nations Sustainable Development Goals ("UNSDGs"), we enhanced internal capabilities, strengthened data governance and elevated disclosures in response to rising expectations from regulators, investors and the broader community.

We are actively preparing for the phased adoption of the International Financial Reporting Standards ("IFRS") S1 General Requirements for Disclosure of Sustainability Related Financial Information and S2 Climate related disclosure—Malaysia's designated baseline for sustainability reporting under the National Sustainability Reporting Framework. These standards chart a clear pathway toward consistent, high-quality sustainability disclosures and we are committed to achieving full compliance by FY2029. We also remain aligned with Bursa Malaysia Securities Berhad's enhanced Sustainability Reporting Framework, reinforcing our commitment to transparency, accountability and stakeholder trust.

During the year, we made tangible progress on our development-led sustainability ambitions. PGB Tech Park, Calia Residences by PGB and The Iconic by PGB are all being designed to achieve GreenRE Gold certification, underscoring our commitment to deliver ESG-aligned infrastructure across industrial and urban residential segments. Additionally, Desa 27 and the PGB Workers Hostel have attained provisional GreenRE certifications, further reinforcing our ongoing efforts in sustainable construction, operational efficiency and responsible resource management.

FY2025 also marked our first year of disclosing Scope 1, Scope 2 and Scope 3 greenhouse gas ("GHG") emissions, as we stepped up our decarbonisation planning and broadened our emissions coverage in line with global best practices. Socially, we continued driving value through fair labour practices, workplace health and safety initiatives and meaningful community engagement.

Looking ahead, we will continue scaling our climate resilience efforts, strengthening sustainability-linked performance indicators and working collaboratively with stakeholders to unlock greater ESG impact. We are especially proud to partner with UOBM to support sustainability-linked industrial development and green financing solutions, beginning with the development of PGB Tech Park.

We invite our stakeholders to refer to the Sustainability Statement of this Annual Report for detailed disclosures, performance data and future priorities. Our ambition is clear, to drive growth that is not only commercially successful, but also environmentally restorative and socially inclusive.

## FINANCIAL REVIEW



The Group delivered a strong financial turnaround, underpinned by improved revenue recognition, disciplined capital management and strategic land monetisation.

Revenue surged to RM306.26 million, more than sixfold from RM50.97 million recorded in the previous financial year. This remarkable improvement was primarily driven by the recognition of land sales and progressive development billings from ongoing developments. This translated into a commendable gross profit of RM155.14 million, reflecting a healthy gross margin of 51%, compared to RM13.05 million in FY2024.



Profit before taxation rose sharply to RM140.15 million, reversing the prior year's marginal RM0.84 million profit. After accounting for tax and non-controlling interests, net profit stood at RM105.64 million, a strong rebound from the RM1.24 million loss in FY2024. Earnings per share improved to 14.15 sen, reinforcing the Group's improved profitability and value delivery.

The Group's financial position also strengthened, with total assets rising to RM780.64 million (FY2024: RM470.47 million), primarily driven by higher investment properties and inventories. Investment properties increased to RM217.60 million (FY2024: RM144.93 million), reflecting continued progress on key projects, including Desa 27, PGB Workers Hostel and Sepang Medical Centre. Inventories rose to RM440.90 million (FY2024: RM252.53 million), supported by active landbank acquisitions.

Shareholders' equity expanded to RM403.71 million, buoyed by the year's strong earnings. Net asset per share increased to RM0.54 (FY2024: RM0.40). Borrowings increased to RM294.92 million (FY2024: RM141.20 million), in line with funding needs for land acquisitions and project development. Despite the higher debt level, the Group's maintained a prudent gearing ratio, backed by a stronger asset coverage and capital buffers.

Overall, this year's solid financial performance underscores the Group's ability to unlock value through strategic landbanking, sound development planning and disciplined financial execution. As we progress, the focus remains on sustaining earnings visibility, enhancing capital efficiency and delivering long-term value for all stakeholders.

For a comprehensive analysis of the Group's financial performance, please refer to the "Management Discussion and Analysis" section of this Annual Report.

## PROSPECTS AND OUTLOOK

The Malaysian property market is expected to sustain its upward trajectory into 2025, supported by the country's strategic geographic position, multicultural demographic profile, pro-investment policies and the ongoing implementation of catalytic infrastructure and transformational developments. These fundamentals continue to enhance Malaysia's attractiveness to both domestic and foreign investors.

According to the National Property Information Centre's ("NAPIC") Property Market Report 2024, the REHDA Malaysia remains optimistic about the industry's outlook with 2024 property transaction hitting decade high levels in both volume and value. Growth was broad-based across residential, commercial and industrial segments, with the commercial sector driving much of the momentum.

Market sentiment is further supported by anticipated declines in global interest rates, rising capital inflows and improving buying sentiment. These developments align strongly with PGB's strategic focus on commercial and industrial developments across Johor's most dynamic growth corridors.

Malaysia's economic growth is projected to remain strong, with the Ministry of Finance forecasting GDP expansion of between 4.5% and 5.5% in 2025. The nation's deepening regional integration, including its active role within ASEAN and recent accession into the BRICS economic bloc, offers a broader platform to attract cross-border investments, enhance trade linkages and promote inclusive, sustainable development.

Within Johor, the establishment of the JSSEZ, alongside progress on the RTS Link, is expected to significantly enhance cross-border mobility, stimulate industrial activity and unlock new investment flows. These catalytic developments reinforce Johor's position as a strategic hub for bilateral trade, advanced manufacturing, logistics and real estate development.

Parallel to this, Malaysia's digital economy continues to gain momentum as a key engine of growth, with rising demand for data centre infrastructure, artificial intelligence ("AI")-enabling technologies and high-connectivity industrial estates. Johor, in particular, is emerging as a preferred destination for hyperscale data centres and digital infrastructure investment, driven by land availability, strategic connectivity, competitive energy costs and policy support. This growing digital ecosystem presents compelling opportunities for future-ready real estate development. PGB's recent land monetisation to a leading hyperscale data centre provider, along with our strategic positioning in key corridors, underscores our readiness to support this digital transformation.

In this evolving landscape, we anticipate greater demand for ESG-compliant industrial and residential spaces designed with flexibility, resilience and sustainability in mind. Our active and upcoming developments such as Desa 27, PGB Tech Park, Calia Residence by PGB and The Iconic by PGB are purpose-built to capture this demand, each targeting GreenRE certification. Meanwhile, our recently secured land parcels provide further scalability for long-term expansion.

Meanwhile, the regulatory environment is evolving to embed sustainability into the core of corporate governance and disclosure. The phased rollout of the National Sustainability Reporting Framework ("NSRF"), aligned with IFRS S1 and S2 standards, will drive higher transparency and accountability across all public-listed companies. We welcome these developments as a positive catalyst to accelerate our ESG journey, deepen investor trust and strengthen our market positioning.

Over the longer term, structural shifts in global economic dynamics and the emergence of megatrends including rapid digitalisation, AI adoption and the transition to a low-carbon economy, are set to redefine industry benchmarks and stakeholder expectations. While these changes pose new challenges, they also open up transformative opportunities for developers with the foresight, capability and agility to respond.

As such, PGB remains focused on disciplined execution, market responsiveness and sustainability-led development. Backed by a scalable landbank, ESG-aligned project pipeline and adaptive leadership, we are well-positioned to deliver resilient growth while contributing meaningfully to national development priorities. Moving forward, we will continue to explore strategic partnerships, value-accretive joint ventures and targeted land acquisitions guided by real-time market insights, evolving customer preferences and policy alignment. With agility, vision and purpose, the Group is committed to shaping a future-ready development platform that thrives in a rapidly transforming economic landscape.

## DIVIDEND POLICY



The Board has resolved not to adopt a formal dividend distribution policy at this juncture. This decision reflected the Board's prudent capital management approach, particularly in view of ongoing volatility and the need to maintain financial resilience in an evolving operating landscape.

In line with this approach, the Group is prioritising cash preservation to ensure liquidity, support operational needs and strengthen our ability to execute ongoing and future development plans. This disciplined stance enables us to respond swiftly to market opportunities while safeguarding long-term shareholder value.

Notwithstanding the absence of a formal dividend policy, the Group remains committed to delivering sustainable returns to shareholders over time. Earnings retained are strategically reinvested into high potential growth areas, particularly within the industrial and commercial development segments, which are expected to serve as key growth engines for the Group in the years ahead.

By maintaining capital flexibility and focusing on long-term value creation, the Group aims to enhance its asset portfolio, build recurring income streams and reinforce its position as a forward-looking property developer.

## APPRECIATION AND ACKNOWLEDGMENT



On behalf of the Board, I would like to express my sincere appreciation to our valued customers, shareholders, business partners, suppliers, bankers, regulators and government authorities for their continuous trust and steadfast support of PGB.

I am deeply grateful for the confidence and support our stakeholders have placed in us throughout the year. I also extend my heartfelt gratitude to our management team and employees for their dedication, resilience and invaluable contributions as we continue to evolve and adapt to the ever-changing market landscape.

To my fellow Directors, I extend my sincere appreciation for your strategic guidance, prudent counsel and unwavering commitment to sound governance and oversight.

PGB's story is one of purposeful evolution—of building resilience through foresight, growing through collaboration and delivering impact that extends well beyond financial performance. As we step into a new financial year, we do so with purpose, agility and an enduring focus on sustainable value creation.

Thank you.

**Dato' Sri Edwin Tan Pei Seng**  
Executive Chairman





# MANAGEMENT

## DISCUSSION AND ANALYSIS

Dear Valued Shareholders,  
On behalf of the Management and Board of Directors ("Board"), I am pleased to present the Management Discussion and Analysis of Paragon Globe Berhad ("PGB" or "Group") for the financial year ended 31 March 2025 ("FY2025").

**Dato' Sri Godwin Tan Pei Poh**  
*Group Executive Director*



The Group achieved a landmark financial outcome, delivering its highest-ever revenue since transformation into a property developer. Total revenue surged to RM306.26 million, primarily driven by strong contributions from the Group's core property development activities. Profit before tax rose significantly to RM140.15 million, reflecting disciplined project execution, improved market demand and a strategic focus on high-growth development corridors.

This outstanding achievement underscores the resilience and agility of our business model. Amid ongoing global and domestic uncertainties, we continued to capitalise on emerging opportunities, optimise capital deployment and reinforce our long-term value creation strategy.

## MACROECONOMIC AND MARKET LANDSCAPE



The global economy entered a transitional phase over the past year. While geopolitical tensions and climate risks remained elevated, major economies experienced divergent growth patterns as monetary policy began easing interest rates after a prolonged period of monetary tightening. Amid these shifts, Asia demonstrated continued resilience was supported by sustained infrastructure investment, rapid digital innovation and strong domestic demand.

In Malaysia, the macroeconomic environment remained broadly supportive of real estate development. Bank Negara Malaysia maintained the Overnight Policy Rate ("OPR") at 3.00%, while headline inflation continued to ease, reaching 1.4% in early 2025. These dynamics bolstered private sector activity, credit affordability and investor confidence. The real estate sector, in particular, saw renewed momentum, especially in growth corridors supported by public infrastructure, government incentives and targeted foreign investment.

Johor stood out as a key regional growth engine. The advancement of the Johor-Singapore Special Economic Zone ("JSSEZ"), progress on the Rapid Transit System ("RTS") Link and continued infrastructure investments drew rising demand for industrial parks, commercial spaces and ESG-aligned developments. PGB's upcoming launches and project pipelines are well-positioned to capitalise on these structural tailwinds. With a focus on sustainable and transit-oriented developments, the Group is set to meet evolving market demand while supporting long-term financial performance.

## OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS



PGB is an investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), with core operations in property development, construction and investments. The Group is anchored in the creation of long-term value through land monetisation, development execution and sustainable capital management.

In FY2025, the Group deepened its presence across Johor's key growth corridors, with a strategic focus on value creation through effective execution across our development portfolio, monetisation of land assets and continued advancement of its ESG agenda. Ongoing projects span a mix of commercial and industrial developments, including modular factories, institutional buildings and workers' accommodation with growing emphasis on ESG-aligned outcomes. These efforts were supported by healthy take-up rates, tenant pre-commitments and long-term lease arrangements with reputable anchor partners.

Concurrently, the Group initiated planning for its next phase of growth, comprising integrated industrial developments and high-rise residential offerings that reflect evolving buyer preferences and sustainability trends. Strategic landbank expansion also continued through selective acquisitions in high-growth zones, reinforcing the Group's long-term positioning. Across all segments, the Group's investment strategy remains underpinned by prudent capital deployment, sustainability considerations and agility in responding to evolving market and regulatory dynamics.

## MANAGEMENT

### DISCUSSION AND ANALYSIS











## REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION



Building upon the supportive macroeconomic conditions and regional growth trends outlined earlier, FY2025 marked a year of exceptional financial progress for PGB. The Group capitalised effectively on improved market sentiment, infrastructure-driven demand in Johor and renewed investor confidence, particularly within the commercial and industrial property segments.

Against this backdrop, PGB delivered strong financial results, reflecting the Group's disciplined project execution, prudent cost management and strategic monetisation of land assets. This section presents a review of the Group's financial performance, segmental contributions, balance sheet strength and key financial indicators, highlighting our readiness to scale future opportunities in FY2026.

### Key Highlights

FINANCIAL PERFORMANCE	BALANCE SHEET STRENGTH
 <p>Highest-ever Revenue <b>RM 306.26 MILLION</b> ↑ &gt;500%</p>	 <p>Total Assets <b>RM 780.64 MILLION</b> ↑ 66%</p>
 <p>Profit before taxation <b>RM 140.15 MILLION</b></p>	 <p>Shareholders' Equity <b>RM 403.71 MILLION</b> ↑ 35%</p>
 <p>Gross Profit Margin <b>51%</b></p>	 <p>Cash &amp; Bank Balances <b>RM 30.51 MILLION</b> ↑ 20%</p>
 <p><b>99.97% OF REVENUE</b> from property development</p>	 <p>Debt-to-Equity Ratio <b>0.93</b> ↑ 60%</p>
 <p>EPS <b>14.15 SEN</b> ↑ &gt;500%</p>	 <p>Net asset per share <b>RM 0.54</b> ↑ 35%</p>

### Financial Performance Review

Financial Results	FY2025 RM'000	FY2024 RM'000	Variances	
			RM'000	%
Revenue	<b>306,257</b>	50,970	255,287	>100.00
Gross profit	<b>155,141</b>	13,051	142,090	>100.00
Other income	<b>6,277</b>	3,576	2,701	75.53
Administration expenses	<b>(15,333)</b>	(14,576)	(757)	(5.19)
Finance costs	<b>(5,657)</b>	(1,068)	(4,589)	>100.00
Profit/(Loss) for the financial year	<b>105,641</b>	(1,242)	104,399	>100.00
Earnings/(Loss) per ordinary share attributable to owners of the parent ("EPS") (sen)	<b>14.15</b>	(0.17)	13.98	>100.00

PGB achieved record-breaking results in FY2025, with revenue surging over sixfold to RM306.26 million from RM50.97 million in FY2024. The growth was primarily driven by the monetisation of land assets, the successful handover of completed property development units and progressive development billings from ongoing commercial projects. These achievements underscore the Group's success in unlocking value from its landbanks while maintaining disciplined project execution.

The improved topline translated into gross profit of RM155.14 million, up from RM13.05 million in the previous year, representing a gross margin of 51%. This improvement was underpinned by better cost management, higher-margin projects and greater development scale. Other income increased to RM6.28 million (FY2024: RM3.58 million), supported by enhanced investment returns and other non-core contributions.

Administrative expenses rose marginally to RM15.33 million, reflecting scalability and continued discipline in overhead management despite higher activity levels. Meanwhile, finance costs increased to RM5.66 million from RM1.07 million, primarily due to higher borrowings undertaken to support land acquisitions and project expansion, strategic decisions aligned with the Group's long-term growth ambitions.

These strategic initiatives led to a turnaround in net profitability. The Group posted a net profit of RM105.64 million for FY2025, reversing from the RM1.24 million net loss in FY2024. Correspondingly, the EPS rose to 14.15 sen, compared a loss of 0.17 sen previously, reflecting the Group's return to profitability and enhanced value for shareholders.

## MANAGEMENT

### DISCUSSION AND ANALYSIS

#### Segmental Financial and Operational Performance Review

PGB's operations are anchored in three (3) core business segments: property development, construction and investments. The Group's FY2025 performance reflects a strong rebound in the core segment, alongside strategic repositioning and capital discipline across all areas.

Segment	Revenue		Profit Before Taxation	
	FY2025 RM'000	FY2024 RM'000	FY2025 RM'000	FY2024 RM'000
Property development	306,156	48,732	150,873	9,779
Investments	101	485	(9,973)	(8,452)
Construction	-	1,753	(748)	(489)
<b>Total</b>	<b>306,257</b>	<b>50,970</b>	<b>140,152</b>	<b>838</b>

#### Property Development

The property development segment continued to serve as the Group's main revenue contributor, accounting for approximately 99.97% of total revenue. Revenue rose significantly to RM306.16 million, while profit before taxation surged to RM150.87 million. This strong performance was largely driven by the recognition of land sales and progressive billings from active developments such as Phase 3 of Pekan Sentral Shop Offices and detached factories.

The sustained momentum was supported by a stable monetary environment that helped maintain buyer confidence and access to financing. Complementing this external backdrop, the Group's disciplined project execution and proactive cost management ensured that development timelines were met, margins preserved and operational efficiency maintained.

Looking ahead, the Group is strengthening its strategic positioning through a pipeline of upcoming projects, including an ESG-compliant industrial hub and two two high-rise residential developments — Calia Residence by PGB and The Iconic by PGB. All three (3) projects are targeting for GreenRE Gold certification and are strategically aligned with infrastructure-led growth and the Group's sustainability ambitions.

PGB will continue focusing on monetising completed inventories, advancing ongoing developments and launching new and market-responsive projects to ensure long-term competitiveness. Strategic partnerships, development rights agreements and joint ventures will also be pursued to optimise capital efficiency and enhance project returns. New opportunities undergo internal assessment and are tabled for Board deliberation and approval. In parallel, the Group aims to deepen the integration of sustainability design principles and smart infrastructure into future developments, reinforcing its commitment to delivering long-term value for stakeholders.



### Construction

The construction segment did not contribute revenue in FY2025, compared to RM1.75 million in FY2024, as efforts were primarily focused on internal construction activities supporting the Group's developments pipeline. A segmental loss before taxation of RM0.75 million, compared to RM0.49 million in the preceding year, largely due to fixed overheads and the absence of external contracts.

To strengthen its contribution moving forward, the Group has initiated efforts to secure external construction contracts that are synergistic with its expertise, particularly in industrial and commercial sectors. Emphasis will be placed on projects with strong counterparties and favourable risk-return profiles. These initiatives are expected to diversify revenue streams, improve segmental performance and enhance overall Group earnings, while upholding high construction quality and operational safety standards.

### Investments

The investment segment generated of RM0.10 million in revenue with a segmental loss before taxation of RM9.97 million. The loss was primarily attributed to an increase in administrative expenses, while this was partially offset by fair value gains on the Group's investment assets, thereby moderating the overall financial impact.

Despite its modest scale, the segment plays an important role in the Group's prudent financial stewardship and responsible capital management practices. Going forward, the Group will explore strategic and yield-accretive investment instruments while maintaining liquidity and mitigating downside risks. A structured evaluation framework ensures all opportunities are aligned with the Group's long-term financial objectives.

### Financial Position Review

Financial Results	FY2025 RM'000	FY2024 RM'000	Variances	
			RM'000	%
Investment properties	<b>217,596</b>	144,932	72,664	50.14
Inventories	<b>440,901</b>	252,533	188,368	74.59
Cash and bank balances	<b>30,510</b>	25,389	5,121	20.17
Total assets	<b>780,643</b>	470,469	310,174	65.93
Borrowings	<b>294,919</b>	141,203	153,716	>100.00
Total liabilities	<b>376,413</b>	171,880	204,533	>100.00
Total shareholders' equity	<b>403,715</b>	298,091	105,624	35.43

The Group's financial position registered marked improvement in FY2025, supported by stronger earnings and a balance sheet expansion in line with ongoing development momentum and capital planning objectives. As at 31 March 2025, total assets stood at RM780.64 million, representing a 65.93% increase from the previous year. This growth reflects the Group's continued investments in future-oriented development projects and landbanking efforts.

## MANAGEMENT DISCUSSION AND ANALYSIS

The sharp increase in inventories, which rose by 74.59% to RM440.90 million, was primarily attributed to several strategic land acquisitions undertaken during the year. These landbanks form the foundation for the Group's future pipeline of industrial and transit-oriented developments.

Investment properties rose to RM217.60 million, due to capitalisation relating to key assets such as Desa 27, PGB Workers Hostel and Sepang Medical Centre. These properties are intended to generate recurring income and strengthen the Group's asset portfolio over the long term.

Cash and bank balances amounted to RM30.51 million, reflecting adequate liquidity to meet operational requirements and near-term capital needs. The Group remains committed to preserving liquidity and deploying capital judiciously to support both ongoing and future development activities.

To support ongoing project and future growth, the Group's borrowings rose to RM294.92 million, bringing total liabilities to RM376.41 million. This increase reflects the Group's capital deployment to fund expansion initiatives, which are carefully managed in line with its financial capacity and growth outlook.

Despite the rise in liabilities, the Group's equity base remained strong. Total shareholders' equity expanded to RM403.71 million, a 35.43% increase from RM298.09 million in FY2024 driven by the Group's improved earnings performance and reinvestment of profits. The stronger equity position further reinforces the Group's ability to navigate evolving market conditions and pursue longer-term development aspirations.

Moving forward, the Group remains committed to maintaining a sound and balanced capital structure, ensuring that financial resources are aligned with strategic priorities, risk appetite and value creation goals.

### Key Financial Indicators

Key Financial Indicators	FY2025 times	FY2024 times	Variances	
			times	%
Current ratio	<b>3.29</b>	7.58	(4.29)	(56.60)
Debt to equity ratio	<b>0.93</b>	0.58	0.35	60.34
Gearing ratio	<b>0.73</b>	0.47	0.26	55.32
Net asset per share (RM)	<b>0.54</b>	0.40	0.14	35.00

In tandem with the Group's improved financial performance and reinforced balance sheet, key indicators of financial health reflected a more active capital posture aligned with PGB's expansion strategies and long-term development priorities.

As at 31 March 2025, the current ratio stood at 3.29 times, compared to 7.58 times in the preceding year. The decrease was primarily due to higher utilisation of current assets, particularly inventories and receivables, in support of active project execution and recent land acquisitions. Nevertheless, the Group's liquidity position remains sound, with current assets comfortably exceeding current obligations, underscoring the Group's continued ability to meet short-term financial commitments efficiently.

The debt to equity ratio increased to 0.93 times from 0.58 times in FY2024, reflecting the Group's strategic use of borrowings to finance growth initiatives, particularly in property development and landbank expansion. This capital structure remains within prudent thresholds and is supported by the Group's improved profitability and stronger equity base.

In parallel, the gearing ratio rose to 0.73 times from 0.47 times, consistent with the Group's deliberate and phased approach to leverage utilisation. The increase corresponds with a period of intensified capital deployment and development momentum, aligned with the Group's long-term value creation strategy.

Despite the increase in borrowings, the Group's net asset position improved significantly to RM0.54, up from RM0.40 a year earlier. This enhancement was driven by the strong earnings delivery during the year and contribute to long-term shareholder value appreciation.

Collectively, these indicators highlight a more dynamic financial position, balancing liquidity, capital efficiency and equity growth. As the Group advances into FY2026, it remains focused on strategic capital allocation, responsible gearing and disciplined financial stewardship to support sustainable expansion.

#### **Capital Management and Liquidity**

In FY2025, the Group maintained a balanced and forward-looking capital management strategy to support its business expansion, land acquisitions and ongoing development projects. Capital was deployed selectively towards initiatives aligned with long-term value creation, while liquidity was closely monitored to preserve financial flexibility.

As at 31 March 2025, cash and bank balances stood at RM30.51 million, up from RM25.39 million in FY2024. This increase reflects prudent cash flow management amidst rising operational activities and landbank investments. The Group remains committed to maintaining adequate liquidity buffers to meet working capital needs and future capital commitments.

To support the Group's expansion, total borrowings increased in line with project financing requirements and land acquisitions. The resulting gearing and debt-to-equity ratios, though higher, remained within manageable thresholds and were supported by improved profitability and a stronger equity position. The Group continues to actively manage its funding mix and maturity profile to ensure sustainable debt servicing capacity.

Internally generated funds, complemented by strategic financing arrangements, formed the primary source of capital in FY2025. The Group adopts a disciplined approach to capital deployment, ensuring that every investment is evaluated for risk and alignment with business priorities. Capital decisions are reviewed and approved by the Board, guided by governance principles and long-term shareholder interests.

Moving forward, PGB will continue to optimise its capital structure, balancing between growth financing and risk management. The Group's priority remains focused on maintaining financial agility, ensuring sufficient liquidity and preserving headroom to seize value-accretive opportunities in Johor's rapidly evolving property landscape.

### RISK MANAGEMENT



As PGB pursues its strategic ambitions in an increasingly complex environment, effective risk management remains fundamental to value creation and stakeholder confidence. Risk oversight is guided by the Group Risk Management (“GRM”) Framework, with governance oversight provided by the Board and Risk Management Committee.

During FY2025, risk assessments were undertaken in alignment with the Group’s strategic and sustainability objectives. Sustainability-related risks have been integrated into the GRM Framework, ensuring material sustainability concerns are evaluated alongside financial, operational, legal and reputational factors.

The Group remains exposed to a range of evolving risks, including macroeconomic volatility, regulatory changes, cyber threats and climate-related disruptions. While many are external and beyond direct control, they can materially impact on the Group’s operating environment. In response, Management actively monitors developments and deploys mitigation measures to safeguard business continuity and financial resilience. These efforts are underpinned by our internal controls and are further detailed in the “Statement on Risk Management and Internal Control” section of this Annual Report.

The following outlines key thematic risks currently anticipated or known to have a material impact on the Group’s operations, strategic direction and financial performance.

#### Strategic and Operational Risks

The property development sector is inherently cyclical and shaped by macroeconomic conditions, policy shifts and consumer sentiment. The Group faces risks including market saturation, intensified competition, shifting buyer preferences and potential property overhang. These dynamics may affect take-up rates, project viability and long-term growth prospects.

In parallel, the Group is exposed to project-specific risks, such as delays in regulatory approvals, escalating construction costs, subcontractor performance issues and site disruptions. These challenges may result in cost overruns, reputational harm or the imposition of liquidated damages if project timelines are not met.

To mitigate these risks, the Group adopts a disciplined, forward-looking approach to land acquisition, feasibility planning and phased development. Operational and marketing plans are reviewed and refined regularly to remain align with evolving market conditions. The Group also maintains close oversight of construction progress and project timelines, ensuring responsiveness to emerging challenges while safeguarding product quality and delivery commitments.

The Group remains committed to enhancing strategic foresight and execution discipline to ensure timely project delivery, market responsiveness and operational resilience in an evolving property landscape.

#### Financial and Liquidity Risks

The Group’s capital deployment and expansion activities expose it to a range of financial risks, including cost escalation, cash flow volatility and interest rate sensitivity. Rising construction costs, wage pressures or supply chain disruptions could compress project margins, while slower inventory monetisation may affect cash flow stability.

In FY2025, the Group’s gearing level increased in tandem with strategic land acquisitions and project scale-up activities. While OPR remained stable, potential future rate adjustments may elevate financing costs and impact buyer affordability, especially in more price-sensitive market segments, posing challenges to both margin preservation and sales performance.



The Group also remains alert to the risk of property overhang, driven by potential market oversupply or demand softening. While FY2025 recorded strong revenue and healthy take-up in key projects, prolonged sales cycles could affect working capital efficiency and financial outcomes.

To address these risks, PGB applies prudent financial stewardship by managing its debt profile within acceptable thresholds, securing procurement stability through long-term engagements, conducting market-aligned feasibility assessments and maintaining adequate liquidity buffers to meet operational needs. Borrowings are undertaken selectively to fund strategic initiatives, with capital deployment closely monitored to preserve flexibility and financial resilience.

Going forward, the Group will continue to adopt sound financial strategies and maintain a balanced capital structure to safeguard liquidity, protect margins and support sustainable long-term growth.

For further details on how the Group manages its capital and liquidity position, please refer to the “Capital Management and Liquidity” section of this Management Discussion and Analysis.

### Compliance and Governance Risks

As a listed entity, the Group operates within a comprehensive regulatory landscape encompassing corporate governance requirements, statutory obligations, contractual commitments and industry-specific guidelines. Non-compliance with these obligations may expose the Group to legal, financial and reputational risks.

To manage these risks, the Group maintains effective internal controls, conducts regular compliance reviews and enforces contract governance practices across departments. Ongoing staff training, internal audits and Board oversight ensure that updates to laws, regulations and Listing Requirements are promptly addressed and embedded into daily operations.

The Board and Management remain firmly committed to upholding sound governance and regulatory compliance as cornerstones of stakeholder trust and long-term organisational sustainability.

### Sustainability-Related Risks

Sustainability-related risks have become increasingly prominent amid rising stakeholder expectations, climate volatility and regulatory developments. The Group recognises potential risks related to environmental degradation, natural resource scarcity, sustainability non-compliance and failure to align operations with responsible business practices.

To mitigate these risks, PGB embeds sustainability principles into development planning, procurement, employee engagement and community outreach initiatives. In FY2025, the Group strengthened its sustainability disclosures in line with Bursa Securities’ enhanced requirements to support long-term brand equity and regulatory readiness. Operationally, the Group monitors emissions, implements waste reduction programmes and prioritises workplace safety and fair labour practices. These efforts reflect PGB’s ongoing commitment to sustainable value creation.

As sustainability regulations and stakeholder expectations continue to evolve, the Group remains committed to enhancing its sustainability disclosures, strengthening climate resilience, deepening stakeholder engagement and building a purpose-driven business model that balances profitability with societal and environmental impact.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Cybersecurity and Data Governance Risks

With increasing reliance on digital systems and the handling of sensitive stakeholder information, the Group faces heightened exposure to cybersecurity threats and data breaches. Risks include phishing attacks, unauthorised access and potential information technology ("IT") system failures that may disrupt operations or breach data protection regulations.

To address these challenges, PGB has implemented multi-layered security measures including access controls, staff awareness programmes and periodic IT risk reviews. Cybersecurity governance is anchored by senior management oversight, ensuring IT risks are proactively managed and digital trust is preserved.

The Group remains vigilant in fortifying its digital infrastructure and cultivating a cyber-aware culture to protect critical data assets and ensure business continuity in an increasingly digital environment.





## MOVING FORWARD



As PGB enters FY2026, the Group remains focused on disciplined execution, strategic expansion and sustainable value creation across its three (3) core segments: property development, construction and investments. Building on a strengthened balance sheet and operational momentum from FY2025, the Group is well-positioned to capitalise on growth opportunities in Johor's high-potential corridors, underpinned by an active project pipeline of market-aligned projects and scalable landbank.

In property development segment, the Group will continue progressing Phase 3 of Pekan Sentral Shop Offices. This will be complemented by upcoming developments such as PGB Tech Park, Calia Residence by PGB and The Iconic by PGB, each designed to meet evolving market demands and expand the Group's presence in strategic growth corridors. Market prospects remain encouraging, supported by strategic location advantages, infrastructure progress and growing investor interest in modern, future-ready spaces.

The construction segment will remain primarily focused on supporting the Group's internal developments. Concurrently, efforts will be made to secure external construction contracts to diversify revenue streams and enhance segmental resilience, supported by process optimisation and the adoption of industry best practices in project delivery.

In the investments segment, the Group will focus on securing tenants for its key assets, namely the PGB Workers Hostel and Desa 27, which are expected to generate recurring rental income upon full operationalisation. Through prudent management of existing assets and the identification of new opportunities, the Group aim to enhance financial performance and create long-term value for shareholders.

In early FY2026, the Group unveiled the PGB Experience Gallery to enhance customer engagement, increase project visibility and support upcoming development launches. Strategically located within Johor's key growth zones, the gallery serves as a dedicated platform to showcase PGB's development portfolio and elevate the overall buyer experience.

While the Board has not formalised a dividend policy, PGB remains committed to delivering sustainable shareholder returns. Retained earnings will be strategically reinvested in high-potential developments and new opportunities to support future growth and long term value creation.

The Group will also continue exploring new markets, evaluating strategic investment opportunities and strengthening operational efficiency through technology adoption and cost rationalisation initiatives. These efforts are complemented by our sustainability commitments and proactive stakeholder engagement, positioning PGB to thrive in a dynamic operating landscape.

Guided by sound governance, adaptive leadership and sustainability-driven execution, PGB is confident in its ability to deliver resilient performance, scale recurring income streams and advance strategic priorities to deliver long-term shareholder value in FY2026 and beyond.



# OUR COMMITMENT TO SUSTAINABILITY

---

Sustainability Overview	<b>39</b>	Minimising Our Environmental Footprint	<b>84</b>
Sustainability Journey	<b>41</b>	Valuing Our People And Community	<b>95</b>
Our Approach To Sustainability	<b>43</b>	Performance Data Table	<b>127</b>
Responsible And Sustainable Governance	<b>66</b>	External Assurance Statement	<b>130</b>
Strengthening Our Economic Outlook	<b>74</b>		





# SUSTAINABILITY STATEMENT

## SUSTAINABILITY OVERVIEW

### INTRODUCTION

Paragon Globe Berhad ("Company" or "PGB") is pleased to present our Sustainability Statement for the financial year ended 31 March 2025 ("FY2025"). This Sustainability Statement highlights our ongoing efforts to integrate sustainable practices into our business strategies and operations, addressing economic, environmental, social and governance ("ESG") considerations.

Our approach to sustainability is rooted in the belief that long-term business success is interlinked with responsible corporate conduct and stakeholder engagement. In this regard, we remain focused on enhancing value creation while fostering economic growth, environmental stewardship, social responsibility and governance practices.

This marks PGB's fourth Sustainability Statement ("Statement"), showcasing our progress, initiatives and performance across the four (4) pillars of sustainability. We continue to align our reporting with the Bursa Malaysia Securities Berhad ("Bursa Securities") Sustainability Reporting Guide (3rd Edition)("SRG"), the Malaysian Code on Corporate Governance ("MCCG") and relevant standards, ensuring transparency and consistency in our disclosures.

We invite our stakeholders to explore this Statement to gain insights into our sustainability journey, the strategies we have implemented and our commitment to fostering positive impacts across our business operations and communities.

### REPORTING SCOPE AND BOUNDARY

This Statement covers the business operations of PGB and its subsidiaries (collectively, "Group") within the geographical boundaries of Malaysia. The business segments covered in this Statement include property development, construction and investments, unless otherwise stated.

Comparative historical data and performance indicators from previous reporting periods are included where applicable to provide a clear perspective on our sustainability progress. The scope and boundaries defined in this Statement are consistent with the Sustainability Statement for financial year ended 31 March 2024, ensuring continuity and comparability in our reporting approach.

### REPORTING PERIOD

This Statement covers the period from 1 April 2024 to 31 March 2025, unless otherwise stated. Where significant sustainability initiatives or developments have occurred beyond the reporting period but are deemed relevant, they are also included to provide a more comprehensive perspective.



## ASSURANCE

To ensure the accuracy and integrity of our disclosures, this Statement has been reviewed by Management and approved by the Company's Audit Committee. In line with our commitment to transparency and credibility, we engaged Wensen Consulting Asia (M) Sdn. Bhd., an independent verifier, to conduct a limited assurance exercise on selected sustainability indicators disclosed in this Statement.

## REPORTING GUIDELINES AND FRAMEWORKS

This Statement has been prepared in accordance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") with reference to SRG, Bursa Securities Illustrative Sustainability Reporting Guide 2023, MCCG, as well as international frameworks such as the Global Reporting Initiative ("GRI") Standards 2021 and the United Nations Sustainable Development Goals ("UNSDGs").

## BOARD APPROVAL

The Board of Directors ("Board") has reviewed and approved this Statement and believes it provides a fair and factual account of the Company's performance for the year under review. The Board acknowledges its responsibility to ensure the accuracy, integrity and transparency of the information disclosed in this Statement through good governance practices and internal reporting procedures.

## FORWARD-LOOKING STATEMENTS

This Statement includes forward-looking statements that are meant to provide our stakeholders with the opportunity to understand our opinions and plans in respect of the future. These statements should not be considered as absolute guarantees or predictions of the Company's future outcomes. Readers are advised not to place undue reliance on them.

## FEEDBACK

We value the insights and perspectives of our stakeholders as they help us continuously improve our sustainability practices. Your feedback on our sustainability initiatives, practices and disclosure is highly appreciated. Please send your questions and/or suggestions regarding this Statement to [enquiry@pgbgroup.com.my](mailto:enquiry@pgbgroup.com.my).



## SUSTAINABILITY JOURNEY



**2018**

### Compliance-based Reporting

- Adopted Bursa Securities SRG.
- Ensured compliance with Listing Requirements.



**2019**

### Establishing Core Structures

- Established a formal sustainability governance structure.
- Developed stakeholder engagement mechanisms.



**2020 - 2021**

### Enhancing Data Readiness

- Addressed sustainability material matters and COVID-19 challenges.
- Continued data collection across identified material sustainability areas.



**2022**

### Building Strategic Commitment

- Established sustainability goals, policy and strategic framework.
- Formed the Sustainability Steering Committee and appointed a dedicated Sustainability Officer.
- Conducted our first materiality assessment and developed a Materiality Matrix.
- Aligned our business operations with relevant UNSDGs.



PGB's sustainability journey reflects our ongoing commitment to embedding responsible business practices across all aspects of our operations. Since 2018, we have progressively strengthened our sustainability foundation in alignment with Bursa Securities' SRG and the evolving expectations of our stakeholders.

In FY2025, PGB made meaningful progress in advancing its sustainability framework through targeted initiatives, reinforcing our commitment to responsible and forward-looking business practices.





## 2023

### Strengthening Governance and Reporting

- Positioned governance as a core priority and introduced dedicated goals.
- Strengthened the sustainability governance structure.
- Expanded materiality assessment to include external stakeholders.
- Rolled out the Sustainable Procurement Policy and Occupational Health and Safety ("OHS") Policy.
- Became a member to the United Nations Global Compact ("UNGC").



## 2024

### Enhancing ESG Integration

- Enhanced the comparability and consistency of reported sustainability data.
- Enhanced quantitative information for each reported sustainability matter.
- Introduced performance targets and collected corresponding performance data.



## 2025

### Advancing Sustainability Practices

- Conducted a full-scale materiality assessment involving both internal and external stakeholders.
- Enhanced the Sustainability Policy and refined governance structure to improve oversight.
- Disclosed climate-related disclosures through data tracking of Scope 1, Scope 2 and Scope 3 emissions (Category 6: Business Travel and Category 7: Employee Commuting).
- Expanded sustainability targets across areas such as occupational health and safety, labour practices, diversity and inclusion and green building certification.

In line with the Bursa Securities' enhanced sustainability reporting requirements and the phased implementation of the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards, specifically IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1") and IFRS S2 Climate-related Disclosures ("IFRS S2") (collectively, "IFRS Sustainability Disclosure Standards"), we will take the necessary steps to build internal capabilities, enhance data readiness and align with the required standards. As a Group 2 listed issuer, the Group is committed to achieve full adoption of IFRS S1 and IFRS S2 by FY2029.

As we move ahead, we will continue to enhance governance, strengthen data management systems and refine disclosure practices to stay ahead of regulatory developments. This includes aligning our reporting with internationally recognised standards to meet growing expectations for transparency, comparability and accountability in sustainability performance.

### OUR APPROACH TO SUSTAINABILITY

At PGB, our commitment to sustainability is rooted in strong governance practices. The Board plays a vital role in ensuring that material sustainability considerations are integrated into our strategy formulation, business planning and daily operations. As the highest governing body, the Board ensures that sustainability principles are embedded in our purpose, values and strategic goals, aligning them with PGB's long-term growth objectives.

In line with our commitment to adopting the IFRS Sustainability Disclosure Standards, the Board focuses on enhancing transparency of sustainability practices and aligning with global best practices. The Board actively oversees the management of sustainability-related risks, ensuring they are systematically identified, assessed and managed as part of our overall governance framework.

### SUSTAINABILITY FRAMEWORK

Our Sustainability Framework is designed to integrate sustainable practices across all aspects of our business operations, reflecting our commitment to long-term value creation. It serves as a structured approach to addressing sustainability-related risks and opportunities ("SROs") while maintaining alignment with both local and international sustainability standards.

The Sustainability Framework is supported by a sustainability governance structure, fostering a collaborative and informed approach to sustainability. By integrating SROs into our Group Risk Management ("GRM") Framework, we ensure a comprehensive approach to managing sustainability-related risks, thereby enhancing long-term business resilience.





The following table outlines our Group's Sustainability Framework:

Our Business	 Property Development	 Construction	 Investments	
Vision	To be a renowned property developer delivering innovative, high quality products with positive economic, social and environmental impacts to safeguard the interests of all stakeholders.			
Mission	To foster sustainable growth through responsible practices within our property development, construction and investment activities, aligning with the stakeholders’ needs.			
Sustainability Policy	Our Sustainability Policy serves as a strategic guide for integrating sustainable practices across our operations, ensuring responsible business conduct and long-term value creation.			
Sustainability Governance	Our Sustainability Governance structure ensures that sustainability initiatives are systematically embedded into decision-making processes through clear roles, oversight and coordination.			
Sustainability Pillars	 Governance	 Economic	 Environmental	 Social
Sustainability Goals	Responsible and Sustainable Governance	Strengthening Our Economic Outlook	Minimising Our Environmental Footprint	Valuing Our People and Community
Material Matters	<ul style="list-style-type: none"><li>Compliance to Laws and Regulations</li><li>Anti-Bribery and Anti-Corruption</li><li>Data Privacy and Security</li></ul>	<ul style="list-style-type: none"><li>Product Quality and Responsibility</li><li>Economic Performance</li><li>Supply Chain Management</li></ul>	<ul style="list-style-type: none"><li>Waste Management</li><li>Climate Change and Action</li><li>Water Management</li></ul>	<ul style="list-style-type: none"><li>Occupational Health and Safety</li><li>Labour Practices and Standards</li><li>Diversity and Inclusion</li><li>Community Development and Programmes</li></ul>
Communications	<ul style="list-style-type: none"><li>Annual Report</li><li>Company Website</li><li>Announcements</li></ul>		<ul style="list-style-type: none"><li>Annual Sustainability Statement</li><li>Annual General Meetings</li><li>Digital Platforms</li></ul>	
Stakeholders	<ul style="list-style-type: none"><li>Employees</li><li>Customers</li><li>Media</li><li>Government and Regulators</li></ul>		<ul style="list-style-type: none"><li>Shareholders and Investors</li><li>Contractors and Suppliers</li><li>Local Communities and Non-Government Organisations</li></ul>	
In alignment to:	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>			

# SUSTAINABILITY STATEMENT

## SUSTAINABILITY POLICY

Our Sustainability Policy forms the foundation of our commitment to integrating sustainable practices into our business operations. It aligns with our Sustainability Framework and guides our strategic decisions to ensure responsible value creation.

During the year, we strengthen the Sustainability Policy by enhancing risk management integration, establishing a clear escalation mechanism for sustainability-related matters and incorporating continuous improvement measures. These updates, recommended through an internal audit, were approved by the Board on 29 May 2025.

The revised policy reflects our commitment to proactive risk management and transparent governance. It has been communicated to relevant personnel to support consistent application across our operations. We continue to review and update our sustainability practices to align with evolving stakeholder expectations. For more information, please visit <https://pgbgroup.com.my>.

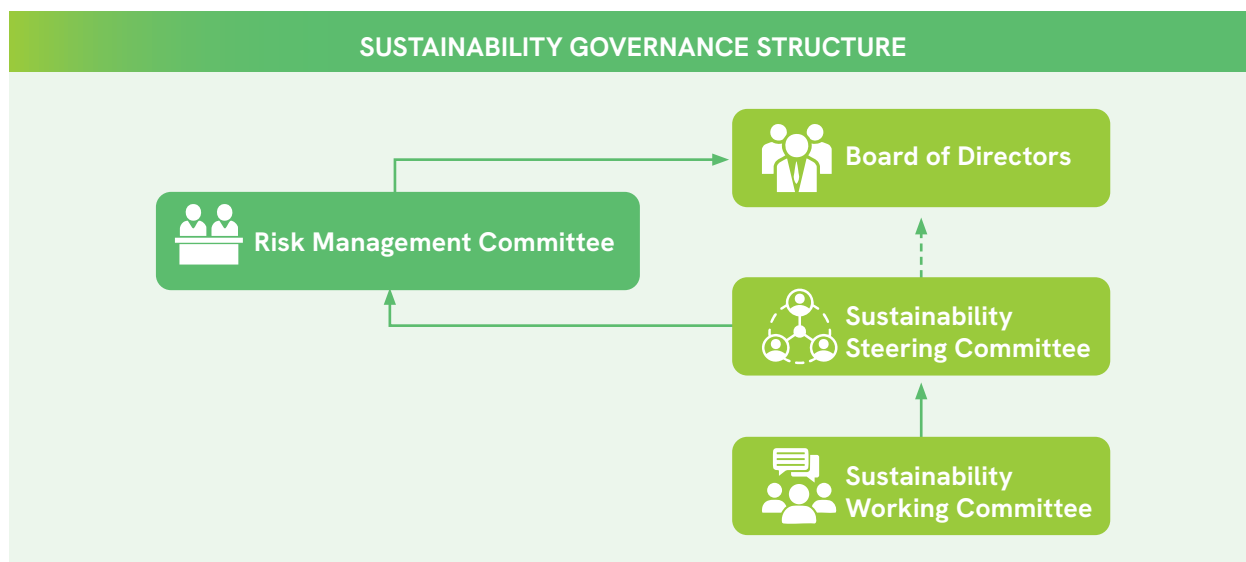
## SUSTAINABILITY GOVERNANCE

We believe that a well-defined sustainability governance structure is fundamental to achieving our long-term sustainability goals. It fosters accountability, strategic oversight and transparency, enabling us to effectively manage SROs across the Group.




Our governance structure is designed to systematically embed sustainability practices into decision-making processes, from strategic planning to operational execution. This approach ensures comprehensive oversight and effective implementation of sustainability initiatives at every level.

Following an internal audit of the sustainability management system, the internal auditor recommended enhancing the sustainability governance structure to improve efficiency and streamline reporting. In response, management initiated a restructuring process to consolidate sustainability risk oversight under the RMC. This change eliminates the Audit Committee ("AC") from the sustainability reporting line, reflecting the inherent link between sustainability risks and the Group's overall risk management. The revised structure has been approved by the Board on 29 May 2025, ensures that the Sustainability Steering Committee now directly reports to the RMC.

The following diagram illustrates the Group's revised sustainability governance structure, defining roles and responsibilities at every level to support effective decision-making and implementation.





Board and Committee	Roles and Responsibilities
 <p><b>The Board</b></p>	<ul style="list-style-type: none"> <li>• Holds ultimate responsibility for setting strategic direction of the Group's sustainability efforts.</li> <li>• Provides strategic oversight on material sustainability matters.</li> <li>• Approves sustainability strategies, policies and targets.</li> <li>• Ensures sustainability issues are regularly incorporated into the Board agenda.</li> <li>• Reviews and approves the Statement for annual reporting.</li> </ul>
 <p><b>RMC</b></p>	<ul style="list-style-type: none"> <li>• Oversees the integration of sustainability-related risks into the GRM Framework.</li> <li>• Advises on sustainability-related business strategies and policies.</li> <li>• Monitors sustainability performance against established targets.</li> <li>• Reviews sustainability-related risk management practices.</li> <li>• Recommends sustainability disclosures for Board approval.</li> </ul>
 <p><b>Sustainability Steering Committee ("SSC")</b></p>	<ul style="list-style-type: none"> <li>• Chaired by the Sustainability Officer ("SO") and comprising various Heads of Departments ("HOD"), serves as the key driver for implementing sustainability strategies across the Group.</li> <li>• Develops and reviews sustainability strategies, policies and targets.</li> <li>• Leads the integration of sustainability into corporate culture and daily operations.</li> <li>• Coordinates stakeholder engagement and materiality assessments.</li> <li>• Tracks sustainability performance and provides updates to the RMC.</li> <li>• Reviews and endorses the Statement before submission to the Board.</li> </ul>
 <p><b>Sustainability Working Committee ("SWC")</b></p>	<ul style="list-style-type: none"> <li>• Serves as the operational arm of sustainability governance, responsible for executing sustainability initiatives and tracking their progress.</li> <li>• Implements sustainability-related initiatives across all business segments.</li> <li>• Facilitates data collection, stakeholder engagement, materiality assessment and performance monitoring.</li> </ul>

Our governance structure supports continuous monitoring of sustainability practices. The SSC meets quarterly to discuss SROs, while the SWC conducts monthly reviews to track progress and implementation. Additionally, the RMC and the Board meet biannually to ensure strategic alignment and oversees the progress of sustainability initiatives.

By maintaining a clear and effective governance structure, we ensure that sustainability remains a core component of the Group's strategic and operational framework. This alignment between sustainability initiatives and risk management processes supports our commitment to responsible business practices and long-term value creation.

Scan here to access our Sustainability Governance Structure



## Integration of Sustainability Risks into Risk Management

Sustainability-related risks and opportunities are systematically integrated into the GRM Framework, ensuring they are addressed alongside operational, financial and strategic risks. The RMC plays a central role in overseeing the identification, evaluation and monitoring of these risks, supported by designated risk owners at operational level.

All material sustainability risks are recorded in the Group's risk register and are reviewed regularly to reflect the evolving sustainability landscape. The sustainability governance structure ensures that these risks are escalated appropriately, with updates by the SSC to the RMC. This approach enhances the Group's ability to respond to emerging sustainability challenges and ensures that sustainability-related exposures are addressed within the broader enterprise risk oversight process. By embedding SROs into the GRM Framework, we reinforce our commitment to sustainable and responsible business practices while strengthening long-term organisational resilience.

## SUSTAINABILITY GOALS

Our sustainability goals guide our efforts to integrate responsible practices throughout our business operations. These goals reflect our commitment to generating sustainable value while addressing SROs. We have established clear goals under each of our four (4) sustainability pillars to drive balanced and sustainable growth.



### Responsible and Sustainable Governance

We are committed to upholding the highest standards of ethics, transparency and accountability. By fostering trust and ensuring compliance with laws and regulations, we build a solid foundation for sustainable growth.



### Strengthening our Economic Outlook

We aim to drive sustainable growth that goes beyond financial performance, safeguarding stakeholder interests while making positive economic impacts that benefit the broader community.



### Minimising our Environmental Footprint

We aim to reduce our environmental impact through efficient resource management and waste minimisation, ensuring long-term sustainability for future generations.



### Valuing our People and Community

We are dedicated to respecting human rights, emphasising employees' safety, encouraging personal growth within a diverse and inclusive work environment. Through community engagement, we support social well-being and sustainable development.

## STAKEHOLDERS ENGAGEMENT

Engaging with stakeholders is fundamental to advancing our sustainability journey. Through ongoing collaboration with diverse stakeholder groups, we identify key concerns, develop responsive strategies and strengthen our sustainability practices. These engagements cultivate trust, improve transparency and strengthen relationships that support sustainable business growth.

We recognise our accountability to a diverse group of stakeholders - including individuals and groups directly impacted by our operations, as well as those who influence our business direction. These stakeholders were identified based on their levels of influence and dependence on the Group's activities.

**Stakeholder Engagement FY2025**

In line with Bursa Securities SRG, we conduct regular reviews of our material matters, including limited-scale assessments and comprehensive full-scale exercises every three (3) years.

A stakeholder engagement survey was conducted from 9 April 2025 to 23 April 2025, involving both internal and external stakeholders. Although the number of invitees slightly declined (from 1,786 in 2023 to 1,771 in 2025), we recorded 82 responses, representing a 21% increase in the participation rate compared to the previous full-scale exercise.

The survey focused on evaluating the relative importance of the thirteen (13) material matters, categorised under the four (4) sustainability pillars. The results of the assessment reflect a recalibration in the prioritisation of matters to better represent current stakeholder expectations and emerging sustainability themes.

This comprehensive approach to stakeholder engagement underscores our commitment to inclusive and transparent practices. By continuously seeking diverse and representative feedback, we ensure that our sustainability strategy remains responsive to evolving stakeholder expectations and emerging challenges.

## Stakeholder Engagement Mechanisms

We engage regularly and maintain an ongoing dialogue with our stakeholders through both formal and informal channels. The insights we gather are crucial for identifying their key priorities and concerns, which we align our business and sustainability strategies to maximise value creation and balance their needs.

The table below outlines the modes of engagement, key areas of concerns and our responses for each stakeholder group.

Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
Shareholders and Investors	<b>A</b> Annual general meetings	▪ Anti-bribery and anti-corruption	▪ Conduct risk assessments to identify and mitigate potential risks.
	<b>A</b> Annual reports	▪ Branding and reputation	▪ Deliver sustainable growth aligned with annual and long-term financial targets.
	<b>P</b> Company website	▪ Business outlook and strategy	▪ Disclose sustainability performance and targets in alignment with Bursa Securities' enhanced disclosure requirements and the IFRS Sustainability Disclosure Standards.
	<b>N</b> Corporate announcements	▪ Climate change strategies	▪ Maintain zero incidents of bribery and corruption.
	<b>P</b> Digital platforms	▪ Corporate governance practices	▪ Provide timely updates on strategy and performance through quarterly financial reporting, annual reports and announcements on Bursa Securities.
	<b>N</b> Extraordinary general meetings	▪ Corporate direction and growth plan	▪ Strengthen governance through policies such as the Anti-Bribery and Anti-Corruption ("ABC") Policy, Whistleblowing Policy and other related policies.
	<b>Q</b> Quarterly financial results	▪ ESG practices and commitment	
	<b>N</b> Site visits	▪ Effective leadership	
		▪ Risk management and internal control	
		▪ Sustainable financial and operational performance	
		▪ Transparency and accountability	

### Legend

**Q**= Quarterly

**A**= Annually

**N**= As and when needed

**P**= Periodically



Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
<b>Employees</b>	<b>P</b> Corporate activities	<ul style="list-style-type: none"> <li>▪ Anti-bribery and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enhance sustainability awareness through internal dialogues and training.</li> </ul>
	<b>N</b> Engagement contracts	<ul style="list-style-type: none"> <li>▪ Career developments</li> </ul>	
	<b>P</b> Employee engagement programmes and events	<ul style="list-style-type: none"> <li>▪ Corporate direction and growth plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Foster a transparent performance appraisal and reward process.</li> </ul>
	<b>N</b> Employee handbook	<ul style="list-style-type: none"> <li>▪ Compensation, benefits and welfare</li> </ul>	<ul style="list-style-type: none"> <li>▪ Implement ABC Declaration Form signing as part of compliance.</li> </ul>
	<b>A</b> Employee surveys	<ul style="list-style-type: none"> <li>▪ Diversity and Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Implement employee engagement programmes and well-being initiatives.</li> </ul>
	<b>A</b> Employee performance appraisals	<ul style="list-style-type: none"> <li>▪ Effective leadership</li> </ul>	
	<b>P</b> Internal communications	<ul style="list-style-type: none"> <li>▪ Employee engagement</li> </ul>	
	<b>P</b> Meetings	<ul style="list-style-type: none"> <li>▪ ESG practices and commitment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Implement internal grievance mechanisms to address potential issues around ethics, harassment or labour concerns.</li> </ul>
	<b>A</b> Town halls	<ul style="list-style-type: none"> <li>▪ Job security and retention</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain a safe and inclusive work environment.</li> </ul>
	<b>P</b> Trainings, seminar and workshops	<ul style="list-style-type: none"> <li>▪ Labour and human rights</li> <li>▪ Occupational health and safety</li> <li>▪ Work-life balance</li> <li>▪ Working environment and culture</li> </ul>	<ul style="list-style-type: none"> <li>▪ Offer competitive remuneration packages and career growth opportunities.</li> <li>▪ Put in place Employee Diversity and Inclusion Policy.</li> <li>▪ Uphold fair employment practices, freedom from discrimination and equal opportunity across all levels.</li> </ul>

**Legend**

Q= Quarterly

A= Annually

N= As and when needed

P= Periodically

## SUSTAINABILITY STATEMENT

Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
<b>Customers</b>	<b>N</b> Advertisement and marketing promotions	<ul style="list-style-type: none"> <li>Customers service experience</li> </ul>	<ul style="list-style-type: none"> <li>Adhere to stringent quality, design and safety standards.</li> <li>Comply with the Personal Data Protection Act 2010 and continuously improve data privacy measures.</li> <li>Integrate eco-friendly features into development projects to support sustainable living.</li> <li>Maintain open communication to gather feedback and identify areas for improvement.</li> <li>Showcase social contributions and sustainability efforts in community engagement.</li> </ul>
	<b>N</b> Corporate and product brochures	<ul style="list-style-type: none"> <li>Data privacy</li> <li>Defect rectification</li> </ul>	
	<b>P</b> Company website	<ul style="list-style-type: none"> <li>ESG practices and commitment</li> </ul>	
	<b>N</b> Corporate announcements	<ul style="list-style-type: none"> <li>Market and future outlook</li> </ul>	
	<b>N</b> Customer feedback platforms	<ul style="list-style-type: none"> <li>Product pricing, quality and safety</li> </ul>	
	<b>P</b> Digital platforms	<ul style="list-style-type: none"> <li>Product design and features</li> </ul>	
	<b>N</b> Public events	<ul style="list-style-type: none"> <li>Social contributions</li> <li>Timely delivery</li> </ul>	

### Legend

**Q**= Quarterly

**A**= Annually

**N**= As and when needed

**P**= Periodically

Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
<b>Contractors and Suppliers</b>	<b>N</b> Briefings, updates and meetings	▪ Anti-bribery and anti-corruption	▪ Conduct supplier assessments and encourage responsible sourcing practices.
	<b>N</b> Contract and legal discussions	▪ Business ethics and compliance	▪ Conduct site visits and briefings to promote safe work practices and legal compliance.
	<b>P</b> Company website	▪ Health and safety of contractors' workers	▪ Collaborate on green building certifications, encouraging supply chain partners to meet sustainable project requirements.
	<b>N</b> Emails and letters	▪ Legal compliance and contractual commitments	▪ Ensure fairness in procurement through competitive tender processes.
	<b>N</b> Letters of award	▪ Procurement process and practices	▪ Implement formal policies such as ABC Policy, Conflict of Interest and Related Party Transaction Policy and Sustainable Procurement Policy.
	<b>A</b> Performance evaluations	▪ Product and service pricing and quality	▪ Mandate ABC Declaration Form and adherence to our Code of Conduct.
	<b>P</b> Sites visits and inspections	▪ Payment schedule	▪ Negotiate with contractors and suppliers to ensure best value.
	<b>N</b> Tender sessions	▪ Supply chain management	▪ Promote local sourcing to support the domestic supply chain and reduce carbon footprint.
		▪ Sustainable building practices and methods	

**Legend**
**Q**= Quarterly

**A**= Annually

**N**= As and when needed

**P**= Periodically

Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
<b>Government and Regulators</b>	<p><b>A</b> Audits and inspections</p> <p><b>N</b> Compliance reporting</p> <p><b>N</b> Emails and letters</p> <p><b>N</b> Industry dialogues</p> <p><b>N</b> Regulatory requirements reporting</p> <p><b>N</b> Trainings, seminar and workshops</p>	<ul style="list-style-type: none"> <li>▪ Anti-bribery and anti-corruption</li> <li>▪ Corporate governance practices</li> <li>▪ ESG practices and commitment</li> <li>▪ Labour practices</li> <li>▪ Occupational health and safety</li> <li>▪ Public and community engagement</li> <li>▪ Regulatory compliance and certification</li> <li>▪ Transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adopt practices outlined in the MCCG.</li> <li>▪ Comply with all applicable regulations and licensing requirements.</li> <li>▪ Disclose sustainability performance and risks in accordance with Bursa Securities' SRG and regulatory updates.</li> <li>▪ Ensure sustainability integration within risk management and internal control frameworks.</li> <li>▪ Uphold labour standards, occupational health and safety laws and environmental protection regulations.</li> <li>▪ Participate in workshops and briefings to stay align with legal requirements.</li> <li>▪ Provide transparent and timely reporting as per regulatory obligations.</li> <li>▪ Support the development and adherence to sustainable practices to protect our stakeholders.</li> </ul>

## Legend

**Q**= Quarterly

**A**= Annually

**N**= As and when needed

**P**= Periodically



Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
<b>Media</b>	<p><b>N</b> Advertisement and marketing promotions</p> <p><b>N</b> Corporate and product brochures</p> <p><b>P</b> Company website</p> <p><b>N</b> Corporate announcements</p> <p><b>P</b> Digital platforms</p> <p><b>N</b> Interviews and engagement sessions</p> <p><b>N</b> Press releases</p> <p><b>N</b> Public events</p>	<ul style="list-style-type: none"> <li>▪ Corporate reputation</li> <li>▪ Business outlook and strategy</li> <li>▪ Long-term relationship building</li> <li>▪ Public knowledge of developments</li> <li>▪ Transparency and timely information</li> </ul>	<ul style="list-style-type: none"> <li>▪ Engage in social events such as festive celebrations and media functions.</li> <li>▪ Foster open communication via press releases, interviews and corporate announcements.</li> <li>▪ Highlight sustainability achievements, community initiatives and responsible development projects.</li> <li>▪ Maintain transparency on business developments and strategic direction.</li> <li>▪ Respond to media inquiries via the Corporate Communication Department.</li> </ul>

**Legend**

Q= Quarterly

A= Annually

N= As and when needed

P= Periodically

Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
Local communities and NGOs	<b>P</b> Company website	<ul style="list-style-type: none"> <li>Community development and programmes</li> <li>ESG practices and commitments</li> <li>Environmental and social issues in relation to business operation</li> <li>Infrastructure improvements</li> <li>Job and business opportunities</li> <li>Social contributions</li> <li>Support for local economies</li> </ul>	<ul style="list-style-type: none"> <li>Comply with all applicable regulations and licensing requirements.</li> <li>Contribute to local economic resilience by supporting inclusive hiring and livelihood programmes.</li> <li>Minimise environmental impact through responsible practices.</li> <li>Engage local communities through community development programmes.</li> <li>Integrate eco-friendly features into development projects.</li> <li>Strengthen transparency through timely communication on development plans and impacts on surrounding communities.</li> </ul>
	<b>N</b> Community initiatives and development programmes		
	<b>N</b> Corporate announcements		
	<b>P</b> Digital platforms		
	<b>N</b> Public events		
	<b>N</b> Sustainability initiatives		

## Legend

**Q**= Quarterly

**A**= Annually

**N**= As and when needed

**P**= Periodically

## MATERIALITY

Effectively identifying and managing SROs is essential to ensuring the Group remains resilient and responsive to a dynamic operating environment. Our materiality assessment process enables us to identify, prioritise and validate ESG matters that are most critical to our operations and stakeholders.

We apply a structured and transparent approach that balances internal priorities with external expectations. This ensures that our sustainability focus remains aligned with evolving regulatory requirements, industry trends and broader socio-economic developments.

### Materiality Assessment Process

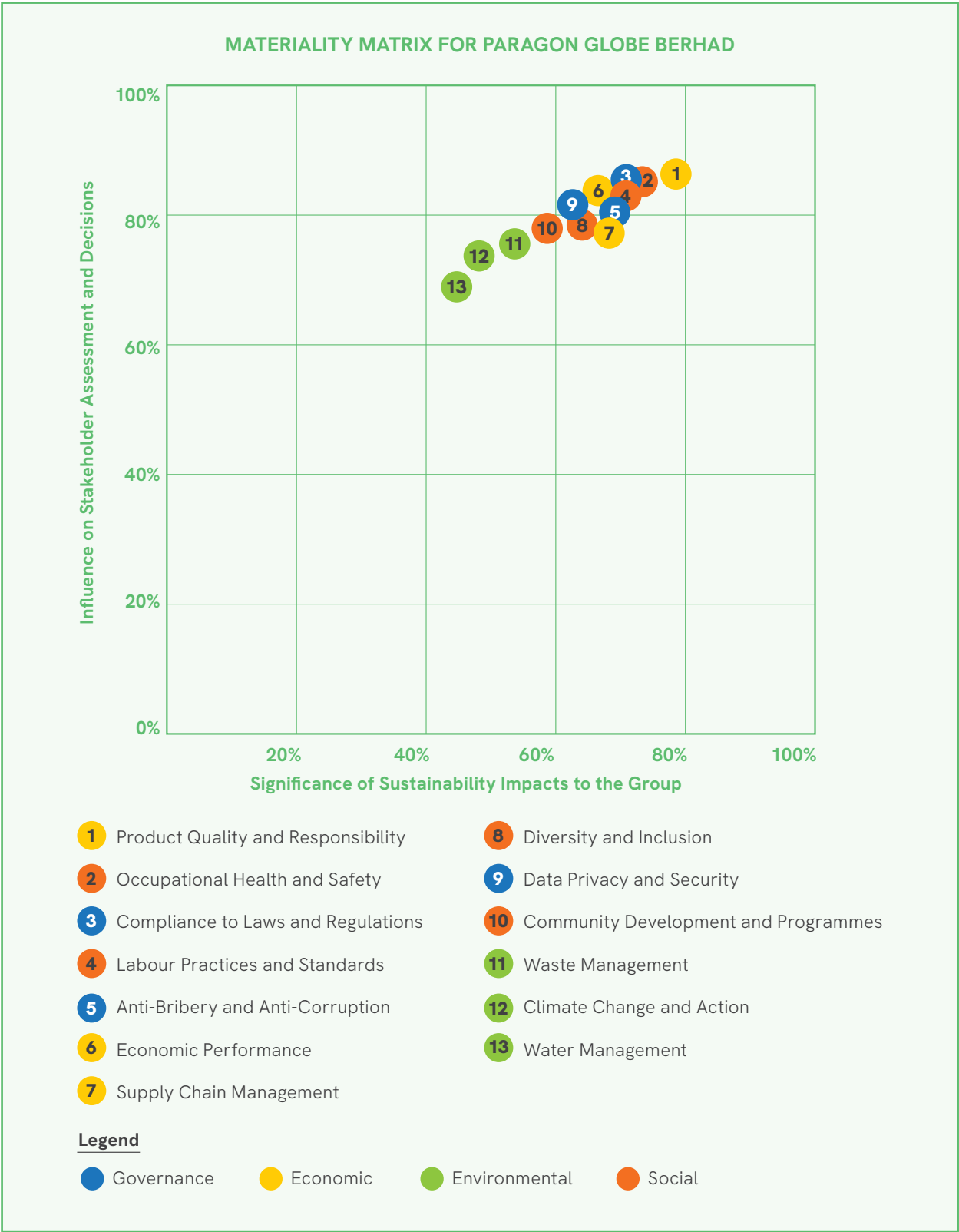
In 2025, we conducted a full-scale materiality assessment involving internal and external stakeholders. The four-phase process is summarised below:



PHASE 1	PHASE 2	PHASE 3	PHASE 4
IDENTIFICATION	STAKEHOLDER ENGAGEMENT	PRIORITISATION	VALIDATION
<ul style="list-style-type: none"> <li>We reviewed the thirteen (13) consolidated material matters established in FY2024, incorporating feedback from internal stakeholders, benchmarking against peer disclosures, emerging regulatory and ESG trends as well as alignment with Bursa Securities SRG and global frameworks such as UNSDGs.</li> <li>The thirteen (13) material matters continue remain relevant to the Group's current and evolving business environment.</li> </ul>	<ul style="list-style-type: none"> <li>A structured stakeholder survey was conducted to assess the importance of the thirteen (13) material matters.</li> <li>A stakeholder prioritisation matrix was developed to evaluate the level of influence and dependency of each stakeholder group on the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Each material matter was rated for its significance to stakeholders and its ESG impact on the Group.</li> <li>A new impact rating was established to reflect the significance of each material matter.</li> <li>The results were then plotted into a materiality matrix.</li> </ul>	<ul style="list-style-type: none"> <li>The outcomes of the assessment and final materiality matrix were reviewed by the SSC, validated by the RMC and endorsed by the Board on 21 July 2025.</li> </ul>

Materiality Matrix

The materiality matrix for FY2025 (“Materiality Matrix”) reflects the outcome of our stakeholder engagement and internal review process, identifying the sustainability matters that have the most significant impact on our business and influence stakeholder decision-making.





The prioritised material matters remain broadly consistent with previous assessments, reaffirming their continued relevance to both our operations and stakeholders. Key topics such as Product Quality and Responsibility, Occupational Health and Safety and Anti-Bribery and Anti-Corruption continue to rank highly, indicating their critical role in supporting responsible growth and long-term value creation.

Each material matter is categorised under one of the four (4) sustainability pillars and is embedded in our risk management approach to ensure effective oversight of SROs. The Materiality Matrix forms the foundation of this Statement and enables us to focus our reporting, monitoring and continuous improvement efforts on the issues that matter most.

### **Material Matters**







Building on our sustainability journey and the insights gained through proactive stakeholder engagement and the materiality assessment process, PGB has identified a set of material sustainability matters that reflect the Group's key SROs. These matters are integral to our long-term value creation and support informed strategic and operational decision-making across the Group.

These identified matters are embedded within our GRM Framework and are continuously monitored by designated risk owners, with oversight from the RMC to ensure they remain aligned with the Group's strategic priorities and within its risk appetite.

To further reinforce the relevance of our sustainability agenda, we have strengthened the alignment between our material matters and the UNSDGs, focusing on the goals most pertinent to our business and stakeholder expectations. A total of thirteen (13) UNSDGs have been identified, reflecting our commitment to meaningful contribution towards national and global sustainability objectives.

The table below outlines our material sustainability matters, their associated SROs, corresponding UNSDG linkages and references to the sections in the Annual Report where our strategic responses are further detailed.








## GOVERNANCE PILLAR

	Material Matters	UNSDGs Linkage	Risks	Opportunities	Our Responses
	<b>Compliance to Laws and Regulations</b>		<ul style="list-style-type: none"> <li>Regulatory non-compliance may lead to penalties, business interruptions and reputational damage.</li> <li>Weak governance systems may hinder market access and stakeholder trust.</li> <li>Potential financial losses and missed business opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Strong regulatory compliance strengthens credibility and investor confidence.</li> <li>Enhances operational integrity, supports long-term business sustainability and access to responsible investors and financiers.</li> <li>Proactive compliance enhances corporate readiness for future regulatory developments.</li> </ul>	Pages 67 to 68.
	<b>Anti-Bribery and Anti-Corruption</b>	 	<ul style="list-style-type: none"> <li>Business disruption due to investigations and legal proceedings.</li> <li>Exposure to legal penalties and enforcement actions due to non-compliance.</li> <li>Reputational damage affecting stakeholder trust and investor confidence.</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrating commitment to ethical conduct enhances corporate reputation and stakeholder confidence.</li> <li>Strengthens internal governance practices and mitigates legal and financial risks.</li> </ul>	Pages 68 to 72.
	<b>Data Privacy and Security</b>	 	<ul style="list-style-type: none"> <li>Data breaches or non-compliance with privacy laws may result in legal action, financial loss and reputational harm.</li> <li>Cybersecurity threats may disrupt business operations and undermine data integrity.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening data governance and digital infrastructure increases operational resilience.</li> <li>Builds customer trust and competitive advantage in digital ecosystems.</li> </ul>	Pages 72 to 73.

Further details on the Group's strategies and initiatives in addressing each material matter are provided in the referenced sections of this Annual Report.



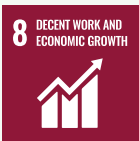


	Material Matters	UNSDGs Linkage	Risks	Opportunities	Our Responses
ECONOMIC PILLAR	<b>Product Quality and Responsibility</b>	 	<ul style="list-style-type: none"> <li>▪ Poor quality or non-compliance with standards may lead to customer dissatisfaction and reputational harm.</li> <li>▪ Defects or failures may result in rework, cost overruns and delivery delays.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthening quality assurance improves customer loyalty and competitive positioning.</li> <li>▪ Enhances brand credibility and minimises compliance and legal risks.</li> <li>▪ Supports improved financial outcomes and long-term profitability.</li> <li>▪ Integrating sustainability into product design enhances appeal in environmentally conscious markets.</li> </ul>	Pages 75 to 77.
	<b>Economic Performance</b>	  	<ul style="list-style-type: none"> <li>▪ Market volatility and regulatory uncertainty may impact profitability and strategic execution.</li> <li>▪ Reduced investor confidence and capital inflows may hinder growth and long-term sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Driving innovation and strategic investments supports competitive positioning.</li> <li>▪ Strong financial performance fosters stakeholder confidence and long-term value creation.</li> </ul>	Pages 77 to 80.
	<b>Supply Chain Management</b>	  	<ul style="list-style-type: none"> <li>▪ Non-compliance by suppliers may result in legal violations, reputational damage and operational disruptions.</li> <li>▪ Over-reliance on specific suppliers or material scarcity may limit flexibility and increase supply chain vulnerabilities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthening supplier engagement enhances operational resilience and ethical performance.</li> <li>▪ Sustainable procurement builds brand equity, stakeholder trust, cost efficiency and competitive market positioning.</li> </ul>	Pages 80 to 83.

Further details on the Group's strategies and initiatives in addressing each material matter are provided in the referenced sections of this Annual Report.









		Material Matters	UNSDGs Linkage	Risks	Opportunities	Our Responses
ENVIRONMENTAL PILLAR		<b>Waste Management</b>	 	<ul style="list-style-type: none"> <li>▪ Inefficient waste handling may lead to increased operational costs.</li> <li>▪ Non-compliance may result in legal penalties.</li> <li>▪ Improper disposal could cause environmental degradation and health risks.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Enhancing waste management practices strengthens reputation and stakeholder trust.</li> <li>▪ Recycling and resource recovery reduce costs.</li> <li>▪ Minimises environmental footprint and compliance risks.</li> </ul>	Pages 85 to 88.
		<b>Climate Change and Action</b>	 	<ul style="list-style-type: none"> <li>▪ Unmitigated emissions contribute to climate change and damage reputation.</li> <li>▪ Physical climate impacts may lead to asset damage and financial losses.</li> <li>▪ Continued use of non-renewables increases resource depletion.</li> <li>▪ Negative public perception and loss of trust among stakeholders.</li> <li>▪ Exposure to transition risks (e.g., stricter climate-related regulations).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Implementing low-carbon strategies improves operational efficiency and resilience.</li> <li>▪ Strengthen access to green incentives and financing.</li> <li>▪ Market leadership in sustainable development.</li> <li>▪ Effective mitigation and adaptation strategy ensures business continuity.</li> </ul>	Pages 89 to 92.
		<b>Water Management</b>	 	<ul style="list-style-type: none"> <li>▪ Water scarcity and inefficient usage increase costs and operational risks.</li> <li>▪ Poor water management may lead to environmental degradation and health concerns.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promotes water stewardship and cost savings.</li> <li>▪ Strengthens resilience against water-related risks.</li> <li>▪ Supports community and environmental wellbeing.</li> <li>▪ Adoption of water-efficient technologies reduces long-term operational costs and improves environmental performance.</li> </ul>	Pages 93 to 94.

Further details on the Group's strategies and initiatives in addressing each material matter are provided in the referenced sections of this Annual Report.



SOCIAL PILLAR		Material Matters	UNSDGs Linkage	Risks	Opportunities	Our Responses
		<b>Occupational Health and Safety (“OHS”)</b>	 	<ul style="list-style-type: none"> <li>▪ Workplace incidents may lead to operational disruptions, medical expenses, legal liabilities and reputational harm.</li> <li>▪ Poor OHS practices may result in regulatory penalties and higher insurance premiums.</li> <li>▪ Unsafe environments may lead to high employee turnover and challenges in attracting talent.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A strong safety culture enhances employee wellbeing, productivity and morale.</li> <li>▪ Reduces accident-related costs and downtime.</li> <li>▪ Strengthens employer brand and stakeholder confidence.</li> <li>▪ Mitigates legal, reputational and financial risks.</li> </ul>	Pages 97 to 101.
		<b>Labour Practices and Standards</b>	 	<ul style="list-style-type: none"> <li>▪ High employee turnover and inadequate labour standards may reduce productivity and operational efficiency.</li> <li>▪ Weak workforce development and lack of well-being initiatives may hinder long-term competitiveness and lead to employee burnout.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Promotes fair employment and equal opportunities enhances talent attraction and retention.</li> <li>▪ A supportive, inclusive work culture strengthens organisational loyalty and performance.</li> <li>▪ Builds a high-performance culture and encourages innovation.</li> </ul>	Pages 101 to 113.

Further details on the Group’s strategies and initiatives in addressing each material matter are provided in the referenced sections of this Annual Report.




















	 Material Matters	UNSDGs Linkage	Risks	Opportunities	Our Responses
SOCIAL PILLAR	Diversity and Inclusion	 	<ul style="list-style-type: none"> <li>▪ Lack of inclusivity may lower employee morale and increase turnover.</li> <li>▪ Homogeneous teams may limit creativity, innovation and adaptability.</li> <li>▪ Failure to meet stakeholder expectations on diversity may result in reputational risks.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Diverse teams foster innovation, agility and problem-solving.</li> <li>▪ Inclusive leadership enhances organisational resilience and stakeholder representation in decision-making.</li> <li>▪ Promoting an inclusive culture strengthen employee engagement, retention and brand reputation.</li> </ul>	Pages 113 to 118.
	Community Development and Programmes	    	<ul style="list-style-type: none"> <li>▪ Inadequate engagement may result in community resistance, reputational damage or regulatory intervention.</li> <li>▪ Missed opportunities to contribute inclusive local development.</li> <li>▪ Insufficient measurement of social impact may reduce programme effectiveness and stakeholder accountability.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strengthening community engagement enhances trust, collaboration and social license to operate.</li> <li>▪ Fosters stakeholder goodwill and long term trust.</li> <li>▪ Contributing to inclusive development supports local economic resilience and opens access to new markets.</li> <li>▪ Community co-creation initiatives foster more relevant programmes and shared ownership.</li> </ul>	Pages 119 to 126.

Further details on the Group's strategies and initiatives in addressing each material matter are provided in the referenced sections of this Annual Report.

## SUSTAINABILITY TARGETS

To strengthen accountability and drive continuous improvement, PGB monitors its sustainability performance through a set of measurable targets aligned with our material matters and strategic priorities. While several of the core targets established in FY2024 remain in place, FY2025 marked a significant step forward as we expanded the scope and depth of our performance indicators. New targets were introduced in key areas such as occupational health and safety, labour practices, diversity and inclusion and green building certification.



These targets form a vital part of our commitment to embedding sustainability into the fabric of our operations and decision-making processes. Progress is reviewed annually to promote continual learning, improve data readiness and align with Bursa Securities' enhanced sustainability disclosure requirements and the IFRS Sustainability Disclosure Standards. The table below presents a summary of our FY2025 performance against the established sustainability targets:

Goals	2028 Targets	2025 Progress	Progress Status
 <b>Responsible and Sustainable Governance</b>	 Achieve zero incidents of non-compliance with applicable laws and regulations.	Zero incidents reported.	
	 Achieve zero incidents of bribery and corruption.	Zero incidents reported.	
	 Achieve zero breaches in customer privacy and data loss.	Zero breaches reported.	
 <b>Strengthening Economic Outlook</b>	 Achieve an average Quality Assessment System in Construction ("QLASSIC") score of over 75% for newly completed projects. Baseline Year: FY2022	Achieved an average score of 76%.	
	 Obtain GreenRE certification for future development projects.	Provisional GreenRE certification obtained.	
	 Ensure 100% procurement from local suppliers and contractors.	100% local procurement achieved.	
 <b>Minimising Environmental Footprint</b>	 Achieve 10% reduction in paper consumption. Baseline Year: FY2023	8% increase in paper consumption recorded.	
	 Establish a carbon footprint baseline by FY2028	Baseline development in progress.	

**LEGEND:**  Achieved  On-track  Attention required  
 New  Enhanced  Retained



## SUSTAINABILITY STATEMENT

Goals	2028 Targets	2025 Progress	Progress Status
 <b>Valuing People and Community</b>	 Achieve zero incidents of work-related fatality.	Zero fatalities reported.	
	 Achieve zero lost time incident rate ("LTIR").	Zero LTIR recorded.	
	 Achieve zero substantiated complaints concerning human rights violations annually.	Zero complaints recorded.	
	 Achieve zero incidents of forced and child labour.	Zero incidents recorded.	
	 Conduct a minimum of four (4) employee engagement activities annually.	More than four (4) activities conducted.	
	 Achieve an average of fifteen (15) training hours per employee. Baseline Year: FY2025	Fifteen (15) training hours per employee recorded.	
	 Achieve 30% female representation in board of directors.	In progress.	
	 Maintain annual community investment of RM120,000 ±10%. Baseline Year: FY2023	Exceeded by 83%.	

**LEGEND:**  Achieved  On-track  Attention required  
 New  Enhanced  Retained



## RESPONSIBLE AND SUSTAINABLE GOVERNANCE

We are steadfast in our commitment to transparent, ethical and responsible governance. By championing integrity, regulatory excellence and a culture of accountability, we foster a secure, fair and trusted business environment. Through strong leadership and continuous improvement, we aim to uphold the highest standards of governance and support sustainable value creation for all stakeholders.

### Material Matters:

- Compliance to Laws and Regulations
- Anti-Bribery and Anti-Corruption
- Data Privacy and Security

# SUSTAINABILITY STATEMENT

## COMPLIANCE TO LAWS AND REGULATIONS

### Why It Matters

The Board views strong legal and regulatory compliance as a strategic priority and a cornerstone of responsible business conduct. Upholding applicable laws and regulations reflects our core values, safeguards our license to operate and reinforces the trust of stakeholders and regulators. In an increasingly complex regulatory landscape, strong compliance practices enable us to operate with integrity, manage risks effectively and support long-term sustainable value creation.

Our operations are subject to a broad range of legal, statutory and industry-specific requirements. We remain vigilant in monitoring legislative developments and continuously aligning our internal processes with evolving regulatory obligations. Proactive compliance is not merely a legal necessity but it is a key enabler of operational excellence and corporate accountability at PGB.

### Our Approach

Our compliance approach is structured and embedded across all levels of the Group. We maintain a comprehensive compliance framework designed to identify, assess and respond legal obligations relevant to our operations.

We are guided by the MCCG, which underpins our commitment to transparent and ethical governance. A strong governance structure has been implemented to support compliance monitoring and decision-making processes across the Group. The Board is equipped with timely and relevant information to make informed decisions and set policies that support sustainable long-term value creation. Further details of our corporate governance framework are disclosed in "Corporate Governance Overview Statement" of this Annual Report.

We comply with key legislation including, but not limited to, the Companies Act 2016, Bursa Securities Listing Requirements, MCCG 2021, the Income Tax Act 1967 and sector-specific regulations covering employment, construction, environmental management and data protection. Our commitment to regulatory excellence strengthens stakeholder trust, safeguards our license to operate and supports the creation of long-term sustainable value.

To ensure regulatory readiness and awareness, we conduct regular training and briefings for employees, particularly those in compliance-sensitive roles. Engagements with regulators, updates on regulatory changes and advisory support from industry experts help us maintain high standards of legal awareness and responsiveness across the Group.

Our compliance efforts are further supported by our risk management framework that enables systematic identification and mitigation of compliance risks. Regular reviews of internal policies and controls help prevent non-compliance, while reinforcing our reputation as a responsible and ethical corporation.

We also emphasise the importance of transparency and accountability. Regular audits, inspections and reporting form the foundation of our compliance assurance processes. The Internal Audit Function ("IAF") evaluates the effectiveness of internal controls, while the External Audit Function ("EAF") provides assurance on regulatory compliance. Both functions operate independently and report to the Board, ensuring objective oversight and continuous improvement. Our Whistleblowing Policy also provides a secure channel for reporting suspected misconduct or non-compliance, supporting a speak-up culture across the organisation. For more details, refer to the "Statement on Risk Management and Internal Control" and "Audit Committee Report" of this Annual Report.

### Our Performance

In FY2025, we continued to maintain full compliance with applicable laws and regulations across all operations. There were no reported incidents of non-compliance that resulted in significant fines, penalties or regulatory enforcement actions.

	2023	2024	2025
Number of confirmed incidents of non-compliance to laws and regulations	0	0	0

### Moving Forward

Moving forward, the Group will continue to strengthen internal compliance mechanisms, expand regulatory engagement and enhance employee awareness to uphold our zero-tolerance stance on non-compliance.

In alignment with the National Sustainability Reporting Framework ("NSRF") introduced by the Securities Commission Malaysia, we are proactively aligning our compliance and reporting practices with emerging regulatory expectations. These ongoing efforts support our commitment to UNSGDS Goal 16. By embedding good governance and legal accountability into our business operations, we continue to build a resilient, trusted and sustainable organisation.

## ANTI-BRIBERY AND ANTI-CORRUPTION ("ABC")

### Why It Matters

Upholding integrity and transparency are essential to building stakeholder trust and enabling long-term business success at PGB. Bribery and corruption violate ethical and legal standards and undermine fair competition, corporate reputation and sustainable development. We are committed to embedding a culture of integrity throughout our organisation and supply chain, supported by strong governance frameworks and proactive risk management. By fostering ethical conduct and accountability at every level, we aim to safeguard stakeholder interests and contribute to a fair, transparent and resilient business environment.

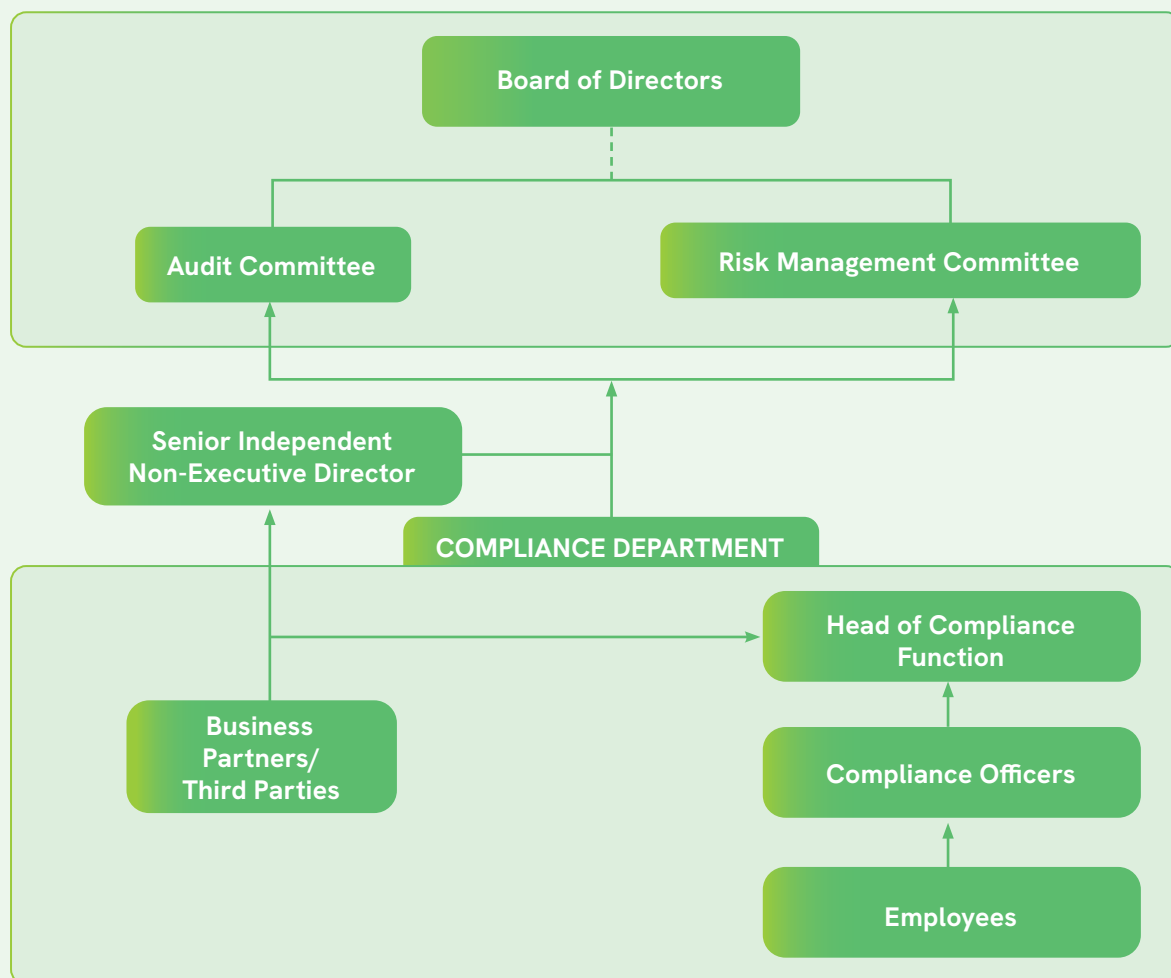
### Our Approach

We adopt a comprehensive approach to combat bribery and corruption through clear policies, structured oversight, employee engagement and continuous monitoring. The Board plays a central role in promoting a culture of integrity, supported by the AC and RMC.

The Group's ABC governance structure consists of a three-tiered system that ensures accountability from the Board level down to business operations. The AC oversees the implementation of management policies and internal controls, while the RMC monitors risk exposure and evaluates the Group's risk appetite. This structure is further supported by the Senior Independent Non-Executive Director and the Head of Compliance, reinforcing independence in compliance oversight.



## ANTI-BRIBERY AND ANTI-CORRUPTION COMPLIANCE FUNCTION STRUCTURE



To formalise our stance, we have implemented an ABC Policy aligned with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009. The policy articulates our zero-tolerance approach and provides guidance on gifts, entertainment, hospitality, donations, sponsorship and other bribery related risks.

The ABC Policy is clearly communicated to all employees, business partners and third parties at the outset of their engagement with the Group. It covers a comprehensive range of anti-corruption topics, including different types of corruption such as bribery, facilitation payments, kickbacks and unethical sponsorships. All personnel are required to acknowledge and sign an annual ABC Declaration Form upon onboarding and thereafter on an annual basis. This annual declaration reinforces a culture of integrity across all levels of the organisation, underscoring our collective accountability in upholding the highest ethical standards.

New joiners are required to undergo onboarding procedures and familiarise themselves with the Group's Code of Conduct, ABC Policy and other related procedures. Due diligence is conducted on all business partners prior to engagement and is continuously monitored throughout the business relationship to mitigate third-party corruption risks. To reinforce accountability, an anti-corruption clause has been incorporated into the majority of the Group's contractual, contractually binding external parties to ethical standards and compliance.

We also implement additional preventive measures in operations assessed to have elevated exposure to corruption risks. These include stricter segregation of duties, enhanced internal reviews, documentation protocols and closer scrutiny of transactions, particularly within project and contract functions.

To further strengthen transparency, we have in place a Whistleblowing Policy that allows employees and external stakeholders to report suspected misconduct or corruption without fear of retaliation. Reports can be made through various channels, including:

WHISTLEBLOWING CHANNELS	
	Whistleblowing form
	Email to Audit Committee Chairman or Group Executive Director
	Write in to the Compliance Department

All reports are handled confidentially and investigated in accordance with established protocols. Both the ABC Policy and the Whistleblowing Policy are reviewed and approved by the Board and made publicly accessible via the Company's website at [www.pgbgroup.com.my](http://www.pgbgroup.com.my) and internal intranet to ensure transparency.

Corruption-related risks are identified and monitored through the Group's risk register. Key risks and mitigation plans are reviewed by the RMC and integrated into the Group's risk management framework. These assessments support ongoing improvements in internal controls and help strengthen the Group's anti-corruption defences. For further information on the Group's risk management and internal control practices, please refer to the "Statement on Risk Management and Internal Control" in this Annual Report.

We continue to promote awareness through periodic communications and internal training. Refresher emails are sent to all employees, and the Human Resources Department ensures timely updates on policy revisions.

## Our Performance

### (i) Corruption-related Training

In FY2025, the Group achieved 100% completion of the annual ABC Declaration across the Board and employees. This exercise was supported by an internally developed video briefing, which covered the Group's ABC Policy and key provisions of Section 17A of the MACC Act. All participants were required to review the materials and submit their declaration via an online form.

The initiative, facilitated by the Human Resources Department, formed part of a broader internal awareness campaign to reinforce ethical behaviour and regulatory compliance across the Group. It provided structured explanations of the different types of corruption prohibited under the MACC Act and the Group's ABC Policy. This included bribery, facilitation payments, kickbacks, donations, sponsorships and conflict of interest. The training also reinforced employee understanding of procedures for managing gifts, hospitality and sponsorships.

To supplement the formal briefing, refresher emails were sent to all employees and new joiners received dedicated ABC policy briefings as part of their induction programme.

No disciplinary actions or dismissals were recorded due to non-compliance with the ABC Policy during the FY2025, reflecting the effectiveness of the Group's internal controls and awareness measures.

## SUSTAINABILITY STATEMENT

The following table summarises the completion rates of the annual ABC Declaration across different employee categories over the past three (3) financial years:

Employee Category	Completion Rate (%)		
	2023	2024	2025
Senior Management	0	100	100
Middle Management	0	100	100
Executive	0	94	100
Non-Executive	0	30	100

Note:

No external or in-person corruption-related training was conducted in FY2023. FY2025 training was delivered via internal awareness videos and tracked through digital declarations.

### (ii) Corruption risk assessment

We conducted a comprehensive corruption risk assessment covering 75% of the Group's operations, with a focus on departments and functions identified as having higher exposure to bribery and corruption risks. The assessment aimed to identify potential vulnerabilities and evaluate the adequacy of existing controls.

Periodic assessments continue to be conducted to strengthen our preventive measures and enhance overall risk mitigation efforts.

	2023	2024	2025
Percentage of operations assessed for corruption-related risks	75	75	75

Note:

For the purpose of this disclosure, "operations" refer to the Group's core business functions and departments. These areas were selected for assessment based on their level of exposure to bribery and corruption risks.

### (iii) Corruption Incidents

We recorded zero confirmed incidents of bribery or corruption and incurred no monetary losses from legal proceedings related to such offences during FY2025. To date, the Group has not received any whistleblowing reports related to bribery or corruption.

	2023	2024	2025
Number of confirmed incidents of corruption and action taken	0	0	0

Our ABC performance in FY2025 affirms the strength of our internal safeguards and our ongoing commitment to ethical business conduct. With full declaration compliance, active risk monitoring and zero reported incidents, we continue to foster a culture where integrity guides daily operations and preventive measures take precedence over reactive responses.

### Moving Forward

Moving forward, we will continue to strengthen our culture of integrity and reinforce our zero-tolerance stance on bribery and corruption through ongoing education, risk-based monitoring and continuous improvement of internal controls. These efforts align with the principles outlined in the MACC's Guidelines on Adequate Procedures and support the achievement of SDG 12: Responsible Consumption and Production and SDG 16: Peace, Justice and Strong Institutions.

## DATA PRIVACY AND SECURITY

### Why It Matters

In today's increasingly connected world, effective data privacy and cybersecurity are essential to maintaining stakeholder trust and safeguarding business resilience. At PGB, we recognise that protecting sensitive information is not only a regulatory requirement but a key enabler of long-term value creation. As we continue integrating digital platforms and systems across our operations, ensuring the confidentiality, integrity and availability of data is critical to operational resilience, customer confidence and sustainable business continuity.

We collect and manage a significant volume of personal and operational data, particularly from customers, employees and business partners. Any failure to safeguard this information could result in reputational damage, regulatory penalties and loss of stakeholder trust. As such, we are committed to implementing strong data protection and cybersecurity measures that proactively guard against emerging threats and uphold the highest standards of digital trust and accountability.

### Our Approach

We take a structured and preventive approach to managing data privacy and cybersecurity. The Group's Privacy Policy, developed in alignment with the Personal Data Protection Act ("PDPA") 2010, outlines our responsibilities in the lawful collection, use, storage and protection of personal data. This policy is reviewed and approved by the Board and is made available to stakeholders through the Company's website at [www.pgbgroup.com.my](http://www.pgbgroup.com.my) and internal platforms to ensure transparency and accessibility.

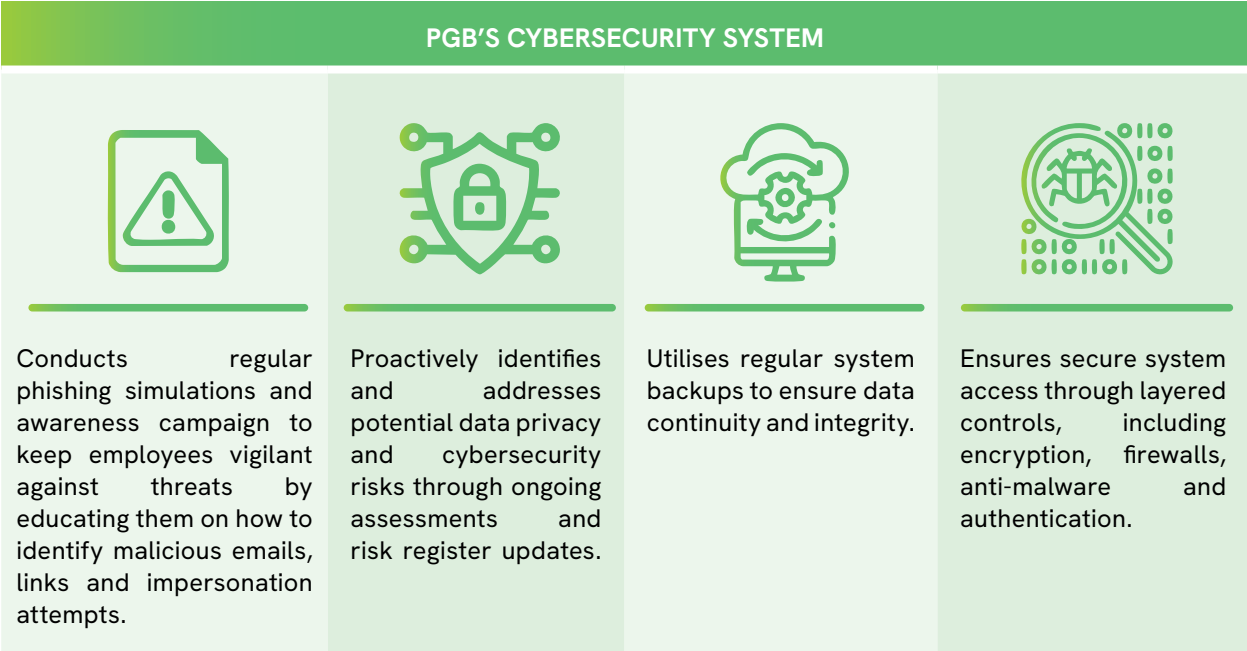
Data collection is conducted lawfully and transparently, with full consent from the data owner. We ensure that data is processed fairly and used only for its intended purpose. We view responsible data governance as a critical enabler of digital trust and stakeholder confidence, supporting our long-term business resilience in an increasingly connected world. Access to sensitive information is restricted to authorised personnel and no data is disclosed to third parties without legal or regulatory justification.

To reinforce these principles, the Group has enforced comprehensive Information Technology ("IT") Policy and Procedures that regulate data access, creation, deletion and overall system controls. We have adopted structured IT infrastructure and application management practices to ensure that systems are deployed with strong security standards. Our IT department operate under established protocols that promote effective resolution of technical issues and minimise operational disruption.



# SUSTAINABILITY STATEMENT

The following diagram outlines PGB’s Cybersecurity System across four key focus areas:



Beyond these measures, we conduct internal and external IT audits to assess the effectiveness of our data protection and cybersecurity protocols. Continuous monitoring systems are in place to detect anomalies and potential threats in real-time. Any gaps identified are addressed promptly to strengthen our overall security posture.

We also foster a data-responsible culture through training and awareness initiatives. Employees are periodically reminded of their obligations under the PDPA and the Group’s IT policies, helping to strengthen awareness and reinforce accountability across the organisation.

## Our Performance

In FY2025, we recorded zero substantiated complaints concerning breaches of customer privacy or data loss, continuing our strong track record of data protection.

	2023	2024	2025
Number of substantiated complaints concerning breaches of customer privacy or data loss	0	0	0

## Moving Forward

Moving forward, we will continue to strengthen our data governance practices, invest in digital safeguards, enhance employee awareness and improve policy compliance to ensure secure and responsible management of personal and business data.

These efforts contribute to the achievement of SDG 9: Industry, Innovation and Infrastructure and SGD 16: Peace, Justice and Strong Institutions. By upholding transparency, accountability and strong data protection, we help foster a resilient and trusted digital environment across our operations.



## STRENGTHENING OUR ECONOMIC OUTLOOK

We are committed to building a resilient and inclusive economy through sustainable business practices. By focusing on product quality, financial performance and responsible supply chain management, we aim to create long-term value for stakeholders and contribute meaningfully to the broader socio-economic landscape.

### Material Matters:

- Products Quality and Responsibility
- Economic Performance
- Supply Chain Management



# SUSTAINABILITY STATEMENT

## PRODUCT QUALITY AND RESPONSIBILITY

### Why It Matters

Delivering high-quality and responsible developments is essential to sustaining market confidence, fulfilling regulatory expectations and meeting evolving customer demands. In an increasingly competitive and conscious market, customers expect more than functional products. They demand high standards of quality, safety and greater consideration for environmental and social impacts.

At PGB, consistently delivering responsible, high-quality developments is key to driving long-term value creation and strengthening customer trust. Satisfied customers become strong brand advocates, generating repeat business and enhancing market positioning. A focus on quality also drives operational efficiency and innovation, enabling us to remain competitive and resilient in a dynamic landscape.

### Our Approach

To ensure our developments meet stakeholder expectations and regulatory benchmarks while supporting long-term sustainability, we have established structured approaches that integrate quality, customer engagement and green design into our development process.

#### Quality Assurance Through QCLASSIC

In FY2025, we continued to uphold stringent quality control practices across all development phases. Our project department remains guided by the Construction Industry Development Board's ("CIDB") QCLASSIC as the benchmark for workmanship quality. QCLASSIC enables us to objectively measure construction quality and assess compliance with industry standards (CIS 7:2021).

We conduct systematic inspections from material receiving to in-process and final completion to ensure consistent quality outcomes. Periodic internal audits on construction and development activities help us identify risk areas and opportunities for improvement. Additionally, our teams regularly attend technical training to enhance their workmanship and build a culture of continuous improvement.

To reinforce quality assurance, departmental performance is tracked using internal KPIs aligned with QCLASSIC targets. This proactive performance monitoring supports accountability, drives results and strengthens employee ownership of quality outcomes. Beyond workmanship, we are committed to responsible product delivery. We ensure regulatory compliance with contract specifications and construction guidelines and avoid misleading promotional materials.

#### Customer Satisfaction

Customer satisfaction is a critical driver of long-term value in the highly competitive property development market. Consistently delivering exceptional quality and anticipating evolving customer expectations not only fosters loyalty and advocacy, but also strengthens PGB's market positioning and brand equity.

We adopt a proactive approach to stakeholder engagement across the delivery chain to gain deeper insights into customer needs and emerging market trends. This enables us to refine our design philosophy, enhance usability and deliver developments that resonate with our customers' aspirations.

We maintain open and accessible feedback channels to facilitate ongoing dialogue with customers, ensuring timely responsiveness and driving continuous improvement in service delivery. Across the organisation, we foster a customer-centric culture grounded in transparency, quality and accountability, reinforcing our commitment to delivering trusted and high-value property solutions.

## Green Building

PGB is committed to embedding sustainability, environmental responsibility and green building principles throughout its developments. Our approach considers environmental and social impacts across the entire project lifecycle, from early design through construction to long-term use.

All new developments are assessed for environmental impact in accordance with guidelines issued by the Department of Environment. In partnership with our appointed contractors, we implement sound environmental management practices during construction to ensure compliance with regulatory standards and to minimise adverse site-level impacts.

We follow established green certification frameworks to guide sustainable design decisions and construction practices aimed at improving energy efficiency, reducing resource consumption and enhancing environmental quality. PGB has set a clear target to obtain GreenRE certification for its future developments to support this objective.

In April 2025, we strengthened our sustainability agenda through a formal collaboration with GreenRE Sdn. Bhd. ("GreenRE"), Malaysia's leading green building certification body. Under this partnership, GreenRE will provide technical support and rating tools to guide our developments toward measurable improvements in energy performance and sustainability outcomes.

Through the integration of green building practices at every stage, our developments contribute to a lower carbon footprint and offer healthier, more comfortable living and resilient spaces. These efforts reflect our long-term commitment to building sustainable communities while supporting broader national and global climate goals.

## Our Performance

### (i) QCLASSIC Score

In FY2025, we achieved an average QCLASSIC score of 76% for the newly completed design and build projects, surpassing our target of 75%.

Description	2023	2024	2025
Average QCLASSIC Score	-*	75%	<b>76%</b>
Development Project	-*	Single Storey Detached Factory Type D1	<b>2 Units of Single Storey Detached Factory with Double Storey Office Type D4</b>

Note:

\* There were no completed projects in 2023.

### (ii) Green Building Certifications

In FY2025, PGB was awarded with green building certifications for its property development, marking key progress in embedding green building standards into our product delivery.

Project	GreenRE Certification Status
PGB Workers Hostel	Provisional Silver
PGB Desa 27 (Plot 3 and Plot 4)	Provisional Bronze



## SUSTAINABILITY STATEMENT

In addition, there were no reported incidents of non-compliance related to serious quality issues or breaches of product responsibility, including misleading advertising or promotional claims throughout FY2025.

### Moving Forward

We remain focused on advancing quality and sustainability outcomes across our developments through a process of continuous improvement. By driving excellence in construction standards, further integrating green building practices and innovating toward future market needs, we aim to strengthen the resilience, performance and environmental integrity of our product offerings. These efforts directly contribute to the SDG 9: Industry, Innovation and Infrastructure and SDG 12: Responsible Consumption and Production, supporting a future-ready business model that delivers lasting value to stakeholders and the built environment.

## ECONOMIC PERFORMANCE

### Why It Matters

Strong economic performance is fundamental to supporting business resilience, enabling long-term value creation and reinforcing our capacity to pursue sustainable growth. It ensures we remain adaptable in the face of market challenges, maintain stakeholder confidence and contribute meaningfully to national economic development.

For a property developer, financial strength is critical for completing quality projects, pursuing strategic opportunities and building market credibility. Beyond financial returns, our economic performance reflects responsible resource stewardship, stakeholder accountability and a commitment to inclusive, sustainable growth. It also enables reinvestment in innovation, operational excellence and community development.

### Our Approach

We adopt a value-driven approach to managing economic performance, grounded in integrity, governance and long-term strategic alignment. Our Code of Conduct and ABC Policy are reviewed regularly to ensure continued relevance and to safeguard stakeholder trust. These frameworks help embed ethical decision-making into financial and operational practices across the organisation.

Our governance structure provides strong oversight and strategic direction to ensure disciplined financial management and sustainable value creation. The Board sets the Group's financial priorities and risk appetite, while the Finance Director and finance team oversee financial performance, regulatory compliance and long-term capital planning. Executive management drives operational efficiency and ethical conduct across departments, supported by regular reporting and cross-functional coordination. Regular financial reviews enable us to respond proactively to market developments and emerging risks, while ensuring our financial strategy remains fully aligned with the Group's sustainability objectives.

Strategic financial decisions are supported by timely data and performance indicators, ensuring resource allocation is optimised and aligned with project timelines, cost structures and revenue projections. At the operational level, departments are empowered to manage budgets efficiently and adapt plans based on market feedback and project progress. This balance between growth and stability allows us to capitalise on emerging opportunities effectively.

In FY2025, we also continued to monitor emerging risks, including climate-related financial exposures. Through regular risk assessments and engagement with project consultants, we proactively identified and addressed potential disruptions related to environmental changes and regulatory trends, ensuring we remain prepared to adapt to evolving market conditions.

As part of our broader economic and sustainability strategy, we entered into a strategic collaboration with United Overseas Bank (Malaysia) Bhd. ("UOB Malaysia") in April 2025. This memorandum of understanding reflects our shared commitment to sustainable development and will enable PGB to access UOB's suite of green financing solutions and advisory services. The partnership also enhances project bankability, supports the decarbonisation of our industrial portfolio and offers financing assistance to environmentally conscious purchasers. This milestone underscores our intent to embed green financial principles into our long-term growth strategy, while reinforcing our market competitiveness and investor confidence.

Our financial strategy is guided by key components that support long-term resilience, operational excellence and sustainable growth, as illustrated below:



By integrating sustainability foresight with financial governance and strategic execution, we aim to maintain a strong and adaptable economic platform that supports continued growth and stakeholder value creation.

### Our Performance

In FY2025, the Group achieved a significant improvement in financial results, with total revenue and other income reaching RM308,753,189, an almost six-fold increase compared to RM52,635,400 in FY2024. This exceptional growth was primarily driven by the monetisation of land assets during the year, reflecting our strategic approach to capital management and value realisation. The property development segment remained a key contributor, supported by disciplined project execution and cost efficiency measures.

Correspondingly, economic value distributed rose to RM201,249,912 in line with increased operational activities and stakeholder engagements. The Group retained RM107,503,277 in economic value, which will be channelled into business expansion, capability building and strategic investments that align with our long-term growth ambitions.

## SUSTAINABILITY STATEMENT

The financial results are summarised below:

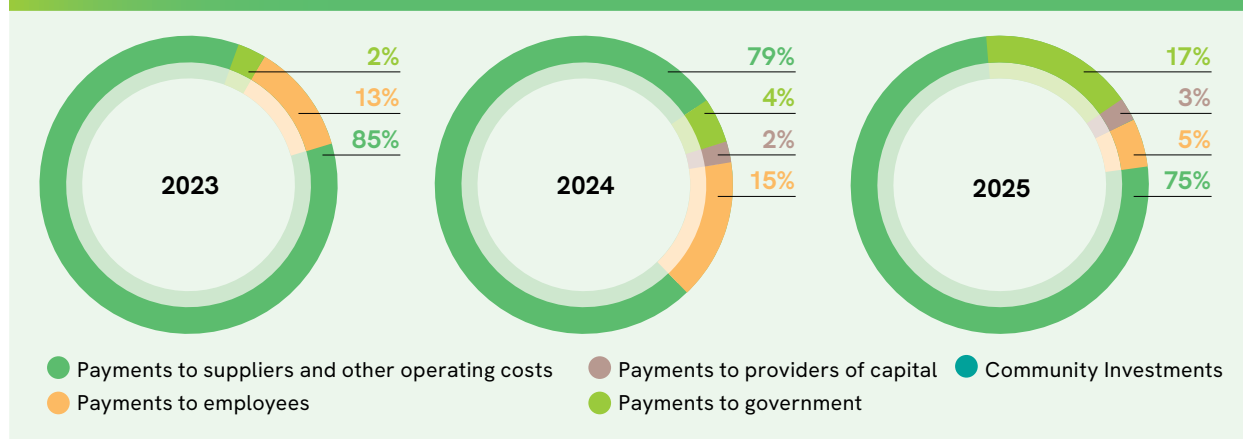
Value Distribution	2023 RM	2024 RM	2025 RM
<b>Economic value generated</b> (i.e revenue and other income)	<b>49,374,196</b>	<b>52,635,400</b>	<b>308,753,189</b>
<b>Economic value distributed:</b>	<b>46,887,552</b>	<b>48,582,565</b>	<b>201,249,912</b>
Operating costs	39,703,795 <sup>1</sup>	38,064,056	151,391,195
Employee wages and benefits	5,891,255	7,210,048	9,471,449
Finance costs	147,522	1,067,667	5,656,941
Taxation	1,054,992	2,080,346	34,510,918
Community investments	89,988	160,448	219,409
	<b>2,486,644</b>	<b>4,052,835</b>	<b>107,503,277</b>

Notes:

1 Necessary restatement was made to certain figures for FY2023. The initial reporting for this year was revised to ensure consistency in reporting.

2 The financial results presented in the table are derived from the audited financial statement which are available for reference in our Annual Report. More details can also be found in the "Five-Year Financial Highlights" and "Management Discussion and Analysis" sections of this Annual Report.

### Percentage of Value Distributed to Stakeholders



The Group's stronger economic performance during FY2025 reflects our ability to deliver meaningful value to stakeholders while maintaining financial agility and resilience. As we expand our business activities, the economic benefits are also extended to our suppliers, employees, financiers and the wider community. Retained earnings are reinvested to fund future developments and sustainability initiatives, ensuring long-term business viability.

**Spotlight Initiative:****SEIZING BUSINESS OPPORTUNITIES IN JOHOR**

In FY2025, PGB was collaborated with UOB to organise a dedicated session on “Seizing Business Opportunities in Johor”. This platform allowed us to gain insights on Johor’s growth potential, share our property offerings and strengthen relationships with key stakeholders, including prospective investors, partners and the banking community.

The session was an opportunity to demonstrate PGB’s commitment to strategic regional development and showcased our efforts in aligning economic value creation with market demand. Through active collaboration and business networking, we continue to reinforce our market presence while contributing to Johor’s economic vibrancy.

**Moving Forward**

Looking ahead, we remain focused on strengthening our financial position, exploring strategic growth opportunities and embedding sustainability across all facets of our economic model. Our performance supports SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure and SDG 12: Responsible Consumption and Production. We will continue to strengthen our economic foundation, ensuring enduring value creation that balances financial success with societal impact.

**SUPPLY CHAIN MANAGEMENT****Why It Matters**

Responsible supply chain management plays a vital role in sustaining operational performance, enhancing product quality and driving value creation across our business ecosystem. Effective supply chain practices ensure operational continuity, optimise costs and support consistent delivery of high-quality developments.

As stakeholder expectations evolve, customers, investors and regulators increasingly demand transparency, ethical sourcing and sustainability throughout the value chain. A sustainable supply chain enhances our competitiveness and resilience, while contributing to broader environmental and social objectives. In Malaysia, where small and medium enterprises form the backbone of the supply ecosystem, structured integration of sustainability practices is becoming essential to strengthen supply chain resilience, reduce environmental impacts and support national climate and development goals.

In this context, PGB is advancing its supply chain management approach to ensure that our partners contribute meaningfully to our long-term sustainability objectives. Through responsible procurement, enhanced supplier engagement and focus on risk management, we aim to build a future-ready supply chain ecosystem that supports both our business ambitions and broader environmental and social objectives.



# SUSTAINABILITY STATEMENT

## Our Approach

Sustainability is a core pillar of our supply chain management strategy. We aim to minimise environmental impact, promote ethical conduct and contribute positively to the communities in which we operate. Our approach goes beyond compliance, fostering a culture of shared responsibility and continuous improvement throughout our supplier network. By cultivating strong, transparent partnerships, we seek to embed ESG principles throughout the value chain, ensuring our suppliers contribute meaningfully to the Group's long-term sustainability vision.

All suppliers and contractors are expected to uphold PGB's core values and governance principles across their operations. They are required to comply with the Group's ABC Policy, Conflict of Interest ("COI") Policy and Related Party Transaction ("RPT") Policy. These expectations are formalised through acknowledgement of ABC and COI Declaration Forms, which strengthen ethical conduct and transparency within our supplier relationships. By embedding these requirements into our procurement process, we aim to foster a culture of integrity and responsible business conduct throughout the supply chain.

Our Sustainable Procurement Policy further sets clear expectations for supply chain partners to align their operations with applicable legal, regulatory and sustainability standards. The policy explicitly prohibits child labour, forced labour, discrimination and other unethical practices, while promoting respect for human rights, fair labour standards and environmental responsibility. We actively communicate these commitments to all suppliers and publish the policy on our Company's website to promote full transparency and accountability across the supply network.

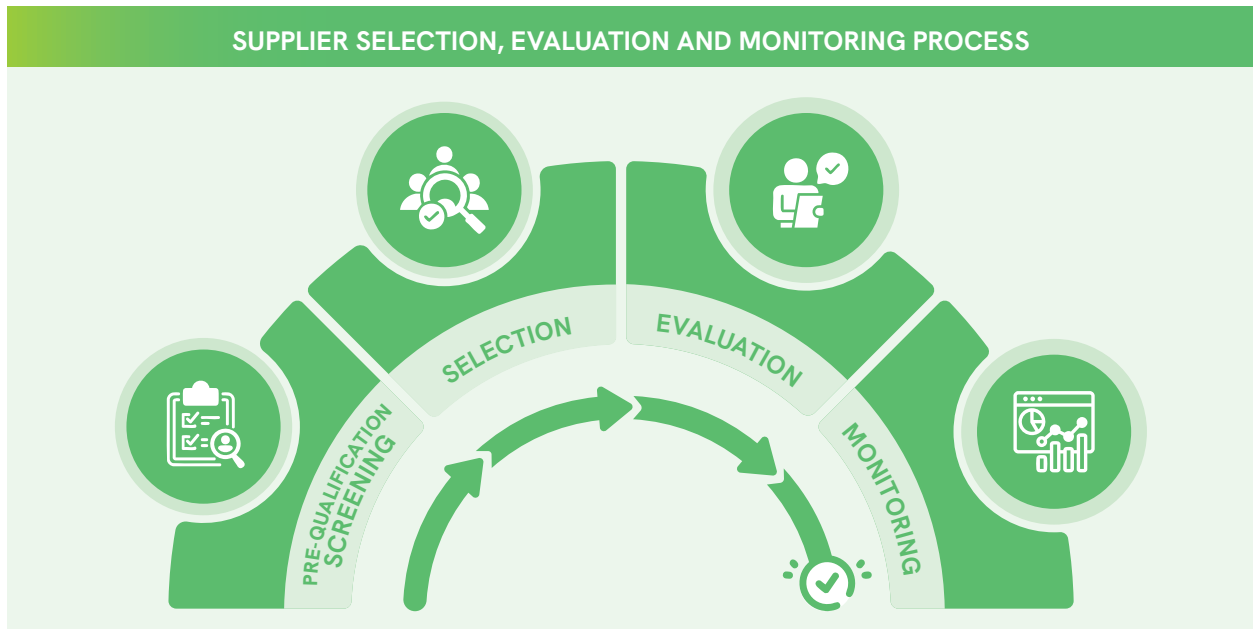
In addition, all suppliers and contractors are expected to adhere to all applicable regulatory requirements at federal, state and municipal levels, comply with recognised industry standards for workmanship quality and adopt best practices in minimising environmental and social impacts. These expectations encompass health, safety and environmental ("HSE") considerations, including conservation of natural resources and the reduction of noise, land and air pollution. To support effective monitoring, contractors are also required to submit monthly progress reports, enabling the Group to proactively identify and address any emerging issues, and to ensure continued alignment with our safety and environmental objectives throughout the project lifecycle.

The principles of the Sustainable Procurement Policy are:

### PRINCIPLES OF SUSTAINABLE PROCUREMENT



To support these principles, we actively promote fair and transparent procurement practices. We follow a structured supplier selection, evaluation and monitoring process:



Potential supply chain partners undergo a pre-qualification and due diligence process before being added to our approved supplier list. We assess each partner against a balanced set of financial and non-financial criteria, including product quality, delivery reliability, pricing and sustainability performance. Regular performance evaluations are conducted, both annually and on a project basis to monitor ongoing compliance with our quality, ethical and sustainability standards. Supply chain partners that fail to meet our minimum performance requirements or breach key governance principles are subject to corrective action and may be removed from the approved supplier list or blacklisted from future procurement opportunities. This disciplined approach promotes transparency, accountability and continuous improvement across the supply network. Based on evaluation outcomes, we maintain and update our approved supplier list to ensure the Group's supply chain remains resilient, responsible and aligned with evolving market expectations.

To promote local economic development, we prioritise sourcing from Malaysian-registered suppliers and contractors wherever possible. For the purposes of our reporting, "local" refers to suppliers and contractors that are registered and operate within Malaysia, where the Group's core business activities are based. Local sourcing helps strengthen the local economy, creates employment opportunities and reduces the carbon footprint associated with long-distance transportation. It also provides operational advantages such as faster delivery times, greater quality control and elimination of currency exchange risks.

We collaborate closely with supply chain partners to promote the adoption of sustainable construction materials and sourcing practices. This includes encouraging the use of recyclable materials and products with low volatile organic compounds and fostering innovation that supports sustainable development objectives across the supply network. These practices also contribute to our broader efforts to minimise waste generation across the value chain, thereby supporting the Group's waste reduction objectives.

In addition, as part of our commitment to advancing sustainability across the property and construction industry, PGB actively participates in relevant industry associations. Through our membership in organisations such as the Real Estate and Housing Developers' Association ("REHDA") and Construction Industry Development Board ("CIDB"), we collaborate with industry peers to promote the adoption of responsible business practices, sustainable construction methods and ethical supply chain standards. These engagements help us stay aligned with evolving industry expectations and foster greater sustainability awareness across our value chain.

SUSTAINABILITY STATEMENT

Our Performance

In FY2025, there were no reported instances of non-compliance with applicable laws or regulations in our supply chain operations. We continue to enhance our governance practices to ensure full compliance across the supply network.

Consistent with previous years, 100% of our suppliers and contractors were local companies registered in Malaysia, reflecting our ongoing commitment to supporting local economic development and supply chain resilience.



Note:  
<sup>1</sup> Including suppliers and contractors from all business segments.

During the year, we conducted performance evaluations for three (3) selected supply chain partners. The majority of these partners met our standards and remain on our approved list. However, one partner was found to have performed below our required thresholds, resulting in a decision to blacklist this supplier from consideration for future projects. This outcome reinforces our commitment to upholding high standards of quality, ethical conduct and sustainability across the supply network. We will continue to refine our evaluation framework and strengthen supplier governance to drive greater accountability and resilience within our supply chain ecosystem.

Moving Forward

Moving forward, we will continue to strengthen supply chain resilience and drive deeper sustainability integration across our procurement practices. We aim to expand supplier engagement on ESG priorities, promote broader adoption of sustainable materials and enhance capacity building for our supply chain partners. These efforts contribute to the SDG 8: Decent Work and Economic Growth, SDG 12: Responsible Consumption and Production and SDG 16: Peace, Justice and Strong Institutions, supporting an ethical and responsible supply chain that delivers long-term value.



## MINIMISING OUR ENVIRONMENTAL FOOTPRINT

As we advance sustainable growth, we are equally committed to minimising the environmental impact of our operations and developments. We embed resource efficiency and climate resilience across our activities to reduce emissions, minimise waste and conserve vital resources. Through continuous improvement, we aim to build a more sustainable built environment and safeguard the planet for future generations.

### Material Matters:

- Waste Management
- Climate Change and Action
- Water Management



WASTE MANAGEMENT

Why It Matters

Effective waste management is central to building a more sustainable and resource-efficient future. As global attention intensifies on climate change, resource scarcity and pollution, stakeholders increasingly expect companies to lead in advancing circularity and minimising environmental impact.

By reducing waste generation, promoting reuse and recycling and ensuring responsible disposal, we contribute to conserving natural resources, protecting ecosystems and supporting the transition toward a low-carbon, circular economy.

At PGB, we view waste not simply as a by-product to be managed, but as an opportunity to create value, drive operational efficiency and foster sustainable practices across our developments and operations. Through innovation and collaboration, we aim to accelerate progress in reducing our environmental footprint and contributing to broader sustainability goals.

Our Approach

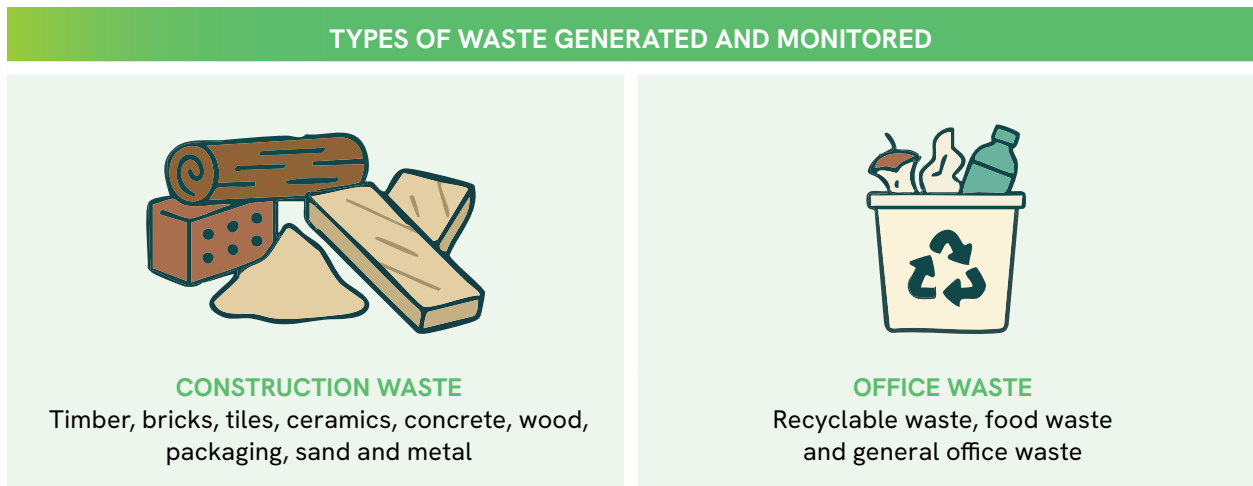
We embed waste management across our operations as part of our broader environmental stewardship commitment. Our approach is guided by five key principles:



Our waste management efforts are overseen by the SSC with performance updates reported to the RMC. This governance structure ensures that our waste management strategy is closely monitored and continuously refined to align with evolving regulations and stakeholder expectations.

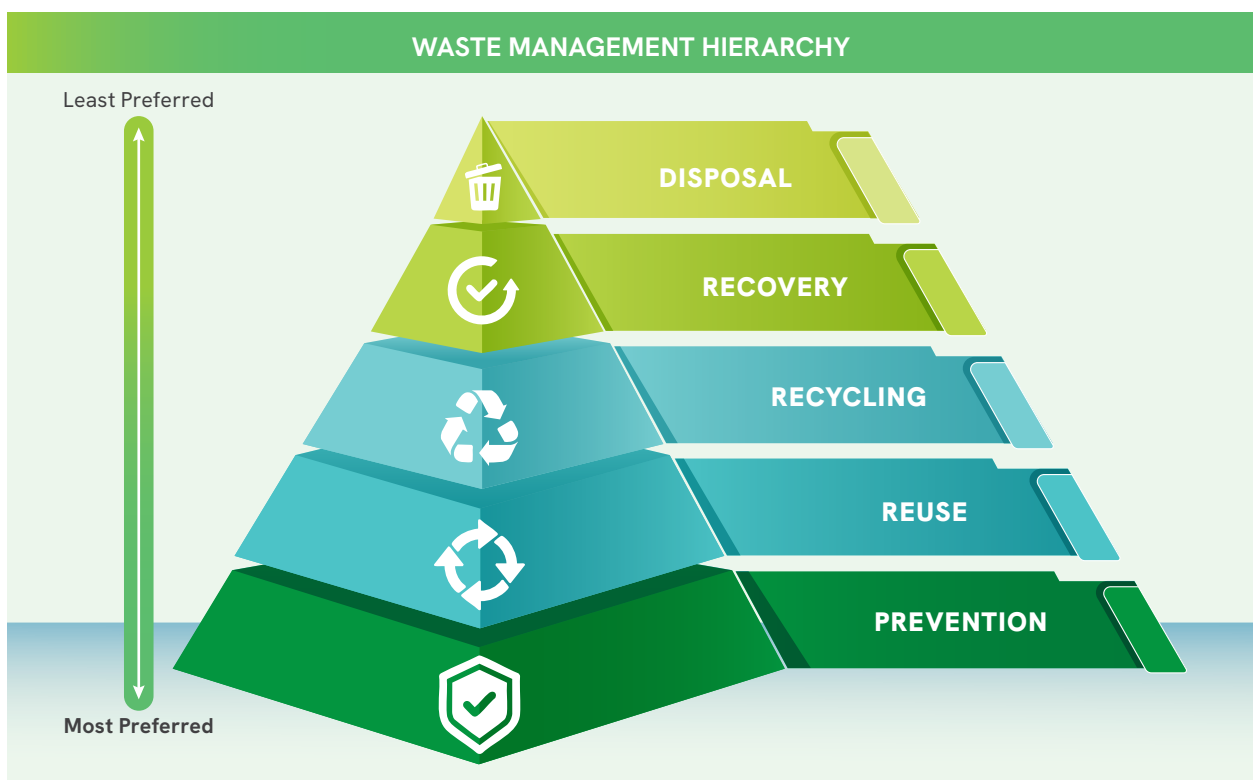
PGB's waste management scope includes both non-hazardous waste such as domestic waste, construction waste and general office waste, and scheduled waste where applicable. All waste streams are managed in compliance with relevant laws and regulations, including the Environmental Quality Act 1974 and Environment Quality (Scheduled Wastes) Regulations. Subcontractors appointed are required to engage licensed waste contractors for safe and compliant disposal. Scheduled waste, where generated, is securely stored at designated locations and handled exclusively by licensed contractors. These controls are in place to protect the environment and public health while reinforcing our commitment to regulatory excellence and sustainable operations.

Our office waste streams include recyclable waste, food waste and general office waste, which are directly managed through internal waste management practices and partnerships with recycling vendors. The following summary outlines the key waste types generated and monitored across the Group:



Aligned with the European Union's Waste Management Hierarchy and Malaysia's regulatory framework, we prioritise actions in accordance with hierarchy beginning with prevention, followed by reuse, recycling, recovery and as a last resort, disposal. This structured approach maximises resource efficiency and reinforces our commitment to circularity. We aim to minimise unnecessary waste and divert waste from landfill wherever possible.

To reduce waste at source, we continue implementing digital-first processes to replace paper documentation and transition promotional activities to digital platforms. In parallel, we actively discourage the use of single-use plastics and promote reusable office materials to further lower resource consumption.



## SUSTAINABILITY STATEMENT

Our employees are encouraged to practise reduce, reuse and recycle (“3R”) principles. Dedicated recycling bins for paper, plastic and E-waste are placed at strategic office locations. Reuse is embedded in our daily operations where practical, for example, festive decorations in good condition are repurposed, extending the life cycle of materials and reinforcing our circular economy principles.

Spotlight Initiative:

### DONATE CLOTHES, SHARE LOVE



As part of our commitment to promoting reuse and reducing textile waste, PGB organised its first “Donate Clothes, Share Love” drive in conjunction with the International Day of Persons with Disabilities on 6 December 2024. The initiative aimed to encourage employees to give pre-loved clothing a second life while supporting local communities.

The campaign received an enthusiastic response from staff, with a total of 411 pieces of clothing, weighing 91.80 kilograms collected. All items were donated to Persatuan Kebajikan Berkat Berganda (Shuang Fu) Johor Bahru, an organisation that supports persons with disabilities.

Beyond traditional donations, selected recyclable textiles are channelled into Shuang Fu’s social enterprise operations, helping to generate income to sustain their activities and provide employment opportunities for persons with disabilities. This initiative not only advanced our waste reduction efforts through responsible textile reuse, but also reinforced our values of inclusion, circularity and community empowerment.

To further promote awareness and build a stronger ESG culture within the organisation, we aim to present ESG-related educational videos to employees on an annual basis. These efforts are targeted at deepening understanding of sustainability principles and empowering employees to adopt more responsible habits at work and beyond.

In alignment with our supply chain practices, we also encourage the use of sustainable construction materials and products across our supply chain to minimise waste generation at source. These efforts contribute to reducing construction waste and support more sustainable consumption and production patterns.

During the year, we strengthened our data tracking processes by capturing waste performance information through project progress reports and vendor data submissions. For the first time, we began monitoring non-hazardous construction waste at newly launched projects and recording quantities of paper and plastic collected by recycling vendors. These enhancements reflect our commitment to improving the accuracy and transparency of our sustainability disclosures in line with Bursa Securities’ expectations.

## Our Performance

### (i) Paper Consumption and Printing Performance

In line with our waste reduction objectives, we continue to implement initiatives to reduce paper usage, promote recycling and enhance data transparency. The Group's Annual Report is distributed electronically, with physical copies made available only upon request. However, in FY2025, our paper consumption increased to 185 reams, an 8% rise from FY2023, primarily due to expanded marketing and operational activities. This also contributed to higher printing costs, which rose accordingly.

	2023	2024	2025
Number of reams procured	172	160	185
Annual procurement cost on paper ream (RM)	2,062	1,808	2,101
Annual cost on printing (RM)	9,975	8,738	18,387

### (ii) Waste Diversion and Disposal Performance

We also expanded our waste performance reporting to include waste diverted from and directed to disposal. During the year, we commenced tracking non-hazardous construction waste from four newly launched projects and enhanced monitoring of recyclable materials collected by dedicated recycling vendors. These efforts reflect our ongoing commitment to improving data transparency and driving more effective waste management across our operations.

	2023 <sup>1</sup>	2024	2025
Waste diverted from disposal (MT) <sup>2</sup>	-	0.20	0.61
Waste directed to disposal (MT)	-	1.30	192.94 <sup>3</sup>
<b>Total waste generated (MT)</b>	<b>-</b>	<b>1.50</b>	<b>193.55</b>

Notes:

1 Unit of measurement for waste diverted from disposal and waste directed to disposal is metric tonnes (MT).

2 The Group started tracking total waste generation data, including waste diverted from and directed to disposal, from FY2024.

3 Construction waste tracking commenced in FY2025.

No incidents of non-compliance, penalties, or fines related to waste management were recorded during the year.

## Moving Forward

As we deepen our commitment to sustainable waste management, we will focus on further reducing paper consumption, expanding reuse and recycling initiatives and improving waste management performance across the Group. We will also continue strengthening data transparency and fostering greater employee engagement in sustainable resource use and waste reduction. These efforts directly contribute to SDG 12: Responsible Consumption and Production and SDG 13: Climate Action, position PGB to further drive innovation and leadership in sustainable waste management across our operations and value chain.



CLIMATE CHANGE AND ACTION

Why It Matters

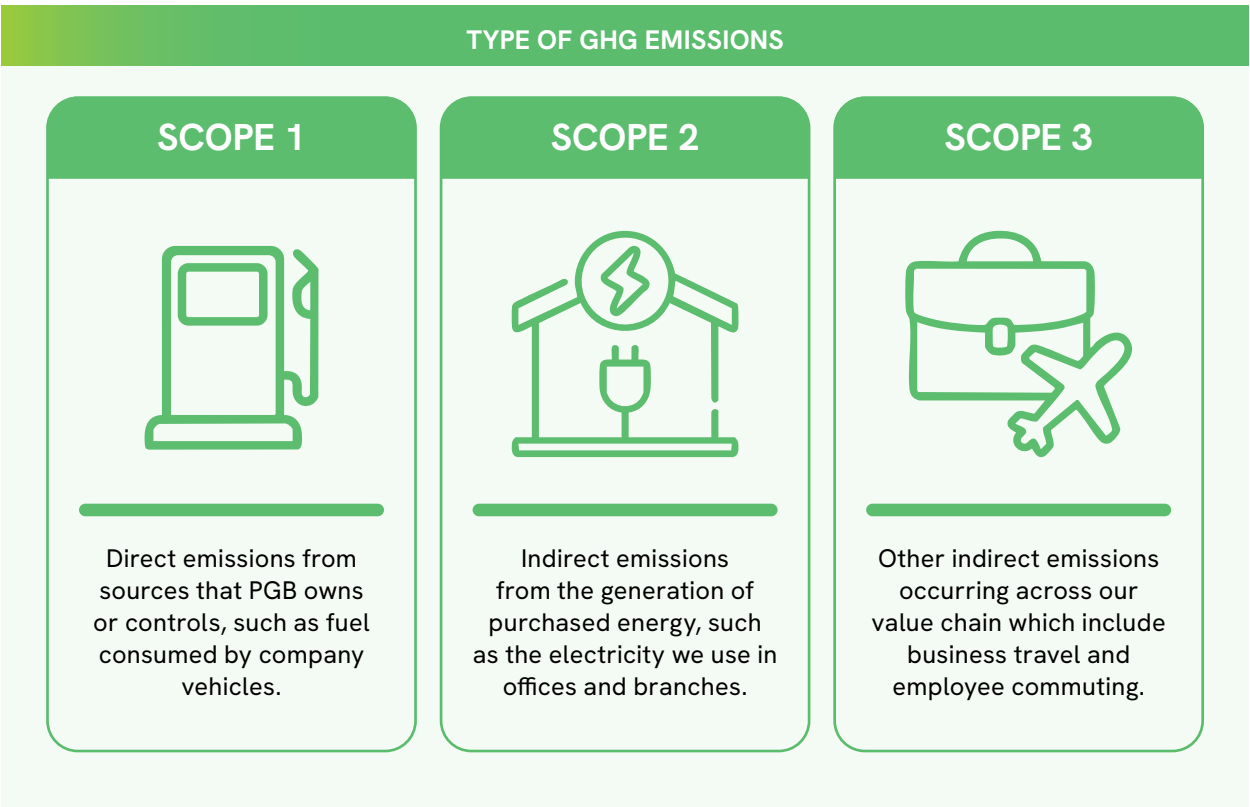
Climate change continues to have significant impacts on industries, businesses and communities worldwide. At PGB, we recognise that our energy consumption and greenhouse gas (“GHG”) emissions contribute to these impacts. As a responsible corporate entity, we are committed to reducing our carbon footprint and supporting Malaysia’s national ambition to achieve carbon neutrality by 2050.

Beyond compliance, we view climate action as an opportunity to strengthen resilience, enhance operational efficiency and contribute to the transition towards a low-carbon economy. Addressing climate change is integral to managing long-term risks, capturing emerging opportunities and reinforcing our leadership in sustainable property development.

Our Approach

PGB does not currently operate in climate-vulnerable regions; however, we remain committed to proactive climate management across all aspects of our operations and value chain. In advancing our GHG emissions management, we adopt a structured and transparent approach that reflects both practical considerations and evolving best practices.

We define our GHG accounting boundaries based on the internationally recognised GHG Protocol:



During FY2025, we engaged an external professional advisory firm to support us in establishing our GHG emissions baseline. For Scope 1 and Scope 3, we initially calculated emissions with the support of an external professional advisory firm, based on data collected through employee surveys and internal sources. Following our participation in the FTSE4Good Bursa Malaysia ("FTS4G") Index and onboarding to the Bursa Securities Carbon Scope Intelligence ("CSI") platform, we used the CSI platform to calculate Scope 1 and Scope 2 emissions. For Scope 3, we continued applying our established methodology to ensure consistency with our baseline approach. This pragmatic and transparent approach ensures that we are progressively enhancing our GHG emissions reporting while aligning with Bursa Securities' expectations and global best practices.

In parallel, we are building a strong foundation for climate-related disclosure by progressively strengthening our GHG emissions tracking management and governance practices. This will position us to align with evolving Bursa Securities SRG expectations and forthcoming IFRS S1 and IFRS S2 standards and to deliver climate disclosures that meet the needs of investors, customers and broader stakeholders.

As part of our strategic review of sustainability priorities and resource allocation, PGB made the decision to exit the UNGC in FY2025. While our participation in UNGC had supported the early development of our sustainability agenda, the decision to withdraw reflects a focused shift toward aligning with emerging local and global frameworks such as the CSI platform and forthcoming IFRS S1 and S2 disclosure requirements. We continue to uphold the core principles of responsible business practices championed by the UNGC while channelling our resources to initiatives that deliver measurable impact and regulatory alignment.

#### ENERGY-SAVING INITIATIVES



Replacing traditional lighting with energy-efficient LED lights in our offices



Turning off lights and air conditioning after office hours



Promoting employee awareness of energy conservation through internal communications

Operationally, we continue to implement practical energy efficiency measures and foster a culture of environmental responsibility across the Group.

We also aim to embed low-carbon and climate-resilient design principles across our developments. During the year, we collaborated with GreenRE to support our efforts to progressively adopt green building certification practices, in line with our broader commitment to sustainable design and ESG leadership. Through this collaboration, we aim to develop properties that meet the GreenRE certification requirements, while enabling long-term carbon emission reductions, promoting energy-efficient building operations, water conservation and the use of sustainable materials. By designing and delivering more climate-friendly built environments, we contribute not only to lowering our own operational footprint, but also to supporting our customers and communities in achieving their own sustainability goals.

Through these comprehensive efforts, PGB is laying a solid foundation for long-term climate resilience while contributing meaningfully to Malaysia's low-carbon transition.

Our Performance

(i) Energy Consumption Performance

We tracked energy consumption across our headquarters and branch office through a dedicated meter.

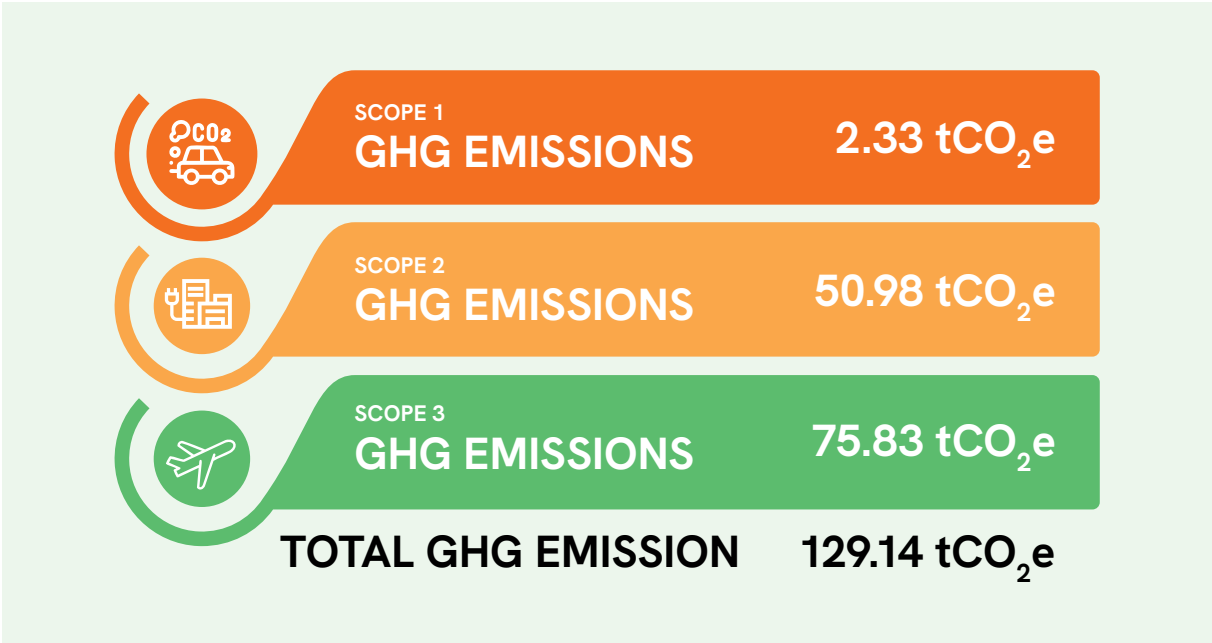
	2023 <sup>2</sup>	2024	2025
Total energy consumption (MWh) <sup>1</sup>	-	63.26	65.87

Notes:

- 1 Unit of measurement of energy consumption is megawatt-hours (MWh).
- 2 The Group started tracking total energy consumption from FY2024.

(ii) GHG Emissions Performance

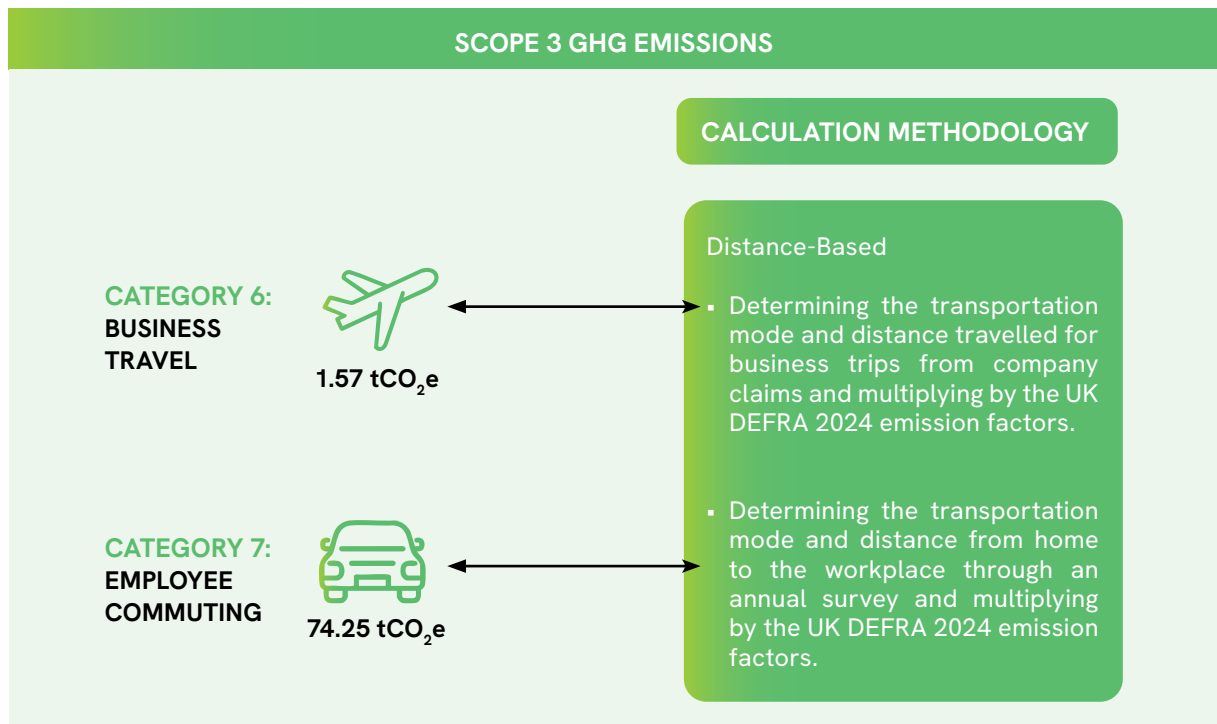
In FY2025, PGB started its first-year climate-related performance tracking by reporting Scope 1, Scope 2 and selected Scope 3 GHG emissions. The Group emitted a total of 129.14 tCO<sub>2</sub>e during the year, the component breakdown is as follows:



Notes:

1. Unit of measurement of GHG emissions is metric tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).
2. This is our first year of reporting GHG emissions, with Scope 1 tracking commencing in November 2024 and Scope 2 and Scope 3 tracking for the full FY2025 cycle.
3. Scope 1 and Scope 2 GHG emissions were calculated using the Bursa Securities CSI platform, applying United Kingdom Department for Environment, Food & Rural Affairs ("UK DEFRA") 2024 emission factors and Malaysia Energy Information Hub ("MEIH") 2022 emission factors respectively.
4. Scope 3 GHG emissions (Category 6: Business Travel and Category 7: Employee Commuting) were calculated using the UK DEFRA 2024 emission factors.
5. The GHG emissions data for Scope 1, Scope 2 and Scope 3 has been assured externally.

Recognising that Scope 3 emissions represent an important component of our climate impact, we collected data for categories related to business travel and employee commuting during FY2025, in line with Bursa Securities SRG. Employee commuting emissions were calculated based on the type of vehicle used, transportation mode and commuting distance, determined through an employee survey conducted in FY2025 with a 100% participation rate.



During the year, no incidents of non-compliance related to energy management or emissions reporting were recorded. We remain fully committed to regulatory compliance and to progressively enhancing our climate performance and transparency.

### Moving Forward

We will continue enhancing our climate action strategy by refining Scope 1, Scope 2 and Scope 3 GHG emissions tracking, expanding data coverage and strengthening the quality and transparency of our disclosures. We will also continue embedding climate considerations into project design and operations, promoting energy efficiency and pursuing opportunities to integrate renewable energy solutions. Once a comprehensive baseline is established, we will begin defining appropriate emissions targets to guide future progress. These efforts directly support our contribution to the SDG 7: Affordable and Clean Energy and SDG 13: Climate Action, reinforce our leadership in advancing responsible climate action.



# SUSTAINABILITY STATEMENT

## WATER MANAGEMENT

### Why It Matters

Water management is a growing priority for businesses globally as climate change, population growth and unsustainable consumption continue to intensify pressure on freshwater resources. In Malaysia, erratic rainfall patterns and increasing water scarcity risks demand proactive action to secure water availability and safeguard communities.

At PGB, we recognise that responsible water management is essential not only to protect this critical resource but also to build long-term resilience across our operations and value chain. By implementing effective water management strategies, we support national water security objectives, reduce operational risks and contribute positively to the communities we serve.

### Our Approach

We adopt a structured approach to water management that aligns with industry best practices and evolving stakeholder expectations. Water is an essential input across our operations and we are committed to managing it efficiently, transparently and in compliance with applicable regulatory requirements.

PGB does not currently operate in water-stressed regions. However, we remain committed to proactive water management to safeguard resources and support long-term sustainability. Currently, our municipal water consumption data collection focuses on office operations, while rainwater harvested at selected project sites is monitored and utilised for non-potable purposes such as tyre washing and dust control, thereby reducing our dependence on municipal water.

We also leverage data analytics to enhance our water management strategy. By tracking consumption trends and rainwater harvesting volumes, we aim to continuously identify opportunities for efficiency gains.

In addition to data tracking, we ensure that all water-related activities at construction sites comply with applicable regulatory standards. We are committed to strict compliance with local authority guidelines for water use, wastewater management and effluent discharge. Our construction sites operate in accordance with Environmental Impact Assessment ("EIA") approval conditions and adhere to Environmental Management Plan ("EMP"), Erosion and Sediment Control Plan ("ESCP"), and other site-specific water management requirements. Licensed contractors manage all site-related water discharges to ensure full regulatory compliance.

Water efficiency is also integrated into the design of our developments. Our property designs incorporate rainwater harvesting systems and water-efficient sanitary fittings to help end users reduce consumption over the long term.

We actively promote water conservation through initiatives include:

- Regular checking and scheduled maintenance of plumbing systems to reduce water wastage.
- Promotion of water-saving behaviours among employees.
- Use of rainwater for site cleaning where applicable.

The key water sources monitored across our operations:

TYPE OF WATER SOURCES MONITORED	
 <b>MUNICIPAL WATER SUPPLY</b>	 <b>RAINWATER HARVESTED</b>

Through these comprehensive efforts, we aim to lead by example in responsible water management while supporting the broader sustainability objectives of our business and the communities we serve.

### Our Performance

In FY2025, we strengthened our water performance tracking by continuing to monitor municipal water consumption at our headquarters and initiating monitoring of rainwater harvested at selected project sites to further support circular water use.

	2023 <sup>1</sup>	2024	2025
Total municipal water consumption (l) <sup>3</sup>	-	1,074 <sup>2</sup>	815
Rainwater harvested (l)	-	-	454
<b>Total water consumption (l)</b>	<b>-</b>	<b>1,074</b>	<b>1,269</b>

Notes:

1 Unit of measurement for water consumption is litres (l).

2 The Group started tracking water consumption from FY2024.

3 Previous disclosures regarding the water consumption have been restated due to a change in unit measurement. Figures are presented in litres to improve alignment with internal monitoring.

4 Data for water consumption is obtained from a dedicated water meter installed at the Group's headquarters. Municipal water consumption at project sites is not systematically tracked at present.

During the year, no incidents of non-compliance related to water use or effluent discharge were recorded. We remain fully committed to compliance with all regulatory requirements and to enhancing water efficiency performance year-on-year.

### Moving Forward

We will continue strengthening our water management practices with a focus on improving consumption tracking, expanding rainwater harvesting, and driving greater water efficiency across our operations. We will also explore opportunities to integrate smart water management technologies and further engage employees to adopt stronger water-saving behaviours at the workplace. These efforts not only strengthen PGB's operational efficiency but also contribute to national water security efforts and broader sustainability goals. They directly support our contribution to the SDG 6: Clean Water and Sanitation and SDG 12: Responsible Consumption and Production, reinforce our leadership in advancing responsible water management.









## VALUING OUR PEOPLE AND COMMUNITY

We are committed to uplifting lives within our organisation and across the communities we serve, as an integral part of our broader sustainability efforts. Building on our governance, economic and environmental priorities, we continue to uphold human rights, foster diversity and inclusion and provide a safe and supportive work environment where our people can thrive. Beyond the workplace, we invest in community development initiatives that enhance social well-being and resilience. Through these efforts, we strive to contribute meaningfully to sustainable community growth while building an organisation grounded in care, respect and shared value.

### Material Matters:

- Occupational Safety and Health
- Labour Practices and Standards
- Diversity and Inclusion
- Community Development and Programmes



# SUSTAINABILITY STATEMENT

## OCCUPATIONAL HEALTH AND SAFETY

### Why It Matters

Protecting lives is a fundamental leadership responsibility and a core value that we uphold across our operations. We are committed to ensuring that every individual working with us, whether an employee, contractor or site visitor, is safeguarded by a deeply embedded culture of health and safety. In an industry where operational risks are inherent, we do not view zero harm as a distant aspiration, but as an absolute expectation.

Health and safety is fully integrated into our business mindset, extending beyond regulatory compliance to serve as a strategic enabler of trust, operational resilience and workforce well-being. We consistently benchmark our practices against leading Malaysian and regional peers and we hold ourselves and our partners to exacting safety standards, reinforced by transparent governance and leadership accountability.

This unwavering commitment is reflected in our results. We have maintained a zero-fatality record and zero lost-time injuries across our Group operations and contractor-managed sites in recent years. As we continue to expand our business, we are determined to further enhance our safety practices, strengthen contractor oversight and foster a work environment where the well-being of every individual remains paramount.

### Our Approach

Achieving excellence in health and safety begins with strong leadership, clear accountability and an unwavering commitment to continuous improvement. Guided by this conviction, we embed health and safety principles across all aspects of our operations, supported by a comprehensive Occupational Health and Safety ("OHS") Policy. This policy, approved by the Board and publicly available on our Company's website at [www.pgbgroup.com.my](http://www.pgbgroup.com.my), defines the standards and expectations that shape our Group-wide approach to creating safe, healthy and resilient working environments.

The policy articulates six core principles that guide the implementation of our health and safety practices:

#### PRINCIPLES OF OCCUPATIONAL HEALTH AND SAFETY POLICY



These principles form the foundation of our efforts to foster a proactive safety culture and ensure that every individual engaged in our operations is equipped to uphold the highest standards of OHS.

In our property and construction segment, health and safety is embedded across every stage of the project lifecycle. All project contracts include mandatory OHS provisions that require full compliance with Group standards. Every individual entering our project sites must adhere to stringent personal protective equipment ("PPE") requirements, while contractors remain fully responsible for ensuring the health and safety of their workers through effective management systems aligned with the Occupational Safety and Health Act 1994.

We maintain active and ongoing oversight through our project teams, who systematically monitor contractor progress reports, conduct regular joint site inspections and maintain continuous coordination with contractor safety officers to drive consistent performance and continuous improvement. In line with the Occupational Safety and Health Act 1994, contractors establish Health, Safety and Environment (“HSE”) Committees at each operating site.

These HSE Committees, chaired by the Project Manager and comprising employer and employee representatives, play a central role in reviewing safety performance, identifying trends and potential risks, investigating incidents, facilitating feedback on safety matters and ensuring effective inspection and compliance protocols are implemented. During the year, HSE Committees conducted systematic site inspections across our project sites. Where safety concerns were identified, contractors implemented prompt remedial actions under the supervision of our project teams. All identified issues were closed with satisfactory outcomes, ensuring that site safety standards were fully restored and maintained.

In addition to HSE Committee oversight, contractors are required to appoint dedicated Safety and Health Officers to lead on-site safety programmes, conduct comprehensive risk assessments, deliver targeted OHS training to all site personnel, maintain effective incident reporting and investigation systems and regularly test emergency preparedness plans. We place strong emphasis on promoting safety awareness at every level of our operations. Contractors are expected to actively reinforce this culture through awareness programmes, continuous engagement and provision of training and resources that equip all workers with the knowledge and skills to remain compliant and safe. We firmly believe that sustained investment in health and safety capabilities not only protects lives but also strengthens operational excellence and long-term stakeholder value.

Beyond construction sites, our commitment to safety and well-being extends across our corporate offices and sales gallery. These facilities are equipped with key emergency response tools, including first aid kits and fire extinguishers, while employees are also trained as certified first aiders to enhance workplace readiness. We also invest in health resilience through vaccination programmes, health screenings and proactive well-being initiatives such as gym membership coverage and hospitalisation support under the Group insurance scheme. These efforts promote a culture where health and safety are deeply embedded in our daily operations, leadership practices and overall workplace experience.

Through these comprehensive approaches, PGB remains dedicated to leading by example in occupational health and safety, ensuring that we not only meet our sustainability objectives but also create a safe and supportive work environment for all employees and contractors.

#### Spotlight Initiative:

### EMPOWERING WORKERS TO DRIVE SAFETY CULTURE



A resilient safety culture is built on the active participation and empowerment of the workforce. We encourage employees and contractors to take ownership of safety on-site and to engage openly in promoting safe behaviours.

Regular toolbox meetings, housekeeping inspections and safety briefings are conducted across project sites to reinforce critical safety messages and provide open platforms for dialogue. Workers are encouraged to contribute observations and insights through dedicated reporting channels, enabling proactive identification and mitigation of potential risks. Safety messages are further reinforced through multilingual signage and on-site notices to ensure accessibility for all. By empowering workers and valuing their contributions, we continue to cultivate a culture where safety leadership is shared, visible and continuously strengthened.

## Spotlight Initiative:

### BUILDING FIRST RESPONDERS IN THE WORKPLACE



As part of our commitment to workplace safety and emergency preparedness, we partnered with St. John Ambulance Malaysia to conduct certified training on cardiopulmonary resuscitation ("CPR") and essential first aid. These sessions equipped participating employees with the skills to respond effectively to medical emergencies, including basic life support, choking rescue and injury management. The training also included practical simulations, ensuring that team members are confident in applying their knowledge when it matters most. By empowering our employees as certified first responders, we are not only enhancing immediate response capabilities but also reinforcing a culture where safety and care extend beyond compliance.



## Spotlight Initiative:

### PROMOTING PREVENTIVE HEALTH AWARENESS



As part of our ongoing workplace well-being efforts, a half-yearly diabetes screening programme was introduced at our corporate office in FY2025. The initiative supports early detection and health awareness among employees, reinforcing our commitment to a healthy and proactive work environment.

## Our Performance

## (i) Work-related Injuries and Fatalities

We are pleased to report that there were no work-related fatalities or lost-time injuries among our employees or contractors during the financial year under review. We also recorded no major legal actions, fines or sanctions related to occupational health and safety during this period.

	2023	2024	2025
<b>Total Workman Hours</b>	209,392 <sup>1</sup>	882,616	1,196,342
<b>Employees<sup>3</sup></b>			
Number of fatalities	0	0	0
Number of lost time injuries	0	0	0
Lost time incident rate (%) <sup>2</sup>	0	0	0
<b>Contractors<sup>4</sup></b>			
Number of fatalities	0	0	0
Number of lost time injuries	0	0	0
Lost time incident rate (%) <sup>2</sup>	0	0	0

Notes:

1 Restated FY2023 that corrected human errors.

2 In alignment with the Bursa Securities SRG, the lost time incident rate calculation has been updated to use 200,000 hours worked.

3 Employee fatalities cover 100% of the Group's employees.

4 Contractor fatalities cover all contractors engaged in Group-controlled project sites.

## (ii) Health and safety trainings

We continue to scale our training efforts to foster a culture of vigilance, shared responsibility and continuous learning. In FY2025, a total of 17 employees and 252 contractors participated in health and safety training programmes designed to embed safety awareness and safe working practices across all levels of our operations.

While participation declined from the previous year following the completion of major induction programmes in FY2024, we maintained a strong focus on delivering high-impact sessions that supported compliance, emergency readiness and practical risk management.

	2023	2024	2025
Number of employees trained on health and safety standards	3	0	17
Number of contractors trained on health and safety standards	244	856	252
<b>Total number of employees and contractors trained</b>	<b>247</b>	<b>856</b>	<b>269</b>

Note:

Health and safety trainings cover both targeted OHS modules and general training with safety elements (e.g. site inductions, site protection training and other safety-related programmes).

Through these structured practices and a focus on continuous improvement, we remain committed to sustaining strong occupational health and safety outcomes and ensuring that safety remains a core leadership priority across our business.



## SUSTAINABILITY STATEMENT

### Moving Forward

We will continue to strengthen our OHS practices by deepening contractor oversight, broadening workforce training, advancing our workplace wellness agenda and employee engagement efforts. These initiatives aim to cultivate healthier lifestyle habits, reinforce proactive health management and promote overall well-being across the organisation. We remain steadfast in our commitment to achieving zero fatalities and zero lost-time injuries, while continuously evolving our safety management systems in line with emerging risks and stakeholder expectations. These efforts contribute directly to the achievement of the SDG 3: Good Health and Well-being and SDG 8: Decent Work and Economic Growth.

### LABOUR PRACTICES AND STANDARDS

#### Why It Matters

People are the foundation of a thriving and resilient organisation. Ensuring that every individual is treated with dignity, fairness and respect is not only a moral imperative, but a reflection of the values we uphold as a responsible employer. As societal expectations continue to advance, our commitment to nurturing a workplace that safeguards rights, promotes inclusivity and supports personal and professional growth must evolve in tandem.



Strong labour practices rooted in ethical conduct and human rights protection foster an environment where individuals feel safe, valued and empowered to contribute meaningfully. When people are given the opportunity to flourish, free from discrimination, injustice or fear, the workplace becomes a catalyst for innovation, connection and shared success. Embedding these principles into our culture is essential to building a workplace where people can truly thrive — now and into the future.

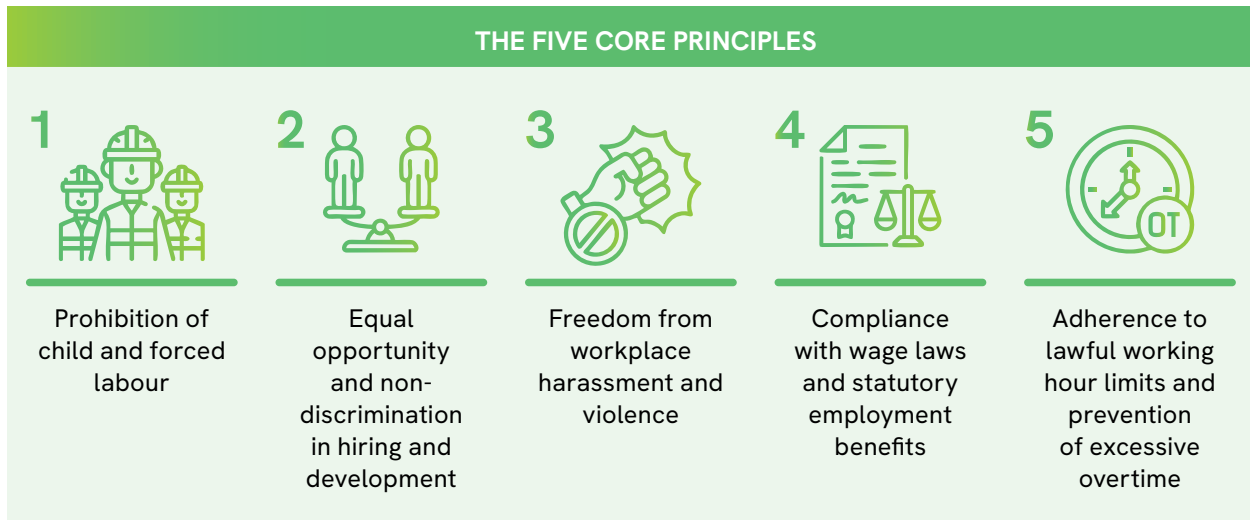
#### Our Approach

Our labour practices are shaped by the belief that every employee deserves to be treated with dignity, fairness and respect. We strive to build a workplace that safeguards rights, promotes inclusivity and supports long-term growth for both individuals and the organisation. This commitment is embedded through structured policies, equitable compensation, inclusive talent development and meaningful engagement that strengthen trust, resilience and shared success.

#### Policies and Procedures

We uphold a structured governance framework aligned with the Malaysian Employment Act 1955 and other applicable labour laws to ensure that our workplace remains free from child and forced labour, harassment, discrimination or any form of unfair treatment.

Foundational to this framework are five (5) core principles, which are institutionalised across our operations:



To translate these principles into practice, we have implemented a range of structured controls to address key labour risks and uphold a fair, transparent and safe workplace. These include pre-employment age verification processes through national registration identity card checks to prevent underage hiring and employment contracts that clearly define terms of engagement and allow for lawful termination. Working hours are outlined within these contracts and monitored through attendance tracking systems that help to detect potential excessive overtime. Rest day provisions are incorporated to ensure adequate breaks and support employee well-being in line with statutory requirements.

In addition, the Employee Handbook serves as a key reference document that outlines employees' rights, entitlements and workplace expectations. It provides guidance on compensation and benefits, leave entitlements, disciplinary procedures and grievance mechanisms, empowering employees with the knowledge and clarity to exercise their rights responsibly and confidently.

These operational safeguards are reinforced by the Group's Code of Conduct and supported by targeted policies that collectively safeguard dignity, promote fairness and uphold labour rights. Key policies include:

- Eliminating Discrimination in the Workplace Policy, which outlines a comprehensive framework to prevent unfair treatment based on gender, age, ethnicity, religion, sexual orientation, disability, or other protected characteristics.
- Sexual Harassment Policy, which offers practical guidance to prevent and address misconduct, backed by a clear grievance and disciplinary mechanism to maintain a safe and respectful workplace.
- Employee Social Media Policy, newly introduced in FY2025, which governs responsible digital behaviour and protects both employee privacy and the Group's reputation in an increasingly connected environment.

All employees are encouraged to report misconduct or concerns through confidential and accessible grievance mechanisms without fear of retaliation. Each report is addressed in a timely, impartial and respectful manner, in line with our commitment to human dignity, legal compliance and organisational integrity. In addition, our broader workplace diversity efforts are detailed under the "Diversity and Inclusion" sustainability matter, which sets out further initiatives governed by the Employee Diversity and Inclusion Policy.

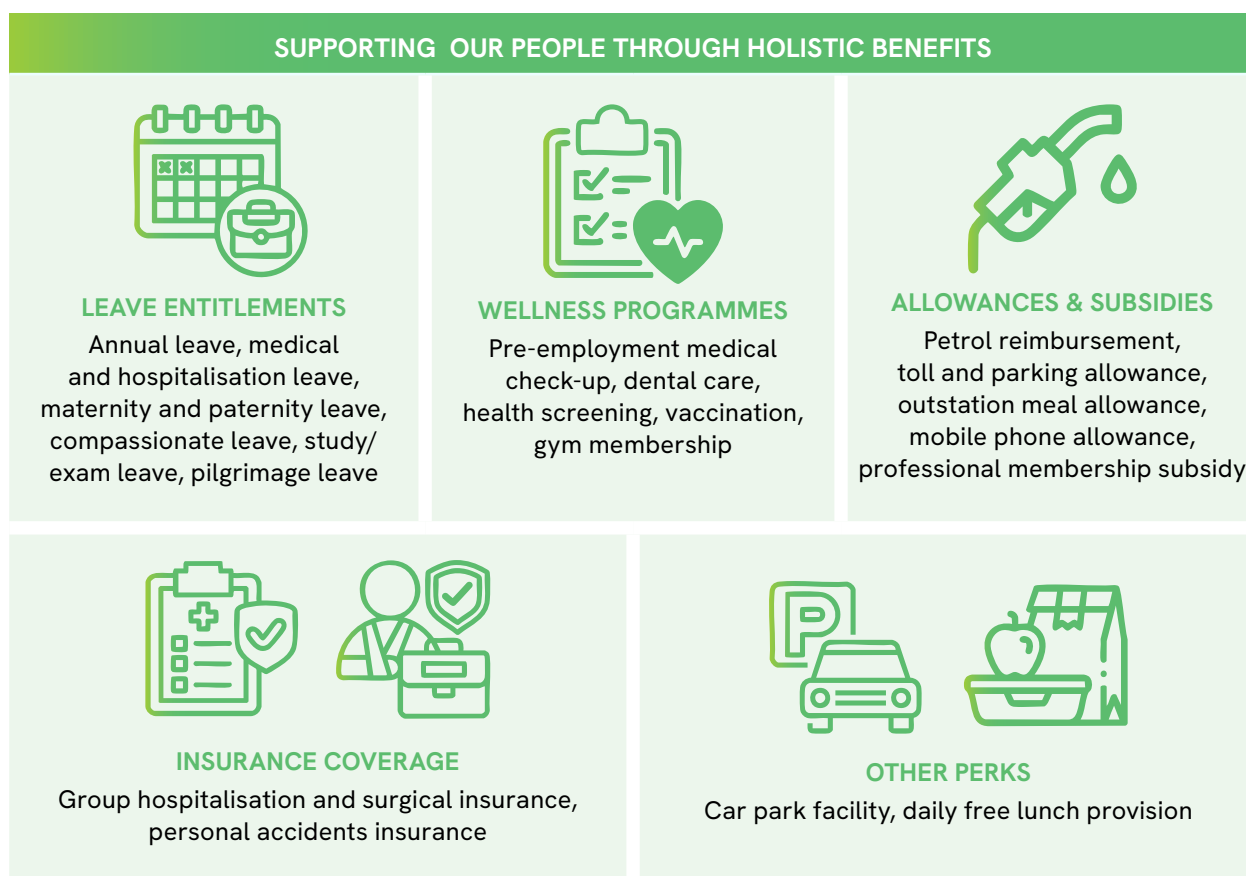
Together, these controls and policies reflect our ongoing efforts to uphold responsible labour practices and ensure every individual under our employment is treated with respect, protected by policy and empowered to thrive.

## Compensation and Performance Management

Fair and competitive compensation is essential to recognising employee contributions and fostering long-term retention. Our remuneration framework is periodically reviewed to ensure alignment with evolving market practices, employee expectations and the Group's strategic direction.

We are guided by the principle of "equal work for equal pay," ensuring that all employees are fairly compensated based on their roles, performance and contribution. Remuneration decisions are made transparently and anchored in meritocracy, reinforcing a culture of fairness and accountability across all levels.

Beyond salaries, we offer a comprehensive suite of financial and non-financial benefits that reflects our holistic approach to employee care. These include a broad range of leave entitlements, wellness programmes, insurance coverage, allowances and daily conveniences. A summary of our benefits offering is illustrated as below:



This offering reinforces our commitment to creating a workplace where individuals feel supported and valued, not just as professionals, but as people.

Performance is managed through an annual appraisal process anchored on measurable key performance indicators ("KPIs"), tailored to each role and aligned with Group-wide priorities. This process, facilitated through the Sandmerit KPI e-Appraisal system, encourages open dialogue between managers and employees, supports continuous feedback and serves as a foundation for talent development and succession planning.

In FY2025, we enhanced our performance management framework with the introduction of a new Annual Awards Programme, aimed at celebrating excellence across the organisation. Awards such as Best Employee, Best Manager and Best Department were introduced to formally recognise outstanding contributions and foster a high-performance culture that values both results and collaboration.

By integrating structured performance evaluation with meaningful recognition and a strong foundation of employee benefits, we continue to build a people-centric and achievement-oriented workplace where individuals are empowered to thrive and contribute to the Group's long-term success.

### **Talent Attraction and Recruitment**

Attracting the right talent is critical to driving sustainable growth and shaping the Group's future. Our recruitment practices are built on fairness, meritocracy and equal opportunity, with candidates assessed based on their qualifications, experience and alignment with the organisation's values and long-term direction.

The Group also prioritises local employment, ensuring that job opportunities contribute meaningfully to the communities in which we operate. This approach not only promotes social integration and economic inclusion but also strengthens local knowledge and organisational resilience.

Beyond legal compliance, we actively invest in building a strong employer brand by creating a workplace culture that is transparent, supportive and opportunity-driven. By nurturing a workplace culture where people feel welcomed and valued from the outset, we strengthen our talent pipeline and ensure the Group remains agile, resilient and ready to meet future opportunities and challenges.

### **Succession Planning**

We maintain a formal Succession Planning Policy to ensure leadership continuity, talent development and long-term organisational resilience. This structured framework guides the identification and development of high-potential employees who can step into critical roles as the Group grows and evolves. Succession planning is integrated into our wider talent and performance strategies and is periodically reviewed to ensure continued relevance to our business priorities.

Our approach focuses on nurturing internal talent through initiatives such as mentorship, cross-functional project exposure and tailored development plans. By encouraging career progression and internal mobility, we create opportunities for employees to grow into leadership roles, reinforcing a culture of empowerment and long-term engagement. Key vacancies are prioritised for internal candidates to promote continuity, institutional knowledge and staff retention. This proactive practice reflects our commitment to building a future-ready workforce, where leadership is cultivated with intention and purpose.

### **Training and Development Opportunities**

Continuous learning is a cornerstone of personal growth and organisational resilience. We are committed to nurturing capabilities that support both operational effectiveness and future strategic readiness. All employees, regardless of role or seniority, are given equal access to professional development, reflecting our belief in shared growth potential.

Training programmes span technical skills, leadership development and soft skill enhancement, delivered through internal workshops, external courses and industry seminars. Learning needs are identified through performance evaluations, departmental planning and business requirements. In addition, employees are encouraged to proactively select training programmes that align with their personal career goals and development interests. This empowers individuals to take ownership of their growth journey and ensures learning remains meaningful and relevant.



Eligible training expenses are supported by the Human Resource Development Fund ("HRDF") to ensure high-impact and cost-effective learning. By investing in the continuous development of our people, we enhance internal mobility, support long-term employability and strengthen our capacity to adapt and innovate in a dynamic business landscape.

### Employee Engagement Initiatives

An engaged workforce is the foundation of a high-performing and resilient organisation. We are committed to fostering a culture rooted in open communication, mutual trust and shared purpose, where every individual feels heard, valued and empowered to contribute meaningfully.

In FY2025, we continued to deepen workplace connection, boost morale and enhance well-being through a series of structured initiatives anchored on three (3) core pillars: Culture & Connection, Health & Well-being and Engagement & Voice.



#### CULTURE & CONNECTION

- Quarterly team-bonding activities.
- Company trip and employee appreciation events.
- Long Service Awards recognising loyalty and dedication.
- Festive celebrations promoting inclusivity and cultural appreciation.



#### HEALTH & WELL-BEING

- Health campaigns such as diabetes screenings and influenza vaccinations.
- Sports and wellness programmes to promote active lifestyles.



#### ENGAGEMENT & VOICE

- Annual townhall with the Executive Chairman for open dialogue.
- Confidential grievance and suggestion channels.
- Annual employee survey for feedback.

These efforts reflect our belief that an inclusive, communicative and responsive workplace builds stronger bonds, improves well-being and elevates organisational performance. By listening actively and acting intentionally, we cultivate an environment where people feel respected, inspired and equipped to grow alongside the organisation.

## Spotlight Initiative:

**CULTURE & CONNECTION***"Celebrating Connection through Milestone Events and Team Bonding Moments"*

FY2025 marked a meaningful chapter in our employee engagement journey, highlighted by two (2) landmark events that brought our people together in celebration, recognition and shared experiences — the Company Trip to Batam, our first since the pandemic and the inaugural Company Annual Dinner.

The Company Trip offered valuable opportunity for employees to unwind, strengthen bonds and build camaraderie outside the formal work setting. Meanwhile, the Annual Dinner introduced a new tradition of appreciation, uniting employees across departments to celebrate collective achievements and reinforce team spirit.

These flagship events were further supported by quarterly bonding activities such as Jump Lah, go-kart challenges, and festive celebrations, all of which contributed to a culture of connection, enjoyment and team unity. Together, they form the backbone of our Culture & Connection pillar and affirm our belief that nurturing relationships and celebrating people are essential to building a workplace where everyone feels valued and inspired to grow together.



Company Trip to Batam



Company Annual Dinner



DMC Go Kart Bonding



Jump Lah! Bonding



Christmas Celebration

## Spotlight Initiative:

## HEALTH & WELL-BEING

"Empowering Wellness through Movement and Preventive Care"



Our commitment to employee well-being goes beyond the workplace and reflects a holistic approach to supporting physical health, mental balance and proactive care. In FY2025, we reinforced this commitment through targeted initiatives that energised, connected and protected our workforce.

Sunbeam Splash 2.0, a wellness-themed team activity day, brought employees together through sports, games and group challenges that encouraged movement, teamwork and healthy competition. The initiative supported active lifestyles and promoted positive mental well-being across the organisation.

In parallel, we continued our on-site influenza vaccination programme, offering free annual vaccinations to employees. This initiative encouraged preventive health practices, reduced absenteeism and demonstrated our care for the well-being of individuals and the wider workplace community.

Together, these initiatives exemplify our dedication to fostering a culture where well-being is shared, prioritised and embedded in the way we work and live.



Sunbeam Splash 2.0



Annual Vaccination Programme

## Spotlight Initiative:

## ENGAGEMENT & VOICE

"Listening, Responding and Leading with Openness"



Transparent communication and active listening are fundamental to a healthy organisational culture. In FY2025, we continued to cultivate a workplace where employees are empowered to share feedback, express concerns and shape the future of the organisation.



Our annual Townhall with the Executive Chairman remained a key platform for connection, reflection and strategic alignment. It fostered open dialogue between leadership and employees, strengthened trust and promoted greater accountability across the organisation.

This was complemented by the annual employee survey, which received strong participation from our corporate offices. Insights from the survey informed meaningful enhancements across departments and reinforced our commitment to continuous improvement. We also maintained grievance and feedback channels to ensure employees can voice concerns confidently and confidentially.

Collectively, these initiatives underscore our commitment to building a workplace where every voice matters, feedback is respected and leadership responds with clarity and purpose.



Annual Employee Survey



Feedback Channels



Grievance Channels

## Our Performance

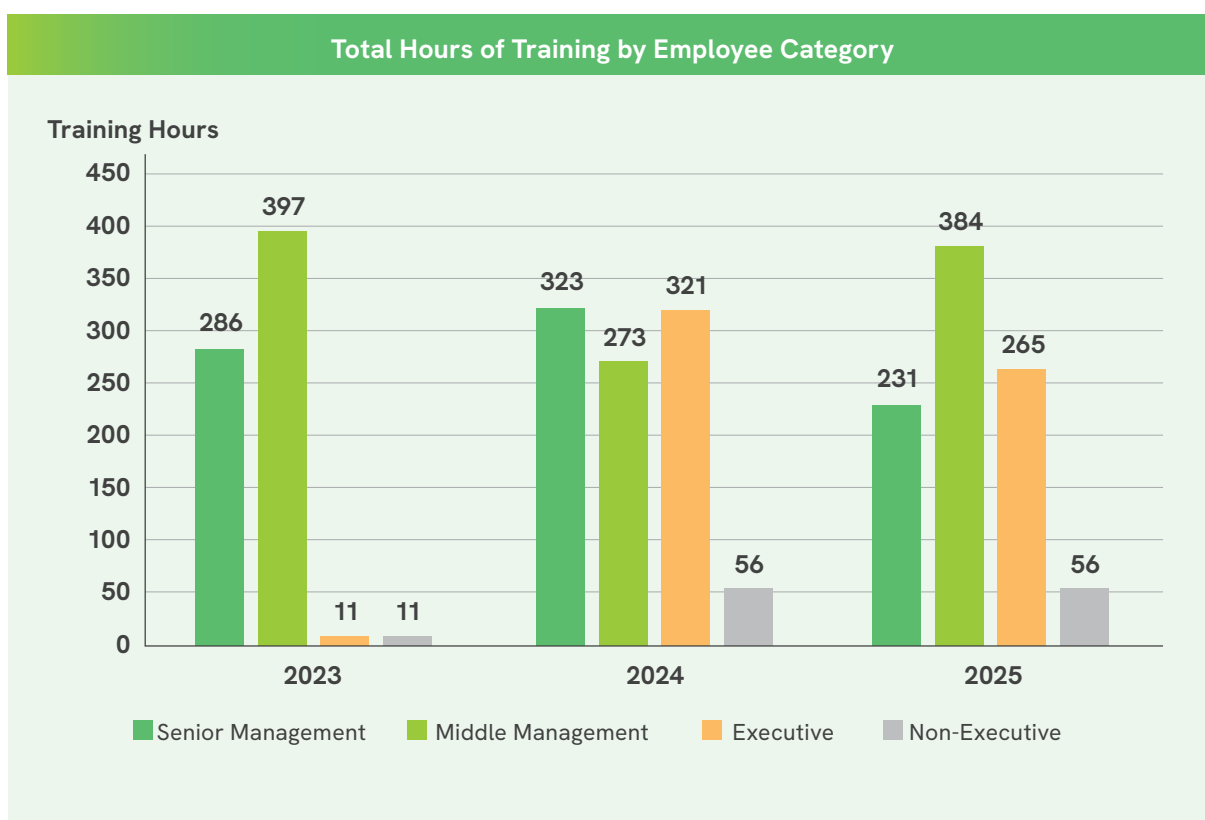
## (i) Substantiated Complaints Concerning Human Rights

We remain steadfast in our commitment to ensuring a workplace where human dignity is respected and protected. Throughout FY2025, there were no reported or substantiated complaints concerning human rights violations, including incidents of child labour, forced labour, discrimination or workplace harassment.

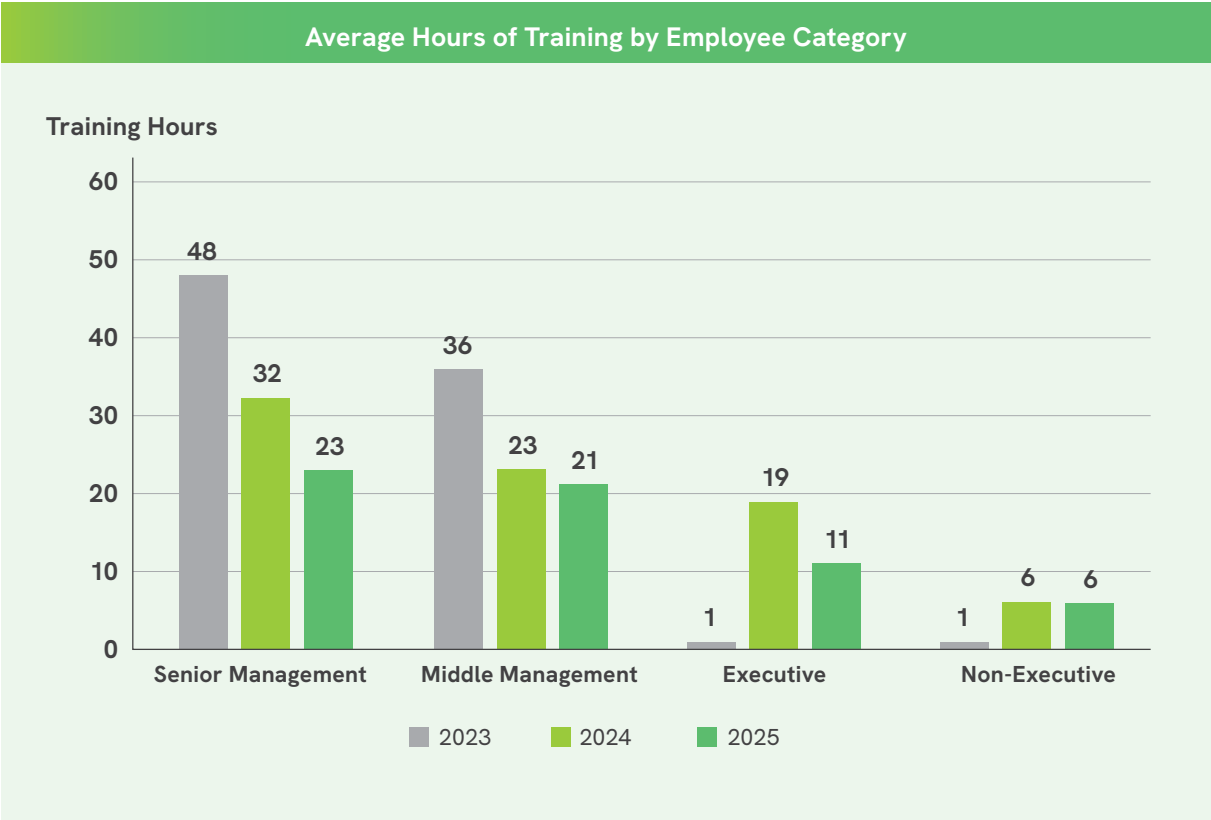
	2023	2024	2025
Number of substantiated complaints concerning human rights violations	0	0	0

## (ii) Employee Training Hours

In FY2025, we delivered 936 total training hours, averaging 15 hours per employee. These programmes spanned technical upskilling, soft skills development and industry-specific knowledge, delivered through a combination of internal workshops, external courses and professional seminars. Where eligible, HRDF funding was leveraged to enhance cost-efficiency and ensure accessible, high-quality learning.







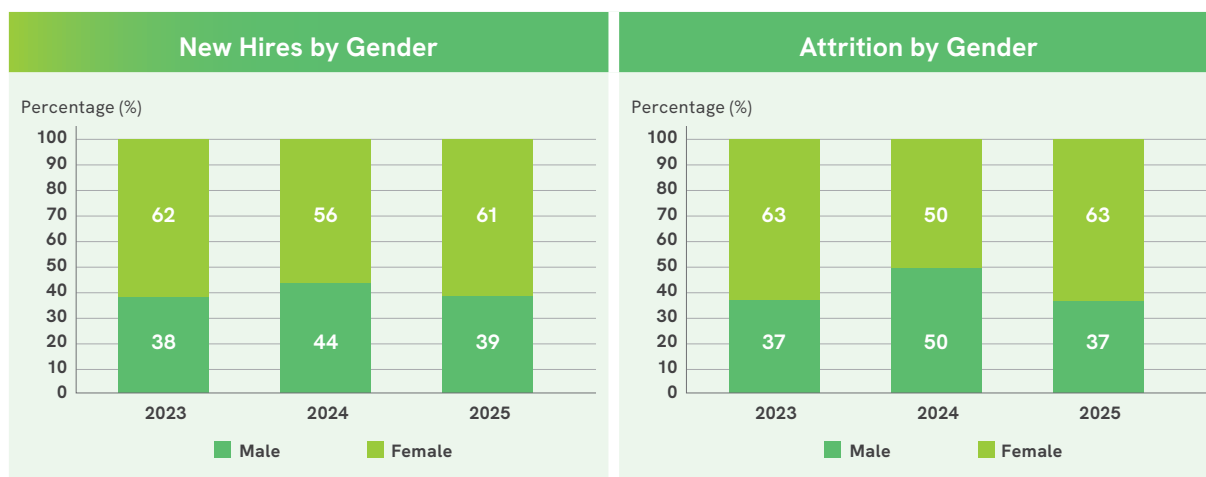
	2023	2024	2025
Average training hours per employee	16	20	15
Total investment in employee learning and development (RM)	35,897	51,944	42,028

**(iii) Employee Composition**

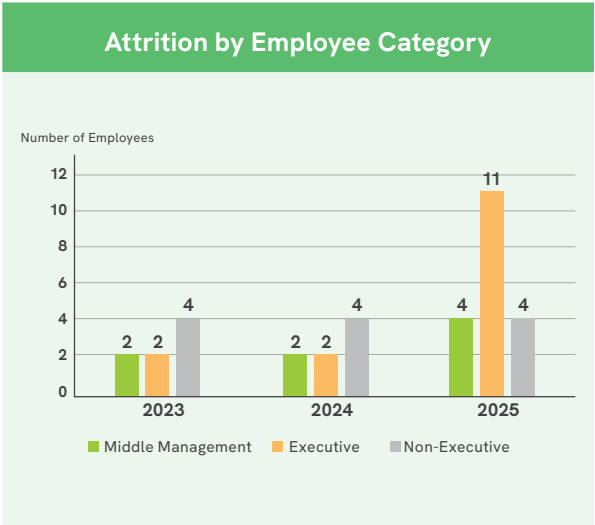
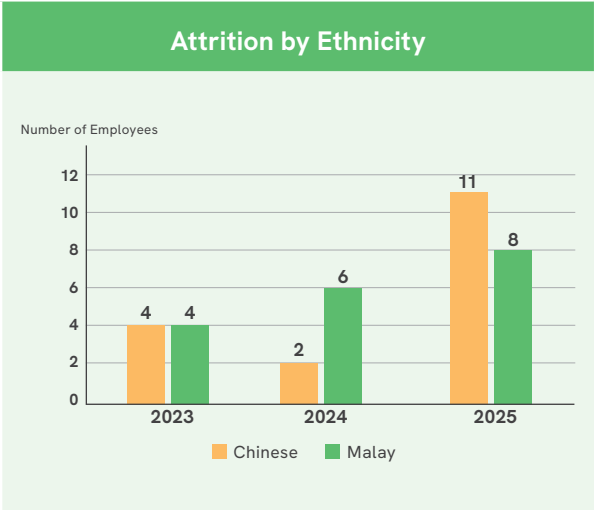
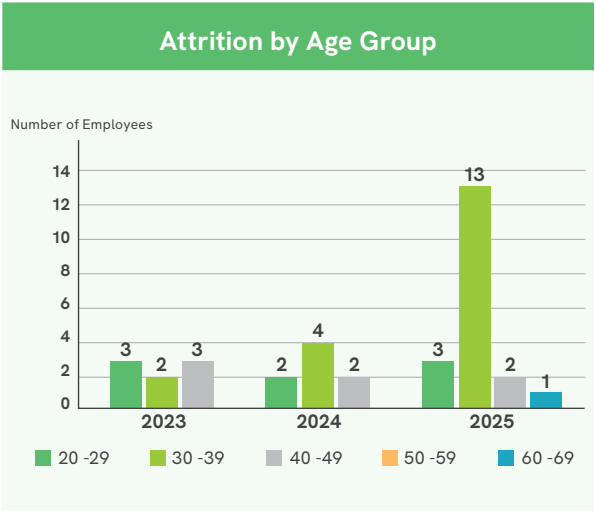
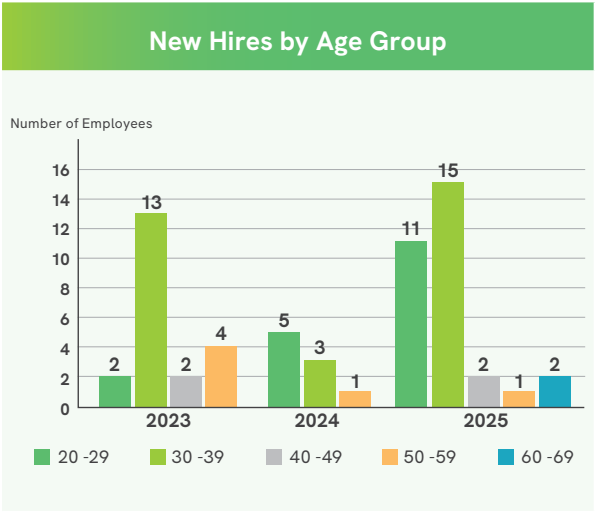
The Group maintained a stable employment structure in FY2025, with 80% of employees engaged under permanent contracts. This demonstrates our commitment to providing secure, long-term employment pathways and nurturing sustained career development within the organisation.

**(iv) Employee Retention and Attrition**

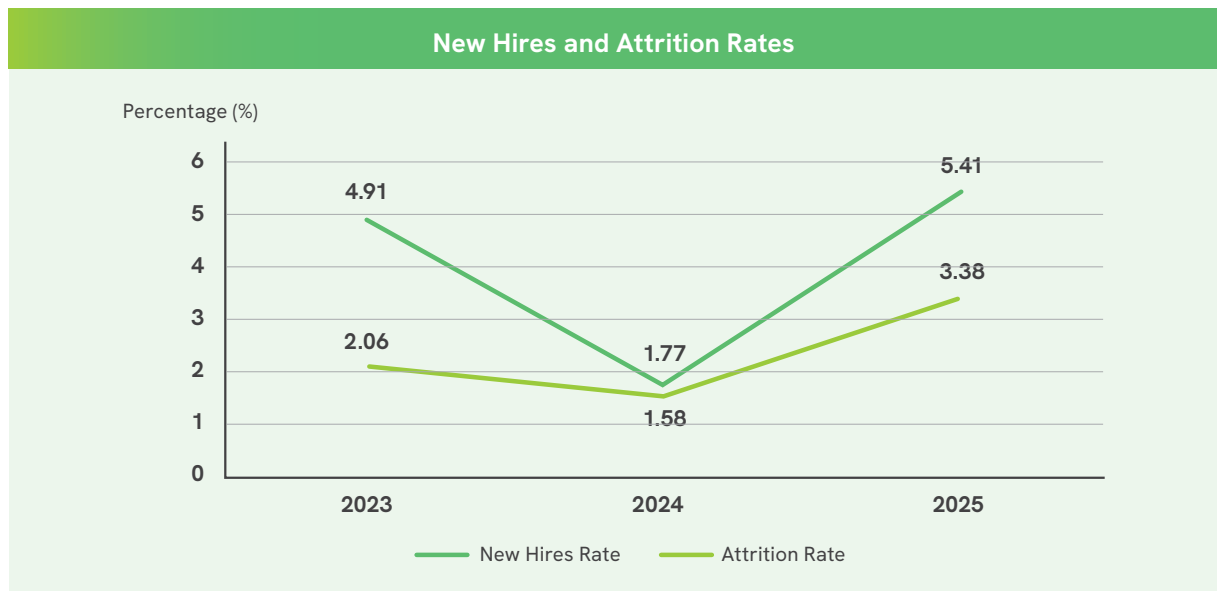
In FY2025, a total of 31 new hires were welcomed into the Group, the majority at executive level. During the same period, 19 employees exited the organisation, also concentrated within the executive tier. These shifts reflect normal workforce movement and align with the Group's efforts to balance renewal with retention across core functions.



SUSTAINABILITY STATEMENT

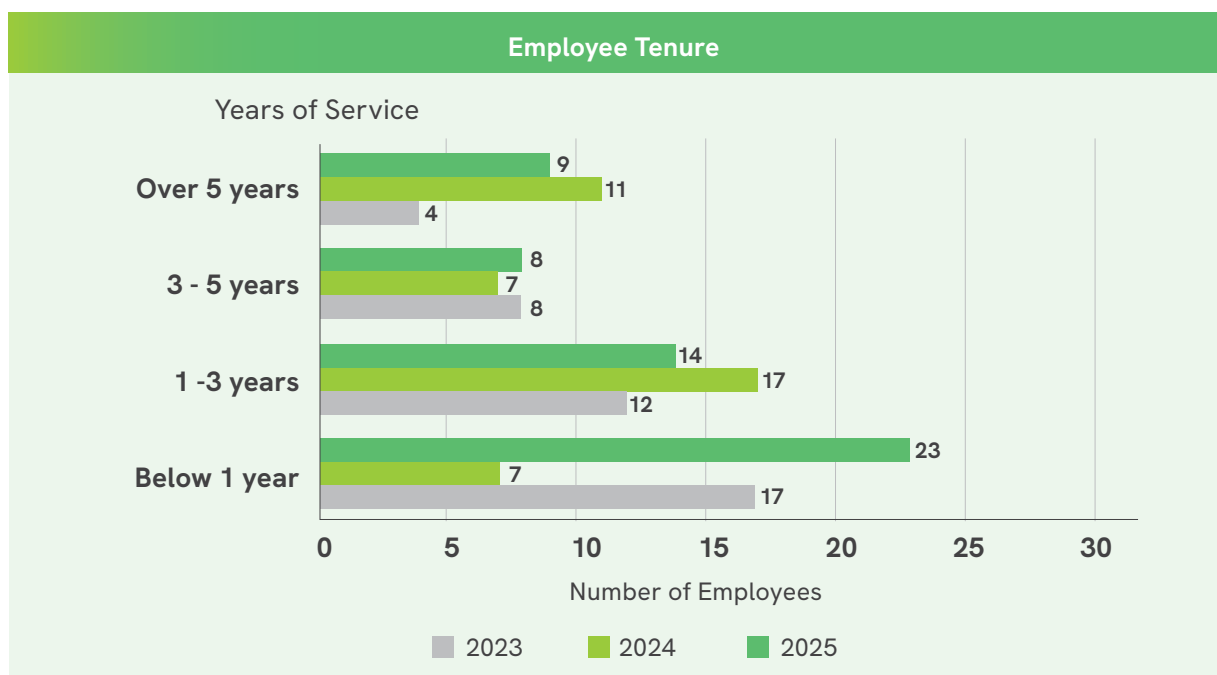


The Group recorded a new hire rate of 5.41% and a turnover rate of 3.38% in FY2025, reflecting an overall increase in workforce movement compared to the previous year. This trend was largely driven by business expansion and the onboarding of new talent. Despite the uptick, our turnover rate remains within a healthy range, underscoring continued efforts to foster employee retention and engagement.



#### (v) Employee Tenure

We remain committed to fostering long-term employee relationships. In FY2025, 57% of employees had served more than one year, signalling deepening institutional experience and strong employee engagement. The distribution of tenure continues to reflect a healthy blend of continuity and fresh perspectives.





(vi) Employee Survey



Our FY2025 employee survey revealed encouraging feedback on key aspects of the workplace experience. Employees expressed high satisfaction in the areas of teamwork, physical facilities, and workplace environment, with welfare and training also rated favourably.

These insights provide valuable direction for the Group as we continue to strengthen our people strategy. Survey results are reviewed annually by management to inform planning and address areas of improvement. By actively listening and responding to employee feedback, we reinforce a workplace culture rooted in trust, inclusivity and continuous improvement.

Moving Forward

As we look ahead, we remain committed to advancing fair labour practices, protecting human rights and fostering inclusive growth. Our focus will be on expanding access to meaningful training opportunities and reinforcing a culture of transparency, respect and continuous engagement. We will continue to assess our workplace practices against evolving expectations, legal developments and stakeholder priorities, ensuring that our approach remains both responsible and resilient. These efforts directly support our contribution to the SDG 8: Decent Work and Economic Growth and SDG 12: Responsible Consumption and Production. By embedding these commitments into the fabric of our operations, we aim to cultivate a future-ready workforce and a workplace defined by dignity, equity and shared success.

DIVERSITY AND INCLUSION

Why It Matters

Diversity and inclusion are fundamental to shaping a future-ready, resilient and high-performing organisation. When individuals from varied backgrounds, experiences and perspectives are welcomed and empowered, collaboration deepens, innovation flourishes and decision-making improves. This dynamic strengthens organisational agility and enables us to respond to challenges with creativity, inclusiveness and shared purpose.

Upholding fairness, equity and respect across all levels of the organisation builds stakeholders trust, strengthens organisational culture and reinforces our role as a responsible and value driven employer. As societal expectations continue to evolve, embedding inclusion into our workplace is not only a reflection of our values, it is a strategic commitment to progress, accountability and long-term impact.

Diversity extends beyond representation. It is about cultivating a culture where every individual feels seen, heard and supported to reach their fullest potential. By doing so, we contribute meaningfully to national development priorities and global sustainability objectives, particularly SDG 5: Gender Equality and SDG 10: Reduced Inequalities.

## Our Approach

We believe that a diverse and inclusive workforce is essential to sustainable success. Embracing diversity strengthens organisational resilience, broaden perspectives and enables better decision-making. Our commitment begins with cultivating a workplace where all individuals are treated with dignity, supported fairly and given equal access to opportunities for growth and development.

This belief is embedded in our governance and operational practices, from inclusive hiring and fair treatment to the promotion of a respectful and collaborative culture. These principles are integrated across every stage of the employee lifecycle, from recruitment to career progression and further reinforced through leadership oversight and strategic planning.

At the leadership level, we embed diversity considerations into Board and senior management appointments, ensuring representation across gender, age, ethnicity, experience and independence. Our Board and Senior Management Policy, further reinforces this commitment by setting clear expectations on representation and inclusion at the highest levels of governance. In alignment with the MCCG, we remain committed to progressing towards 30% women representation on the Board. For further information on Board-level diversity, independence and composition, please refer to the “Board Composition, Diversity and Independence” section of the Corporate Governance Overview Statement in this Annual Report.

While we have not set additional diversity quotas beyond this Board-level target, we uphold a merit-based approach to recruitment and advancement across all functions. Decisions are guided by qualifications, experience and alignment with the Group’s values, ensuring fair and equal opportunity for all employees, regardless of background.

We promote inclusion across all levels of the organisation through transparent, bias-free hiring practices that prohibit discrimination based on race, religion, gender, age, disability or other protected characteristics. Our employees are empowered through equitable access to development, recognition, and career advancement, reinforcing our belief that every individual has the potential to contribute meaningfully to collective success.

The Group’s Employee Diversity and Inclusion Policy provides a clear framework for promoting fairness and mutual respect across the organisation. We are guided by this policy, which outlines our zero-tolerance stance against all forms of harassment, victimisation, intimidation and bullying in the workplace. It is regularly reviewed and updated to reflect legal developments, business changes and workforce demographics. This commitment is further supported by initiatives such as cultural celebrations, open dialogue sessions, and employee engagement programmes that strengthen team bonds and foster appreciation for individual differences.

We also extend our inclusivity values to external stakeholders. Through our Sustainable Procurement Policy, we require business partners to uphold fair labour practices and ensure ethical treatment of workers, including migrant and foreign labour. Recognising the significant role our contractors play, we collaborate with partners who share our values and support a more equitable and inclusive value chain. For further information, refer to the “Supply Chain Management” section of this Statement.

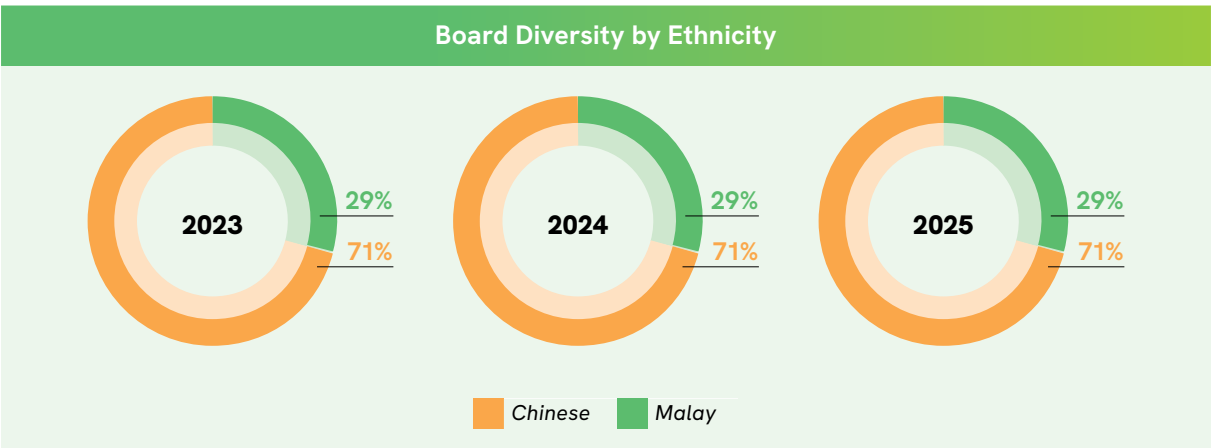
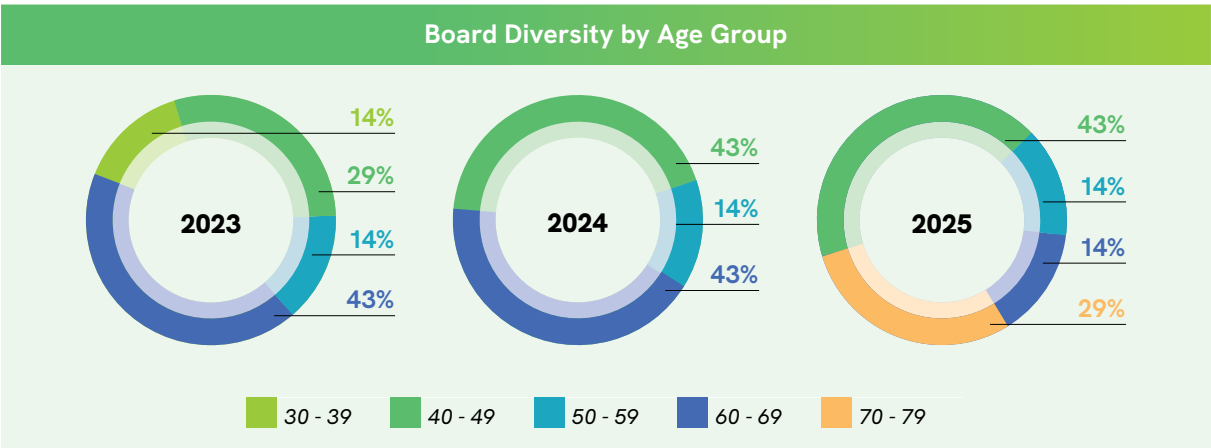
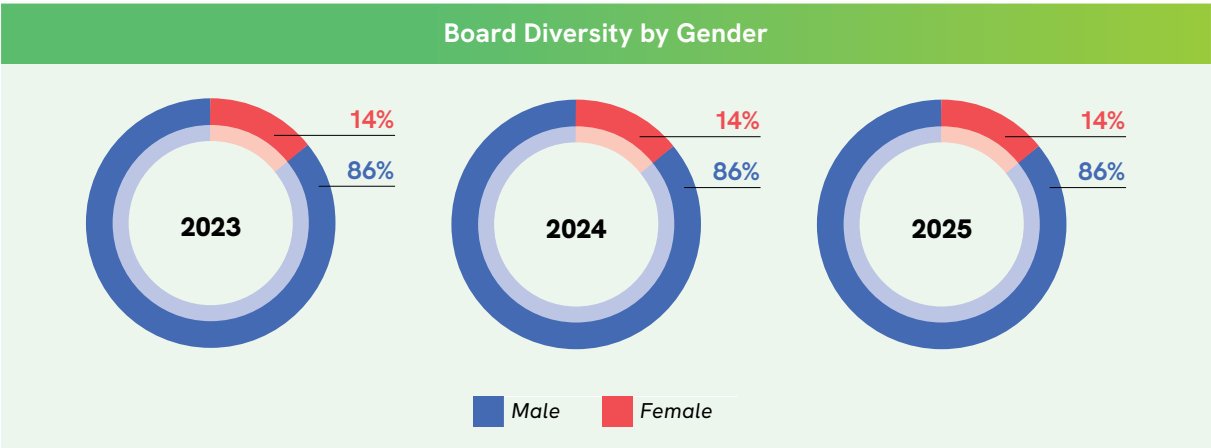
By embedding these principles across our organisation, we are building a culture where people feel respected, empowered and inspired to grow together.

## Our Performance

We continue to make steady progress in embedding diversity and inclusion throughout the organisation. From the Board and senior management to the broader workforce, the growing diversity of backgrounds, perspectives and experiences is strengthening our organisational culture and contributing to long-term resilience.

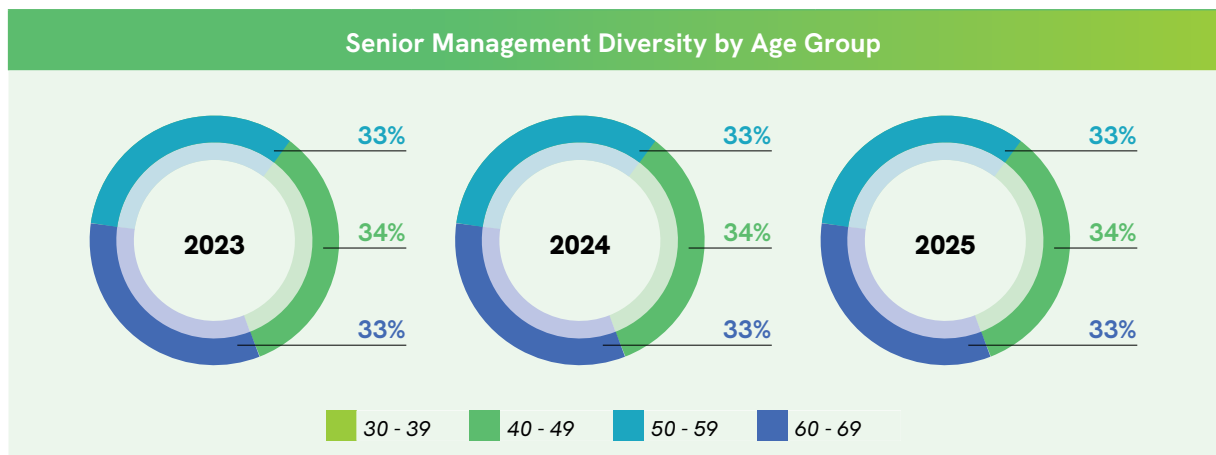
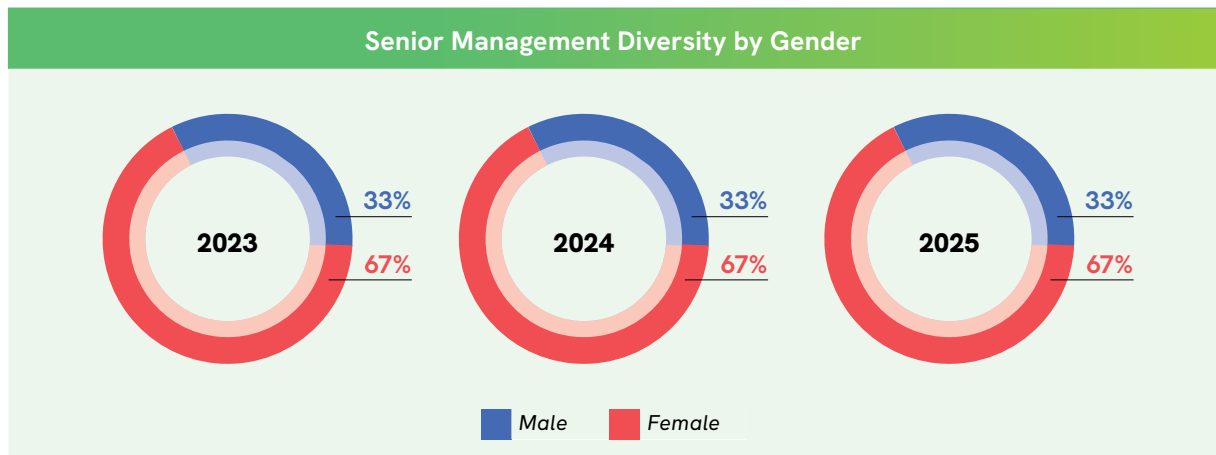
(i) Board of Directors Profile

At the Board level, we maintain compliance with Bursa Securities' Listing Requirements by having at least one (1) female director and remain committed to progressing toward the 30% women representation target in alignment with the MCCG. Our Board and Senior Management Policy reinforces the importance of diversity in leadership renewal, encouraging balanced representation in terms of gender, age, ethnicity, experience and independence.



## (ii) Senior Management Profile

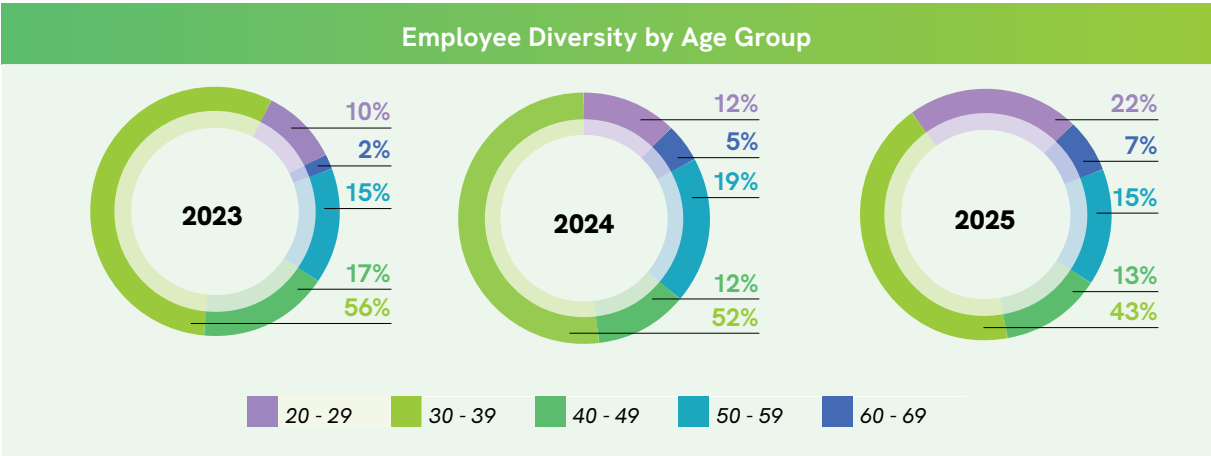
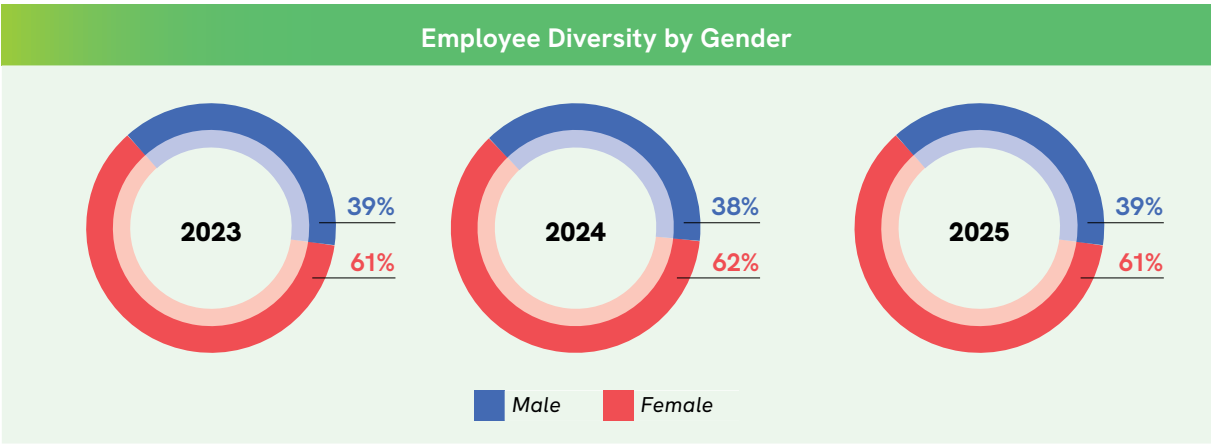
Our senior management team reflects sustained gender representation over the past three (3) financial years, with women making up two-thirds of the team. The team's age profile remains well-distributed, with equal representation across the 40 - 49, 50 - 59 and 60 - 69 age groups. This reflects our intentional efforts to foster gender balance in decision-making roles and promote inclusive leadership across the Group.

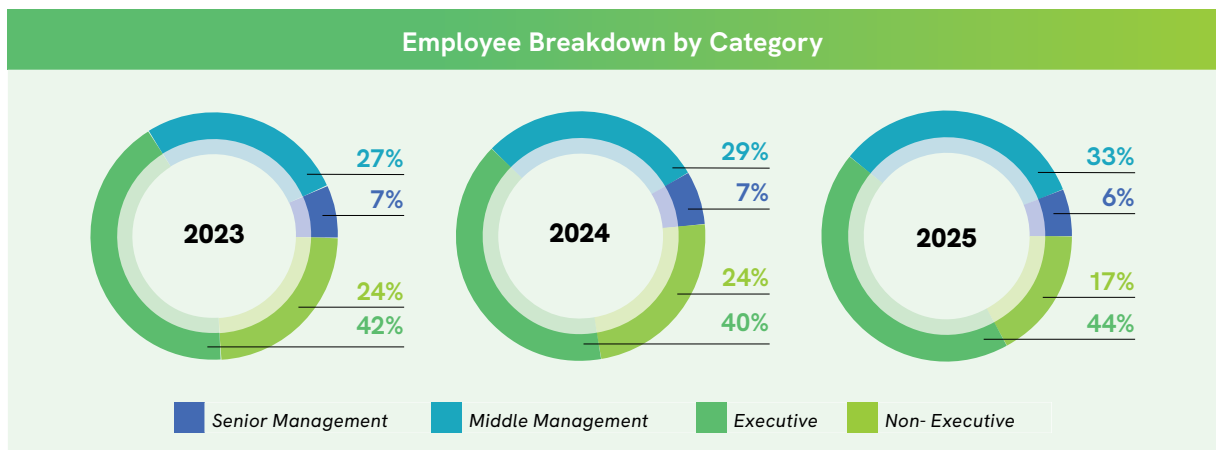
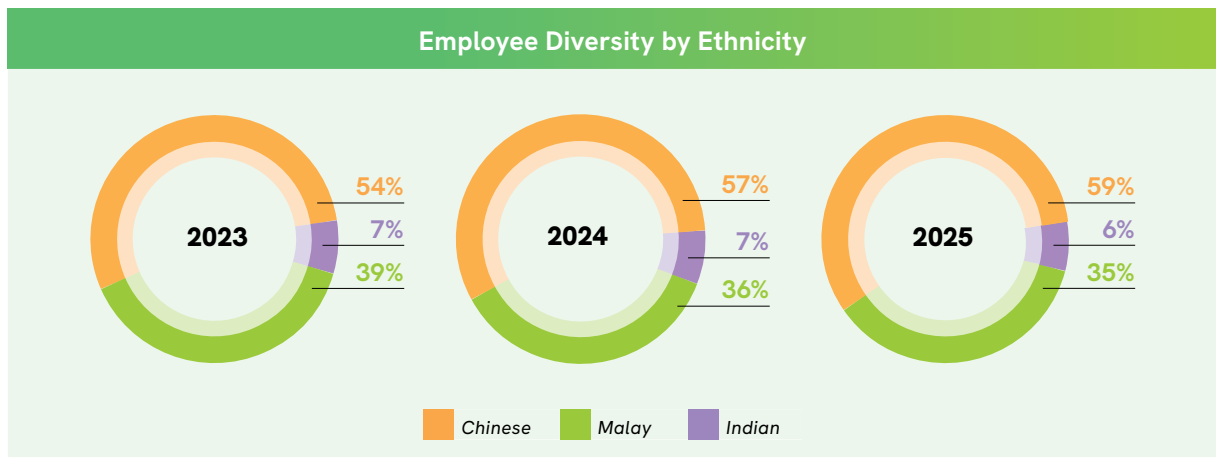




(iii) Employee Profile

Across the wider organisation, our workforce remains demographically diverse, with representation across age groups, ethnicities and job levels. In FY2025, women accounted for 61% of total employees, reinforcing our efforts to promote gender equity across functions. Notably, over half of our employees are below the age of 40, reflecting a young, dynamic and future-ready talent pool. Our inclusive recruitment practices have contributed to steady growth in workforce size, with total headcount increasing to fifty-four (54) employees in FY2025 from forty-two (42) in FY2024.





### Moving Forward

As we advance on our diversity and inclusion journey, we remain focused on strengthening representation across all levels, accelerating gender equity and removing systemic barriers to participation and progression. We are committed to embedding inclusive values into our governance structures, operational practices and everyday workplace culture, ensuring that all individuals feel recognised, respected and supported to thrive.

These efforts reinforce our broader sustainability aspirations and contribute meaningfully to national priorities and global development targets, particularly SDG 5: Gender Equality and SDG 10: Reduced Inequalities. By continuing focus on equity, respect and opportunity, we are shaping a workplace that reflects both our organisational values and our responsibility as a progressive and inclusive employer.

# SUSTAINABILITY STATEMENT

## COMMUNITY DEVELOPMENT AND PROGRAMMES

### Why It Matters

Supporting the communities in which we operate is central to how we define responsible and sustainable business. Community development is not only an expression of care, but it is a strategic investment in social resilience, shared prosperity and long-term business continuity. By addressing local needs and contributing to educational, social and health-related causes, we help foster a more inclusive and equitable society that benefits both present and future generations.

Meaningful community engagement builds stakeholder trust, enhances our corporate reputation and strengthens the social ecosystem that surrounds our operations. It also creates valuable touchpoints for employees and partners to contribute to causes that resonate with their values. By collaborating with civil society, local authorities and non-profit organisations, we amplify our collective impact and extend the reach of our efforts. Our commitment reflects a core belief that business and society thrive together when progress is inclusive and purpose-driven.

### Our Approach

Our approach to community development is guided by a commitment to sustainable progress, shared prosperity and meaningful engagement. Each initiative is rooted in the belief that lasting impact stems from partnerships, inclusivity and the ability to adapt to evolving societal needs. Rather than one-off engagements, we focus on long-term relationships, strategic sponsorships and active employee participation to ensure the continuity and relevance of our contributions.

Aligned with our broader sustainability vision, we embed community considerations across the project lifecycle. From design to post-development, we aim to integrate green building principles, adopt energy-efficient technologies and promote social inclusivity in the built environment. These efforts bridge our operational activities with our environmental and social goals, ensuring our contributions are tangible, lasting and sustainable.

We continue to support a broad spectrum of community initiatives spanning social well-being, healthcare, humanitarian relief and active lifestyle. In FY2025, we participated in impactful programmes ranging from festive celebrations and donation drives to public health campaigns and sustainability-driven sponsorships. These initiatives also fostered employee engagement, with staff actively encouraged to participate in ways that reflect their personal values and sense of purpose. By nurturing this culture of giving back, we create shared value and promote deeper organisational alignment with UNSDGs Goal 17: Partnerships for the Goals.

A cornerstone of our approach is the cultivation of long-standing partnerships with community-focused organisations. Our continued collaboration with Persatuan Kebajikan Berkat Berganda (Shuang Fu) reflects this commitment. Through joint efforts that support persons with disabilities and promote textile reuse, the partnership delivers social and environmental impact in tandem. It aligns with our broader circular economy aspirations and exemplifies how community engagement can intersect meaningfully with multiple dimensions of our sustainability agenda.

We also place strong emphasis on stakeholder dialogue and impact tracking. Through continuous engagement with local communities and beneficiary groups, we ensure our initiatives remain relevant, responsive and inclusive with evolving community priorities. Our growing focus on impact measurement helps us monitor reach, assess outcomes and improve accountability, ensuring that resources are used effectively and community needs are met with intention.

Beyond direct community programmes, we also contribute to long-term socio-economic development by prioritising local employment and procurement wherever possible. This approach helps to retain economic value within the communities we serve, generating multiplier effects that uplift livelihoods, support local enterprise and strengthen the overall social fabric. By integrating this practice into our operational model, we extend the impact of our developments beyond physical infrastructure to sustained community enrichment.

We remain committed to delivering meaningful, community-driven outcomes that reflect both our corporate values and broader sustainability goals. By aligning our initiatives with local needs, engaging employees in purposeful action and collaborating with trusted partners, we ensure that our community development efforts are not only impactful but enduring. This commitment reinforces our role as a responsible business that contributes to a more inclusive, resilient and sustainable society.

### Our Performance

In FY2025, we significantly expanded the reach and depth of our community engagement efforts. Our initiatives impacted communities through diverse programmes ranging from social and humanitarian support to health and active living. These efforts were further strengthened by growing employee participation and long-standing partnerships with community organisations. The table below summarises our performance, reflecting steady growth in investment, outreach and volunteer involvement.

	2023	2024	2025
Total community investment for beneficiaries external to the Group (RM)	89,988	160,448	<b>219,409</b>
Total number of external beneficiaries	840	4,758	<b>13,899</b>
Number of employees volunteers	22	66	<b>115</b>
Total volunteer hours contributed	40	173	<b>378</b>

To better reflect the breadth and impact of our initiatives, our FY2025 community programmes are presented under three thematic pillars: Promoting Well-Being and Social Support, Championing Health and Humanitarian Causes, and Advancing Sports and Active Lifestyles.



This structured approach enables us to organise our efforts around meaningful outcomes, communicate our priorities clearly and demonstrate alignment with national aspirations and global sustainability goals. It also allows us to showcase signature initiatives that reflect the values we uphold and the positive contributions we aim to deliver across the communities we serve.



## Spotlight Initiative:



## HARI RAYA AND CHINESE NEW YEAR CELEBRATION EVENTS

Celebrating cultural traditions while uplifting communities, the Group hosted its annual Hari Raya and Chinese New Year celebration events in collaboration with Grand Paragon Hotel Johor Bahru. These festive programmes welcomed over 300 orphans, underprivileged children and caregivers from various welfare homes, offering them an inclusive space to enjoy seasonal celebrations in dignity and joy.

More than a celebration, these initiatives exemplified our commitment to social inclusion, mutual respect and community engagement. By creating joyful moments for those who need them most, we continued to foster a culture of compassion and belonging across the communities we serve.



PROMOTING  
WELL-BEING AND  
SOCIAL SUPPORT







#### Spotlight Initiative:



### FESTIVAL KEMERDEKAAN KAMPUNG MELAYU MAJIDEE 2024

In celebration of Malaysia's independence, the Group supported the Festival Kemerdekaan Kampung Melayu Majidee 2024, a community-driven event that brought together more than 2,000 residents for a day of cultural pride, togetherness and local engagement.

This initiative underscored our commitment to strengthening social cohesion and fostering a sense of belonging across diverse communities. By supporting events that honour national heritage and encourage grassroots unity, we continue to promote inclusive community development and contribute to the cultural fabric of the areas in which we operate.





Spotlight Initiative:



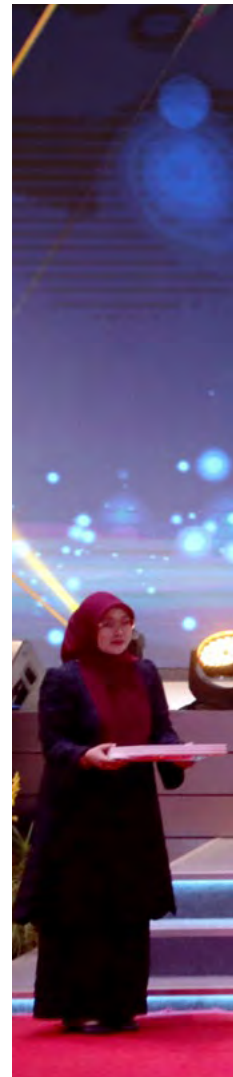
BLOOD DONATION CAMPAIGN

The Group continued its annual Blood Donation Campaign in collaboration with Hospital Sultanah Aminah and Paragon Market Place to support critical healthcare needs and encourage community participation.

The campaign attracted strong participation, resulting in the successful collection of over 70 bags of blood, each with the potential to save multiple lives. More than just a collection drive, the campaign highlighted the power of community collaboration in addressing urgent healthcare needs and reinforced our role in supporting life-saving efforts.



CHAMPIONING  
HEALTH AND  
HUMANITARIAN  
CAUSES





## Spotlight Initiative:

**SUPPORT FOR CANCER WARRIORS**

The Group proudly contributed RM50,000 to the Tunku Laksamana Johor Cancer Foundation during the "A Night for Fighters" charity dinner. This contribution aims to provide financial assistance and support to cancer patients in need.

The initiative reflects our enduring commitment to community well-being and healthcare equity.

By standing alongside those affected by cancer, we continue to advocate for compassion and inclusive support for vulnerable groups across society.





Spotlight Initiative:



11<sup>TH</sup> JBCCCI ESG GOLF TOURNAMENT

The Group proudly supported the 11th JBCCCI Annual Golf Tournament, organised by the Youth Committee of the Johor Bahru Chinese Chamber of Commerce and Industry ("JBCCCI"). Held at Horizon Hills Golf & Country Club, the tournament attracted 104 golfers and marked a meaningful milestone as Malaysia's first golf event that integrate ESG principles into its execution.

This initiative reinforced our commitment to promoting healthy lifestyles, cross-sector collaboration and greater sustainability awareness. It also demonstrated how sports can serve as a platform to inspire action and broaden understanding of ESG values within the business community.



ADVANCING  
SPORTS  
AND ACTIVE  
LIFESTYLES





## Spotlight Initiative:

KEJOHANAN JOHORE  
RUNBIKE CUP

As part of our efforts to promote early physical development and inclusive sports, the Group supported the Kejuhanan Johore Runbike Cup 2024, held at Paragon Market Place. The event welcomed over 250 young riders aged 2 to 12 from several countries, creating a vibrant, family-friendly sporting atmosphere.

By encouraging youth participation in recreational sports and supporting community-based competitions, we aim to foster healthy habits, build confidence and strengthen social connections from an early age.



## Moving Forward

As we look ahead, we remain committed to deepening the impact of our community development efforts through more inclusive, strategic and collaborative approaches. Our focus will continue to centre on supporting vulnerable groups, promoting community health and well-being and creating opportunities for meaningful social participation.

We will seek to strengthen partnerships with non-profit organisations and local authorities to scale our reach and co-develop programmes that address pressing community needs. Employee engagement will remain a key enabler and we will continue encouraging staff involvement through volunteering opportunities and shared-value initiatives that align with both corporate goals and personal purpose.

These efforts directly support our long-term commitment to SDG 1: No Poverty, SDG 3: Good Health and Well-being, SDG 10: Reduced Inequalities, SDG 11: Sustainable Cities and Communities and SDG 17: Partnerships for the Goals. By continuing to invest in strong, connected and inclusive communities, we contribute meaningfully to a more equitable and resilient society.

# PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024	2025
<b>Bursa (Anti-corruption)</b>					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Senior Management	Percentage	-	0.00	100.00	100.00
Middle Management	Percentage	-	0.00	100.00	100.00
Executive	Percentage	-	0.00	94.00	100.00
Non-Executive	Percentage	-	0.00	30.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	75.00	75.00	75.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0	0
<b>Bursa (Community/Society)</b>					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	89,988.00	160,448.00	219,409.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	840	4,758	13,899
<b>Bursa (Diversity)</b>					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Senior Management Under 30	Percentage	-	0.00	0.00	0.00
Senior Management Between 30-49	Percentage	-	33.00	33.33	34.00
Senior Management 50 and above	Percentage	-	67.00	66.67	66.00
Middle Management Under 30	Percentage	-	9.00	0.00	0.00
Middle Management Between 30-49	Percentage	-	73.00	66.67	67.00
Middle Management 50 and above	Percentage	-	18.00	33.33	33.00
Executive Under 30	Percentage	-	12.00	11.76	38.00
Executive Between 30-49	Percentage	-	82.00	82.35	59.00
Executive 50 and above	Percentage	-	6.00	5.89	4.00
Non-Executive Under 30	Percentage	-	10.00	30.00	33.33
Non-Executive Between 30-49	Percentage	-	70.00	40.00	33.33
Non-Executive 50 and above	Percentage	-	20.00	30.00	33.34
Gender Group by Employee Category					
Senior Management Male	Percentage	-	33.00	33.33	33.00
Senior Management Female	Percentage	-	67.00	66.67	67.00
Middle Management	Percentage	-	55.00	58.33	44.00



## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024	2025
<b>Bursa (Diversity)</b>					
Male					
Middle Management	Percentage	-	45.00	41.67	56.00
Female					
Executive Male	Percentage	-	24.00	17.65	33.00
Executive Female	Percentage	-	76.00	82.35	67.00
Non-Executive	Percentage	-	50.00	50.00	44.00
Male					
Non-Executive	Percentage	-	50.00	50.00	56.00
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	-	86.00	86.00	86.00
Female	Percentage	-	14.00	14.00	14.00
Under 30	Percentage	-	0.00	0.00	0.00
Between 30-49	Percentage	-	43.00	43.00	43.00
50 and above	Percentage	-	57.00	57.00	57.00
<b>Bursa (Energy management)</b>					
Bursa C4(a) Total energy consumption	Megawatt	-	0.00	63.26 *	65.87
<b>Bursa (Health and safety)</b>					
Bursa C5(a) Number of work-related fatalities	Number	-	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	-	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	247	856	269
<b>Bursa (Labour practices and standards)</b>					
Bursa C6(a) Total hours of training by employee category					
Senior Management	Hours	-	286	323	231
Middle Management	Hours	-	397	273	384
Executive	Hours	-	11	321	265
Non-Executive	Hours	-	11	56	56
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	17.00	17.00	20.00
Bursa C6(c) Total number of employee turnover by employee category					
Senior Management	Number	-	0	0	0
Middle Management	Number	-	2	2	4
Executive	Number	-	2	2	11
Non-Executive	Number	-	4	4	4
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0	0
<b>Bursa (Supply chain management)</b>					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	100.00	100.00	100.00



## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024	2025
<b>Bursa (Data privacy and security)</b>					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0	0
<b>Bursa (Water)</b>					
Bursa C9(a) Total volume of water used	Megalitres	-	0.000000	0.001074 *	0.001269
<b>Bursa (Waste management)</b>					
Bursa C10(a) Total waste generated	Metric tonnes	-	0.00	1.50 *	193.55
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	0.00	0.20 *	0.61
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	0.00	1.30 *	192.94
<b>Bursa (Emissions management)</b>					
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	0.00	0.00	2.33
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	0.00	0.00	50.98
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	0.00	0.00	75.83

Internal assurance

External assurance

No assurance

(\*)Restated

# EXTERNAL ASSURANCE STATEMENT



## The Board of Directors

Paragon Globe Berhad  
Level 10-02, Grand Paragon Hotel,  
No. 18, Jalan Harimau, Taman Century,  
80250 Johor Bahru, Johor.

Dear Sirs,

## Independent Limited Assurance Report to Board of Directors of Paragon Globe Berhad ("PGB" or the "Group")

### Introduction

We, Wensen Consulting (M) Sdn. Bhd. ("Wensen Consulting") has been engaged by the management of PGB to carry out an independent assurance of the sustainability/ non-financial disclosures in PGB's Sustainability Statement 2025 ("Statement"), which is available on PGB's website for the financial year ended 31 March 2025.

### Objective

The main objective of the verification process is to provide assurance to PGB and its stakeholders on the accuracy and reliability of the information as presented in this Statement. The verification conducted by Wensen Consulting pertains to sustainable performance information (subject matter) within the assurance scope, as featured in PGB's Sustainability Statement 2025.

### Scope

The assurance covers the information of the following subject matters in PGB's Sustainability Statement 2025:

1. Sustainability Policy
  - a) Existence of Sustainability Policy
2. Sustainability Governance
  - a) Existence of Group Risk Management Framework
  - b) Existence of a risk register that identifies and addresses sustainability-related risks
  - c) Identification of members of Sustainability Steering Committee
3. Stakeholder Engagement
  - a) Stakeholder Engagement Survey conducted from 9 April 2025 to 23 April 2025
4. Materiality
  - a) Existence of procedures for conducting the materiality assessment process
  - b) Results of the materiality assessment conducted on environmental, social, and governance ("ESG") matters
5. Anti-Bribery and Anti-Corruption ("ABC")
  - a) Existence of Whistleblowing Policy
  - b) Existence of whistleblower protection mechanisms
  - c) Existence of Anti-Bribery and Anti-Corruption Policy
  - d) Existence of a risk register that identifies and addresses corruption-related risks
  - e) Communication of refresher content on anti-bribery and anti-corruption to employees via email
  - f) Declaration by all employees confirming they have reviewed the video briefing on the ABC Policy and agreed to comply with the Policy requirements
  - g) Percentage of operations assessed for corruption-related risks
  - h) Number of confirmed incidents of corruption and action taken
6. Data Privacy and Security
  - a) Existence of Privacy Policy
  - b) Existence of information technology policies and procedures
  - c) Existence of a risk register that identifies and addresses data privacy and cybersecurity-related risks
  - d) Number of substantiated complaints concerning breaches of customer privacy or data loss
7. Product Quality and Responsibility
  - a) Existence of a Memorandum of Collaboration with GreenRe Sdn. Bhd. to support PGB's energy performance and sustainability improvements
  - b) Achieved QLASSIC score of 76% for completed project
  - c) Provisional Silver GreenRE Certification awarded for "PGB Workers Hostel" project
  - d) Provisional Bronze GreenRE Certification awarded for "PGB Desa 27 (Plot 3 and Plot 4)" project

---

## Wensen Consulting Asia (M) Sdn. Bhd.

(Company No. 632608-P)

A-2-29, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya,  
47170 Selangor Darul Ehsan, Malaysia.

Tel: (603) 8071 6488 Fax: (603) 8076 9188 Email: [enquiries@wensenasia.com](mailto:enquiries@wensenasia.com)

## EXTERNAL ASSURANCE STATEMENT



8. Supply Chain Management
  - a) Existence of conflict of interest, related party transaction and Sustainable Procurement Policy
  - b) Declaration from PGB's supply chain partners to acknowledge their commitment through "Anti-Bribery and Anti-Corruption Declaration Form" and "Conflict of Interest Declaration Form"
  - c) Performance evaluations for three (3) selected supply chain partners
9. Waste Management
  - a) Number (reams) of paper consumption
  - b) Annual procurement cost on paper ream and printing cost
  - c) Waste diverted from disposal (MT)
  - d) Waste directed to disposal (MT)
10. Climate Change and Action
  - a) Total energy consumption (MWh)
  - b) Total Scope 1 greenhouse gas ("GHG") emissions (in metric tonnes CO<sub>2</sub>e) from petrol consumption by the Group's combustion engine vehicle
  - c) Total Scope 2 GHG emissions (metric tonnes CO<sub>2</sub>e) from purchased electricity
  - d) Total Scope 3 GHG emissions (metric tonnes CO<sub>2</sub>e) from business travel and employee commuting
11. Water Management
  - a) Total water consumption (litre)
12. Occupational Health And Safety
  - a) Existence of Occupational Health and Safety Policy
  - b) Total workman hours
  - c) Number of work-related fatalities for employees and contractors
  - d) Lost time incident rate for employees and contractors
  - e) Number of employees and contractors trained on health and safety standards
13. Labour Practices and Standards
  - a) Existence of employee handbook
  - b) Existence of Sexual Harassment, Eliminating Discrimination in the Workplace, Employee Social Media, Employee Diversity and Inclusion and Succession Planning Policy
  - c) Code of Conduct outlining expectations for all employees in addressing human rights matters while conducting business
  - d) Total and average hours of training by employee category
  - e) Total investment in employee learning and development (RM)
  - f) Percentage of employees that are permanent or temporary staff
  - g) Total number of employees
  - h) New hire and attrition by rates, gender, age group, ethnicity and employee category
  - i) Employee tenure (number of years)
  - j) Annual employee survey to gather feedback
14. Diversity And Inclusion
  - a) Percentage of directors by gender, ethnicity and age group
  - b) Percentage of senior management by gender, ethnicity and age group
  - c) Percentage of total employees by gender, ethnicity and age group, for each employee category
15. Community Development And Programmes
  - a) Total amount invested in the community where the target beneficiaries are external to the listed issuer

### Our Procedures

In completing our review of PGB's Sustainability Statement 2025, we undertook the following procedures between June 2025 and July 2025, focusing on selected subject matters:

- i. **Remote Communications** – Conducted phone calls and email correspondence with relevant personnel of PGB to understand the processes, data collection methods, and internal controls related to sustainability reporting.
- ii. **Document Review** – Examined supporting documents provided by PGB via Google Drive, including but not limited to 1. Data spreadsheets and reports; 2. Internal policies and procedures; 3. Environmental, social, and governance (ESG) metrics and calculations; and 4. Evidence of stakeholder engagement and materiality assessments.
- iii. **Reconciliation and Verification** – Cross-checked the reported figures against the supporting documents to ensure the accuracy and completeness of the disclosed information.
- iv. **Inquiries and Clarifications** – Sought clarifications and additional information from PGB where necessary to resolve any discrepancies or ambiguities in the provided data.

---

### Wensen Consulting Asia (M) Sdn. Bhd.

(Company No. 632608-P)

A-2-29, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya,  
47170 Selangor Darul Ehsan, Malaysia.

Tel: (603) 8071 6488 Fax: (603) 8076 9188 Email: [enquiries@wensenasia.com](mailto:enquiries@wensenasia.com)

**PGB's Responsibility**

The management of PGB is responsible for the preparation of all relevant documentation. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

**Wensen Consulting's Responsibility**

Our responsibility is to express a conclusion on the presentation of the subject matter based on the evidence we have obtained. We performed a limited level of assurance in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the subject matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions. Our review was limited to the information on the selected indicators set within PGB's Sustainability Statement 2025 and accompanying base data tables for the year ended 31 March 2025 and our responsibilities does not include:

- Any work in respect of sustainability information published elsewhere in PGB's annual report, website and other publications; and
- Management's forward looking statements such as targets, plans and intentions.

**Our Independence**

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Malaysian Institute of Accountants ("MIA"), and have the required competencies and experience to conduct this assurance engagement.

**Conclusion**

Based on our procedures and evidence obtained, we are not aware of any material modifications that should be made to the subject matter in PGB's Sustainability Statement 2025.

**Restricted Use**

This Report is intended solely for the information and use of PGB and is not intended to be and should not be used by anyone other than those specified parties.



Sin Siew Mun

WENSEN CONSULTING (M) SDN. BHD.

Associate Director – Assurance and Corporate Risk Advisory

21 July 2025

**Wensen Consulting Asia (M) Sdn. Bhd.**

(Company No. 632608-P)

A-2-29, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya,  
47170 Selangor Darul Ehsan, Malaysia.

Tel: (603) 8071 6488 Fax: (603) 8076 9188 Email: [enquiries@wensenasia.com](mailto:enquiries@wensenasia.com)







# HOW WE ARE GOVERNED

Corporate Governance Overview Statement	<b>135</b>	Statement of Directors' Responsibilities	<b>163</b>
Additional Compliance Information	<b>161</b>	Audit Committee Report	<b>164</b>
Five-Year Financial Highlights	<b>162</b>	Statement on Risk Management and Internal Control	<b>172</b>



# CORPORATE GOVERNANCE

## OVERVIEW STATEMENT

The Board of Directors ("Board") of Paragon Globe Berhad ("PGB" or "Company") (together with its subsidiaries, "Group") is pleased to present the Corporate Governance Overview Statement ("CG Statement") for the financial year ended 31 March 2025 ("FY2025").

The CG Statement outlines the Group's approach to corporate governance ("CG") practices and activities undertaken throughout the year, demonstrating our ongoing commitment to sound governance as a foundation for long-term value creation. The CG Statement is structured in accordance with the three (3) core principles of the Malaysian Code on Corporate Governance 2021 ("MCCG"):



This CG Statement is prepared in compliance with Paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read together with the Corporate Governance Report ("CG Report") 2025. The CG Report provides a comprehensive disclosure on the application of each practice under the MCCG during FY2025, including justifications for any departures from the recommended practices.

The CG Report is available on the Company's website at [www.pgbgroup.com.my](http://www.pgbgroup.com.my) or by scanning the QR code below:



Scan here to access  
our CG Report 2025

## APPLICATION OF THE RECOMMENDED CORPORATE GOVERNANCE PRACTICES

The Group has applied with all material aspects of the principles outlined in the MCCG during FY2025, except for four (4) recommended practices where the Group has recorded departure. Explanations and alternative measures adopted for these departures are disclosed in the CG Report 2025.

### Summary of MCCG Application Status

	Recommended Practices	Step-up Practices
Total	43	5
Applied	36	3
Departure	4	0
Not Applicable	3	0
Not Adopted	0	2

### Departures from MCCG Practices

#### Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

#### Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

#### Practice 5.9

The board comprises at least 30% women directors.

#### Practice 13.3

Listed companies should leverage technology to facilitate voting including voting in absentia and remote shareholders' participation at general meetings. Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

A summary of the Group's CG practices, the Board's key focus areas and future priorities is presented in the following sections, structured according to the three (3) core principles of the MCCG.

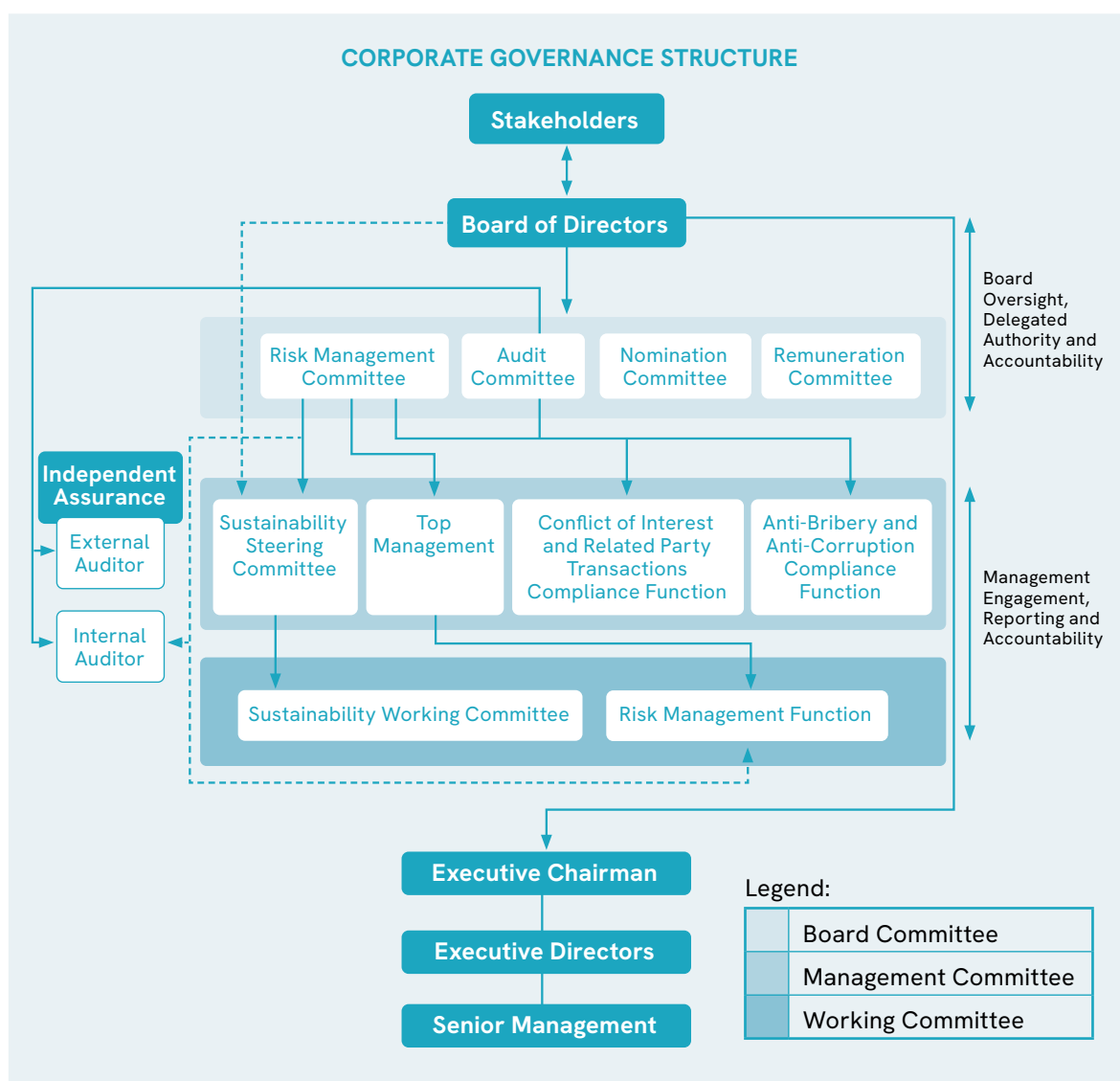
## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### DISCHARGING BOARD RESPONSIBILITIES

The Board remains steadfast in fulfilling its fiduciary responsibilities to shareholders and diverse stakeholders by driving sustainable long-term value creation. This commitment ensures the Group's operates with transparency, integrity and in full compliance with applicable laws and regulations.

In discharging its responsibilities, the Board charts the Group's strategic direction, oversees management's execution, monitors operational performance and ensures the adequacy of risk management and internal control systems. To support these roles, the Board has instituted a governance framework that promotes accountability and effective delegation.

At the core of this framework lies the Group's corporate governance structure ("CG Structure"), which defines clear lines of authority and reporting across the Group's governance ecosystem. The CG Structure delegates specific responsibilities to four (4) Board Committees, namely Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC"), as depicted below.





## CORPORATE GOVERNANCE

### OVERVIEW STATEMENT

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The CG Structure promotes coordination, oversight and strategic alignment between the Board, its Committees, Executive Directors and Management. It clearly defines roles and reporting lines across all levels of the organisation, ensuring effective information flow and timely escalation of key matters for Board deliberation.

This structure supports transparency, informed decision-making and accountability throughout the organisation. The CG Structure is reviewed periodically, as necessary, to ensure continued relevance and support efficient, transparent and informed decision making throughout the organisation.

Each Board Committee operates under approved terms of reference ("TOR"), meeting regularly to deliberate on key matters and recommend actions to the Board. This enables the Board to focus on strategic direction, performance oversight and governance while ensuring that issues are examined in detail at the Board Committee level.

#### DIRECTORS' ATTENDANCE

The Board recognises the importance of committed and active participation by all Directors in the discharge of their duties. In FY2025, all Directors complied with the minimum 50% attendance requirement as stipulated under Paragraph 15.05 of the Listing Requirements. In practice, all Directors attended every scheduled Board meeting during the financial year, reflecting their strong engagement and governance commitment.

Details of attendance at Board and Board Committees meetings during FY2025 are as follows:

Name of Director	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee
<b>EXECUTIVE DIRECTORS</b>					
Dato' Sri Edwin Tan Pei Seng	6/6	-	-	-	-
Dato' Sri Godwin Tan Pei Poh	6/6	-	-	-	-
Mdm. Leong Siew Foong	6/6	-	-	-	-
<b>NON-EXECUTIVE DIRECTORS</b>					
Mr. Tee Boon Hin	6/6	5/5	3/3	4/4	8/8
Dato' Haji Ismail Bin Karim	6/6	5/5	3/3	4/4	8/8
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	6/6	5/5	-	-	8/8
Dato' Jeffrey Lai Jiun Jye	6/6	-	3/3	4/4	-

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### BOARD LEADERSHIP

The Board holds ultimate responsibility for guiding the Group's strategic direction and overseeing the effective management of its business operations, as set out in the Board Charter. In discharging its fiduciary duties, the Board sets the tone at the top, ensures sound governance practices and maintains oversight of the Group's risk, compliance and internal control systems.

Strategic and policy decisions made by the Board are cascaded through the Executive Directors, who delegate daily management responsibilities to a team of skilled professionals across key functions including finance, human resources, project management, contract and procurement, sales and marketing, business developments and legal and compliance.

Dato' Sri Edwin Tan Pei Seng serves as Chairman of the Board ("Executive Chairman"). The position of Chief Executive Officer ("CEO") remains vacant. As Chairman, he is responsible for leading the Board, setting meeting agendas, facilitating effective discussion and ensuring alignment with the Group's strategy and regulatory expectations. In accordance with MCCG best practices, the Executive Chairman is not a member of the AC, NC, RMC and RC, and does not participate in their meetings.

The Board Charter serves as a foundational governance document that defines the roles, responsibilities and duties of the Board. The Board reviews the Board Charter as and when necessary to ensure ongoing relevance with objectives and current regulations. The Board Charter is publicly made available on the Company's website at <https://pgbgroup.com.my/board-charter/>, and the latest review was conducted on 28 February 2025.



Scan here to  
access the  
Board Charter

### BOARD ADMINISTRATION

The Board is supported by a qualified and experienced Company Secretary who plays an integral role in ensuring the integrity of governance processes. Beyond administrative responsibilities, the Company Secretary provides guidance on corporate governance matters, supports regulatory compliance and serves as an advisor to the Board.

The Company Secretary is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and is duly qualified to serve in this capacity pursuant to Section 235(2)(a) of the Companies Act 2016. She attends all Board and Board Committee meetings to ensure proper documentation of deliberations and decisions, while also keeping Directors informed of the latest legal and regulatory developments.

To facilitate informed and effective deliberations, Directors receive Board papers well in advance of meetings. Meetings are scheduled with appropriate notice to ensure adequate preparation and engagement. Directors have unrestricted access to the advice and support of the Company Secretary, as well as to Senior Management, External Auditors and independent professional advisors as required, enabling informed decision-making.

Between scheduled meetings, matters requiring Board consideration are dealt with through circular resolutions, which are subsequently tabled for notation at the next Board meeting. Minutes of the meetings are prepared by the Company Secretary and subsequently signed by the Chairman as confirmation of their accuracy following Board approval.

## CORPORATE GOVERNANCE

### OVERVIEW STATEMENT

#### PRINCIPLE A:

#### BOARD LEADERSHIP AND EFFECTIVENESS

As part of the annual governance evaluation for FY2025, the Board assessed the performance of the Company Secretary. The assessment affirmed that the Company Secretary continued to provide timely and effective support across key areas, including regulatory advisory, meeting administration, Board processes and corporate governance matters. The Board is satisfied with the quality of support and guidance provided throughout FY2025 and acknowledges the Company Secretary's continued contribution to the Group's governance framework.

#### BUSINESS CONDUCT AND CORPORATE CULTURE

The Group is steadfast in its commitment to fostering a corporate culture rooted in integrity, transparency and ethical conduct. These values are upheld through clearly defined governance frameworks and internal policies that promote responsible business practices and mitigate misconduct risks. Key policies include:

##### 1. Code of Conduct and Ethics

The Board has formalised and adopted a Code of Conduct ("Code") applicable to all Directors and employees. The Code outlines the expectations relating to ethical behaviour, professionalism and responsible conduct in the discharge of duties and responsibilities. The Board reviews the Code as and when necessary to ensure its continued effectiveness. The Code is publicly made available on the Company's website at <https://pgbgroup.com.my/code-of-conduct/>, and the latest review was conducted on 29 May 2025.

The Board and Company Secretary also adhere to the Code of Ethics issued by the Companies Commission of Malaysia for Company Directors and Company Secretaries. This Code of Ethics are intended to promote high standards of ethical conduct, foster social responsibility and uphold professionalism among directors and company secretaries.



Scan here to access  
the Code of Conduct

##### 2. Anti-Bribery and Anti-Corruption Policy

The Group adopts a zero-tolerance stance against all forms of bribery and corruption, as outlined in the Anti-Bribery and Anti-Corruption ("ABC") Policy. The policy set out clear expectations for ethical business conduct and provides structured guidance on identifying, preventing and reporting bribery and corrupt practices.

To reinforce accountability, the policy includes a dedicated whistleblowing mechanism for reporting any suspected misconduct. All personnel are encouraged to report any suspected breaches through this secure and confidential channel.

The Board reviews the ABC Policy as and when necessary to ensure its continued effectiveness. The ABC Policy is accessible on the Company's website at <https://pgbgroup.com.my/corporate-governance/>, and the latest review was conducted on 28 February 2025.



Scan here to access  
ABC Policy

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 3. Whistleblowing Policy

The Whistleblowing Policy provides a secure and confidential platform for employees and external stakeholder to report concerns involving misconduct, fraud or unethical behaviour. Whistleblowers are protected from retaliation and all reports are independently investigated with outcomes escalated to the RMC. The policy underscores the Group's commitment to transparency, accountability and governance.

The Board reviews the Whistleblowing Policy as and when necessary to ensure its continued effectiveness. The Whistleblowing Policy is publicly made available on the Company's website at <https://pgbgroup.com.my/corporate-governance/>, and the latest reviewed was conducted on 28 February 2025.



Scan here to access  
Whistleblowing Policy

These governance policies form the foundation of the Group's ethical culture, reinforcing its commitment to transparency, fraud prevention and sustainable success. Collectively, they serve as critical control mechanisms that support regulatory compliance and stakeholder trust across all levels of the organisation.

### SUSTAINABILITY GOVERNANCE

The Board recognises that strong sustainability governance is vital to long-term value creation, effective risk management and the Group's overall strategic direction. In FY2025, the Group undertook a revision of its Sustainability Governance Structure in response to internal audit recommendations aimed at improving operational efficiency and reporting clarity.

Under the revised structure, approved by the Board on 29 May 2025, the Sustainability Steering Committee ("SSC") now reports directly to the RMC, thereby consolidating sustainability oversight under a single governance channel. This change removes the AC from the sustainability reporting line, aligning sustainability-related risks with the Group's enterprise risk management processes.

The Board retains ultimate responsibility for the strategic oversight of material sustainability matters, while the RMC oversees the integration of sustainability-related risks into the Group Risk Management ("GRM") Framework. The SSC, chaired by the Sustainability Officer and comprising Heads of Department, drives the implementation of the Group's sustainability strategies across business operations. It is supported by the Sustainability Working Committee ("SWC"), which is responsible for daily execution, data collection and performance tracking.

This governance structure enhances effective oversight, cross-functional coordination and alignment with stakeholder expectations. Sustainability risks and opportunities are now systematically embedded within the Group's risk framework, reinforcing organisational resilience, transparency and accountability in support of responsible business practices.

To ensure informed oversight, the Board remains continuously engaged on emerging sustainability issues and regulatory developments through periodic management updates and participation in relevant training programmes. Directors are encouraged to pursue ongoing learning in sustainability topics to strengthen their strategic contributions. Details of Directors' training and development activities are disclosed in the Directors' Training and Development section of this CG Statement.



PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

The Group continues to engage its stakeholders through various channels to communicate its sustainability commitments, progress and challenges. Material sustainability matters are reviewed to ensure strategic alignment with evolving stakeholder expectations and sustainable business practices. Further details are provided in the Sustainability Statement of this Annual Report.

The Board, through the NC, conducts annual evaluations of the performance of the Board, Board Committees and individual Directors. While the current framework does not yet incorporate sustainability performance metrics, the Board is committed to enhancing the evaluation criteria to include sustainability oversight and performance metrics at both Board and Senior Management levels. Further details are available under the Board and Board Committees Effectiveness section of this CG Statement.

NOMINATION COMMITTEE

The Nomination Committee ("NC") is entrusted with supporting the Board in maintaining the effectiveness, independence and competency of the Board and its Board Committees. The NC comprises of three (3) Non-Executive Directors, with a majority being Independent, in compliance with Paragraph 15.08A(1) of Bursa Securities' Listing Requirements.

NAME	POSITION	DESIGNATION
Dato' Haji Ismail Bin Karim	Chairman	Independent Non-Executive Director
Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director
Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director

The NC operates in accordance with its TOR, which has been approved by the Board and are published on the Company's website. The TOR of NC is periodically reviewed to ensure its continued relevance and alignment with the Group's governance needs, as well as compliance with the Listing Requirements and the MCCG.

The NC is required to meet at least once annually or as and when deem fit and necessary. In the current financial year, the NC convened three (3) meetings, with full attendance by all members.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Summary of Work

During the year, the NC carried out its responsibilities as follows:

1. Board Composition and Diversity: Reviewed the size, structure and composition of the Board to ensure a balance mix of skills, experience and diversity in line with the Board Skills Matrix.
2. Independence Assessment: Conducted annual assessments of Independent Directors via annual self-assessment to affirm their ability to exercise independent judgement and uphold objectivity.
3. Fit and Proper Assessment: Evaluated the fitness and propriety of Directors seeking re-election or reappointment in accordance with the Group's Fit and Proper Policy.
4. Training and Development: Reviewed and recommended relevant training programmes for Directors based on strategic priorities and evolving regulatory expectations. Detailed of training attended are disclosed in the Directors' Training and Development section of this CG Statement.
5. Evaluation Tools: Reviewed and endorsed the evaluation forms used for assessing the Board, Board Committees, Company Secretary, Internal Auditor and External Auditor.
6. Board and Board Committees Effectiveness: Evaluated the performance of the Board, Board Committees and individual Directors, including their participation, contribution and alignment with the Group's strategic direction.
7. Senior Management Evaluation: Assessed the performance of Executive Directors and Senior Management as part of the Group's leadership oversight framework.
8. Company Secretary Review: Facilitated the Board's evaluation of the Company Secretary's performance, with the results indicating satisfactory support for the Board's governance, compliance and meeting administration processes.

The NC remains committed to strengthening Board and leadership effectiveness, succession planning and enhancing the Group's governance structure in support of long-term performance and value creation.

### Board Composition, Diversity and Independence

The Board, guided by the NC, ensures a balanced composition that supports effective governance, strategic oversight and sustainable performance. This includes regular reviews of the Board's size, structure, independence and diversity in terms of gender, age, ethnicity, tenure and professional experience.

As of 31 March 2025, the Board consists of seven (7) members: one (1) Executive Chairman, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors ("INEDs"). This composition complies with Paragraph 15.02(1) of Bursa Securities' Listing Requirements, which mandates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent.

## CORPORATE GOVERNANCE

### OVERVIEW STATEMENT

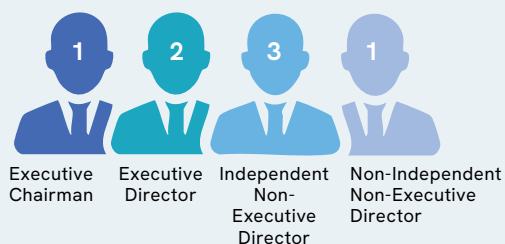
#### PRINCIPLE A:

#### BOARD LEADERSHIP AND EFFECTIVENESS

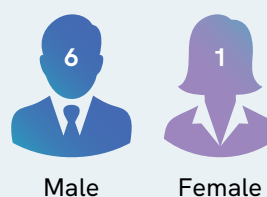
The Board composition and diversity metrics are illustrated below:

##### BOARD DIVERSITY

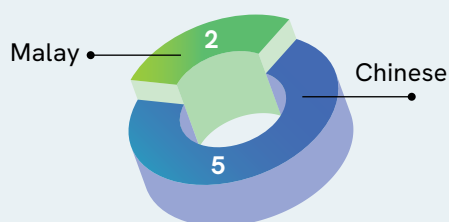
###### Composition



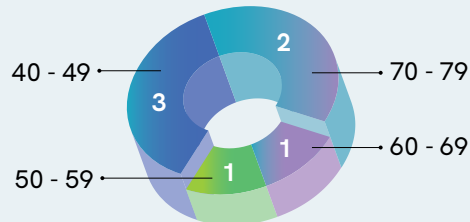
###### Gender



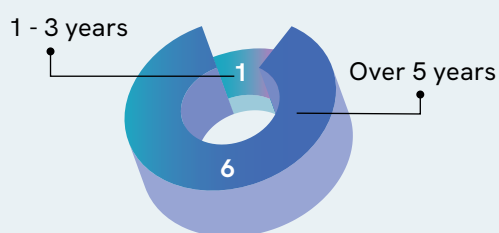
###### Ethnicity



###### Age



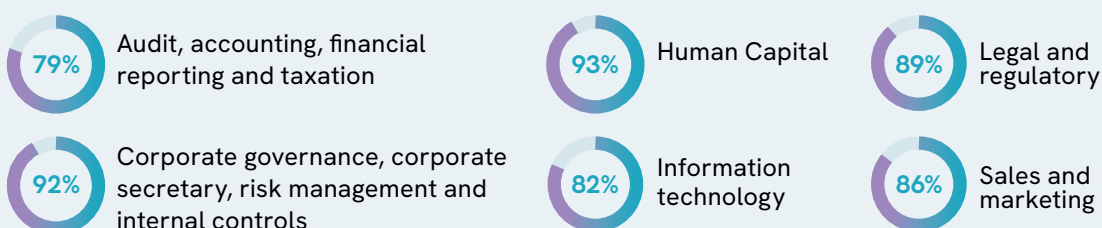
###### Tenure



###### Nationality



##### Experience and Skills



Further information on Board diversity, including gender, age group and ethnicity, as well as Senior Management diversity, is disclosed in the Sustainability Statement of this Annual Report, reflecting the Group's broader commitment to inclusivity across all levels of organisation.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The NC conducts annual evaluation to assess the effectiveness of the Board, Board Committees and individual Directors. This includes a review of Board's composition, skill matrix, independence and performance of each Director. The assessments reaffirm that the INEDs continue to demonstrate independence in judgement and contribute constructively to Board deliberations. As at FY2025, none of the INEDs have served more than nine (9) years cumulatively. In line with Practice 5.3 of the MCCG, the Board is reviewing its governance policies, including the Board Charter, to enhance alignment with evolving best practices.

To support succession planning and Board refreshment, a Board skills matrix based on Directors' self-assessment has been developed to serves as a reference for future Board appointments. The current Board composition reflects a diverse blend of expertise from various fields including audit and accounting, corporate governance and marketing, contributing to balanced and effective oversight.

The Board also recognises the importance of gender diversity in driving broader perspectives and sound governance. In FY2025, The Group expanded and renamed its Board Diversity Policy into a Board and Senior Management Policy, which was approved by the Board on 23 May 2024. This policy provides guidance for enhancing diversity at both Board and Senior Management levels and is accessible on the Company's website at [www.pgbgroup.com.my](http://www.pgbgroup.com.my).

As at 31 March 2025, female representation on the Board stands at 14%, while women made up 67% of Senior Management. Although female Board representation remains below the 30% threshold recommended by the MCCG, the Board has set clear targets to improve this proportion as outlined in the Sustainability Statement of this Annual Report. The Board remains committed to identifying and appointing suitably qualified female candidates, aligned with the Group's succession and diversity planning framework.

Following the annual review conducted by the NC, the Board is satisfied that the current composition provides a well-rounded balance of independence, diversity, expertise and experience. This composition supports sound decision-making and the effective discharge of the Board's fiduciary and oversight responsibilities.

### Board Selection, Appointment, Reappointment and Re-election

The selection, appointment, reappointment and re-election of Directors are vital to maintaining an effective, diverse and future ready Board that supports the Group's strategic priorities and governance objectives. The NC leads this process through a structured and transparent framework that ensures candidates meet the necessary standards of competence, integrity and independence.

#### 1. Board Selection and Appointment





## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board appointments begin with a review of the existing Board composition, taking into account size, skills matrix, independence and diversity across age, ethnicity and gender. Based on this assessment, the NC establishes tailored selection criteria to address any identified gaps and strengthen the Board's overall capabilities.

Potential candidates are identified from internal and external sources. Shortlisted candidates undergo engagement sessions and are subject to a fit and proper assessment in accordance with the Group's Directors' Fit and Proper Policy. This policy provides a transparent framework for appointment, reappointment and re-election, ensuring only candidates with appropriate qualifications, integrity and competence are considered. For further details on the Directors' Fit and Proper Policy, please refer to the Company's website at <https://pgbgroup.com.my/corporate-governance/>, with last reviewed was conducted on 29 May 2025.

Candidates who fulfil the requirements are recommended by the NC to the Board for approval. In FY2025, the Board did not propose any new appointments or reappointments aside from the re-election of existing Directors.

### 2. Reappointment and Re-election of Existing Director



In accordance with the Company's Constitution, one-third (1/3) of the Directors shall retire at each Annual General Meeting ("AGM"), or if the total number is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire. All Directors, including the Executive Chairman, are required to retire at least once every three (3) years and are eligible for re-election, subject to Board and shareholder approval. Retiring Directors remain in office until the conclusion of the AGM at which they retire. In the event of any vacancy in the Board, resulting in non-compliance of minimum Independent Director requirement, such vacancy must be filled within three (3) months.

The NC supports this process by conducting formal assessment of retiring Directors, covering performance, independence, integrity, attendance and contribution. This includes an evaluation against the Directors' Fit and Proper Policy to ensure their continued suitability to serve.

For FY2025, three (3) Directors are subject to retirement at the forthcoming 78<sup>th</sup> AGM. Following a satisfactory review, the NC and Board have recommended their re-election. Details are disclosed in the explanatory notes to the Notice of 78<sup>th</sup> AGM. Profiles of the retiring Directors are available in the "Board of Directors' Profile" section of this Annual Report and on the Company's website at [www.pgbgroup.com.my](http://www.pgbgroup.com.my).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### Directors' Training and Development

The Board recognises that continuous learning is essential to enable Directors to discharge their duties effectively and keep pace with evolving regulatory, governance and sustainability developments. All Directors have completed the Mandatory Accreditation Programme ("MAP") for Directors of Public Listed Companies as mandated by Bursa Securities.

In line with the latest regulatory expectations, all Directors also completed the Mandatory Accreditation Programme II ("MAP II") on sustainability by FY2025, ahead of the 1 August 2025 deadline. This demonstrates the Board's proactive commitment to strengthening its oversight on sustainability-related matters.

Beyond mandatory programmes, the Board, with support from the NC, assesses and identifies training and development needs to ensure that Directors are equipped with necessary knowledge and skills relevant to their roles. Directors are encouraged to attend seminars, conferences and training programmes that enhance their understanding of key issues affecting the Group, including corporate governance, risk management, strategy, finance and sustainability related matters.

During FY2025, the Company Secretary provided updates on changes to the Bursa Securities' Listing Requirements during Board Meetings, while the External Auditors briefed the Board on significant updates to the Malaysian Financial Reporting Standards that may impact the Group's financial statements.

Details of training and development programmes attended by each Director in FY2025 are detailed in the below:

Director Name	Training Title	Organiser	Date
<b>Dato' Sri Edwin Tan Pei Seng</b>	Invest Johor 2024 - The Next Growth Epicentre	RHB Banking Group	15 August 2024
	Invest Malaysia Iskandar 2024	Bursa Securities	26 September 2024
<b>Dato' Sri Godwin Tan Pei Poh</b>	Invest Johor 2024 - The Next Growth Epicentre	RHB Banking Group	15 August 2024

## CORPORATE GOVERNANCE

### OVERVIEW STATEMENT

#### PRINCIPLE A:

#### BOARD LEADERSHIP AND EFFECTIVENESS

Director Name	Training Title	Organiser	Date
<b>Mdm. Leong Siew Foong</b>	Recent Developments with Listing Requirements, including COI Amendments	CKM Advisory Sdn. Bhd. ("CKM")	8 May 2024
	The Beneficial Ownership Reporting Framework for Companies Based on the Companies (Amendment) Act 2024	Companies Commission of Malaysia ("CCM")	14 May 2024
	If Cyber Security Is Not a Top Priority, Your Business Is at High Risk	CCM	11 June 2024
	Handling Performance Improvement Process	Meca South Sdn. Bhd.	2 & 3 July 2024
	Transforming Industries with Dell AI Solutions	Flexi Team Computer Services Sdn. Bhd.	24 July 2024
	Carbon Boarder Adjustment Mechanism Introduction	MY ESG Sdn. Bhd.	8 August 2024
	Enhancing Corporate Transparency, Building Resilience	CCM	27 & 28 August 2024
	Group Treasury & Global Markets FX & Economic Outlook 2024	RHB Banking Group	11 September 2024
	FIMM Annual Conference 2024	Federation of Investment Managers Malaysia ("FIMM")	12 September 2024
	SME ESG Start Symposium (Johor) 2024	United Nations Communications Group ("UNCG") Malaysian United Nations Global Compact	14 October 2024

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Director Name	Training Title	Organiser	Date
Mdm. Leong Siew Foong	Accelerate Your AI Transformation	CTC Global. Sdn. Bhd.	15 October 2024
	First Aid at Workplace	St. John Ambulans Malaysia	17 & 18 October 2024
	Budget 2025	Thannees Tax Consulting Services Sdn. Bhd.	21 October 2024
	MAICSA Annual Conference 2024 Sustainability Today for Tomorrow	Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")	22 & 23 October 2024
	Bank Negara Malaysia Data and Compliance Report	MAICSA	28 October 2024
	TP Issues and Resolution	Thannees Tax Consulting Services Sdn. Bhd.	29 October 2024
	ISSB: Applying the IFRS Sustainability Disclosure Standards	Sustainable Stock Exchange Initiative	7 November 2024
	MAICSA Southern Region Members Forum	MAICSA	16 November 2024
	CyberGuard Insights: Building a Safer Digital Future	Adaptive Netpoleon Malaysia Sdn. Bhd.	12 December 2024
	Alibaba Cloud AI for Business	Alibaba Cloud and VSTECS Berhad	11 March 2025
	HP Tech Refresh 2025 @ Johor Bahru	HP Malaysia	19 March 2025



## CORPORATE GOVERNANCE

### OVERVIEW STATEMENT

#### PRINCIPLE A:

#### BOARD LEADERSHIP AND EFFECTIVENESS

Director Name	Training Title	Organiser	Date
<b>Mr. Tee Boon Hin</b>	E-Invoice: Modernising Business Transactions	Chartered Accountants Australia and New Zealand	19 June 2024
	Latest Income Tax Updates & Recent Tax Cases 2024	Chartered Tax Institute of Malaysia ("CTIM") Johor Bahru	25 June 2024
	National Tax Conference 2024	CTIM Kuala Lumpur and IRBM	22 & 23 July 2024
	Related Party Transaction and Disclosure in MRFS 124 and MPERS	Malaysian Institute of Accountants ("MIA")	31 July 2024
	Technical Updates Affecting Financial Reporting	MIA	28 October 2024
	National Taxation Seminar 2024 (Budget 2025)	Inland Revenue Board of Malaysia ("IRBM")	29 October 2024
	ISSB: Applying the IFRS Sustainability Disclosure Standards	Sustainable Stock Exchange Initiative	7 November 2024
	2025 Budget Seminar	MIA	19 November 2024
	Accounting for Business Combinations - The Basics	MIA	25 November 2024
	Compliance with Listing Requirements - Reporting of Financial Statements	CKM	13 March 2025

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Director Name	Training Title	Organiser	Date
<b>Dato' Ismail Bin Karim</b>	In-house training on Personal Liabilities of Directors	MAICSA	10 May 2024
	Audit Committee Conference 2024	MIA and The Institute of Internal Auditors Malaysia	5 September 2024
	E-Invoicing in Malaysia	BDO Malaysia	23 September 2024
	Compliance with Listing Requirements - Reporting of Financial Statements	CKM	13 March 2025
<b>Tan Sri Datuk Wira Dr. Hj. Mohd. Shukor Bin Hj. Mahfar</b>	2024 Tax Research Symposium	IRBM	15 & 16 May 2024
	MIA Annual Conference 2024	MIA	11 & 12 June 2024
	National Tax Conference 2024	CTIM Kuala Lumpur and IRBM	22 & 23 July 2024
	Related Party Transaction and Disclosure in MRFS 124 and MPERS	MIA	31 July 2024
	Conflict of Interest ("COI") and Governance of COI	Bursa Academy	18 September 2024
	2025 Budget Update	Deloitte Malaysia	27 November 2024
	Strategic Outlook for Public Universities	Higher Education Leadership Academy	6 & 7 December 2024
	Compliance with Listing Requirements - Reporting of Financial Statements	CKM	13 March 2025
<b>Dato' Jeffrey Lai Jiun Jye</b>	If Cyber Security Is Not a Top Priority, Your Business Is at High Risk	CCM	11 June 2024

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS**

**Board and Board Committees Effectiveness**

The Board, with support from the NC, conducts out an annual Board Effectiveness Evaluation to assess the performance of the Board as a whole, its Board Committees and individual Directors. This structured evaluation ensure alignment with the Group's governance standards, strategic direction and succession planning needs, while identifying areas for continuous improvement. Senior Management is also subject to an annual performance evaluation to reinforce accountability at all levels of leadership.

The Board recognises the importance of integrating sustainability into its governance and performance oversight. Sustainability considerations were embedded into the Board Effectiveness Evaluation, with Directors assessed on their oversight of sustainability strategies, sustainability-related risks and integration into corporate planning. Similarly, selected sustainability-related elements formed part of the Senior Management's performance appraisal process, reflecting the Group's growing emphasis on responsible leadership and long-term value creation. While these elements are not yet formally linked to published sustainability targets, the Board is committed to strengthening this alignment in future performance cycles.

In FY2025, the evaluation was internally administered in May 2025 using structured appraisal forms approved by the NC, without external facilitation. These covered:

- (i) Board and Board Committees Evaluation.
- (ii) Board Skills Matrix Self-Assessment.
- (iii) Independent Non-Executive Director Self Evaluation.
- (iv) Fit and Proper Assessment for Directors.

Each Director completed the prescribed assessments and the NC reviewed the collective findings before presenting them to the Board. The assessment covered areas such as Board dynamics, strategic input, sustainability oversight, risk management, governance effectiveness and individual engagement.

The results reaffirmed that the Board and its Committees continue to function effectively, with average scores the exceeding 3 on a 4-point scale. All Directors demonstrated active participation and fulfilled their fiduciary in line with the Group's governance expectations. Notably, the INEDs continued to exercise objective judgment and maintained their independence throughout the year. None of the INEDs had serve beyond nine (9) consecutive years or held directorships in more than five (5) listed companies and none held shares in the Company.

The NC also observed that Directors consistently demonstrated active participation in Board and Committee deliberations, with meetings conducted in an open and constructive manner. The quality of decision-making was considered effective, supported by structured meeting processes and transparent communication. These observations reflect the Board's ongoing efforts to discharge its governance responsibilities with diligence and accountability.

Through feedback and NC deliberations, the following areas for enhancement were identified:

- (i) Enhancing Directors' exposure to current market, regulatory and industry developments.
- (ii) Improving cost and operational management oversight by improve performance monitoring.
- (iii) Supporting continuous learning by encouraging Directors to participate in seminars and courses tailored to the Company's evolving business needs.
- (iv) Encouraging more open, timely and constructive deliberation of strategic issues at Board level.
- (v) Strengthening alignment of Board discussions with the Group's sustainability goals, agenda and diversification strategy.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Directors acknowledged these improvement areas and expressed their commitment to ongoing development and effective governance. The NC Chairman oversaw the entire evaluation process, including performance reviews of individual Directors and the Chairman, reinforcing transparency and continuous improvement.

These evaluation outcomes formed the NC's recommendations to the Board, particularly in relation to the re-election of Directors at the upcoming 78<sup>th</sup> AGM.

The NC further assessed the performance of Senior Management with all Senior Management personnel achieved satisfactory performance scores based on their respective key performance indicators. The NC concluded that Senior Management had performed fair and reasonably and these results were tabled to the Board for consideration in remuneration deliberations.

Based on the overall evaluation, the NC is satisfied that the current Board composition, structure and dynamics are effective in supporting the Group's governance needs, strategic objectives and future aspirations. Further details of the NC's activities and the full evaluation framework are provided in the CG Report in accordance with the Principle A of the MCCG.

### REMUNERATION COMMITTEE

The Board has entrusted the Remuneration Committee ("RC") with the responsibility to establish a transparent and performance-oriented framework for determining the remuneration of Directors and Senior Management. This ensures alignment between remuneration outcomes, individual and Group performance, as well as shareholder interests.

The RC comprises three (3) Non-Executive Directors, the majority of whom are Independent. The composition as at 31 March 2025 is as follows:

NAME	POSITION	DESIGNATION
Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director
Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director
Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director

The RC operates in accordance with its TOR, which has been approved by the Board and published on the Company's website. The TOR of the RC is periodically reviewed to ensure its continued relevance and alignment with the Group's evolving needs, as well as compliance with the Listing Requirements and the MCCG.

The RC is required to meet at least annually or as and when deem fit and necessary. In the current financial year, the RC convened four (4) meetings, with full attendance by all members.



PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

Summary of Work

During the year, the RC carried out its responsibilities as follows:

1. Non-Executive Directors' Remuneration Review: Assessed and recommended the fees and benefits payable to Non-Executive Directors ("NEDs") for FY2025.
2. Directors and Senior Management Remuneration Review: Assessed the remuneration structure for the Executive Chairman and Executive Directors, including fixed and performance-linked components such as salary increments and bonuses. The RC also reviewed the annual bonus and salary increment proposals for Senior Management in relation to their responsibilities and performance.
3. Performance-Linked Evaluation Alignment: Conducted a joint session with the NC to align performance evaluations of Directors and Senior Management with corresponding remuneration decisions, taking into account both financial results and strategic contributions.
4. Employment Agreement Review: Reviewed the renewal of an Executive Employment Agreement, considering on performance, tenure and NC input before making its recommendation to the Board.

All deliberations and recommendations were made independently and, where applicable, submitted to the Board for approval. Directors abstained from deliberating on matters in which they had a direct interest.

Following the financial year end, the RC conducted a review and evaluation of the remuneration and benefits for NEDs for the financial year ending 31 March 2026 ("FY2026"). The assessment aimed to ensure that the remuneration packages remain commensurate with their responsibilities and performance, taking into account the Group's overall performance and prevailing industry benchmarks.

Based on the RC's recommendation, the Board approved a proposal to maintain the Directors' fees and NEDs' benefits for FY2026 at the same level as the previous year. In accordance with Section 230(1) of the Companies Act 2016 and Article 64 of the Company's Constitution, these fees and benefits are proposed annually as Ordinary Resolutions at the AGM, reinforcing shareholders' rights to vote on Directors' fees and NEDs' benefits.

The detailed remuneration of individual Directors and Key Senior Management is disclosed in Note 30 and Note 31 to the audited financial statements on pages 237 to 239 of the Annual Report, as well as in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

**Remuneration Policy**

The Board has established a formal and transparent process for determining the remuneration of Directors and Senior Management. The RC is entrusted with formulating and reviewing the Group's Remuneration Policy to ensure it remains competitive, appropriate and aligned with prevailing market practices and stakeholder expectations.

The RC conducts an annual review of the remuneration packages for Director and Senior Management, before making its recommendations to the Board. In conducting this review, the RC considers a range of factors, including the individual's responsibilities, performance, experiences and complexity of their role. Remuneration packages are benchmarked against comparable companies to ensure they remain competitive and capable of attracting and retaining high-calibre individuals.

The Remuneration Policy adopts a pay-for-performance approach, incorporating both fixed and variable components that reflect individual and Group performance. Variable components such as bonuses, are linked to the achievement of financial and strategic key performance indicators. In line with good governance practices, affected Directors and Senior Management abstain from participating in deliberations or decisions involving their own remuneration.

The Board reviews the Remuneration Policy and makes any necessary amendments to ensure its continued relevance and alignment with market and regulatory developments. The Remuneration Policy is accessible on the Company's website at <https://pgbgroup.com.my/corporate-governance>, with last reviewed on 22 November 2022.

PRINCIPLE B:

EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The Audit Committee ("AC") comprises three (3) members, all of whom are Independent Non-Executive Directors. The AC is chaired by Mr. Tee Boon Hin, a Chartered Accountant and member of the Malaysian Institute of Accountants ("MIA"), in compliance with Paragraph 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities and Practice 9.1 of the MCCG, which ensures separation between the Board and AC Chairmanship roles.

Details of the AC's composition, attendance record (with five (5) meetings held in FY2025), and its roles and responsibilities are set out in the "Audit Committee Report" section of this Annual Report. A majority of AC members are independent financial experts. Mr. Tee Boon Hin is a MIA member, while Tan Sri Datuk Wira Dr. Hj. Mohd Shukor bin Hj. Mahfar brings extensive experience in financial governance and taxation, gained from his tenure at the Inland Revenue Board of Malaysia and his current role as principal of a tax and management consultancy practice.

As at 31 March 2025, none of the Board or AC members were former key audit partners of the External Auditors. The Board observes a cooling-off period of at least three (3) years if any potential candidate who is a former key audit partner is being considered for appointment as a member of the AC.

Following to the financial year end, the NC conducted a performance evaluation of the AC. Based on the outcome, the Board is satisfied with the AC's overall effectiveness and the collective competencies of its members in financial reporting, internal control, audit oversight and risk management.

The AC operates in accordance with its TOR, which are reviewed and make any necessary amendments to ensure its continuous effectiveness and in line with the Listing Requirements and the MCCG. The AC's TOR is accessible on the Company's website at <https://pgbgroup.com.my/corporate-governance/>, last reviewed on 18 July 2023.

EXTERNAL AUDITORS' ASSESSMENT

The AC is responsible for assessing the suitability, objectivity, independence and performance of the External Auditors on an annual basis. This includes evaluating the composition of the audit engagement team, audit quality and compliance with relevant ethical and professional standards. The assessment process is guided by the Group's External Auditors Policy, which sets out the principles for selection, appointment and reappointment of External Auditors. This policy is accessible on the Company's website <https://pgbgroup.com.my/corporate-governance/>, last reviewed on 18 July 2023.

In May 2025, the AC conducted its annual evaluation of BDO PLT ("BDO"), the External Auditors for FY2025. The assessment was carried out in accordance with Paragraph 15.21 of the Bursa Securities' Listing Requirements and the Group's External Auditors' Policy. The evaluation covered the BDO's professional calibre, audit quality, scope and planning approach, independence, communication with Management, and alignment with the Group's expectations. The AC also considered BDO's latest Annual Transparency Report and assessed the scope and nature of both audit and non-audit services provided during the year.

BDO had provided a formal confirmation of their independence in accordance with By-Laws (On Professional Ethics, Conduct and Practice) issued by the MIA. The AC reviewed this confirmation and was satisfied that BDO remained independent and objective throughout the FY2025 audit engagement. Additionally, the AC reviewed the nature and scope of non-audit services provided by BDO and its affiliates and concluded that such services did not compromise the auditors' independence or objectivity.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Further details of the AC's work in relation to the External Auditors and other oversight activities during the financial year are provided in the "Audit Committee Report" section of this Annual Report.

Based on the results of its evaluation, the AC recommended the re-appointment of BDO as the Company's External Auditors for the ensuing financial year. The Board has endorsed this recommendation for shareholders' approval at the forthcoming 78<sup>th</sup> AGM.

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") supports the Board in overseeing the Group's risk governance and enterprise-wide risk management framework. As at 31 March 2025, the RMC comprised the following three (3) Independent Non-Executive Directors:

NAME	POSITION	DESIGNATION
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Chairman	Independent Non-Executive Director
Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director
Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director

The RMC operates in accordance with its TOR, which has been approved by the Board and published on the Company's website. The TOR of RMC is periodically reviewed to ensure its continued relevance and alignment with the Group's evolving needs, as well as compliance with the Listing Requirements and the MCGG.

The RMC is required to meet at least twice a year or as and when deem necessary. In the current financial year, the RMC convened eight (8) meetings, with full attendance by all members.

### Summary of Work

During the year, the RMC carried out its responsibilities as follows:

1. Enterprise Risk Oversight: Reviewed and assessed the Group's enterprise risk profile, including risk appetite, key risk exposures, mitigation strategies across areas such as governance, finance, compliance, project execution and sustainability. The RMC also reviewed emerging risks related to fraud, IT governance and climate-related exposures.
2. Risk Governance Framework Review: Endorsed the revised GRM Framework and Sustainability Policy to ensure alignment with the Group's strategic priorities and evolving regulatory developments.
3. Risk Reporting and Evaluation: Assessed the FY2025 Enterprise Risk Report, which consolidated the results of the Group-wide risk assessment, including departmental risk registers, bribery risk assessments, internal audit observations and stakeholder engagement. The report was subsequently recommended to the Board for further deliberation.



PRINCIPLE B:

EFFECTIVE AUDIT AND RISK MANAGEMENT

4. Strategic and Sustainability Risk Review: Reviewed and provided input on material sustainability developments, including market disclosures, project feasibility risks and the Group's sustainability integration efforts. The RMC also reviewed business feasibility studies to assess strategic alignment and potential risk exposures associated with proposed corporate exercises. In addition, the RMC also reviewed the Group's Sustainability Statement and Statement on Risk Management and Internal Control ("SORMIC") and recommended them to the Board for approval.
5. Control and Assurance Integration: Evaluated the alignment between risk management and internal control mechanisms, including updates to the Group's risk registers. The RMC ensured material risks and mitigation progress were appropriately tracked within the enterprise risk management system and supported ongoing control improvement efforts.

The RMC's work during the year supported the Board in fulfilling its responsibility for risk governance and ensuring the continued adequacy and effectiveness of the Group's risk management and internal control systems.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Group's risk management approach is governed by a structured GRM Framework, which outlines risk governance responsibilities, appetite thresholds and procedures for identifying, evaluating and treating risks. The GRM Framework is reviewed periodically to ensure continued relevance in light of the Group's strategic direction and operating landscape.

The Board affirms its overall responsibility for maintaining a sound risk management and internal control system, with the RMC providing dedicated oversight on behalf of the Board.

Further details on the Group's risk governance structure, risk management and internal control processes, including assurance from Executive Management and the review conducted by the outsourced Internal Audit Function, are disclosed in the "Statement on Risk Management and Internal Control" section of this Annual Report.

**PRINCIPLE C:**

**INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL  
RELATIONSHIP WITH STAKEHOLDERS**

**ENGAGEMENT WITH STAKEHOLDERS**

The Board recognises that continuous and effective stakeholder engagement is essential to sustaining trust, enhancing corporate transparency and strengthening long-term value creation. As part of its commitment to meaningful communication, the Board ensures that material information relating to the Group's operations, financial performance and strategic developments is disseminated in a timely, accurate and balanced manner.

In accordance with the MCCG and the Capital Markets and Services Act 2007, the Group is committed to upholding fair and transparent disclosure practices. All material announcements are made without selective disclosure, ensuring equitable access to information for all stakeholders.

The Group leverages multiple communication platforms to reach stakeholders, including:

- (a) General meetings of shareholders;
- (b) Corporate announcements via Bursa Securities;
- (c) Annual Reports and Circulars;
- (d) The Company's website at [www.pgbgroup.com.my](http://www.pgbgroup.com.my);
- (e) Investor relations channels; and
- (f) Public events, briefings and community engagement.

To promote transparency and accountability, the Group provides regular updates through its Annual Report and website, disclosing information that is relevant, reliable and comprehensible. The Board continuously reviews its stakeholder communication practices to ensure the accessibility and effectiveness of disclosures made on Bursa Securities and other public platforms.

Throughout FY2025, the Group organised various engagement initiatives tailored to its diverse stakeholder including shareholders, investors, customers, employees, regulators and local communities. These initiatives aimed to foster trust, solicit feedback and strengthen stakeholder relationships. Further details of the Group's stakeholder engagements activities are disclosed in the "Sustainability Statement" section of this Annual Report.

**CORPORATE DISCLOSURE POLICY**

The Board recognises the importance of transparent, timely and equitable communication with shareholders and other stakeholders. To uphold these principles, the Company has established a Corporate Disclosure Policy which sets out governance framework for the disclosure of material information, preservation of confidentiality and prevention of insider trading.

This Policy provides guidance to Directors, Management and employees to ensure that all disclosures are factual, accurate, timely and in compliance with Bursa Securities' Listing Requirements and other applicable laws. It reinforces the commitment to avoid selective disclosure and ensures that stakeholders have fair and equal access to material information that may affect investment decisions.

The Corporate Disclosure Policy is periodically reviewed and makes necessary amendments as appropriate by the Board to ensure its continued relevance and alignment with evolving regulatory expectations and CG best practices. Details of this policy are available on the Company's website at <https://pgbgroup.com.my/corporate-governance/>.

## CORPORATE GOVERNANCE

### OVERVIEW STATEMENT

#### PRINCIPLE C:

#### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

##### CONDUCT OF GENERAL MEETINGS

The Board acknowledges that general meetings serve as a vital platform for meaningful two-way engagement between the shareholders, the Board and Senior Management. Throughout the financial year, the Company convened the 77<sup>th</sup> AGM on 28 August 2024 and an Extraordinary General Meeting ("EGM") on 27 December 2024.

The Notice of the 77<sup>th</sup> AGM was issued to shareholders at least twenty-eight (28) days prior to the meeting, in line with the best practices outlined under the MCCG. For the EGM held on 27 December 2024, the Notice was issued at least fourteen (14) days in advance, in compliance with the Companies Act 2016 and the Bursa Securities' Listing Requirements, as only ordinary resolutions were tabled. The Notice for both meetings were also published in a nationally circulated English newspaper, on Bursa Securities' website and on the Company's website, to promote broad and timely shareholder awareness.

Both meetings were conducted physically following careful consideration of shareholders' demographics, venue accessibility and the value of direct shareholder engagement. To ensure inclusive participation, shareholders who were unable to attend in person were provided with the option to appoint a proxy or the Chairman of the meeting as proxy. The Company also made available Remote Participation and Voting ("RPV") facilities via Tricor's TIH Online platform at <https://tiih.online>.

All Directors attended both the 77<sup>th</sup> AGM and the EGM, with two (2) Directors participating virtually during the EGM. The 77<sup>th</sup> AGM was also attended in person by the Company Secretary, Senior Management and the External Auditors to address matters that were under the purview of the respective parties. For the EGM, the Directors were present alongside the Company's appointed Principal Advisors, Legal Due Diligence Solicitors, Independent Valuers and Reporting Accountants.

Shareholders were encouraged actively participate by raising questions related to the proposed resolutions and the Group's business operations, as well as to share their expectations and concerns. The Chairman provided ample time for shareholders to ask questions and express views related to the proposed resolutions and the Group's operations. Shareholders' feedback and concerns were duly recorded and taken into consideration by the Board and Senior Management.

In line with the Paragraph 8.29A of the Bursa Securities' Listing Requirements, all resolution at the 77<sup>th</sup> AGM and EGM were voted on by poll. Tricor Investor & Issuing House Services Sdn. Bhd. acted as the Poll Administrator while Sky Corporate Services Sdn. Bhd. was appointed as the Independent Scrutineer. The poll results, upon verification, were announced by the Scrutineer and declared by the Chairman at the respective meetings.

The outcome of each general meeting, including detailed poll results, was announced to Bursa Securities on the same day. Pursuant to Practice 13.6 of the MCCG, minutes of both meetings were published on the Company's website at [www.pgbgroup.com.my](http://www.pgbgroup.com.my) within thirty (30) business days, providing shareholders and the public with timely access to the proceedings.

PRINCIPLE C:

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL  
RELATIONSHIP WITH STAKEHOLDERS

KEY FOCUS AREAS AND FUTURE PRIORITIES

In FY2025, the Board concentrated its efforts on strengthening corporate governance structures, enhancing Board effectiveness and reinforcing oversight mechanisms across the Group. Throughout the year, the Board deepened its strategic oversight by aligning corporate decisions with long-term value creation and prudent risk management. This included close monitoring of strategic initiatives, Group performance, material sustainability matters and risk exposures through enhanced reporting and active Board deliberations.

Risk and sustainability governance remained a key focus. The Board endorsed revisions to the GRM Framework and Sustainability Policy to ensure alignment with regulatory developments and stakeholder expectations. The RMC actively reviewed the Group's Enterprise Risk Report and key emerging risks, alongside material sustainability disclosures as part of its integrated approach to risk and sustainability oversight.

The Board also completed its annual evaluation of the Board, Board Committees and individual Directors, assessing effectiveness, composition and governance processes. The evaluation reinforced the Board's continued effectiveness, while also identifying areas for further improvement in Directors' exposure to current market, regulatory and industry developments, improving oversight of operational and cost performance, supporting continuous learning and etc. In parallel, the Board oversaw enhanced transparency and accountability through improved disclosures in the Annual Report, particularly in relation to corporate governance, internal control, sustainability and stakeholder engagement.

Looking ahead to FY2026, the Board remains committed to enhancing transparency, resilience and governance maturity. The Board will progressively integrate sustainability considerations into all aspects of governance, including strategic decision-making, risk management and stakeholder engagement. A key priority is advancing board diversity, with a target to achieve at least 30% female representation on the Board, in support of the Group's sustainability ambitions and national governance targets.

Board succession planning and the enhancement of skills and competencies will also remain an area of focus, particularly in ensuring continued access to expertise in sustainability and regulatory compliance. As part of its triennial policy review cycle, the Board will review governance documents due for update in FY2026 to ensure continued alignment with prevailing regulatory expectations and market best practices.

The Board also aims to broaden its engagement with shareholders and stakeholders through more timely and forward-looking disclosures, using multiple platforms including the Annual Report, sustainability disclosures and digital channels. This stakeholder-centric approach underpins the Board's commitment to transparency, accountability and sustainable long-term value creation.

COMPLIANCE STATEMENT

The Board has reviewed and approved this CG Statement and is satisfied that the Company has substantially applied and complied with the three (3) key Principles of the MCCG for the FY2025.

Comprehensive details on the Company's application of each Practices under the MCCG, including explanations for any departures, are disclosed in the CG Report, which is accessible on the Company's website at [www.pgbgroup.com.my](http://www.pgbgroup.com.my).

This CG Statement and the accompanying CG Report were approved by the Board on 21 July 2025.



# ADDITIONAL COMPLIANCE INFORMATION

## 1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

## 2. AUDIT FEES AND NON-AUDIT FEES

The audit fees and non-audit fees paid or payable to the Company's External Auditors and their affiliated firms for FY2025 are as follows:

	GROUP RM	COMPANY RM
Audit Fees	150,000	65,000
Non-Audit Fees	95,500	65,700
<b>Total</b>	<b>245,500</b>	<b>130,700</b>

The non-audit fees comprise services including tax advisory, review of the Statement on Risk Management and Internal Control disclosed in the Annual Report, as well as issuance of Reporting Accountants' Report on the Pro Forma Consolidated Statement of Financial Position.

## 3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of Directors and major shareholders that were still subsisting at the end of the financial year or entered into since the end of the previous financial year.

## 4. CONTRACT RELATING TO LOAN

There were no contracts relating to loans entered into by the Group involving the interests of Directors and major shareholders during the financial year under review.

## 5. RELATED PARTY TRANSACTIONS AND RECURRENT RELATED PARTY TRANSACTIONS

The Group has implemented an internal compliance framework to ensure that the Group meets its obligations under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other applicable guidelines with regard to related party transactions and recurrent related party transactions.

The Company obtained approval from shareholders at the 77<sup>th</sup> Annual General Meeting ("AGM") through a shareholders' mandate to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business. The shareholders' mandate will remain in force until the conclusion of the forthcoming AGM and is subject to renewal by the shareholders at that AGM. The Company will seek a new shareholders' mandate for recurrent related party transactions at the upcoming AGM to be held on 2 September 2025.

Details of the related party transactions undertaken by the Group during FY2025 are disclosed in Note 31 to the audited financial statements on pages 237 to 239 of the Annual Report.

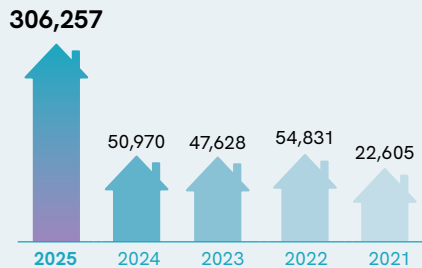
## 6. EMPLOYEE SHARE SCHEME

There was no employee share scheme implemented by the Company during the financial year under review.

## FIVE-YEAR FINANCIAL HIGHLIGHTS

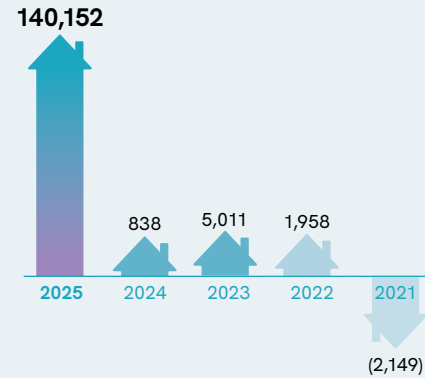
Revenue ('000)

**RM306,257**



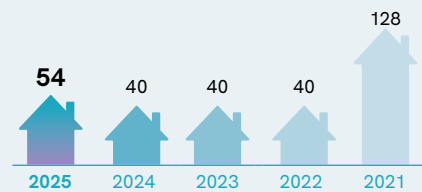
Profit Before Taxation ('000)

**RM140,152**



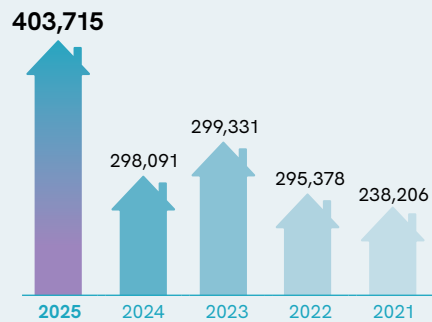
Net Assets Per Share (sen)

**54**



Shareholders' Fund ('000)

**RM403,715**



	2025	2024	2023	2022	2021
<b>Financial Results (RM'000)</b>					
Revenue	<b>306,257</b>	50,970	47,628	54,831	22,605
Profit/(Loss) before taxation	<b>140,152</b>	838	5,011	1,958	(2,149)
Total comprehensive income/(loss) attributable to owners of the parent	<b>105,624</b>	(1,240)	3,952	1,175	(1,832)
<b>Financial Position (RM '000)</b>					
Total assets	<b>780,643</b>	470,469	366,164	311,794	271,600
Total liabilities	<b>376,413</b>	171,880	66,332	15,919	32,882
Equity attributable to owners of the parent	<b>403,715</b>	298,091	299,331	295,378	238,206
<b>Financial Ratios</b>					
Basic earnings/(loss) per share (sen)	<b>14.15</b>	(0.17)	0.53	0.25	(0.99)
Net assets per share attributable to owners of the Company (sen)	<b>54</b>	40	40	40	128

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 2016 ("CA") to prepare the financial statements that give a true and fair view of the financial position of the Company and the Group as at the end of the financial year and of the financial performance and cash flows of the Company and the Group for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made reasonable and prudent judgments and estimates;
- ensured compliance with all applicable accounting standards in Malaysia; and
- prepared financial statements on a going concern basis, having made the necessary inquiries and being satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Directors are also responsible for ensuring that the Company and the Group maintain proper accounting records that disclose the financial position of the Company and the Group with reasonable accuracy, as to ensure that the financial statements comply with CA. The Directors have also ensured timely release of the Group's quarterly and annual financial results to Bursa Malaysia Securities Berhad to keep shareholders and the investing public informed of the Group's ongoing development.

The Directors are satisfied that, in preparing the financial statements for the year ended 31 March 2025, the Company and the Group have consistently applied appropriate and relevant accounting policies consistently; made reasonable and prudent judgments and estimates; and prepared the annual audited financial statements on a going concern basis.

In addition, the Directors have taken reasonable steps to preserve the interests of stakeholders, safeguard the assets of the Company and the Group, and prevent and detect fraud and other irregularities.

This Statement on Directors' Responsibilities is made in accordance with the resolution of the Board of Directors dated 21 July 2025.

# AUDIT COMMITTEE REPORT

“Our role goes beyond oversight — we help steer the organisation towards governance excellence by challenging assumptions, identifying blind spots and fostering a culture of transparency.”

— Audit Committee, PGB

The Board of Directors (“Board”) of Paragon Globe Berhad (“Company”) (collectively with the subsidiaries, “Group”) is pleased to present the Audit Committee Report for the financial year ended 31 March 2025 (“FY2025”) in compliance with Paragraph 15.15 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

## INTRODUCTION

The Audit Committee (“AC”) plays a pivotal role in safeguarding the integrity of the Group’s governance framework. Our oversight extends beyond compliance, while it is anchored in the principles of transparency, accountability and continuous improvement. Guided by these values, the AC diligently reviews financial reporting, audit processes and risk-related matters to support sound decision-making and protect the long-term interests of all stakeholders.

## COMPOSITION AND ATTENDANCE

The AC consists of three (3) members, all of whom are Independent Non-Executive Directors. The composition of the AC is as follows:

NAME	POSITION	DESIGNATION
Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director
Dato’ Haji Ismail Bin Karim	Member	Independent Non-Executive Director
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Member	Independent Non-Executive Director

All members satisfy the independence criteria as prescribed under the Listing Requirements and none has appointed an Alternate Director. No former key audit partner has been appointed to the AC unless a cooling-off period of three (3) years has been observed. The current composition is in full compliance with Paragraphs 15.09(1)(a), (b) and 15.09(2) of the Listing Requirement, as well as Step-up Practice 9.4 of the Malaysian Code on Corporate Governance (“MCCG”).

The attendance records of each AC members are disclosed in the Corporate Governance Overview Statement section on page 137 of this Annual Report.

The AC is chaired by Mr. Tee Boon Hin, who is not the Chairman of the Board, is a fellow member of the Malaysian Institute of Accountants (“MIA”). This ensures compliance with Paragraph 15.09(1)(c)(i) of the Listing Requirements. He possesses the requisite expertise to lead AC meetings effectively and to facilitate objective and informed discussions.

A majority of AC members are independent financial experts. Mr. Tee Boon Hin is a qualified accountant and MIA member, while Tan Sri Datuk Wira Dr. Hj. Mohd Shukor bin Hj. Mahfar brings extensive experience in financial oversight and taxation, gained from his tenure at the Inland Revenue Board of Malaysia and his current role as principal of a tax and management consultancy practice.



## AUDIT COMMITTEE REPORT

### TERMS OF REFERENCE

The AC operates under its terms of reference ("TOR") approved by the Board, which is accessible on the Company's website at <https://pgbgroup.com.my/audit-committee/>. The Board reviews the TOR of the AC and makes any necessary amendments to ensure it remains aligned with the Group's evolving needs, as well as the requirements of the Listing Requirements and the MCGG.

### MEETINGS

The AC meetings served as a central platform for transparent, constructive and inclusive dialogue. Through active engagement with Management, Internal Auditors and External Auditors, the AC ensured that diverse perspectives were brought to the table, enabling informed, balanced and effective oversight.

In accordance with the TOR, the AC is required to meet at least four (4) times per financial year. Additional meetings may be convened at the discretion of the AC Chairman. During the year, the AC convened five (5) meetings, with meeting notices, agendas and supporting materials circulated in advance to facilitate informed deliberation and effective decision-making.

To enrich discussions and ensure well-rounded governance, the AC may invite the Executive Chairman, Group Executive Director, Senior Management and other relevant personnel to attend the AC meetings as needed. Representatives from NeedsBridge Advisory Sdn. Bhd. ("NeedsBridge"), the outsourced Internal Audit ("IA") Function, were also in attendance to present their internal audit reports and findings. In line with best practices, the AC conducted a dedicated private session with NeedsBridge, without the presence of Executive Directors and Management, on the same day as the scheduled AC meeting.

The AC actively engaged with the Group's External Auditors, BDO PLT ("BDO"), to review audit strategies and key findings, fostering open dialogue to ensure a clear understanding of financial risks and disclosure integrity. BDO presented their audit planning memorandum, audit findings and the Annual Transparency Report in accordance with requirement of the Audit Oversight Board. Additionally, two (2) separate sessions with BDO, without the presence of the Executive Directors and Management, were held on the same day as the scheduled AC meetings.

Throughout the year, the AC maintained open and unrestricted channels of communication with both External and Internal Auditors, ensuring transparency, early issue resolution and proactive risk management. Significant issues and key deliberations were reported to the Board and provided recommendations, where appropriate, in support of sound financial oversight and governance.

The Company Secretary attended all AC meetings to record and maintain accurate documentation of the proceedings. Meeting minutes were reviewed and confirmed at the subsequent AC meeting and tabled to the Board for notation.

The Board is satisfied that the AC and its members have effectively fulfilled its statutory and oversight responsibilities in accordance with its TOR during FY2025.

### SUMMARY OF WORK

In FY2025, the AC remained steadfast in discharging its responsibilities with diligence and independence. Our oversight spanned critical areas including financial reporting, audit assurance, compliance and internal controls. The following summary outlines the key matters deliberated, actions taken and how the AC helped uphold the Group's governance integrity and accountability to shareholders.

## 1. Financial Reporting

- a. Reviewed the Group's unaudited quarterly financial results and year-end financial statements, with a focus on changes in accounting policies, significant or unusual events, the appropriateness of the going concern assumption and compliance with applicable financial reporting standards and legal requirements. The AC subsequently recommended the financial results to the Board for approval prior to their release to Bursa Securities and the Securities Commission.
- b. Reviewed and discussed key audit matters ("KAM") and significant matters identified by the External Auditors during the audit process. KAMs have been reflected in the External Auditors report.
- c. Engaged in discussions with Management regarding the financial reporting standards adopted during the financial year and the basis of material accounting estimates, assumptions and judgements used in the preparation of the Group's financial disclosures.
- d. Reviewed key financial provisions and write-downs on a quarterly basis, including provision for doubtful debts, debtor write-offs and capital expenditure, where applicable, to ensure consistency with accounting standards, reasonableness of estimates and alignment with internal control procedures.
- e. Reviewed the effectiveness of the Group's financial reporting processes, internal controls and compliance framework to ensure the integrity, accuracy and completeness of disclosures in line with applicable Malaysian Financial Reporting Standards ("MFRS"), Bursa Securities' Listing Requirements and other regulatory expectations.
- f. Discussed new and amended MFRSs which came into effect for the financial year that were adopted by the Group and their impact on the Group's financial statements.
- g. Received updates on the emerging sustainability disclosure expectations and climate-related financial reporting considerations, particularly in relation to International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards, specifically IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures and their anticipated linkage to disclosures in the Annual Report.

## 2. External Audit

- a. Reviewed the key audit matters and significant audit findings for the financial year ended 31 March 2025 ("FY2025"), including critical audit areas, accounting estimates and judgements made by Management, together with BDO. The AC noted that no material unadjusted misstatements or significant control deficiencies were identified.
- b. Received formal confirmation from BDO that the firm was and had remained independent throughout the audit engagement in accordance with professional and regulatory requirements.
- c. Discussed audit findings and assessed any proposed audit adjustments with both BDO and Management to ensure that appropriate corrective actions were taken, where necessary. The AC noted that the audit findings and audit adjustments raised by BDO were not significant and did not materially affect the financial statements. The financial statements present a true and fair view of the Group's financial position and performance for FY2025.
- d. Reviewed the Group's financial statements for FY2025 with BDO to ensure adequacy of disclosures and that the financial position and performance were fairly presented in accordance with applicable financial reporting standards. The AC subsequently recommended the financial statements to the Board for approval and submission to Bursa Securities and the Securities Commission and presentation to shareholders.

## AUDIT COMMITTEE REPORT

- e. Held two (2) private meetings with BDO on 17 July 2024 and 28 February 2025, without the presence of Executive Directors or Management. These sessions enabled open discussions, reaffirmed the auditors' independence and confirmed that BDO was able to perform its audit duties without limitation. BDO reported no concerns and noted full cooperation from Management throughout the audit process. BDO also presented its Audit Transparency Report in accordance with requirements of the Audit Oversight Board.
- f. Conducted a formal evaluation of BDO's performance, independence, objectivity and overall audit effectiveness through a structured assessment process guided by the Group's External Auditors' Policy. Following a satisfactory evaluation, the AC recommended the reappointment of BDO to the Board, which will be proposed to shareholders at the forthcoming Annual General Meeting.
- g. Reviewed BDO's audit planning memorandum for FY2025, which outlined their audit scope, responsibilities, approach and proposed audit and non-audit fees for the FY2025. The AC also received BDO's formal confirmation of independence for the FY2025 audit engagement.
- h. Evaluated the reasonableness of the proposed audit fees, taking into consideration the Group's size, business complexity and scope of the audit work.

### 3. Internal Audit

- a. Reviewed and approved amendments to the Internal Audit ("IA") Charter, ensuring that the IA Function's activities, purpose, authority and responsibilities remained adequate to support its role in governance and assurance.
- b. Received and deliberated on IA reports presented by NeedsBridge. These reports included key findings, risk implications and recommended improvements. The AC also reviewed Management's responses to ensure timely remediation of control weaknesses.
- c. Monitored the implementation status of past audit recommendations and corrective actions through periodic follow-up reports submitted by the IA Function.
- d. Evaluated the adequacy of the internal control environment and effectiveness of risk mitigation strategies based on IA observations. The AC concluded that no material internal control deficiencies were reported and that internal controls were generally operating as intended.
- e. Monitored the implementation of corrective actions through follow-up reviews conducted by NeedsBridge, ensuring accountability for timely resolution of issues identified.
- f. Reviewed the Group's IA plan for FY2025 and financial year ending 31 March 2026 ("FY2026"), which outlined the audit scope, priority areas and timelines. The plan focused on key risks area and ensured sufficient scope and coverage of the Group's internal control systems.
- g. Held a private session with NeedsBridge on 28 November 2024, without the presence of Executive Directors or Management. This session was held to ensure audit independence, to facilitate open discussions on any audit-related concerns and ensure NeedsBridge able to perform their duties without any limitation. NeedsBridge reported no concerns and received full cooperation from the Management throughout the audit process.
- h. Evaluated the performance and competency of the IA Function, including the qualifications, experience and capacity of the engagement team. The AC was satisfied with NeedsBridge's independence, objectivity and professional conduct throughout the audit cycle. The AC recommended the reappointment of NeedsBridge to the Board, with fees to be determined based on the agreed audit scope and duration.

#### 4. Related Party Transactions ("RPT") which include Recurrent Related Party Transactions ("RRPT")

- a. Reviewed all RPT on a quarterly basis to ensure that the transactions were conducted at arm's length basis and on normal commercial terms, without being detrimental to the interests of minority shareholders.
- b. Monitored RRPT governed by the shareholders' mandate to ensure that transactions:
  - (i) were conducted at arm's length basis and on normal commercial terms;
  - (ii) were not on terms more favourable to related parties than those generally available to the public;
  - (iii) did not prejudice the interests of minority shareholders and were in the best interest of the Group; and
  - (iv) remained within the approved mandate limits.
- c. Assessed the adequacy of the Group's internal review and approval procedures for RPT and RRPT, ensuring proper identification of related parties and compliance with the Approved Accounting Standards, Listing Requirements and other applicable regulatory requirements. The AC also confirmed that all RRPT were reviewed in accordance with the procedures set out in the proposed renewal of the shareholders' mandate, ensuring that such transactions were conducted at arm's length and on normal commercial terms.
- d. Reviewed the estimated aggregate value of RRPT for the upcoming financial year and recommended the proposed renewal of the shareholders' mandate to the Board for tabling at the forthcoming Annual General Meeting.

#### 5. Conflict of Interests ("COI")

The AC reviewed and monitored all potential and actual COI situations reported within the Group during FY2025. These assessments covered Directors, Senior Management and employees, particularly in relation to transactions, directorships or business involvements that could impair objectivity or raise perceptions of bias.

To uphold integrity and transparency, the AC actively undertook the following actions:

- a. scrutinised RPT and other transactions flagged for potential or actual COI to ensure compliance with regulatory requirements and the Group's internal policies.
- b. reported its assessment, findings and recommendations to the Board to support transparency, accountability and informed decision-making.

During the FY2025, four (4) potential COI situations were reported. Upon assessment, the AC concluded the transactions were conducted in the normal course of business, were not detrimental to minority shareholders and did not raise material governance concerns. Appropriate safeguards were implemented to preserve objectivity and protect stakeholder interests.

The table below outlines the details of the reported COI situations involving Directors who also hold positions or interests in entities operating in similar industries and the mitigation actions implemented.



## AUDIT COMMITTEE REPORT

### Details of Potential COI Situations Reviewed

No	Individual Involved	Nature of COI	Nature and Extent of COI	Measures Taken to Address COI
1.	Dato' Haji Ismail bin Karim	Director of BCB Berhad ("BCB"), a property development company.	Serves on the Board of BCB, which operates in the similar industry as PGB.	Recused himself and abstained from all deliberations related to overlapping projects or dealings with BCB.
2.	Dato' Jeffrey Lai Jiun Jye	Director of Landsco Resources Sdn. Bhd. ("Landsco"), Paragon Premium Sdn. Bhd. ("PPSB"), and Chempaka Logistik Sdn. Bhd. ("CLSB").	Holds a directorship in Landsco, PSPB and CLSB, which operates in the similar industry as PGB.	Recused himself and abstained from all deliberation involving potential dealings with Landsco, PSPB and CLSB.
3.	Dato' Sri Edwin Tan Pei Seng ("Dato Sri Edwin Tan")	Director and shareholder in multiple entities engaged in construction and development.	Holds directorship and equity interest in Flagship Builders Sdn. Bhd. ("FBSB"), Amprojek Construction Sdn. Bhd. ("ACSB"), PSPB, Paragon View Sdn. Bhd. ("PVSB"), CLSB and Nipponkey Sdn. Bhd. ("NSB").	<p>The AC reviewed the COI situation and determined that his continued involvement is in the Group's best interest due to his extensive industry knowledge and strategic leadership.</p> <p>Oversight procedures were implemented and are subject to ongoing monitoring to ensure all related transactions are conducted fairly, at arm's length and with proper governance, thereby mitigating any perception of undue influence or favouritism.</p>
4.	Dato' Sri Godwin Tan Pei Poh ("Dato' Sri Godwin Tan")	Director and shareholder in multiple entities engaged in construction and development.	Holds directorship and equity in FBSB, ACSB, PSPB, PVSB, CLSB and NSB.	<p>The AC reviewed the COI situation and determined that his continued involvement is in the Group's best interest due to his extensive industry knowledge and strategic leadership.</p> <p>Oversight procedures were implemented and are subject to ongoing monitoring to ensure all related transactions are conducted fairly, at arm's length and with proper governance, thereby mitigating any perception of undue influence or favouritism.</p>

The AC is satisfied that all COI matters reported during the year were appropriately assessed and managed in accordance with the Group's Code of Conduct, internal procedures and applicable regulatory requirements.

## 6. Compliance

- a. Reviewed developments in statutory and regulatory requirements introduced by Bursa Securities, the Securities Commission, the Malaysian Accounting Standards Board and other relevant authorities to ensure the Group's policies and practices remained aligned.
- b. Reviewed the Group's Anti-Bribery and Corruption cases, if any, on a quarterly basis to uphold ethical business conduct.
- c. Reviewed and assessed selected internal policies and procedures to ensure ongoing relevance, operational effectiveness and alignment with evolving regulatory expectations and governance best practices.
- d. Reviewed the AC Report and recommended it to the Board for approval and inclusion in the Annual Report.

## 7. Others

- a. Reviewed and assessed the Group's annual budget for the FY2025 including key assumptions and capital expenditure forecasts, and provided appropriate recommendations to the Board for approval and adoption.
- b. Reviewed other relevant sections of the Annual Report, including the Corporate Governance Overview Statement, Corporate Governance Report, AC Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis, Additional Compliance Information and the Statement of Directors' Responsibilities and the Audited Financial Statement of the Group. The AC recommended these disclosures for Board approval and adoption. In addition, the AC also reviewed the Sustainability Statement and discussed the corresponding management action plan.

## INTERNAL AUDIT FUNCTION

The AC is supported by NeedsBridge, an independent professional firm engaged to manage the Group's IA Function. The IA Function's primary role is to provide an independent and objective assurance on the adequacy and effectiveness of the Group's internal control system, governance practices and risk management processes.

The IA Function operates under the IA Charter and an engagement letter that sets out its purpose, scope, authority, responsibilities and reporting lines. NeedsBridge reports directly to the AC and has unrestricted access to Group records, personnel and premises necessary to fulfil its duties. The AC evaluates and recommends the appointment, reappointment, resignation and proposed fees of the IA Function to the Board.

The engagement director from NeedsBridge is a Certified Internal Auditor, holds a Certification in Risk Management Assurance and is a Chartered Member of the Institute of Internal Auditors Malaysia. Further details on qualifications, independence safeguards and adherence to professional standards are disclosed in the Statement of Risk and Internal Control of this Annual Report.

## AUDIT COMMITTEE REPORT

### Summary of Work

During the financial year, the IA Function performed the following key activities:

- a. Developed the IA plan in alignment with business risks and Management input for AC review and Board approval.
- b. Conducted internal audits on “Treasury Management and Credit Control Management” and “Sustainability Management System” in accordance with the approved plan.
- c. Presented IA reports to the AC covering key findings, risk implications, recommendations, management action plans, responsible personnel and implementation.
- d. Performed follow up reviews to monitor the status of corrective actions and ensure timely implementation.
- e. Conducted ad-hoc reviews in response to emerging risk areas and control concerns, particularly those affecting financial reporting, internal controls or governance processes.

The IA Function applied a structured audit approach, including process walkthroughs, review of SOPs, direct observation, root cause analysis and sample-based control testing. Upon completion of each audit, results were deliberated with the AC, which formed an overall opinion on the adequacy and effectiveness of internal controls and governance for the areas reviewed.

No material internal control weaknesses were reported during the year. The IA Function continued to deliver meaningful value by providing independent assurance on internal controls, supporting a culture of accountability and continuous improvement across the Group.

Based on the work performed and the quality of deliverables, the AC and Board are satisfied that the outsourced IA Function:

- (a) maintains its independence and objectivity;
- (b) operated within a scope aligned to the Group’s risk profile;
- (c) was adequately resourced with competent personnel;
- (d) had unrestricted access to information and personnel; and
- (e) delivered satisfactory outcomes aligned with professional standards.

The total cost incurred for the IA Function in FY2025 was RM43,200 (2024: RM53,000).

Further information on the IA Function’s governance structure, professional standards and staffing is disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

Looking ahead, the AC remains committed to strengthening its governance role in an evolving regulatory and business environment. We will continue to promote ethical leadership, transparent reporting and responsive risk management, ensuring the Group remains resilient and accountable to all stakeholders.

The AC Report is made in accordance with a Board resolution dated 21 July 2025.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

“Risk governance is not about avoiding risk — it is about navigating uncertainty with foresight, discipline and accountability.”

— Risk Management Committee, PGB

The Board of Directors (“Board”) of Paragon Globe Berhad (“Company” or “PGB”), together with its subsidiaries (“Group”), is pleased to present this Statement on Risk Management and Internal Control (“SORMIC”) for the financial year ended 31 March 2025 (“FY2025”). This SORMIC is prepared in compliance with Paragraph 15.26(b) and Practice Note 9 of Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“Guidelines”). It also reflects the principles set out in the Malaysian Code on Corporate Governance (“MCCG”).

This SORMIC provides an overview of the Group’s risk management and internal control systems, outlining the governance structures, processes and key activities undertaken during FY2025 to manage risks and support the achievement of the Group’s strategic, operational and compliance objectives.

## BOARD RESPONSIBILITY

The Board affirms its ultimate responsibility for establishing and maintaining a sound system of risk management and internal control to safeguard shareholders’ interests and the Group’s assets. This includes setting the Group’s risk appetite, fostering a risk-aware culture and ensuring that appropriate frameworks, processes and resources are in place to support effective oversight.

The Board is committed to the continuous enhancement the Group’s governance and control practices and discharges its responsibilities through the Risk Management Committee (“RMC”) and the Audit Committee (“AC”). The RMC oversees the implementation and effectiveness of the Group Risk Management Framework, including the identification, assessment and mitigation of key risks. Concurrently, the AC evaluates the integrity and adequacy of the internal control system, drawing upon the findings and recommendations of the internal and external audit reviews.

The Board acknowledges that the risk management and internal control system is not designed to eliminate all risks but rather to manage them within tolerable thresholds. It therefore provides reasonable, but not absolute, assurance against material misstatement, financial loss or operational failure.

## MANAGEMENT RESPONSIBILITY

Management, comprising Top Management (defined as Senior Management including Executive Directors), Risk Owners and the Risk Management Function (“RMF”) is responsible for implementing the Board-approved risk policies and ensuring effective operation of risk management and internal control systems across the Group. This includes embedding controls into daily operations, promoting a risk-aware culture, escalating material risks to the appropriate oversight bodies and ensuring compliance with all regulatory and internal requirements.

In alignment with the Group’s risk appetite, Management is also responsible for the ongoing identification, assessment and management of key business risks, as well as the proactive monitoring both existing and emerging risks. This enables the Group to minimise potential exposures, optimise strategic opportunities and enhance overall resilience.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### RISK MANAGEMENT

The Group's risk management practices form a cornerstone of corporate governance, ensuring that strategic and operational decisions are made with a clear understanding of potential risks and opportunities. This section outlines the Group's approach to risk management, the governance structure supporting risk oversight and key activities undertaken during the FY2025.

#### **Group Risk Management ("GRM") Framework**

The Board adopts a structured and integrated approach to enterprise risk management, governed by the approved GRM Framework. The GRM Framework provides the governance structure for enterprise-wide risk oversight and control, and ensures a consistent methodology for identifying, assessing, responding to and monitoring material risks that may impact the Group's strategic and operational objectives.

The GRM Framework is designed to embed risk-informed decision making into business processes, strategic planning and operational execution. The Board defines the Group's risk appetite and expects Management to operate within these parameters, cultivating a culture of risk awareness and accountability across all levels.

The key objectives of the GRM Framework include, but are not limited to, the following:

- (i) Providing clear guidance on identification, management, reporting and monitoring of risks;
- (ii) Ensuring that risk exposure remain within defined thresholds across business processes and decisions; and
- (iii) Defining roles, responsibilities and reporting structures to support effective risk governance and escalation protocols.

The GRM Framework is guided by ISO 31000:2018 Risk Management Guidelines and comprises four (4) core elements:

- (i) **Risk Identification:** Risks are identified through operational reviews, strategic planning, internal audit findings, sustainability assessments and stakeholder feedback, spanning strategic, operational, financial, compliance and ESG dimensions.
- (ii) **Risk Assessment:** Risks are evaluated using a consistent matrix based on likelihood and impact, then prioritised according to residual risk levels.
- (iii) **Risk Response:** Controls and mitigation measures are implemented in accordance with the Group's risk appetite to reduce exposures to acceptable levels.
- (iv) **Risk Monitoring and Review:** Key risks are regularly monitored, reviewed and escalated where necessary to ensure timely response and continuous alignment with business objectives.

#### **Integration of Sustainability into Risk Management**

The Group recognises that effective sustainability management is essential to long-term resilience and value creation. In alignment with Bursa Securities Sustainability Reporting Guide and the MCCG, sustainability risks and opportunities have been formally embedded into the GRM Framework.

Sustainability risks are identified through structured assessments, stakeholder engagement and regulatory monitoring and are incorporated into departmental risk registers. They are assessed using the same risk matrix and evaluation criteria as other enterprise risks to ensure consistency and comparable across financial and non-financial domains.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The RMC oversees the alignment of sustainability risks with the GRM Framework, ensuring that mitigation strategies and governance controls are in place. A structured escalation mechanism facilitates timely reporting of material sustainability risks to the RMC and the Board for deliberation and action.

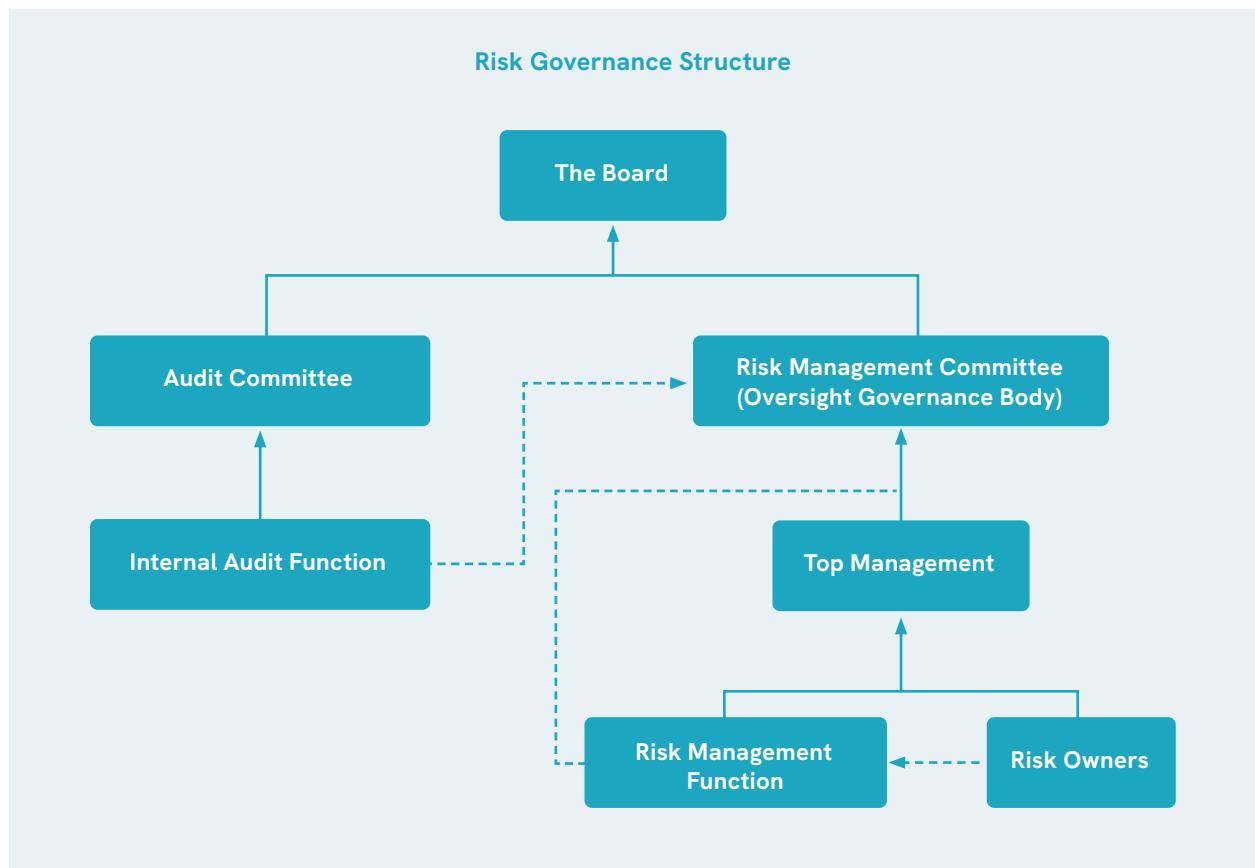
Top Management and Heads of Department are responsible for integrating sustainability considerations into strategic and operational planning, while the RMF ensures that risk registers are updated to reflect emerging sustainability issues, including their status, mitigation responses and performance indicators.

In FY2025, the Board reviewed and approved the revised GRM Framework and Sustainability Policy, formalising the integration of sustainability into the Group's governance structure. Key sustainability risks were assessed as part of the annual enterprise risk exercise and tabled to the RMC and Board.

This integrated approach enables the Group to proactively manage material sustainability matters, strengthen regulatory compliance and align business objectives with evolving stakeholder expectations. Further details are disclosed in the Sustainability Statement on page 37 of this Annual Report and the full Sustainability Policy is available on the Company's website.

### **Risk Governance Structure**

The Group's risk governance structure establishes clear lines of accountability and oversight to ensure that risk management is embedded into strategic and operational decision-making. The GRM Framework assigns defined roles across the Board, Board Committees, Management and internal assurance functions to support effective risk oversight. A diagram of the risk governance structure is illustrated below:






The diagram above illustrates the Group's risk governance structure, anchored on the Three Lines of Defence model.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL





Under this structure, risk ownership resides with operational and functional units, which form the First Line of Defence and are responsible for identifying, assessing and managing risks within their respective areas. The Second Line of Defence comprises the RMF, which provides independent oversight, facilitates the risk management process and ensures compliance with the GRM Framework. The Third Line of Defence is the Internal Audit ("IA") Function, which delivers independent assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control systems.

Oversight is maintained by the Board through the RMC and AC to ensure a structured, integrated and responsive approach to risk governance across the Group.

The roles and responsibilities of the Board, RMC, AC, Top Management, RMF, Risk Owners and IA Function are clearly defined within the GRM Framework and are further outlined as follows.

Function	Roles and Responsibilities
 <b>The Board</b>	<ul style="list-style-type: none"> <li>Approves the GRM Framework and defines the Group's risk appetite.</li> <li>Oversees the adequacy and effectiveness of the Group's risk management and internal control systems.</li> <li>Reviews key risk reports, including sustainability-related risks.</li> <li>Ensures alignment of strategic initiatives with the approved risk appetite.</li> <li>Drives continuous improvement in governance, risk oversight and decision-making integration.</li> </ul>
 <b>RMC</b>	<ul style="list-style-type: none"> <li>Oversees Group-wide risk matters, including effectiveness of the GRM Framework, policies, procedures and the Group's risk appetite settings.</li> <li>Ensures proper implementation and compliance with the GRM Framework and that key risks (including emerging and sustainability-related) are adequately identified, evaluated and responded to.</li> <li>Monitors key risk indicators, changes in the risk profile and reported incidents, while evaluate the adequacy of Management's response and mitigation plans.</li> <li>Reviews sustainability-related risks incorporated into the enterprise risk report and escalates material matters to the Board.</li> <li>Recommends enhancements to the GRM Framework, risk appetite parameters and risk governance processes, based on reviews and RMF recommendations.</li> <li>Evaluates risks related to proposed strategic transactions and submits findings to the Board for further deliberation.</li> </ul>
 <b>AC</b>	<ul style="list-style-type: none"> <li>Oversees internal control systems through internal and external audit reviews.</li> <li>Evaluates the adequacy and effectiveness of the Group's internal control system through internal and external audit findings.</li> <li>Ensures appropriate follow-up and resolution of audit issues.</li> <li>Provides independent assurance that risks are appropriately identified, managed and monitored.</li> </ul>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Function	Roles and Responsibilities
 <p><b>Top Management</b></p>	<ul style="list-style-type: none"> <li>Define as Senior Management comprising Executive Directors, under the leadership of the Executive Chairman.</li> <li>Implements the GRM Framework and ensures alignment with corporate goals and risk appetite.</li> <li>Leads risk identification, including sustainability-related risks and communicates action plans to risk owners.</li> <li>Reviews and updates the risk registers, escalates material risk events.</li> <li>Provides periodic updates on key risks, mitigation progress and compliance to the RMC and Board.</li> </ul>
 <p><b>Risk Owners</b></p>	<ul style="list-style-type: none"> <li>Manage day-to-day business risks within their functional areas, including sustainability-related risks.</li> <li>Identify, assess and report new or evolving risks.</li> <li>Support the formulation and execution of mitigation plans.</li> <li>Collaborate with RMF in the annual review and update of the risk registers and controls.</li> <li>Build team awareness of first-line risk responsibilities.</li> </ul>
 <p><b>RMF</b></p>	<ul style="list-style-type: none"> <li>Acts as the central coordinator for Group-wide risk management and second-line oversight.</li> <li>Ensures implementation and compliance with the GRM Framework and risk policies.</li> <li>Coordinates risk activities such as identification, assessment, documentation, mitigation planning, escalation and tracking of key risks and emerging issues.</li> <li>Maintains the risk registers and reports on risk trends, incidents and mitigation progress to Top Management and RMC.</li> <li>Fosters a risk-aware culture through communication, escalation protocols and training across all levels.</li> <li>Conducts internal risk assurance reviews evaluates risk mitigation effectiveness and supports RMC with recommendations to improve the risk framework, appetite and controls.</li> </ul>
 <p><b>IA Function</b></p>	<ul style="list-style-type: none"> <li>Provides independent third-line assurance on the effectiveness of the Group's governance, risk and control environment.</li> <li>Assesses whether key risks are adequately identified, evaluated, mitigated and reported.</li> <li>Reports risk-related audit findings to the AC and, where relevant, to the RMC.</li> <li>Offers insight to RMF to enhance monitoring and continuous improvement in risk management practices.</li> </ul>



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### **Risk Management Process**

The Group adopts a structured risk management process to identify, assess, mitigate and monitor risks that may impact the achievement of its strategic, operational, compliance, financial and sustainability objectives. This process is aligned with the Board-approved GRM Framework and embedded across the organisation through clear roles, defined accountabilities and regular reviews.

The process comprises the following key steps:

#### (i) Risk Identification

Risk identification is led by Top Management and Risk Owners, with facilitation by RMF. Risks are identified across all business units, including emerging and sustainability-related risks through departmental reviews, stakeholder engagement, audit findings and formal sustainability assessments.

In FY2025, the Group undertook a review of departmental risk registers to reflect changes in the external operating landscape and internal control environment. This included the integration of sustainability-related risks emerging from the Group's materiality assessment. These risk registers, maintained by respective Risk Owners, are reviewed at least annually or whenever material changes arise. Each risk is recorded with its potential causes, consequences and control responses, forming the foundation for subsequent risk evaluation and treatment.

This decentralised approach promotes accountability at the first line of defence, facilitates early detection of potential threats or opportunities and enables timely and business-specific risk updates.

#### (ii) Risk Assessment

Identified risks are evaluated at both gross and residual risk levels using the Group's approved risk matrix, which considers the likelihood of occurrence and potential impact across financial and non-financial dimensions. This enables prioritisation of risks based on their severity and alignment with the Group's risk appetite.

In FY2025, all departments updated their risk assessments based on latest financial thresholds and control effectiveness criteria. Risk Owners assessed the adequacy of existing controls and derived residual risk levels. Risks assessed as high or very high at residual level were escalated to Top Management and the RMF for further attention. These risks were then consolidated into the Group's FY2025 Enterprise Risk Report for strategic oversight by the RMC and the Board.

Sustainability-related risks were assessed using the same framework to ensure integration with the Group's ESG commitments and evolving regulatory expectations.

#### (iii) Risk Response

Risk treatment strategies are determined by Risk Owners in consultation with Top Management and the RMF, with the objective of reducing risk exposures to within acceptable levels defined by the Group's risk appetite.

In FY2025, mitigation plans were established for risks with high or very high residual ratings, including softening in property demand, cash flow risks, disruption in business operations, sustainability risks, governance and fraud-related exposures. These plans were actively monitored by the RMF and reviewed by Top Management to ensure implementation progress and effectiveness.

Mitigation actions, including market and product diversification, dynamic financial planning and enhanced governance measures, were documented in the FY2025 Enterprise Risk Report and tabled to the RMC for deliberation. All risk responses were designed to be proportionate, cost-effective and adaptive to changing business conditions and risk landscapes.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### (iv) Risk Monitoring and Review

The Group's risk monitoring process ensures ongoing relevance of risk information and effectiveness of implemented controls. This is executed jointly by Risk Owners, Top Management and the RMF, and is embedded within strategic planning and operational reviews.

Departmental risk registers are updated at least annually or upon material changes in the internal or external operating environment. Risk Owners are accountable for monitoring mitigation progress, tracking key risk indicators and escalating any emerging or shifting risks to Top Management and the RMF for timely intervention.

In FY2025, an annual Group-wide risk assessment exercise was conducted, covering both existing and emerging risks across domains such as governance, cybersecurity, bribery, fraud and sustainability. The risk review process incorporated input from departmental risk registers, internal and external audit findings and formal sustainability assessments to ensure holistic and current risk visibility.

In line with the Adequate Procedures Principle II - Risk Assessment per Guidelines on Adequate Procedures Pursuant to Subsection 5 of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 and in compliance with Paragraph 15.29(1)(c) of the Listing Requirements, a dedicated bribery risk assessment was also conducted.

As a result, 165 risk events were identified, including 15 newly recorded risks and 49 bribery-related events. These included climate-related supply chain disruptions, stakeholder engagement gaps and weaknesses in sustainability integration and information technology governance. In response, relevant departments implemented targeted mitigation measures to address these exposures.

Concurrently, the Group's key risk profile was updated to reflect material residual risk areas. Risks with elevated exposure such as demand softening, cash flow risks, fraud, governance and sustainability-related threats were subject to intensified monitoring and management oversight. These outcomes were consolidated into the FY2025 Enterprise Risk Report, presented to the RMC in May 2025 and tabled to the Board for strategic deliberation.

The IA Function continued to provide independent assurance on the adequacy and effectiveness of the Group's internal control system. Audit results were tabled to the AC, with key findings used to enhance the risk management process and strengthen internal controls.

The RMC convened multiple meetings throughout FY2025, including a dedicated session to assess the Group's Enterprise Risk Report and updated key risk profile. It also reviewed and recommended for Board approval the revised GRM Framework and Sustainability Policy, reflecting the Group's evolving strategic priorities and ESG risk exposures.

Additionally, four (4) special meetings were held to assess the feasibility of proposed strategic projects. These sessions were convened in line with the RMC's mandate under the GRM Framework to evaluate material business proposals and oversee their associated risk implications during planning and execution.

The attendance of each RMC member for FY2025 is disclosed in the Corporate Governance Overview Statement on page 137 of this Annual Report.

Through this structured, responsive and governance-driven approach, the Group ensured its risk posture remained aligned with evolving strategic priorities, operational realities and regulatory expectations throughout FY2025 and up to the date of this SORMIC's approval.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL CONTROL SYSTEM

The Group's internal control system is designed to provide reasonable assurance against material misstatement, loss or fraud, while supporting the achievement of strategic, operational, compliance and reporting objectives. It is structured around five (5) interrelated components: control environment, risk assessment, control activities, information and communication and monitoring, consistent with best practices and the principles set out in the MCCG.

The system is embedded across the Group's operations and reinforced by clearly defined roles, governance policies and assurance mechanisms that operate in tandem with the GRM Framework.

#### Control Environment

The Group's control environment establishes the foundation for a strong internal control system, reinforcing ethical conduct, sound governance and accountability across all levels. It is structured around the following key components:

(i) Governance Structure and Board Oversight

The Board, supported by the AC, RMC, Remuneration Committee and Nomination Committee, which provides strategic direction and oversight. Roles and responsibilities are defined in the Board Charter and respective committees' terms of reference. Scheduled meetings are held to deliberate strategic matters, review performance and evaluate risks to ensure the Group's objectives are achieved responsibly.

(ii) Integrity and Ethical Value

The Group is committed to upholding high standards of integrity and ethical conduct. A formal Code of Conduct, together with policies such as the Anti-Bribery and Anti-Corruption Policy, Conflict of Interest and Related Party Policy and Whistleblowing Policy, governs employee behaviour and promotes a culture of ethical business practices. These policies are accessible via the Company's website at <https://pgbgroup.com.my/corporate-governance/> for stakeholder reference.

(iii) Organisation Structure and Accountability

The Group maintains a well-defined organisational structure with clearly delineated responsibilities, reporting lines and authorisation limits across all areas of its business operations. This ensures effective execution of tasks, risk ownership and operational accountability aligned with business goals.

(iv) Human Resource Practices

To support the integrity of control implementation, the Group places strong emphasis on human capital. Recruitment processes are designed to attract and retain competent personnel with the right skillsets, while performance evaluations are conducted at all levels to identify development needs, enhance accountability and support succession planning.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Assessment

The Group's risk assessment process forms an integral part of its internal control system, enabling the identification, evaluation and management of potential threats that may hinder the achievement of strategic, operational, compliance or financial objectives.

In accordance with the GRM Framework, all key risks, including those related to fraud and bribery, are assessed annually or upon material changes to the operating environment. Risk Owners evaluate the likelihood and impact of each risk and determine the adequacy of existing controls. This structured approach ensures that risks are measured against the Group's approved risk appetite and escalated to Top Management, the RMC and the Board for strategic oversight.

### Control Activities

Control activities are embedded into the daily operations to ensure that identified risks are effectively mitigated and that the Group's objectives are achieved within its defined risk appetite. These activities include approvals, authorisations, verifications, reconciliations, segregation of duties, system access controls and independent verifications.

Standard Operating Procedures ("SOPs") have been documented and formalised for key operational processes to guide employees in executing their responsibilities consistently and in line with internal control requirements. These SOPs are regularly reviewed and updated in response to business changes, audit findings and regulatory requirements, ensuring they remain relevant and aligned with the evolving business environment.

The Group also maintains a structured financial control framework. An annual budget is prepared and approved by the Board and financial performance is reviewed on a quarterly basis. Appropriate actions are undertaken to address any areas of concerns arising from the regular review. Investment proposals are submitted to the Board for thorough evaluation and approval to ensure alignment with strategic priorities and financial prudence.

### Information and Communication

The Group maintains well-defined communication and reporting structures to support the effectiveness of internal controls, risk management and strategic decision-making. These structures facilitate the timely, accurate and secure flow of information across all levels of the organisation and with key stakeholders.

To support internal communication, the Group leverages modern information infrastructures, including secured intranet systems, messaging platforms and document repositories. These tools ensure consistent dissemination of internal policies, operating procedures and compliance-related information across business units, enabling them to perform their duties efficiently and in compliance with established protocols.

Clear reporting lines and escalation procedures are established to support the flow of critical information from business units to Top Management and the Board. Periodic management reports covering operational performance, financial metrics and compliance matters are generated and shared with relevant personnel for review and decision making.

Two-way communication is fostered through regular meetings and committee deliberations. Matters requiring Board attention are formally escalated through Board Committees, particularly the AC and RMC, in accordance with their respective mandates.

Externally, the Group ensures transparency through timely corporate disclosures and open stakeholder communication, aligned with the Company's disclosure policies and applicable regulatory requirements. This fosters trust, accountability and alignment with investor and regulatory expectations.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Monitoring and Review

The Group adopts a layered approach to monitoring the effectiveness of its internal control system. These activities are designed to provide assurance on the control performance and enable timely corrective action when deficiencies are identified.

Risk Owners are responsible for tracking the implementation and effectiveness of mitigation plans, updating risk registers and reporting significant developments to Top Management and the RMF. The RMF conducts ongoing reviews of existing and emerging risks, coordinates risk reporting to the RMC and supports continuous enhancement of the risk management process.

The IA Function operates independently and conducts risk-based audits to evaluate the adequacy and effectiveness of the Group's internal controls and risk management practices. Findings and recommendations are reported to the AC, which ensures that timely corrective actions are taken and evaluates the IA Function's independence, competency and resource sufficiency.

Significant control issues highlighted by External Auditors are reviewed by Management and reported to the Board. Corrective actions are tracked to resolution and the AC meets with the Internal Auditors at least twice annually to monitor progress, assess follow-up actions and confirm control effectiveness.

Top Management and the RMC provide strategic oversight to ensure that residual risks remain within acceptable levels and that continuous improvements are pursued. This integrated oversight structure supports accountability, enables timely escalation and strengthens alignment between risk and control functions across the Group.

Based on the processes and mechanisms described above, the Board, with the support of the AC and Management, is satisfied that the Group's internal control system is sound, operating effectively and provides a reasonable level of assurance to support the achievement of its objectives. The Board remains committed to continuously enhancing its internal control framework in response to evolving risks, business dynamics and regulatory expectations.

### INTERNAL AUDIT FUNCTION

The IA Function serves as the third line of defence by providing independent, objective assurance on the adequacy and effectiveness of the Group's internal control and risk management systems. It supports the Board and Management in ensuring sound governance, risk oversight and internal control practices across the Group.

The IA Function is outsourced to NeedsBridge Advisory Sdn. Bhd. ("NeedsBridge"), an independent professional firm that reports directly to the AC. The engagement is governed by a formal IA Charter and engagement letter, which clearly define the scope, accountability, independence, responsibilities, authority, confidentiality and fees. The AC reviews and recommends the appointment, reappointment and proposed audit fees of the outsourced IA Function to the Board for final approval.

To preserve its independence and objectivity, the IA Function does not assume management responsibilities or participate in operational decision-making. It is not permitted to act on behalf of Management to authorise or execute transactions, maintain custody of assets, prepare source documents or perform ongoing control activities, except for conducting follow-up reviews to assess the status of corrective actions.

Internal audits are carried out in accordance with the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors Global ("IIAG"). The IPPF encompasses the Mission, Core Principles, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The engagement director, Mr. Pang Nam Ming, is a Certified Internal Auditor accredited by the IIAG, holds Certification in Risk Management Assurance and is a Chartered Member of the Institute of Internal Auditors Malaysia. In accordance with professional standards, he declares annual compliance with the applicable standards.

The risk-based internal audit plan for FY2025 was developed in consultation with Management and aligned with the Group's key risks. The plan was reviewed by the AC and approved by the Board. During the financial year, adequate resources were allocated to complete the approved audit plan. The IA Function was supported by a qualified team comprising one (1) manager, one (1) senior consultant and (1) consultant per audit engagement, with oversight by the engagement director. The team possessed the necessary experience, skills and professional qualifications to discharge their responsibilities effectively.

In FY2025, the outsourced IA Function conducted internal audits covering the areas of "Treasury Management and Credit Control Management" and "Sustainability Management System". Findings and recommendations from each audit engagement were formally presented to the AC for deliberation. The AC monitored the implementation of corrective actions and evaluated the effectiveness of internal controls based on audit results and Management's responses.

Based on the audit work performed by the outsourced IA Function and oversight by the AC, the Board is satisfied that no material control deficiencies were reported in FY2025.

For a summary of detailed audit activities, audit procedures and the AC's evaluation of the outsourced IA Function, please refer to the Audit Committee Report of this Annual Report.

### ASSURANCE PROVIDED BY EXECUTIVE CHAIRMAN AND FINANCE DIRECTOR

In accordance with the Guidelines, the Executive Chairman, being the highest-ranking executive in the Company and the Finance Director, who oversees the Group's financial matters, have provided assurance to the Board that, to the best of their knowledge and belief, the Group's risk management and internal control systems were operating effectively and adequately in all material respects throughout the financial year under review.

This assurance is based on their oversight of the Group's risk management processes, reviews of internal control practices and evaluation of IA reports as described in this SORMIC.

### OPINION AND CONCLUSION

The Board, with the support of the RMC, AC and Management, has reviewed the adequacy and effectiveness of the Group's governance, risk management and internal control systems for the FY2025.

This conclusion is drawn from a comprehensive evaluation that includes deliberations by the Board and Board Committees throughout the financial year, the assurance provided by the Executive Chairman and Finance Director, internal audit reviews conducted and reported by the outsourced IA Function, and inputs from other professionals where relevant.

Based on these assessments, the Board is satisfied that the Group's governance, risk management and internal control systems provided reasonable assurance in addressing the Group's key risks and in supporting its operational and strategic objectives. No material internal control failures, losses, contingencies or uncertainties that would require disclosure in the Annual Report have come to the Board's attention during the financial year.

The Board remains committed to continuously strengthening the Group's risk management and internal control systems, enhancing governance practices and fostering organisational resilience in response to the dynamic business environment.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Bursa Securities' Listing Requirements, the External Auditors have reviewed this SORMIC for inclusion in the Group's Annual Report for FY2025.

The review was conducted in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the SORMIC included in the Annual Reports, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

Nevertheless, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this SORMIC is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, or that it is factually incorrect.

This SORMIC is made in accordance with the resolution of the Board of Directors dated 21 July 2025.





# FINANCIAL STATEMENTS

Directors' Report	185
Statement by Directors	191
Statutory Declaration	191
Independent Auditors' Report	192
Statements of Financial Position	196
Statements of Profit or Loss and Other Comprehensive Income	198
Consolidated Statement of Changes in Equity	199
Statement of Changes in Equity	200
Statements of Cash Flows	201
Notes to the Financial Statements	204

# DIRECTORS' REPORT

For The Financial Year Ended 31 March 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are properties development, properties investment, and constructions. Further details of the subsidiaries are set out in Note 11 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

## RESULTS

	Group RM	Company RM
Profit for the financial year	105,641,202	485,110
Attributable to:		
Owners of the parent	105,623,735	485,110
Non-controlling interests	17,467	-
	<b>105,641,202</b>	<b>485,110</b>

## DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year ended 31 March 2025.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUE OF SHARES AND DEBENTURES

There were no new issues of shares or debentures during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.



## DIRECTORS' REPORT

For The Financial Year Ended 31 March 2025

### DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Paragon Globe Berhad	Subsidiaries of Paragon Globe Berhad
Dato' Sri Edwin Tan Pei Seng	Dato' Sri Edwin Tan Pei Seng
Dato' Sri Godwin Tan Pei Poh	Dato' Sri Godwin Tan Pei Poh
Tee Boon Hin	Tan Hui Boon
Dato' Haji Ismail Bin Karim	Datuk Tan See Sen (Appointed on 6 June 2025 for newly incorporated subsidiary)
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Jacky Toh Kie Chieh (Appointed on 6 June 2025 for newly incorporated subsidiary)
Dato' Jeffrey Lai Jiun Jye	
Leong Siew Foong (f)	

### DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
	Balance as at 1.4.2024	Bought	Sold	Balance as at 31.3.2025
<b>Shares in the Company</b>				
<b>Direct interests:</b>				
Dato' Sri Edwin Tan Pei Seng	175,200	-	-	175,200
Dato' Sri Godwin Tan Pei Poh	8,000	-	-	8,000
<b>Indirect interests:</b>				
Dato' Sri Edwin Tan Pei Seng*	386,810,000	37,238,100	-	424,048,100
Dato' Sri Godwin Tan Pei Poh*	386,810,000	37,238,100	-	424,048,100
<b>Shares in the ultimate holding company, Paragon Adventure Sdn. Bhd.</b>				
<b>Direct interests:</b>				
Dato' Sri Edwin Tan Pei Seng	650,000	-	-	650,000
Dato' Sri Godwin Tan Pei Poh	350,000	-	-	350,000
<b>Shares in a subsidiary, Builtech Acres Sdn. Bhd.</b>				
<b>Direct interest:</b>				
Dato' Sri Edwin Tan Pei Seng	500,003	-	-	500,003

\* Deemed interest held through Paragon Adventure Sdn. Bhd..



## DIRECTORS' REPORT

For The Financial Year Ended 31 March 2025

### DIRECTORS' INTERESTS (continued)

By virtue of their interests in the ordinary shares of the Company and ultimate holding company, Dato' Sri Edwin Tan Pei Seng and Dato' Sri Godwin Tan Pei Poh are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company have received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

- (a) remuneration received by Directors as directors/executives of related companies; and
- (b) by virtue of transactions entered into in the ordinary course of business.

There were no arrangements during and at the end of the financial year to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 March 2025 were as follows:

	Group RM	Company RM
Fees	339,000	282,000
Other emoluments	3,003,854	3,003,854
Estimated money value of benefits-in-kind	37,268	37,268
	<b>3,380,122</b>	<b>3,323,122</b>

### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The amount of insurance premium paid by the Group and the Company for the financial year 2025 was RM17,500.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

## DIRECTORS' REPORT

For The Financial Year Ended 31 March 2025

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

#### (I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

#### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
  - (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

#### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

## DIRECTORS' REPORT

For The Financial Year Ended 31 March 2025

### ULTIMATE HOLDING COMPANY

The Directors regard Paragon Adventure Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 3 November 2023, PGB Iconic Sdn. Bhd. ("PISB") had entered into a Sales and Purchase Agreement ("SPA") with a third party to acquire a piece of freehold land located in Bandar Johor Bahru, Johor Bahru for total purchase consideration of RM16,538,120. On 22 April 2024, the SPA has been completed pursuant to the terms of the SPA and recognised as land held for property development.
- (b) On 17 November 2023, PGB Landmark Sdn. Bhd. ("PLSB") had entered into eight (8) SPAs with third parties to acquire seven (7) pieces of freehold land located in Mukim of Tanjung Kupang, Johor Bahru and one (1) piece of freehold land located in Mukim of Pulai, Johor Bahru for a total purchase consideration of RM146,071,898.

During the current financial year, six (6) out of eight (8) SPAs were completed pursuant to the terms of the SPAs and recognised as land held for property development. The remaining two (2) SPAs have not been completed as at the date of this report and RM3,442,783 paid in relation to these SPAs continues to be recognised as deposits as disclosed in Note 13 to the financial statements.

- (c) On 3 April 2024, Paragon Business Hub Sdn. Bhd. ("PBHSB") had entered into a SPA with a third party to acquire a piece of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM13,500,000. On 2 July 2024, the SPA has been completed pursuant to the terms of the SPA and recognised as property development costs.
- (d) On 8 May 2024, PBHSB had entered into a SPA with a third party for the proposed disposal part of the freehold land located in Mukim of Plentong, Johor Bahru, measuring approximately 47.86 acres for a cash consideration of RM238,317,196. The SPA is yet to be completed as at the reporting date.
- (e) On 30 May 2024, PBHSB had entered into a SPA with a third party to acquire a piece of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM28,563,133. On 31 December 2024, the SPA has been completed pursuant to the terms of the SPA and recognised as property development costs.
- (f) On 29 July 2024, PBHSB had entered into a SPA with a third party to acquire two (2) pieces of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM34,957,134. On 20 January 2025, the SPA has been completed pursuant to the terms of the SPA and recognised a property development costs.
- (g) On 2 August 2024, PBHSB had entered into a SPA with a third party for the proposed disposal part of the freehold land located in Mukim of Plentong, Johor Bahru, measuring approximately 19.759 acres for a cash consideration of RM98,980,735. The SPA is yet to be completed as at the reporting date.
- (h) On 14 August 2024, PGB Desa Heights Sdn. Bhd. ("PDHSB") had entered into a Development Rights Agreement ("DRA") with a third party. The amount of RM15,368,704 paid in relation to the DRA has been recognised as deposits as disclosed in Note 13 to the financial statements.
- (i) On 12 November 2024, Paragon Globe Properties Sdn. Bhd. ("PGPSB") had entered into three (3) DRAs with a third party. The amount of RM10,159,673 paid in relation to the DRAs has been recognised as deposits as disclosed in Note 13 to the financial statements.

## DIRECTORS' REPORT

For The Financial Year Ended 31 March 2025

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

- (j) On 16 April 2025, PLSB had entered into a SPA with a third party for the proposed disposal of part of a parcel of freehold land located in Mukim of Tanjung Kupang, Johor Bahru, measuring approximately 3.531 acres for a cash consideration of RM19,226,295. The SPA is yet to be completed as at the reporting date.
- (k) On 6 June 2025, the Company subscribed 51 ordinary shares in a newly incorporated company, namely PGB Parkland Sdn. Bhd. ("PPASB") for a total consideration of RM51. Subsequent to the subscription, the Company owns 51% of PPASB.

### AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

### AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2025 were as follows:

	Group RM	Company RM
Statutory audit	150,000	65,000
Other assurance services	65,700	65,700
	<b>215,700</b>	<b>130,700</b>

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....  
**Dato' Sri Edwin Tan Pei Seng**  
Director

.....  
**Dato' Sri Godwin Tan Pei Poh**  
Director

Johor Bahru  
21 July 2025

# STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 196 to 249 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....  
**Dato' Sri Edwin Tan Pei Seng**  
Director

Johor Bahru  
21 July 2025

.....  
**Dato' Sri Godwin Tan Pei Poh**  
Director

## STATUTORY DECLARATION

I, Eileen Tey Yee Lin (CA 28954), being the officer primarily responsible for the financial management of Paragon Globe Berhad, do solemnly and sincerely declare that the financial statements set out on pages 196 to 249 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly )  
declared by the abovenamed at )  
Johor Bahru, Johor this )  
21 July 2025 )

.....  
**Eileen Tey Yee Lin**

Before me:



# INDEPENDENT AUDITORS' REPORT

to the members of Paragon Globe Berhad (Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Paragon Globe Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 196 to 249.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Key Audit Matter of the Group**

#### **(a) Revenue recognition for property development**

Revenue from property development activities of the Group with over time recognition for the financial year ended 31 March 2025 amounted to RM298.3 million as disclosed in Note 23 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers, which include estimation of total contract costs in applying the input method to recognise revenue over time.

## INDEPENDENT AUDITORS' REPORT (continued)

to the members of Paragon Globe Berhad (Incorporated in Malaysia)

### Key Audit Matters (continued)

#### Key Audit Matter of the Group (continued)

##### (a) Revenue recognition for property development (continued)

Audit response

Our audit procedures included the following:

- (i) Reviewed contracts with customers to identify distinct and material performance obligations for over time revenue recognition;
- (ii) Assessed estimated total costs to complete through inquiries with management personnel of the Group and tested documentation to support cost estimates made;
- (iii) Compared estimated total cost to actual outcomes to assess the reliability of management's budgeting process; and
- (iv) Recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs.

##### (b) Fair value of investment properties

The Group's investment properties were carried at RM217.6 million as at 31 March 2025 as disclosed in Note 9 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in assessing the fair value. The valuation assessment which are assisted by independent valuer using comparison method, are based on assumptions, amongst others with adjustments made to comparable transaction including location, size, building constructions, accessibility, improvements, present property market condition and other relevant characteristics.

Audit response

Our audit procedures included the following:

- (i) Obtained the independent valuation reports and assessed the competency, independence and integrity of the independent valuer;
- (ii) Discussed with valuer to understand the basis of adjustments made to transacted price per square foot by considering factors related to the characteristics of each individual property, such as location and comparable transaction dates; and
- (iii) Benchmarked and challenged to external industry data on key inputs and comparable property transactions used.

#### Key Audit Matter of the Company

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

## **INDEPENDENT AUDITORS' REPORT (continued)**

to the members of Paragon Globe Berhad (Incorporated in Malaysia)

### **Information Other than the Financial Statements and Auditors' Report Thereon**

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and the Company.

## INDEPENDENT AUDITORS' REPORT (continued)

to the members of Paragon Globe Berhad (Incorporated in Malaysia)

### Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**BDO PLT**  
201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

Johor Bahru  
21 July 2025

**Sia Yeak Hong**  
03413/02/2027 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

As at 31 March 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	4,910,194	232,565	198,991	142,520
Right-of-use assets	8	7,414,060	1,536,899	3,256,004	1,299,015
Investment properties	9	217,596,378	144,931,555	-	-
Intangible assets	10	55,136	5,510	52,501	1
Investment in subsidiaries	11	-	-	132,371,800	125,621,800
Inventories	12	271,725,075	123,508,988	-	-
		501,700,843	270,215,517	135,879,296	127,063,336
Current assets					
Inventories	12	169,175,572	129,024,046	-	-
Trade and other receivables	13	52,491,517	26,894,917	198,435,029	129,771,267
Contract assets	14	5,832,789	2,001	-	-
Current tax assets		1,415,441	1,423,913	218,690	146,165
Other investments	15	19,517,314	17,519,294	876,607	17,515,115
Cash and bank balances	16	30,509,599	25,389,241	6,051,948	10,523,924
		278,942,232	200,253,412	205,582,274	157,956,471
TOTAL ASSETS		780,643,075	470,468,929	341,461,570	285,019,807
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	17	259,224,659	259,224,659	259,224,659	259,224,659
Reserves		144,489,970	38,866,235	24,823,320	24,338,210
		403,714,629	298,090,894	284,047,979	283,562,869
Non-controlling interests	11(b)	515,577	498,110	-	-
TOTAL EQUITY		404,230,206	298,589,004	284,047,979	283,562,869



# STATEMENTS OF FINANCIAL POSITION (continued)

As at 31 March 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
LIABILITIES					
Non-current liabilities					
Borrowings	18	282,634,943	139,453,304	-	-
Lease liabilities	8	5,378,721	703,531	1,847,528	553,188
Deferred tax liabilities	19	3,715,268	5,306,886	-	-
		291,728,932	145,463,721	1,847,528	553,188
Current liabilities					
Trade and other payables	20	35,950,248	23,380,874	54,754,366	133,852
Borrowings	18	12,284,179	1,750,000	-	-
Lease liabilities	8	1,479,667	848,121	811,697	769,898
Contract liabilities	14	22,124,511	437,209	-	-
Current tax liabilities		12,845,332	-	-	-
		84,683,937	26,416,204	55,566,063	903,750
TOTAL LIABILITIES		376,412,869	171,879,925	57,413,591	1,456,938
TOTAL EQUITY AND LIABILITIES		780,643,075	470,468,929	341,461,570	285,019,807

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	23	306,256,922	50,969,800	12,810,040	10,244,724
Cost of sales	24	(151,115,501)	(37,918,437)	-	-
Gross profit		155,141,421	13,051,363	12,810,040	10,244,724
Other income		6,276,629	3,576,090	252,124	666,904
Distribution costs		(275,694)	(145,619)	-	-
Administration expenses		(15,333,295)	(14,576,310)	(12,329,120)	(9,337,201)
Finance costs	25	(5,656,941)	(1,067,667)	(55,936)	(84,730)
Profit before tax	26	140,152,120	837,857	677,108	1,489,697
Tax expense	27	(34,510,918)	(2,080,346)	(191,998)	(181,357)
Profit/(Loss) for the financial year		105,641,202	(1,242,489)	485,110	1,308,340
Other comprehensive income, net of tax		-	-	-	-
<b>Total comprehensive income/(loss) for the financial year</b>		<b>105,641,202</b>	<b>(1,242,489)</b>	<b>485,110</b>	<b>1,308,340</b>
<b>Profit/(Loss) for the financial year attributable to:</b>					
Owners of the parent		105,623,735	(1,239,669)	485,110	1,308,340
Non-controlling interests	11(b)	17,467	(2,820)	-	-
		105,641,202	(1,242,489)	485,110	1,308,340
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		105,623,735	(1,239,669)	485,110	1,308,340
Non-controlling interests	11(b)	17,467	(2,820)	-	-
		105,641,202	(1,242,489)	485,110	1,308,340
<b>Earnings per ordinary share attributable to owners of the parent (sen):</b>					
- Basic	28	14.15	(0.17)		
- Diluted	28	14.15	(0.17)		

The accompanying notes form an integral part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2025

	Share capital RM	Capital reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non- controlling interests RM	Total equity RM
<b>Group</b>						
Balance as at 1 April 2023	259,224,659	2,257,088	37,848,816	299,330,563	500,930	299,831,493
Loss for the financial year	-	-	(1,239,669)	(1,239,669)	(2,820)	(1,242,489)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive loss	-	-	(1,239,669)	(1,239,669)	(2,820)	(1,242,489)
Balance as at 31 March 2024/ 1 April 2024	259,224,659	2,257,088	36,609,147	298,090,894	498,110	298,589,004
Reclassification	-	(2,257,088)	2,257,088	-	-	-
Profit for the financial year	-	-	105,623,735	105,623,735	17,467	105,641,202
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	(2,257,088)	107,880,823	105,623,735	17,467	105,641,202
Balance as at 31 March 2025	259,224,659	-	144,489,970	403,714,629	515,577	404,230,206

# STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2025

	Share capital RM	Capital reserve RM	Retained earnings RM	Total equity RM
<b>Company</b>				
Balance as at 1 April 2023	259,224,659	2,257,088	20,772,782	282,254,529
Profit for the financial year	-	-	1,308,340	1,308,340
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	1,308,340	1,308,340
Balance as at 31 March 2024/ 1 April 2024	259,224,659	2,257,088	22,081,122	283,562,869
Reclassification	-	(2,257,088)	2,257,088	-
Profit for the financial year	-	-	485,110	485,110
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	(2,257,088)	2,742,198	485,110
Balance as at 31 March 2025	259,224,659	-	24,823,320	284,047,979

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		140,152,120	837,857	677,108	1,489,697
Adjustments for:					
Amortisation of intangible assets	10	2,874	35,873	-	32,999
Depreciation of:					
- property, plant and equipment	7	71,686	66,713	47,192	40,708
- right-of-use assets	8	1,130,603	847,436	810,564	759,184
Fair value gain on investment properties	9	(2,700,000)	(1,655,289)	-	-
Other investment:					
- fair value gain	26	(1,062,024)	(101,483)	(7,885)	(101,436)
- gain on disposal	26	(609,501)	(763,657)	(132,364)	(563,227)
Gain on disposal of right-of-use assets	8(b)	(93,000)	(39,295)	(93,000)	-
Gain on termination of lease	8(b)	-	(84,862)	-	-
Gain on remeasurement of lease	8(b)	(18,875)	-	(18,875)	-
Interest expense	25	5,656,941	1,067,667	55,936	84,730
Interest income		(1,310,077)	(363,148)	(79,814)	(314,142)
Property, plant and equipment written off		8	-	8	-
Operating profit/(loss) before changes in working capital		141,220,755	(152,188)	1,258,870	1,428,513
Changes in working capital:					
Contract assets		(5,830,788)	528,413	-	-
Contract liabilities		21,687,302	(8,562,791)	-	-
Inventories		(173,374,336)	(103,913,594)	-	-
Trade and other receivables		(42,786,597)	(21,854,094)	(15,021,316)	(9,795,857)
Trade and other payables		12,057,942	14,363,750	860,943	(18,744)
Cash used in operations		(47,025,722)	(119,590,504)	(12,901,503)	(8,386,088)
Tax paid		(23,264,210)	(2,142,166)	(280,000)	(149,999)
Tax refunded		15,478	211,321	15,477	-
Net cash used in operating activities		(70,274,454)	(121,521,349)	(13,166,026)	(8,536,087)



STATEMENTS OF **CASH FLOWS (continued)**  
For the financial year ended 31 March 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Subscription of shares in subsidiaries	11	-	-	(6,750,000)	(7,499,998)
Interest received		1,310,077	363,148	79,814	314,142
<b>Additions of:</b>					
- investment properties	9(c)	(69,964,823)	(53,312,314)	-	-
- intangible assets	10	(52,500)	-	(52,500)	-
- property, plant and equipment	7	(4,751,271)	(33,063)	(103,671)	(33,063)
- right-of-use assets	8(c)	(629,316)	(45,066)	(629,316)	(27,896)
- deposits pledged with licensed banks		(6,573,019)	(517,177)	-	-
Proceeds from disposal of property, plant and equipment		1,948	786	-	786
Proceeds from disposal of right-of-use assets		93,000	75,000	93,000	-
Net cash inflow from the disposal of a subsidiary	11(c)	71	-	-	-
Net (purchase)/sale of other investments		(326,495)	61,028,773	16,778,757	48,821,439
Net repayment from/(advances to) subsidiaries		-	-	123,103	(56,669,403)
Repayments (to)/from related parties		(169,658)	11,130	(5,978)	9,630
Net cash (used in)/from investing activities		(81,061,986)	7,571,217	9,533,209	(15,084,363)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest paid		(2,622,879)	-	-	-
<b>Net drawdown/(repayments) of:</b>					
- term loan		153,715,818	99,203,304	-	-
- lease liabilities	8(d)	(1,209,160)	(886,830)	(839,159)	(799,910)
Net cash from/(used in) financing activities		149,883,779	98,316,474	(839,159)	(799,910)
Net decrease in cash and cash equivalents		(1,452,661)	(15,633,658)	(4,471,976)	(24,420,360)
Cash and cash equivalents at beginning of financial year		24,641,709	40,275,367	10,523,924	34,944,284
Cash and cash equivalents at end of financial year	16(d)	23,189,048	24,641,709	6,051,948	10,523,924

## STATEMENTS OF CASH FLOWS (continued)

For the financial year ended 31 March 2025

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 8)		Term loans (Note 18)
	Group RM	Company RM	Group RM
At 1 April 2024	1,551,652	1,323,086	141,203,304
Cash flows:			
- Drawdown	-	-	156,371,168
- Payment of term loan	-	-	(2,655,350)
- Payment of lease liabilities	(1,209,160)	(839,159)	-
Non-cash flows:			
- Addition of lease liabilities	6,359,573	2,119,362	-
- Unwinding of interest	156,323	55,936	-
At 31 March 2025	6,858,388	2,659,225	294,919,122
At 1 April 2023	1,774,749	1,207,846	42,000,000
Cash flows:			
- Drawdown	-	-	99,203,304
- Payment of lease liabilities	(886,830)	(799,910)	-
Non-cash flows:			
- Addition of lease liabilities	1,083,516	830,420	-
- Unwinding of interest	92,119	84,730	-
- Termination of lease	(511,902)	-	-
At 31 March 2024	1,551,652	1,323,086	141,203,304

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2025

## 1. CORPORATE INFORMATION

Paragon Globe Berhad ("the Company") is a public listed company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Level 10-02, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim.

The ultimate holding company of the Company is Paragon Adventure Sdn. Bhd., which is incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 March 2025 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 21 July 2025.

## 2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and the details of the subsidiaries are set out in Note 11 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company as set out on pages 196 to 249 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year. The new MFRSs and amendments to MFRSs adopted during the financial year are disclosed in Note 5 to the financial statements.

## 4. MATERIAL ACCOUNTING POLICIES

### 4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

### 4.2 Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

#### 4. MATERIAL ACCOUNTING POLICIES (continued)

##### 4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the costs of the assets to their estimated residual values on a straight-line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Furniture and fittings	10%
Office equipments	10%
Computers	20%
Motor vehicle	20%

Capital work-in-progress comprises a sales gallery under construction and is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

##### 4.4 Leases

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease terms of right-of-use assets are as follows:

Rented building and offices	2 to 6 years
Motor vehicles	5 years

##### ***Lease liability***

The lease liability is initially measured at the present value of the contractual lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

**4. MATERIAL ACCOUNTING POLICIES (continued)****4.5 Inventories****(a) Completed properties held for sale**

The completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing the properties until completion.

**(b) Land held for property development**

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost and net realisable value.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

**(c) Property development costs**

Property development costs comprise all costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. Such development costs comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies.

**4.6 Contract assets/(liabilities)**

Contract assets are the rights to considerations for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue recognised over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liabilities are the obligations to transfer goods or services to customer for which the Group has received the consideration in advance or has billed the customers. In the case of property development and construction contracts, contract liabilities are the excess of the billings to date over the cumulative revenue recognised.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

**4.7 Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.



#### 4. MATERIAL ACCOUNTING POLICIES (continued)

##### 4.7 Investment properties (continued)

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

The investment property under construction is measured at cost until the earlier of the date construction is completed or when the fair value can be determined reliably.

##### 4.8 Financial instruments

###### (a) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

###### (b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and met the definition of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities measured at FVTPL or financial liabilities measured at amortised cost.

##### 4.9 Financial guarantee contract

Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:

- (i) the amount of the loss allowance; and
- (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

##### 4.10 Revenue recognition

The revenue recognition of the Group and of the Company are as follows:

###### (a) Revenue from property development and construction contracts

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development and construction contracts is measured at the fixed transaction price agreed under the agreement.

**4. MATERIAL ACCOUNTING POLICIES (continued)****4.10 Revenue recognition (continued)****(a) Revenue from property development and construction contracts (continued)**

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the property development cost and construction contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers and transaction price allocation in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

There is no significant financing component in the revenue arising from property development and construction contracts as the contracts are on normal credit terms not exceeding twelve months.

**(b) Completed properties**

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the purchasers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

Revenue recognition not in relation to performance obligations is described below:

**(a) Interest income**

Interest income is recognised as it accrues, using the effective interest method.

**(b) Distribution income of other investments**

Distribution income is recognised when the right to receive payment is established.

**(c) Management fee**

Management fee from rendering of services is recognised when the services are rendered.

#### 4. MATERIAL ACCOUNTING POLICIES (continued)

##### 4.11 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of assets which require a substantial period of time to get them ready for their intended use are capitalised and included as part of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

The Group capitalise borrowing costs for all qualifying assets.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

##### 5.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
<b>Amendments to MFRS 16</b> <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
<b>Amendments to MFRS 101</b> <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
<b>Amendments to MFRS 101</b> <i>Non-current Liabilities with Covenants</i>	1 January 2024
<b>Amendments to MFRS 107 and MFRS 7</b> <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

##### 5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

Title	Effective Date
<b>Amendments to MFRS 121</b> <i>Lack of Exchangeability</i>	1 January 2025
<b>Amendments to MFRS 9 and MFRS 7</b> <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<b>Annual Improvements to MFRS Accounting Standards - Volume 11:</b> Amendments to MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i> Amendments to MFRS 7 <i>Financial Instruments: Disclosures</i> Amendments to MFRS 9 <i>Financial Instruments</i> Amendments to MFRS 10 <i>Consolidated Financial Statements</i> Amendments to MFRS 107 <i>Statement of Cash Flows</i>	1 January 2026
<b>Amendments to MFRS 9 and MFRS 7</b> <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026

## 5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

### 5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025 (continued)

Title	Effective Date
<b>MFRS 18</b> <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
<b>MFRS 19</b> <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
<b>Amendments to MFRS 10 and MFRS 128</b> <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments since the effects would only be observable for the future financial years.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

The management makes estimates and assumptions concerning the future as disclosed in respective notes to the financial statements. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is outlined below:

#### Fair value of investment properties

Fair value of investment properties requires management to exercise significant judgement in assessing the fair value.

#### Revenue recognition of property development

Revenue recognition for property development requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers and the total estimated costs.

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**7. PROPERTY, PLANT AND EQUIPMENT**

Group	Furniture and fittings RM	Office equipments RM	Computers RM	Motor vehicle RM	Capital work-in-progress RM	Total RM
<b>2025</b>						
<b>At cost</b>						
At 1 April 2024	130,418	63,123	376,124	-	-	569,665
Additions	4,260	23,330	88,271	5,299	4,630,111	4,751,271
Disposal	-	-	(4,868)	-	-	(4,868)
Written off	-	(1,000)	(22,025)	-	-	(23,025)
At 31 March 2025	134,678	85,453	437,502	5,299	4,630,111	5,293,043
<b>Accumulated depreciation</b>						
At 1 April 2024	56,037	23,852	257,211	-	-	337,100
Charge for the financial year	13,041	8,100	49,927	618	-	71,686
Disposal	-	-	(2,920)	-	-	(2,920)
Written off	-	(999)	(22,018)	-	-	(23,017)
At 31 March 2025	69,078	30,953	282,200	618	-	382,849
<b>Net carrying amount</b>						
At 31 March 2025	65,600	54,500	155,302	4,681	4,630,111	4,910,194
<b>2024</b>						
<b>At cost</b>						
At 1 April 2023	130,418	49,669	358,615	-	-	538,702
Additions	-	15,554	17,509	-	-	33,063
Disposal	-	(2,100)	-	-	-	(2,100)
At 31 March 2024	130,418	63,123	376,124	-	-	569,665
<b>Accumulated depreciation</b>						
At 1 April 2023	42,995	18,061	210,645	-	-	271,701
Charge for the financial year	13,042	7,105	46,566	-	-	66,713
Disposal	-	(1,314)	-	-	-	(1,314)
At 31 March 2024	56,037	23,852	257,211	-	-	337,100
<b>Net carrying amount</b>						
At 31 March 2024	74,381	39,271	118,913	-	-	232,565



# NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2025

## 7. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Furniture and fittings RM	Office equipment RM	Computers RM	Total RM
<b>2025</b>				
<b>At cost</b>				
At 1 April 2024	18,948	42,808	313,344	375,100
Additions	-	19,620	84,051	103,671
Written off	-	(1,000)	(22,025)	(23,025)
At 31 March 2025	18,948	61,428	375,370	455,746
<b>Accumulated depreciation</b>				
At 1 April 2024	6,341	14,949	211,290	232,580
Charge for the financial year	1,894	5,644	39,654	47,192
Written off	-	(999)	(22,018)	(23,017)
At 31 March 2025	8,235	19,594	228,926	256,755
<b>Net carrying amount</b>				
At 31 March 2025	10,713	41,834	146,444	198,991
<b>2024</b>				
<b>At cost</b>				
At 1 April 2023	18,948	29,354	295,835	344,137
Additions	-	15,554	17,509	33,063
Disposal	-	(2,100)	-	(2,100)
At 31 March 2024	18,948	42,808	313,344	375,100
<b>Accumulated depreciation</b>				
At 1 April 2023	4,446	11,460	177,280	193,186
Charge for the financial year	1,895	4,803	34,010	40,708
Disposal	-	(1,314)	-	(1,314)
At 31 March 2024	6,341	14,949	211,290	232,580
<b>Net carrying amount</b>				
At 31 March 2024	12,607	27,859	102,054	142,520

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

**(I) Right-of-use assets**

Group	Rented building and offices RM	Motor vehicles RM	Total RM
<b>2025</b>			
<b>At cost</b>			
At 1 April 2024	2,358,056	950,029	3,308,085
Additions	5,928,448	1,079,316	7,007,764
Disposal	-	(513,263)	(513,263)
At 31 March 2025	8,286,504	1,516,082	9,802,586
<b>Accumulated depreciation</b>			
At 1 April 2024	1,233,270	537,916	1,771,186
Charge for the financial year	989,284	141,319	1,130,603
Disposal	-	(513,263)	(513,263)
At 31 March 2025	2,222,554	165,972	2,388,526
<b>Net carrying amount</b>			
At 31 March 2025	6,063,950	1,350,110	7,414,060
<b>2024</b>			
<b>At cost</b>			
At 1 April 2023	2,500,838	708,011	3,208,849
Additions	691,816	436,766	1,128,582
Term expired	(102,528)	-	(102,528)
Termination	(732,070)	-	(732,070)
Disposal	-	(194,748)	(194,748)
At 31 March 2024	2,358,056	950,029	3,308,085
<b>Accumulated depreciation</b>			
At 1 April 2023	886,782	603,569	1,490,351
Charge for the financial year	754,046	93,390	847,436
Term expired	(102,528)	-	(102,528)
Termination	(305,030)	-	(305,030)
Disposal	-	(159,043)	(159,043)
At 31 March 2024	1,233,270	537,916	1,771,186
<b>Net carrying amount</b>			
At 31 March 2024	1,124,786	412,113	1,536,899

8. **RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

(I) **Right-of-use assets (continued)**

Company	Rented office RM	Motor vehicles RM	Total RM
<b>2025</b>			
<b>At cost</b>			
At 1 April 2024	2,256,660	781,159	3,037,819
Additions	1,688,237	1,079,316	2,767,553
Disposal	-	(513,263)	(513,263)
At 31 March 2025	3,944,897	1,347,212	5,292,109
<b>Accumulated depreciation</b>			
At 1 April 2024	1,212,146	526,658	1,738,804
Charge for the financial year	703,019	107,545	810,564
Disposal	-	(513,263)	(513,263)
At 31 March 2025	1,915,165	120,940	2,036,105
<b>Net carrying amount</b>			
At 31 March 2025	2,029,732	1,226,272	3,256,004
<b>2024</b>			
<b>At cost</b>			
At 1 April 2023	1,666,240	513,263	2,179,503
Additions	590,420	267,896	858,316
At 31 March 2024	2,256,660	781,159	3,037,819
<b>Accumulated depreciation</b>			
At 1 April 2023	509,128	470,492	979,620
Charge for the financial year	703,018	56,166	759,184
At 31 March 2024	1,212,146	526,658	1,738,804
<b>Net carrying amount</b>			
At 31 March 2024	1,044,514	254,501	1,299,015

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

**(II) Lease liabilities**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At beginning of financial year	1,551,652	1,774,749	1,323,086	1,207,846
Additions	6,359,573	1,083,516	2,119,362	830,420
Lease payments	(1,209,160)	(886,830)	(839,159)	(799,910)
Termination	-	(511,902)	-	-
Interest expense	156,323	92,119	55,936	84,730
At end of financial year	6,858,388	1,551,652	2,659,225	1,323,086
<b>Represented by:</b>				
Current liabilities	1,479,667	848,121	811,697	769,898
Non-current liabilities	5,378,721	703,531	1,847,528	553,188
	6,858,388	1,551,652	2,659,225	1,323,086
Lease liabilities owing to financial institutions	747,432	380,100	625,700	232,905
Lease liabilities owing to non-financial institutions	6,110,956	1,171,552	2,033,525	1,090,181
	6,858,388	1,551,652	2,659,225	1,323,086

- (a) The Group has certain low-value leases of RM5,000 and below. The Group applies the “lease of low-value assets” exemptions for these leases.
- (b) The following are the amounts recognised in profit or loss:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Included in administration expenses:</b>				
Depreciation charge of right-of-use assets	1,130,603	847,436	810,564	759,184
Expense relating to leases of low-value assets	8,508	6,441	5,748	3,681
Interest expense on lease liabilities (included in finance costs)	156,323	92,119	55,936	84,730
Gain on termination of lease (included in other income)	-	(84,862)	-	-
Gain on remeasurement of lease (included in other income)	(18,875)	-	(18,875)	-
Gain on disposal of right-of-use assets (included in other income)	(93,000)	(39,295)	(93,000)	-

**8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)****(II) Lease liabilities (continued)**

- (c) During the financial year, the Group and the Company made the following cash payments to purchase right-of-use assets:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Purchase of right-of-use assets	<b>1,079,316</b>	436,766	<b>1,079,316</b>	267,896
Lease liabilities financed by lease arrangement	<b>(450,000)</b>	(391,700)	<b>(450,000)</b>	(240,000)
Cash payment on purchase of right-of-use assets	<b>629,316</b>	45,066	<b>629,316</b>	27,896

- (d) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Included in net cash from operating activities:				
Payment relating to low value assets leases	<b>8,508</b>	6,441	<b>5,748</b>	3,681
Included in net cash from financing activities:				
Payment of lease liabilities	<b>1,209,160</b>	886,830	<b>839,159</b>	799,910
Total cash outflow for leases	<b>1,217,668</b>	893,271	<b>844,907</b>	803,591

- (e) The Group and the Company have several buildings lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group and Company's operations. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

There are no undiscounted potential future rental payments that are not included in the lease term.

- (f) Weighted average incremental borrowing rates of the lease liabilities of the Group and of the Company as at the end of the reporting period is 6.27% and 5.77% (2024: 5.69% and 5.86%) per annum respectively.



NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**9. INVESTMENT PROPERTIES**

	Group	
	2025 RM	2024 RM
<b>At fair value</b>		
At beginning of financial year	<b>144,931,555</b>	87,987,058
Additions	<b>69,964,823</b>	55,289,208
Fair value gain	<b>2,700,000</b>	1,655,289
At end of financial year	<b>217,596,378</b>	144,931,555

Included in the above are:

	Group	
	2025 RM	2024 RM
At fair value - freehold land	<b>38,000,000</b>	36,000,000
At fair value - freehold land with building	<b>13,500,000</b>	12,800,000
At cost - freehold land with building under construction	<b>166,096,378</b>	96,131,555
	<b>217,596,378</b>	144,931,555

(a) The lease payments to be received are as follows:

	Group	
	2025 RM	2024 RM
Less than one year	<b>3,330,383</b>	155,000
One to two years	<b>9,785,455</b>	3,485,000
Two to three years	<b>13,024,293</b>	7,947,380
Three to four years	<b>13,582,243</b>	10,568,920
Four to five years	<b>15,907,300</b>	11,778,920
More than five years	<b>216,728,124</b>	231,918,386
<b>Total undiscounted lease payments</b>	<b>272,357,798</b>	265,853,606

**9. INVESTMENT PROPERTIES (continued)**

- (b) Direct operating expenses arising from investment properties during the financial year are as follows:

	Group	
	2025 RM	2024 RM
<b>Quit rent and assessment</b>		
- not generating rental income	<b>82,525</b>	68,345

- (c) During the financial year, the Group made the following cash payments to investment properties:

	Group	
	2025 RM	2024 RM
Purchase of investment properties	<b>69,964,823</b>	55,289,208
Deposit paid in prior year	-	(1,976,894)
Cash payment on purchase of investment properties	<b>69,964,823</b>	53,312,314

- (d) The fair value of the investment properties of the Group are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2025</b>				
<b>Freehold land</b>	-	-	<b>38,000,000</b>	<b>38,000,000</b>
<b>Freehold land with building</b>	-	-	<b>13,500,000</b>	<b>13,500,000</b>
<b>2024</b>				
Freehold land	-	-	36,000,000	36,000,000
Freehold land with building	-	-	12,800,000	12,800,000

- (i) Freehold land and freehold land with building of the Group were revalued on 31 March 2025 by the Directors based on a valuation exercise carried out by independent firms of registered professional valuer.
- (ii) The Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete.
- (iii) The fair value measurements of the properties (at valuation) are based on the highest and best use which does not differ from their actual use.
- (iv) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial year ended 31 March 2025.

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**9. INVESTMENT PROPERTIES (continued)**

- (d) The fair value of the investment properties of the Group are categorised as follows: (continued)
- (v) The significant unobservable inputs used in determining the Level 3 fair value measurements by external valuers using comparison approach valuation techniques, comparing the subject properties with similar properties in and around the locality if any, and other relevant characteristics.

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
Freehold land	Comparison Method	Price per square foot	RM45 to RM161 (2024: RM42 to RM147)	Lower/higher price per square foot, lower/higher fair value
Building	Replacement cost method	Price per square foot	RM 523 (2024: RM515)	Lower/higher price per square foot, lower/higher fair value

- (vi) Certain investment properties of the Group amounting to RM166,096,378 (2024: RM96,931,555) has been pledged to financial institution as security for unutilised credit facilities granted to a subsidiary of the Company.
- (e) The Group has entered into a conditional tenancy agreement with a third party for investment property under construction, and collected advance tenancy deposit as disclosed in Note 20(d) to the financial statements.
- (f) Interest expense capitalised during the financial year of an investment property under construction of the Group amounted to RM527,146 (2024: Nil).

**10. INTANGIBLE ASSETS**

Computer software	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>At cost</b>				
At beginning of financial year	<b>234,371</b>	234,371	<b>220,000</b>	220,000
Additional	<b>52,500</b>	-	<b>52,500</b>	-
At end of financial year	<b>286,871</b>	234,371	<b>272,500</b>	220,000
<b>Accumulated amortisation</b>				
At beginning of financial year	<b>228,861</b>	192,988	<b>219,999</b>	187,000
Charge for the financial year	<b>2,874</b>	35,873	-	32,999
At end of financial year	<b>231,735</b>	228,861	<b>219,999</b>	219,999
<b>Net carrying amount</b>	<b>55,136</b>	5,510	<b>52,501</b>	1

## 11. INVESTMENT IN SUBSIDIARIES

	Note	Company	
		2025 RM	2024 RM
<b>At cost</b>			
Unquoted equity shares			
At beginning of financial year		63,650,400	56,150,402
Acquisitions of subsidiaries		200	200
Additional subscription in existing subsidiaries		6,749,800	7,499,798
At end of financial year		70,400,400	63,650,400
<b>Accumulated impairment loss</b>			
At beginning/end of financial year		(102)	(102)
Unquoted equity shares, at cost		70,400,298	63,650,298
Equity loans	11(l)	61,971,502	61,971,502
		<b>132,371,800</b>	<b>125,621,800</b>

- (a) The details of the subsidiaries, which the country of incorporation and the principal place of business are all in Malaysia, are as follows:

Name of companies	Effective interest in equity		Principal activities
	2025 %	2024 %	
Paragon Bizhub Sdn. Bhd. ("PBSB") <sup>#</sup>	100	100	Properties development
PGBG Construction Sdn. Bhd. ("PGBG") <sup>#</sup>	100	100	Properties development and building contractors
Paragon Globe Properties Sdn. Bhd. ("PGPSB") <sup>#</sup>	100	100	Properties development
Builttech Acres Sdn. Bhd. ("BASB") <sup>#</sup>	99.06	99.06	Properties investment
Paragon Business Hub Sdn. Bhd. ("PBHSB") <sup>#</sup>	100	100	Properties development
Paragon Platinum Sdn. Bhd. ("PPSB") <sup>#</sup>	100	100	Properties development and properties investment
PGB Innovation Sdn. Bhd. (formerly known as Paragon Workers Hostel Sdn. Bhd.) ("PGBISB") <sup>#</sup>	100	100	Properties development
PGB Iconic Sdn. Bhd. ("PISB") <sup>#</sup>	100	100	Properties development
PGB Landmark Sdn. Bhd. ("PLSB") <sup>#</sup>	100	100	Properties development
PGB Desa Heights Sdn Bhd ("PDHSB") <sup>#</sup>	100	-	Properties development
PGB Gardens Sdn Bhd ("PGSB") <sup>#</sup>	100	-	Dormant
(i) <b>Subsidiary of BASB</b> Sepang Medicity Sdn. Bhd. ("SMSB") <sup>@</sup>	-	99.06	Dormant

<sup>#</sup> Subsidiaries audited by BDO PLT.    <sup>@</sup> Disposed on 15 August 2024

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**11. INVESTMENT IN SUBSIDIARIES (continued)**

(b) Subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	NCI percentage of ownership interest and voting interest		Group	
	2025 %	2024 %	2025 RM	2024 RM
<u>Carrying amount of NCI</u>				
BASB	<b>0.94</b>	0.94	<b>515,577</b>	498,110
<u>Profit/(Loss) for the financial year/Total comprehensive income/(loss) allocated to NCI</u>				
BASB			<b>17,467</b>	(2,820)

Summarised financial information before intra-group elimination of subsidiaries that have NCI as at the end of each reporting period are as follows:

BASB	2025 RM	2024 RM
<b>Assets and liabilities</b>		
Non-current assets	<b>153,988,933</b>	107,414,477
Non-current liabilities	<b>(85,075,944)</b>	(11,021,834)
Current assets	<b>3,924,606</b>	1,648,723
Current liabilities	<b>(11,176,246)</b>	(45,050,786)
<b>Net assets</b>	<b>61,661,349</b>	52,990,580
<b>Results</b>		
Profit/(Loss) for the financial year/Total comprehensive income/(loss) for the financial year	<b>1,637,578</b>	(299,950)
Cash flows (used in)/from operating activities	<b>(4,051,225)</b>	9,436,705
Cash flows used in investing activities	<b>(46,441,985)</b>	(33,839,505)
Cash flows from financing activities	<b>50,390,238</b>	24,893,844
Net (decrease)/increase in cash and cash equivalents	<b>(102,972)</b>	491,044



## 11. INVESTMENT IN SUBSIDIARIES (continued)

- (c) BASB had on 15 August 2024 disposed 99% of its equity interest in SMSB for a total cash consideration of RM99. The disposal of SMSB has the following effects on the financial position and financial performance of the Group for the year ended 31 March 2025.

	The Group 2025 RM
Cash and bank balances	28
Other payables	71
Carrying amount of net assets disposed of	99
Gain on disposal of a subsidiary	-
Consideration received	99
Less: Cash and bank balances of a subsidiary disposed of	(28)
Net cash inflow from the disposal of a subsidiary	71

- (d) In the previous financial year, the Company subscribed the entire paid up capital of a newly incorporated company, namely PISB for total consideration amounting to RM100. Consequently, PISB became a wholly owned subsidiary of the Company.
- (e) In the previous financial year, the Company subscribed the entire paid up capital of a newly incorporated company, namely PLSB for the total consideration amounting to RM100. Consequently, PLSB became a wholly owned subsidiary of the Company. Subsequently, the Company subscribed additional 2,499,900 ordinary shares for a total consideration of RM2,499,900 with no change in effective equity held by the Company in PLSB.
- (f) In the previous financial year, the Company subscribed additional 2,499,998 ordinary shares in a wholly owned subsidiary, namely PBHSB, for a total consideration of RM2,499,998 with no change in the effective equity held by the Company in PBHSB.
- (g) In the previous financial year, the Company subscribed additional 2,499,900 ordinary shares in a wholly owned subsidiary, namely PPSB, for a total consideration of RM2,499,900 with no change in the effective equity held by the Company in PPSB.
- (h) During the financial year, the Company subscribed the entire paid up capital of a newly incorporated company, namely PDHSB for total consideration amounting to RM100. Consequently, PDHSB became a wholly owned subsidiary of the Company. Subsequently, the Company subscribed additional 2,499,900 ordinary shares for a total consideration of RM2,499,900 with no change in effective equity held by the Company in PDHSB.
- (i) During the financial year, the Company subscribed the entire paid up capital of a newly incorporated company, namely PGSB for total consideration amounting to RM100. Consequently, PGSB became a wholly owned subsidiary of the Company.
- (j) During the financial year, the Company subscribed additional 2,499,900 ordinary shares in a wholly owned subsidiary, namely PISB for the total consideration amounting to RM2,499,900 with no change in the effective equity held by the Company in PISB.

## 11. INVESTMENT IN SUBSIDIARIES (continued)

- (k) During the financial year, the Company subscribed additional 1,750,000 ordinary shares in a wholly owned subsidiary, namely PGBG for the total consideration amounting to RM1,750,000 with no change in the effective equity held by the Company in PGBG.
- (l) The Directors of the Company have assessed the nature of the amounts owing by subsidiaries and determined that an outstanding balance amounting to RM61,971,502 (2024: RM61,971,502) shall constitute equity loans to subsidiaries as these are unsecured, interest free and settlement are neither planned nor likely occur in the foreseeable future and considered to be part of the investment of the Company providing the subsidiaries with a long term source of additional capital. No expected credit loss is recognised as it is negligible.

Movement in equity loans to subsidiaries as follows:

	Company	
	2025 RM	2024 RM
At beginning of financial year	<b>61,971,502</b>	91,504,963
Repayments	-	(29,533,461)
At end of financial year	<b>61,971,502</b>	61,971,502

## 12. INVENTORIES

	Note	Group	
		2025 RM	2024 RM
<b>At cost</b>			
<b>Non-current</b>			
Land held for property development	(a)	<b>271,725,075</b>	123,508,988
<b>Current</b>			
Completed properties		<b>9,136,903</b>	14,882,137
Property development costs	(b)	<b>160,038,669</b>	114,141,909
		<b>169,175,572</b>	129,024,046

## 12. INVENTORIES (continued)

## (a) Land held for property development

Group	Freehold land RM	Development costs RM	Total RM
Balance as at 1 April 2024	115,860,137	7,648,851	123,508,988
Cost incurred during the financial year	126,868,810	21,347,277	148,216,087
Balance as at 31 March 2025	242,728,947	28,996,128	271,725,075
Balance as at 1 April 2023	74,186,598	1,606,755	75,793,353
Cost incurred during the financial year	41,673,539	6,042,096	47,715,635
Balance as at 31 March 2024	115,860,137	7,648,851	123,508,988

Certain land held for property development of the Group has been pledged to financial institutions amounted to RM256,555,152 (2024: RM109,073,108) as security for credit facilities granted to certain subsidiaries of the Company as disclosed in Note 18 to the financial statements.

Included in the development costs is the interest capitalised for project not ready for its intended sale during the financial year amounting to RM8,043,323 (2024: RM3,044,276).

## (b) Property development costs

Group	Freehold land RM	Development costs RM	Total RM
Balance as at 1 April 2024	107,421,112	6,720,797	114,141,909
Cost incurred during the financial year	88,857,084	101,605,710	190,462,794
Recognised during the financial year	(63,681,644)	(80,884,390)	(144,566,034)
Balance as at 31 March 2025	132,596,552	27,442,117	160,038,669
Balance as at 1 April 2023	28,760,628	2,610,188	31,370,816
Cost incurred during the financial year	84,390,820	19,606,027	103,996,847
Recognised during the financial year	(5,730,336)	(15,495,418)	(21,225,754)
Balance as at 31 March 2024	107,421,112	6,720,797	114,141,909

Certain freehold land of the Group has been pledged to financial institutions amounted to RM46,897,125 (2024: RM86,459,300) as security for credit facilities granted to a subsidiary of the Company as disclosed in Note 18 to the financial statements.

Included in the development costs is the interest capitalised for project not ready for its intended sale during the financial year amounting to RM897,945 (2024: RM1,203,981).

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**13. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Trade receivables</b>				
Third parties	-	4,210,500	-	-
Amount owing by a related party	145,378	145,378	-	-
	145,378	4,355,878	-	-
<b>Other receivables</b>				
Amounts owing by subsidiaries	-	-	196,064,880	129,587,163
Amounts owing by a related party	15,677	786	15,677	786
Third parties	1,027,890	67,049	13,000	-
Deposits for land acquisition	3,442,783	17,915,310	-	-
Deposits	29,485,498	1,066,906	2,353,244	201,991
	33,971,848	19,050,051	198,446,801	129,789,940
Less: Allowance for impairment losses				
- Deposits	(19,300)	(19,300)	(19,300)	(19,300)
- Amounts owing by subsidiaries	-	-	(72,876)	(92,384)
	(19,300)	(19,300)	(92,176)	(111,684)
Total trade and other receivables	34,097,926	23,386,629	198,354,625	129,678,256
Prepayments	18,393,591	3,508,288	80,404	93,011
	52,491,517	26,894,917	198,435,029	129,771,267

- (a) Trade receivables are non-interest bearing and the normal credit terms of the trade receivables granted by the Group range from 14 to 90 days (2024: 14 to 90 days). They are recognised at their original invoiced amounts, which represent their fair value on initial recognition.
- (b) Amounts owing by subsidiaries and related parties are unsecured, interest-free.
- (c) Trade and other receivables are denominated in Ringgit Malaysia ("RM").
- (d) Included in deposits of the Group are amounts of RM25,528,377 (2024: Nil) paid in respect of Development Rights Agreements ("DRAs") signed with third parties with details disclosed in Note 35 to the financial statements.

**13. TRADE AND OTHER RECEIVABLES (continued)**

- (e) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses. Loss rates are based on actual credit loss experience over past years.

When determining whether the credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information on macroeconomic factors affecting the ability of customers to settle the receivables and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. Nevertheless, the Group and the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward looking information.

- (f) Lifetime expected loss provision for trade receivables of the Group and of the Company are as follows:

Group	Gross carrying amount RM	Lifetime ECL allowance RM	Net carrying amount RM
<b>As at 31 March 2025</b>			
Not past due	-	-	-
Past due	145,378	-	145,378
	145,378	-	145,378
<b>As at 31 March 2024</b>			
Not past due	1,790,878	-	1,790,878
Past due	2,565,000	-	2,565,000
	4,355,878	-	4,355,878

As at the end of each reporting period, no collateral has been obtained by the Group and Company. Thus, the maximum credit risk exposure is equivalent to the gross carrying amount of trade receivable of the Group and of the Company.

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivable.

- (g) Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The Group and the Company defined significant increase in credit risk when there is changes in contractual terms and delay in payment from its other receivables.

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the reporting period.



NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**13. TRADE AND OTHER RECEIVABLES (continued)**

- (h) The reconciliation of movements in the impairment loss for other receivables is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Other receivables (credit impaired)</b>				
At beginning of financial year	<b>19,300</b>	58,300	<b>111,684</b>	111,684
Written off	-	(39,000)	<b>(19,508)</b>	-
At end of financial year	<b>19,300</b>	19,300	<b>92,176</b>	111,684

Other receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties or recoverability is remote. These receivables are not secured by any collateral or credit enhancements.

- (i) Information on financial risks of trade and other receivables is disclosed in Note 34 to the financial statements.

**14. CONTRACT ASSETS/(LIABILITIES)**

	Group	
	2025 RM	2024 RM
At beginning of financial year	<b>(435,208)</b>	(8,469,586)
Revenue recognised during the financial year	<b>298,289,299</b>	31,450,363
Progress billings	<b>(314,145,813)</b>	(23,415,985)
At end of financial year	<b>(16,291,722)</b>	(435,208)
Represented by:		
Contract assets	<b>5,832,789</b>	2,001
Contract liabilities	<b>(22,124,511)</b>	(437,209)
	<b>(16,291,722)</b>	(435,208)

- (a) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group	
	2025 RM	2024 RM
Within 1 year	<b>85,453,015</b>	16,236,453

- (b) No expected credit loss is recognised arising from contract assets as it is negligible.

## 15. OTHER INVESTMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Fair value through profit or loss</b>				
<b>Current asset</b>				
Money market fund	19,517,314	17,519,294	876,607	17,515,115
	19,517,314	17,519,294	876,607	17,515,115

- (a) Money market fund represents investments in highly liquid Islamic money market instruments, which are readily convertible to know amounts of cash and are subject to an insignificant risk of changes in value.
- (b) Other investments are denominated in Ringgit Malaysia ("RM").
- (c) Information on the fair value hierarchy is disclosed in Note 33(d) to the financial statements.
- (d) Information on financial risks of other investments is disclosed in Note 34 to the financial statements.

## 16. CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	23,189,048	24,641,709	6,051,948	10,523,924
Deposits with licensed banks	7,320,551	747,532	-	-
	30,509,599	25,389,241	6,051,948	10,523,924

- (a) Deposits with licensed banks of the Group have maturity period of one (1) month (2024: one (1) month).
- (b) Included in fixed deposits with licensed banks of the Group is an amount of RM7,320,551 (2024: RM747,532) pledged to financial institutions as security for credit facilities granted to certain subsidiaries of the Company as disclosed in Note 22 to the financial statements.
- (c) Cash and bank balances are denominated in Ringgit Malaysia ("RM").

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**16. CASH AND BANK BALANCES (continued)**

- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	23,189,048	24,641,709	6,051,948	10,523,924
Deposits with licensed banks	7,320,551	747,532	-	-
	30,509,599	25,389,241	6,051,948	10,523,924
Less:				
Deposits pledged to licensed banks	(7,320,551)	(747,532)	-	-
	23,189,048	24,641,709	6,051,948	10,523,924

- (e) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions is negligible.
- (f) Information on financial risks of cash and bank balances is disclosed in Note 34 to the financial statements.

**17. SHARE CAPITAL**

	Group and Company			
	2025 Number of shares	2025 RM	2024 Number of shares	2024 RM
<b>Issued and fully paid up ordinary shares with no par value</b>				
At beginning/end of financial year	746,623,332	259,224,659	746,623,332	259,224,659

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

**18. BORROWINGS**

	Group	
	2025 RM	2024 RM
<b>Non-current liability</b>		
Term loans	282,634,943	139,453,304
<b>Current liability</b>		
Term loans	12,284,179	1,750,000
	294,919,122	141,203,304

## 18. BORROWINGS (continued)

- (a) Borrowings are denominated in Ringgit Malaysia ("RM").
- (b) Term loans of the Group are secured by:
- (i) Legal charges over the Group's certain investment properties and inventories as disclosed in Note 9 and Note 12 to the financial statements;
  - (ii) Corporate guarantee by the Company; and
  - (iii) Joint and several guarantee by certain directors.
- (c) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 34 to the financial statements.

## 19. DEFERRED TAX LIABILITIES

- (a) The deferred tax liabilities are made up of the following:

	Group	
	2025 RM	2024 RM
At beginning of financial year	5,306,886	4,993,737
Recognised in profit or loss (Note 27)	(1,591,618)	313,149
At end of financial year (presented after appropriate offsetting)	3,715,268	5,306,886

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group	Property, Plant and equipment and investment properties RM	Other temporary differences RM	Total RM
At 1 April 2024	5,350,059	(43,173)	5,306,886
Recognised in profit or loss	270,225	(1,861,843)	(1,591,618)
At 31 March 2025	5,620,284	(1,905,016)	3,715,268
At 1 April 2023	5,184,530	(190,793)	4,993,737
Recognised in profit or loss	165,529	147,620	313,149
At 31 March 2024	5,350,059	(43,173)	5,306,886

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**19. DEFERRED TAX LIABILITIES (continued)**

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unused tax losses				
- Expires by 31 March 2033	-	711,000	-	-
- Expires by 31 March 2034	<b>163,000</b>	2,043,000	-	-
Unabsorbed capital allowances				
- No expiry date	-	5,000	-	-
	<b>163,000</b>	2,759,000	-	-

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the tax authority.

**20. TRADE AND OTHER PAYABLES**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Trade payables</b>				
Third parties	<b>20,067,428</b>	8,299,557	-	-
<b>Other payables</b>				
Other payables	<b>601,079</b>	553,410	<b>58,919</b>	67,976
Amount owing to related parties	<b>10,912</b>	20,301	<b>10,912</b>	17,676
Amount owing to a subsidiary	-	-	<b>53,766,335</b>	-
Accruals	<b>12,040,820</b>	11,674,857	<b>918,200</b>	48,200
Deposits	<b>2,700,009</b>	2,564,459	-	-
Earnest deposit from purchasers	<b>530,000</b>	268,290	-	-
	<b>15,882,820</b>	15,081,317	<b>54,754,366</b>	133,852
	<b>35,950,248</b>	23,380,874	<b>54,754,366</b>	133,852

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group is 30 days (2024: 30 days).
- (b) Amount owing to related parties and a subsidiary are unsecured, interest-free and payable upon demand.
- (c) Included in trade payables of the Group are retention sums of RM12,622,308 (2024: RM5,179,144).



# NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2025

## 20. TRADE AND OTHER PAYABLES (continued)

- (d) Included in deposits of the Group is an amount of RM1,500,000 (2024: RM1,500,000) advance conditional tenancy deposit received in relation to investment properties under construction of Group as disclosed in Note 9 to the financial statements.
- (e) Trade and other payables are denominated in Ringgit Malaysia ("RM").
- (f) Information on financial risks of trade and other payables is disclosed in Note 34 to the financial statements.

## 21. COMMITMENTS

	Group 2025 RM	2024 RM
(i) <b>Capital commitment</b>		
Capital expenditure in respect of property, plant and equipment and investment property under construction	74,524,061	59,864,389
(ii) <b>Commitment</b>		
Contracted but not provided for land acquisition	30,985,051	144,694,709

## 22. CONTINGENT LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Secured</u>				
Bank guarantees for third parties				
- Limit of guarantee	271,000	271,000	-	-
- Amount utilised	70,000	155,190	-	-

Bank guarantees for third parties are secured by deposits placed with licensed banks.

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**23. REVENUE**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Revenue from contracts with customers</b>				
<b>Recognised over time:</b>				
Property development	298,289,299	29,697,335	-	-
Construction contracts	-	1,753,028	-	-
	298,289,299	31,450,363	-	-
<b>Recognised at point in time:</b>				
Sales of completed properties	7,866,566	18,979,542	-	-
<b>Others</b>				
Distribution income from other investments	21,243	224,915	21,243	171,121
Interest income	79,814	314,980	79,814	314,142
Management fees	-	-	12,708,983	9,759,461
	101,057	539,895	12,810,040	10,244,724
	306,256,922	50,969,800	12,810,040	10,244,724

Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclosed in Note 32 to the financial statements.

**24. COST OF SALES**

	Group	
	2025 RM	2024 RM
Property development	145,174,069	21,225,754
Construction contracts	-	1,693,447
Sales of completed properties	5,941,432	14,999,236
	151,115,501	37,918,437

# NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2025

## 25. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Interest expenses on:</b>				
- lease interest expense	156,323	92,119	55,936	84,730
- term loans	12,091,293	4,248,257	-	-
- unwinding interest	2,877,739	975,548	-	-
	15,125,355	5,315,924	55,936	84,730
Less: Amount capitalised in cost of qualifying assets	(9,468,414)	(4,248,257)	-	-
	5,656,941	1,067,667	55,936	84,730

## 26. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>After charging:</b>				
Auditors' remuneration				
- Statutory audit	150,000	124,300	65,000	60,000
- Non-statutory audit	65,700	5,700	65,700	5,700
<b>And crediting:</b>				
Other income inclusive:				
- Fair value gain on other investments	(1,062,024)	(101,483)	(7,885)	(101,436)
- Fair value gain on investment properties	(2,700,000)	(1,655,289)	-	-
- Interest income	(1,230,263)	(48,168)	-	-
- Gain on disposal of other investment	(609,501)	(763,657)	(132,364)	(563,227)

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**27. TAX EXPENSE**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on profit for the financial year:				
- current year	<b>36,432,767</b>	1,818,944	<b>299,280</b>	203,071
- over provision in prior years	<b>(330,231)</b>	(51,747)	<b>(107,282)</b>	(21,714)
	<b>36,102,536</b>	1,767,197	<b>191,998</b>	181,357
Deferred tax (Note 19)				
- relating to origination and reversal of temporary differences	<b>(1,591,618)</b>	313,149	-	-
	<b>34,510,918</b>	2,080,346	<b>191,998</b>	181,357

- (a) The Malaysian income tax is calculated at the statutory rate of 24% (2024: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliation between the taxation and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	<b>140,152,120</b>	837,857	<b>677,108</b>	1,489,697
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	<b>33,636,509</b>	201,086	<b>162,506</b>	357,527
Tax effects in respect of:				
Non-allowable expenses	<b>2,741,296</b>	2,159,034	<b>203,287</b>	276,397
Non-taxable income	<b>(913,616)</b>	(471,627)	<b>(66,513)</b>	(174,533)
Deferred tax assets not recognised	-	243,600	-	-
Utilisation of previously unrecognised deferred tax assets	<b>(623,040)</b>	-	-	(256,320)
	<b>34,841,149</b>	2,132,093	<b>299,280</b>	203,071
Over provision of current tax in prior years	<b>(330,231)</b>	(51,747)	<b>(107,282)</b>	(21,714)
	<b>34,510,918</b>	2,080,346	<b>191,998</b>	181,357

**28. EARNINGS PER ORDINARY SHARE****(a) Basic**

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2025	2024
Profit/(loss) attributable to equity holders of the parent ("RM")	<b>105,623,735</b>	(1,239,669)
Weighted average number of ordinary shares in issue	<b>746,623,332</b>	746,623,332
Basic earnings/(loss) per ordinary share (sen)	<b>14.15</b>	(0.17)

**(b) Diluted**

Diluted earnings per ordinary share for the current and previous financial years is equal to the basic earnings per ordinary share for the respective financial year as there were no outstanding dilutive potential ordinary shares at the end of each reporting period.

**29. EMPLOYEE BENEFITS**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, allowances and bonuses	<b>8,066,487</b>	6,075,429	<b>7,604,083</b>	5,792,657
Defined contribution plan	<b>934,703</b>	702,936	<b>885,722</b>	668,873
Other employee benefits	<b>176,740</b>	97,144	<b>167,254</b>	90,583
	<b>9,177,930</b>	6,875,509	<b>8,657,059</b>	6,552,113

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration of RM2,985,354 (2024: RM2,134,681).



NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**30. DIRECTORS' REMUNERATION**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive Directors of the Company:				
- Other emoluments	<b>2,985,354</b>	2,134,681	<b>2,985,354</b>	2,134,681
Estimated money value of benefits-in-kind	<b>37,268</b>	52,310	<b>37,268</b>	52,310
	<b>3,022,622</b>	2,186,991	<b>3,022,622</b>	2,186,991
Executive Directors of the subsidiaries:				
- Fees	<b>57,000</b>	66,000	-	-
Total Executive Directors' remuneration	<b>3,079,622</b>	2,252,991	<b>3,022,622</b>	2,186,991
Non-executive Directors of the Company:				
- Fees	<b>282,000</b>	258,000	<b>282,000</b>	258,000
- Other emoluments	<b>18,500</b>	12,000	<b>18,500</b>	12,000
	<b>300,500</b>	270,000	<b>300,500</b>	270,000
Total Directors' remuneration including benefits-in-kind	<b>3,380,122</b>	2,522,991	<b>3,323,122</b>	2,456,991

**31. RELATED PARTY DISCLOSURES**

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Company has controlling related party relationships with its direct and indirect subsidiaries.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 11 to the financial statements;
- (ii) Key management personnel, which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling activities of the Group directly or indirectly; and
- (iii) Affiliates, companies in which certain Directors who are also the substantial shareholders of the Company have substantial shareholdings interest.

## 31. RELATED PARTY DISCLOSURES (continued)

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Management fee income received from subsidiaries				
- PGBG Construction Sdn. Bhd.	-	-	(3,276,501)	(4,823,423)
- Paragon Bizhub Sdn. Bhd.	-	-	(1,653,310)	(4,636,039)
- Bultech Acres Sdn. Bhd.	-	-	(60,000)	(60,000)
- Paragon Business Hub Sdn. Bhd.	-	-	(7,394,172)	(60,000)
- Paragon Globe Properties Sdn. Bhd.	-	-	(60,000)	(60,000)
- Paragon Platinum Sdn. Bhd.	-	-	(60,000)	(60,000)
- Sepang Medicity Sdn. Bhd.	-	-	(25,000)	(60,000)
- PGB Innovation Sdn. Bhd. (formerly known as Paragon Workers Hostel Sdn. Bhd.)	-	-	(60,000)	-
- PGB Iconic Sdn. Bhd.	-	-	(60,000)	-
- PGB Landmark Sdn. Bhd.	-	-	(60,000)	-
Lease payments paid to related parties				
- Castle Inn Realty Sdn. Bhd.	600,924	600,924	600,924	600,924
- T & T Enterprise Sdn. Bhd.	284,980	-	-	-
Lease payments to a Director	167,760	167,760	167,760	167,760
Progress billings received from related parties				
- Profit Streams Sdn. Bhd.	-	(2,283,441)	-	-
Administration expenses paid to related parties				
- Hotel Grand Paragon Sdn. Bhd.	110,163	93,383	109,853	62,624
- Mandarin Empire Sdn. Bhd.	227,794	170,246	227,794	170,246

The related party transactions described above were carried out on mutually agreed and negotiated terms.

Material balances with related parties as at the end of the reporting year are disclosed in Notes 13 and 20 to the financial statements.

### 31. RELATED PARTY DISCLOSURES (continued)

#### (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and any other members of key management personnel of the Group and the Company.

The remuneration of key management personnel during the financial year was as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' remuneration including estimated money value of benefits-in-kind (Note 30)	<b>3,380,122</b>	2,522,991	<b>3,323,122</b>	2,456,991
Other key management personnel's remuneration	<b>1,211,960</b>	970,499	<b>1,211,960</b>	970,499
	<b>4,592,082</b>	3,493,490	<b>4,535,082</b>	3,427,490

### 32. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (i) Investments segment which is investment holding;
- (ii) Property development segment which is in the business of trading and development of properties; and
- (iii) Construction segment which is in the business of construction of buildings, roads and railways and other specialised construction activities.

Management monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain respect as explained in the table below, it is measured differently from operating profit in the consolidated financial statements.

Inter-segment revenue is carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties and is eliminated on the consolidated financial statements. These policies have been applied constantly throughout the current and previous financial years.

Segment assets include tax assets and segment liabilities include tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors.

All the assets and capital expenditure of the Group are located within Malaysia.

#### Major customers

The Group does not have significant reliance on a single major customer, with whom the Group transacted ten (10) percent or more of its revenue during the financial year and previous financial year.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2025

## 32. OPERATING SEGMENTS (continued)

	Investments RM	Property development RM	Construction RM	Elimination RM	Total RM
<b>2025</b>					
External customers	101,057	306,155,865	-	-	306,256,922
Inter-segment revenue	12,708,983	-	102,292,870	(115,001,853)	-
<b>Total revenue</b>	<b>12,810,040</b>	<b>306,155,865</b>	<b>102,292,870</b>	<b>(115,001,853)</b>	<b>306,256,922</b>
Interest income	994	1,229,269	-	-	1,230,263
Finance costs	(55,936)	(5,601,005)	-	-	(5,656,941)
<b>Net finance expense</b>	<b>(54,942)</b>	<b>(4,371,736)</b>	<b>-</b>	<b>-</b>	<b>(4,426,678)</b>
<b>Other non-cash items:</b>					
Amortisation of intangible assets	-	(2,874)	-	-	(2,874)
Depreciation of:					
- property, plant and equipment	(51,986)	(15,044)	(4,656)	-	(71,686)
- right-of-use assets	(810,564)	(320,039)	-	-	(1,130,603)
Fair value gain on:					
- other investments	7,885	1,054,139	-	-	1,062,024
- investment properties	2,000,000	700,000	-	-	2,700,000
Gain on remeasurement of lease	18,875	-	-	-	18,875
Property, plant and equipment written off	(8)	-	-	-	(8)
<b>Segment profit before taxation</b>	<b>2,416,135</b>	<b>147,956,070</b>	<b>2,583,843</b>	<b>(12,803,928)</b>	<b>140,152,120</b>
Additions to non-current assets:					
- intangible assets	52,500	-	-	-	52,500
- investment properties	44,579,250	24,683,115	-	702,458	69,964,823
- land held for property development	-	148,216,087	-	-	148,216,087
- property, plant and equipment	103,671	5,016,673	9,519	(378,592)	4,751,271
- right-of-use assets	2,767,553	4,240,211	-	-	7,007,764
- investment in subsidiaries	6,750,000	-	-	(6,750,000)	-
<b>Segment assets</b>	<b>499,377,544</b>	<b>669,782,731</b>	<b>50,452,235</b>	<b>(438,969,435)</b>	<b>780,643,075</b>
<b>Segment liabilities</b>	<b>154,087,210</b>	<b>467,928,061</b>	<b>47,128,721</b>	<b>(292,731,123)</b>	<b>376,412,869</b>

NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**32. OPERATING SEGMENTS (continued)**

	Investments RM	Property development RM	Construction RM	Elimination RM	Total RM
<b>2024</b>					
External customers	485,263	48,731,509	1,753,028	-	50,969,800
Inter-segment revenue	9,759,461	-	49,406,604	(59,166,065)	-
<b>Total revenue</b>	<b>10,244,724</b>	<b>48,731,509</b>	<b>51,159,632</b>	<b>(59,166,065)</b>	<b>50,969,800</b>
Interest income	2,669	45,499	-	-	48,168
Finance costs	(84,730)	(982,937)	-	-	(1,067,667)
Net finance expense	(82,061)	(937,438)	-	-	(1,019,499)
<b>Other non-cash items:</b>					
Amortisation of intangible assets	(32,999)	(2,874)	-	-	(35,873)
Depreciation of:					
- property, plant and equipment	(45,502)	(17,238)	(3,973)	-	(66,713)
- right-of-use assets	(759,184)	(88,252)	-	-	(847,436)
Fair value gain on:					
- other investments	101,436	47	-	-	101,483
- investment properties	-	1,655,289	-	-	1,655,289
Gain on termination of lease	24,144	60,718	-	-	84,862
<b>Segment profit/(loss) before taxation</b>	<b>1,186,671</b>	<b>3,607,139</b>	<b>(2,060,341)</b>	<b>(1,895,612)</b>	<b>837,857</b>
Additions to non-current assets:					
- investment properties	33,752,483	22,720,110	-	(1,183,385)	55,289,208
- land held for property development	-	47,715,635	-	-	47,715,635
- property, plant and equipment	33,063	-	-	-	33,063
- right-of-use assets	858,316	270,266	-	-	1,128,582
- investment in subsidiaries	7,499,998	-	-	(7,499,998)	-
<b>Segment assets</b>	<b>394,084,532</b>	<b>331,796,060</b>	<b>25,201,429</b>	<b>(280,613,092)</b>	<b>470,468,929</b>
<b>Segment liabilities</b>	<b>50,817,692</b>	<b>246,917,340</b>	<b>26,211,758</b>	<b>(152,066,865)</b>	<b>171,879,925</b>



**33. FINANCIAL INSTRUMENTS****(a) Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using gearing ratio. The gearing ratio as of the end of the reporting period are as following:

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Borrowings (excluding lease liabilities)	18	294,919,122	141,203,304	-	-
Equity attributable to owners of the Company		403,714,629	298,090,894	284,047,979	283,562,869
Gearing ratio (times)		0.73	0.47	-	-

**(b) Financial instruments**Categories of financial instruments

Group	2025 RM	2024 RM
<b>Financial assets</b>		
<b>Fair value through profit or loss</b>		
Other investments	19,517,314	17,519,294
<b>Amortised cost</b>		
Trade and other receivables, net of prepayments	34,097,926	23,386,629
Cash and bank balances	30,509,599	25,389,241
	64,607,525	48,775,870
	84,124,839	66,295,164
<b>Financial liabilities</b>		
<b>Amortised cost</b>		
Trade and other payables	35,950,248	23,380,874
Borrowings	294,919,122	141,203,304
	330,869,370	164,584,178

### 33. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial instruments (continued)

##### Categories of financial instruments (continued)

Company	2025 RM	2024 RM
<b>Financial assets</b>		
<b>Fair value through profit or loss</b>		
Other investments	876,607	17,515,115
<b>Amortised cost</b>		
Trade and other receivables, net of prepayments	198,354,625	129,678,256
Cash and bank balances	6,051,948	10,523,924
	204,406,573	140,202,180
	205,283,180	157,717,295
<b>Financial liabilities</b>		
<b>Amortised cost</b>		
Trade and other payables	54,754,366	133,852
	54,754,366	133,852

#### (c) Methods and assumptions used to estimate fair value

The fair value of financial assets and financial liabilities are determined as follows:

- Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and floating rate borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

- Money market fund

Unquoted short term money market funds of the Group and of the Company is highly liquid, readily convertible to cash and are subject to insignificant risk of changes in value. The fair value is determined by reference to the counter party quotes at the close of the business at the end of the reporting period.

- Financial guarantees

The Group and the Company provides corporate guarantees to licensed banks for banking facilities granted to subsidiaries and financial guarantees to third parties for supply of services to subsidiaries. The financial guarantees have not been recognised since the fair value on initial recognition was not material in view of the securities pledged by the subsidiaries as disclosed in Note 18 and Note 22 to the financial statements.

**33. FINANCIAL INSTRUMENTS (continued)****(d) Fair value hierarchy**

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table set out the financial instruments carried at fair value, together with their fair value and carrying amount shown in the statements of financial position:

	Fair value of financial instruments carried at fair value			Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2025</b>					
<b>Group</b>					
<b>Fair value through profit or loss</b>					
Other investments	-	19,517,314	-	19,517,314	19,517,314
<b>Company</b>					
<b>Fair value through profit or loss</b>					
Other investments	-	876,607	-	876,607	876,607
<b>2024</b>					
<b>Group</b>					
<b>Fair value through profit or loss</b>					
Other investments	-	17,519,294	-	17,519,294	17,519,294
<b>Company</b>					
<b>Fair value through profit or loss</b>					
Other investments	-	17,515,115	-	17,515,115	17,515,115

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk as well as market price risk. Information on the management of the related exposures is detailed below.

#### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk

Cash deposits and receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group extends credit to its customers based upon evaluation of the customer's creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. If necessary, the Group may obtain collaterals/assignments as a mean of mitigating the risk of default.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The maximum exposure to credit risk in relation to financial guarantee contracts provided to the secured loans of the subsidiary representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

Recognition and measurement of impairment loss of financial guarantee contracts

The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiary deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- (a) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- (b) the subsidiary is continuously loss making and are having a deficit shareholder's fund.

The Company determines the probability of default of the subsidiary using internal information available.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment where the Directors regard the fair values of the credit enhancement provided by the corporate guarantees as negligible. The Directors are of the view that the likelihood of the financial institutions calling upon the corporate guarantees is remote.

No impairment loss is recognised arising from the financial guarantees as it is negligible.

Information regarding credit exposure for trade and other receivables is disclosed in Note 13 to the financial statements.

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by identifying and monitoring any significant long outstanding balance owing by any major customer or counter party on an on-going basis.

The Group and the Company do not have any significant concentration of credit risk as at the end of the reporting period except for the amounts owing by subsidiaries of the Company.

As of the end of the reporting period, the Company's maximum exposure to credit risk represented by corporate guarantee provided to banks for banking facilities granted to its subsidiaries is disclosed in Note 18 and Note 22 to the financial statements.

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(b) Liquidity and cash flow risk**

Liquidity risk is the risk that the Group is unable to service its cash obligations in the future. To mitigate this risk, the management measures and forecasts its cash commitments, monitors and maintain a level of cash and cash equivalents and credit facilities deemed adequate to finance the Group's operations and development activities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year	One to five years	Over five years	Total
	RM	RM	RM	RM
<b>As at 31 March 2025</b>				
<b>Financial liabilities</b>				
<b>Group</b>				
Trade and other payables	35,950,248	-	-	35,950,248
Lease liabilities	1,860,036	5,492,577	569,960	7,922,573
Financial guarantee*	271,000	-	-	271,000
Borrowings	26,772,628	206,021,132	195,795,392	428,589,152
Total undiscounted financial liabilities	64,853,912	211,513,709	195,365,352	472,732,973
<b>Company</b>				
Trade and other payables	54,754,366	-	-	54,754,366
Lease liabilities	939,756	1,974,172	-	2,913,928
Financial guarantee*	520,625,000	-	-	520,625,000
Total undiscounted financial liabilities	576,319,122	1,974,172	-	578,293,294
<b>As at 31 March 2024</b>				
<b>Financial liabilities</b>				
<b>Group</b>				
Trade and other payables	23,380,874	-	-	23,380,874
Lease liabilities	910,236	752,659	-	1,662,895
Financial guarantee*	271,000	-	-	271,000
Borrowings	9,234,764	92,378,927	81,165,682	182,779,373
Total undiscounted financial liabilities	33,796,874	93,131,586	81,165,682	208,094,142
<b>Company</b>				
Trade and other payables	133,852	-	-	133,852
Lease liabilities	822,396	591,493	-	1,413,889
Financial guarantee*	141,203,304	-	-	141,203,304
Total undiscounted financial liabilities	142,159,552	591,493	-	142,751,045

\*This disclosure represents the maximum liquidity risk exposure.



NOTES TO THE **FINANCIAL STATEMENTS (continued)**  
31 March 2025

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates. The exposures to market risk of the Group and of the Company for changes in interest rates relates primarily to the deposits placed with licensed banks and interest bearing borrowings of the Group and of the Company. The Group and the Company does not use derivative financial instruments to hedge this risk.

The following table sets out the carrying amounts, the weighted average effective interest rates and incremental borrowing rates as at the end of reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rate / incremental borrowing rate %	On demand or within one year RM	One to two years RM	Two to five years RM	Over five years RM	Total RM
<b>31 March 2025</b>							
<b>Fixed rates</b>							
Deposits with licensed banks	16	2.10	7,320,551	-	-	-	7,320,551
<b>Floating rate</b>							
Borrowings	18	6.07	12,284,179	23,899,638	116,099,537	142,635,768	294,919,122
<b>31 March 2024</b>							
<b>Fixed rates</b>							
Deposits with licensed banks	16	2.50	252,532	-	-	-	252,532
<b>Floating rate</b>							
Borrowings	18	5.95	1,750,000	9,734,416	67,937,558	61,781,330	141,203,304

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by one hundred (100) basis points with all other variables held constant:

	Group	
	2025 RM	2024 RM
Profit after tax and equity		
- Increase by 1% (2024: 1%)	(2,241,385)	(1,073,145)
- Decrease by 1% (2024: 1%)	2,241,385	1,073,145

The sensitivity for the Group is higher in 2025 than in 2024 because of the increase in outstanding borrowings during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)****(d) Market price risk**

Market price risk is the risk that the fair value of future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market prices.

The Group and the Company is exposed to market price risks arising from other investments held by the Group and the Company. The maximum exposure of the Group and the Company to price risk is represented by the total carrying amount of the other investments recognised in the statements of financial position as disclosed in Note 15 to the financial statements. There has been no change to the exposure of the Group and of the Company to market risk or the manner in which the risk is managed and measured.

Sensitivity analysis for market price risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if market value at the end of each reporting period changed by one hundred (100) basis points with all other variables held constant:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit after tax and equity				
- Increase by 1% (2024: 1%)	<b>(148,332)</b>	(133,147)	<b>(6,662)</b>	(133,115)
- Decrease by 1% (2024: 1%)	<b>148,332</b>	133,147	<b>6,662</b>	133,115

**35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

- (a) On 3 November 2023, PGB Iconic Sdn. Bhd. ("PISB") had entered into a Sales and Purchase Agreement ("SPA") with a third party to acquire a piece of freehold land located in Bandar Johor Bahru, Johor Bahru for total purchase consideration of RM16,538,120. On 22 April 2024, the SPA has been completed pursuant to the terms of the SPA and recognised as land held for property development.
- (b) On 17 November 2023, PGB Landmark Sdn. Bhd. ("PLSB") had entered into eight (8) SPAs with third parties to acquire seven (7) pieces of freehold land located in Mukim of Tanjung Kupang, Johor Bahru and one (1) piece of freehold land located in Mukim of Pulai, Johor Bahru for a total purchase consideration of RM146,071,898.

During the current financial year, six (6) out of eight (8) SPAs were completed pursuant to the terms of the SPAs and recognised as land held for property development. The remaining two (2) SPAs have not been completed as at the date of this report and RM3,442,783 paid in relation to these SPAs continues to be recognised as deposits as disclosed in Note 13 to the financial statements.

- (c) On 3 April 2024, Paragon Business Hub Sdn. Bhd. ("PBHSB") had entered into a SPA with a third party to acquire a piece of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM13,500,000. On 2 July 2024, the SPA has been completed pursuant to the terms of the SPA and recognised as property development costs.
- (d) On 8 May 2024, PBHSB had entered into a SPA with a third party for the proposed disposal part of the freehold land located in Mukim of Plentong, Johor Bahru, measuring approximately 47.86 acres for a cash consideration of RM238,317,196. The SPA is yet to be completed as at the reporting date.
- (e) On 30 May 2024, PBHSB had entered into a SPA with a third party to acquire a piece of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM28,563,133. On 31 December 2024, the SPA has been completed pursuant to the terms of the SPA and recognised as property development costs.
- (f) On 29 July 2024, PBHSB had entered into a SPA with a third party to acquire two (2) pieces of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM34,957,134. On 20 January 2025, the SPA has been completed pursuant to the terms of the SPA and recognised a property development costs.
- (g) On 2 August 2024, PBHSB had entered into a SPA with a third party for the proposed disposal part of the freehold land located in Mukim of Plentong, Johor Bahru, measuring approximately 19.759 acres for a cash consideration of RM98,980,735. The SPA is yet to be completed as at the reporting date.
- (h) On 14 August 2024, PGB Desa Heights Sdn. Bhd. ("PDHSB") had entered into a Development Rights Agreement ("DRA") with a third party. The amount of RM15,368,704 paid in relation to the DRA has been recognised as deposits as disclosed in Note 13 to the financial statements.
- (i) On 12 November 2024, Paragon Globe Properties Sdn. Bhd. ("PGPSB") had entered into three (3) DRAs with a third party. The amount of RM10,159,673 paid in relation to the DRAs has been recognised as deposits as disclosed in Note 13 to the financial statements.
- (j) On 16 April 2025, PLSB had entered into a SPA with a third party for the proposed disposal of part of a parcel of freehold land located in Mukim of Tanjung Kupang, Johor Bahru, measuring approximately 3.531 acres for a cash consideration of RM19,226,295. The SPA is yet to be completed as at the reporting date.
- (k) On 6 June 2025, the Company subscribed 51 ordinary shares in a newly incorporated company, namely PGB Parkland Sdn. Bhd. ("PPASB") for a total consideration of RM51. Subsequent to the subscription, the Company owns 51% of PPASB.





# ADDITIONAL INFORMATION

---

Analysis of Shareholdings	251
List of Group Properties	254
Notice of Annual General Meeting	257
Form of Proxy	264

# ANALYSIS OF SHAREHOLDINGS

As at 1 July 2025

## A. SHARE CAPITAL

Total number of issued shares : 746,623,332  
 Class of shares : Ordinary shares  
 Voting rights : One vote for each ordinary share held

## B. ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Issued Shares	%
Less than 100	97	6.567	1,718	0.000
100 to 1,000	339	22.952	186,468	0.025
1,001 to 10,000	536	36.290	2,432,321	0.326
10,001 to 100,000	338	22.885	12,552,125	1.681
100,001 to less than 5% of issued shares	165	11.171	307,402,600	41.172
5% and above of issued shares	2	0.135	424,048,100	56.796
<b>Total</b>	<b>1,477</b>	<b>100.000</b>	<b>746,623,332</b>	<b>100.000</b>

## C. TOP THIRTY (30) LARGEST SHAREHOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Registered Holder)

No.	Name of Shareholders	No. of Issued Shares	%
1.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Paragon Adventure Sdn. Bhd.	224,000,000	30.001
2.	Paragon Adventure Sdn. Bhd.	200,048,100	26.793
3.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for Bank Julius Baer & Co. Ltd.	37,023,200	4.958
4.	Ganda Sensasi Sdn. Bhd.	32,714,700	4.381
5.	Indobonus Sdn. Bhd.	31,356,400	4.199
6.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Private Wealth Management for Tan Wei Lun	16,000,000	2.142
7.	HSBC Nominees (Asing) Sdn. Bhd. J.P. Morgan Securities PLC	14,302,800	1.915
8.	Tan Wee Hiong	10,316,200	1.381
9.	Tai Hao Man	9,284,600	1.243
10.	Tan Eng Choon	7,254,400	0.971
11.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for JT Conglomerate Sdn. Bhd.	7,194,100	0.963



## ANALYSIS OF SHAREHOLDINGS

As At 1 July 2025

No.	Name of Shareholders	No. of Issued Shares	%
12.	Tan Eng Boon	6,972,300	0.933
13.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Sim Keng Chor	6,814,500	0.912
14.	CitiGroup Nominees (Tempatan) Sdn. Bhd. Exempt AN for OCBC Securities Private Limited	6,000,000	0.803
15.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sim Keng Chor	5,815,100	0.778
16.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kak Seng	5,389,900	0.721
17.	M & A Nominee (Tempatan) Sdn. Bhd. Pledged Securities Account for Selvakumar A/L Shanmugam Chetty	5,258,800	0.704
18.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Simson Sim Xian Zhi	4,929,000	0.660
19.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kak Seng	4,332,400	0.580
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Private Wealth Management for Tan Sing Chia	3,202,900	0.428
21.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Nomis Sim Siang Leng	3,100,000	0.415
22.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Simson Sim Xian Zhi	2,987,500	0.400
23.	Lee Chiew	2,755,200	0.369
24.	Law Wei Hong	2,700,000	0.361
25.	Lim Yong Hiang	2,661,200	0.356
26.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Cheen Yau	2,639,200	0.353
27.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Agrobulk Holdings Sdn. Bhd.	2,552,400	0.341
28.	Sim Keng Chor	2,525,500	0.338
29.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Seah Ley Hong	2,500,000	0.334
30.	Sham Ju Heng	2,139,900	0.286
<b>Total</b>		<b>664,770,300</b>	<b>89.019</b>

## ANALYSIS OF SHAREHOLDINGS

As At 1 July 2025

### D. SUBSTANTIAL SHAREHOLDERS

According to the Register required to be kept under Section 144 of the Companies Act 2016, the substantial shareholders of the Company are as follows:

No.	Name of Shareholders	No. of Issued Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Paragon Adventure Sdn. Bhd.	424,048,100	56.794	-	-
2.	Dato' Sri Edwin Tan Pei Seng <sup>^</sup>	175,200	0.023	424,048,100	56.794
3.	Dato' Sri Godwin Tan Pei Poh <sup>^</sup>	8,000	0.001	424,048,100	56.794

### E. DIRECTORS' SHAREHOLDINGS

According to the Register required to be kept under Section 59 of the Companies Act 2016, the Directors' shareholdings of the Company are as follows:

No.	Name of Shareholders	No. of Issued Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Dato' Sri Edwin Tan Pei Seng <sup>^</sup>	175,200	0.023	424,048,100	56.794
2.	Dato' Sri Godwin Tan Pei Poh <sup>^</sup>	8,000	0.001	424,048,100	56.794
3.	Mdm. Leong Siew Foong	-	-	-	-
4.	Mr. Tee Boon Hin	-	-	-	-
5.	Dato' Haji Ismail Bin Karim	-	-	-	-
6.	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	-	-	-
7.	Dato' Jeffrey Lai Jiun Jye	-	-	-	-

Note:

<sup>^</sup> Deemed interest by virtue of his substantial interest in Paragon Adventure Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

# LIST OF GROUP PROPERTIES

As at 31 March 2025

No.	Company	Address	Description	Existing Use	Tenure / Approximate Age of Building	Net Book Value as at 31.03.2025 RM '000	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)
1.	Paragon Bizhub Sdn. Bhd.	HSD 15022 PTD 14294 Mukim Jeram Batu, District Pontian, Johor	Approx. 1.0 acres of land approved for a petrol station	Petrol Station	Freehold	13,500	2017 (A) / 2018 (C) / 2025 (R)
2.	Paragon Bizhub Sdn. Bhd.	HSD 14727 PTD 14003 Mukim Jeram Batu, District Pontian, Johor	Approx. 4.1 acres of hostel land	Development in progress	Freehold	27,707	2017 (A) / 2018 (C) / 2023 (R)
3.	Paragon Bizhub Sdn. Bhd.	GM 568 Lot 5036, Mukim Jeram Batu, District Pontian, Johor	Approx. 7.6 acres of vacant land	Vacant land	Freehold	11,805	2022 (A) & (C)
4.	Paragon Bizhub Sdn. Bhd.	HSD 16994 - 17041 PTD 16999 - 17046 Mukim Jeram Batu, District Pontian, Johor	Approx. 2.1 acres of 48 parcels of commercial land	Development in progress	Freehold	9,619	2017 (A) / 2018 (C)
5.	Paragon Bizhub Sdn. Bhd.	GRN 537530 - 537532 Lot 68977 - 68979 HSD 17089 - 17090 PTD 17316 - 17317 Mukim Jeram Batu, District Pontian, Johor	Approx. 6.3 acres of 5 parcels of industrial land	Development in progress	Freehold	20,666	2017 (A) / 2018 (C)
6.	Builtech Acres Sdn. Bhd.	GRN 96500 Lot 5244 Mukim Labu, District Sepang, Selangor	Approx. 7.1 acres of land approved for developments comprising medical centre	Development in progress	Freehold	114,582	2019 (R)
7.	Builtech Acres Sdn. Bhd.	GRN 335351 Lot 3509 Mukim Labu, District Sepang, Selangor	Approx. 19.6 acres of vacant land	Vacant land	Freehold	38,000	2025 (R)
8.	Paragon Globe Properties Sdn. Bhd.	HSD 609015 PTD 217872 Mukim Pulai, District Johor Bahru, Johor	Approx. 1.3 acres of vacant land	Vacant land	Freehold	2,686	2023 (A) & (C)

## LIST OF GROUP PROPERTIES

As at 31 March 2025

No.	Company	Address	Description	Existing Use	Tenure / Approximate Age of Building	Net Book Value as at 31.03.2025 RM '000	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)
9.	Paragon Globe Properties Sdn. Bhd.	HSD 609016 - 609017 PTD 217873 - 217874 Mukim Pulau, District Johor Bahru, Johor	Approx. 31.1 acres of vacant land	Vacant land	Freehold	70,361	2019 (A) / 2022 (C)
10.	Paragon Platinum Sdn. Bhd.	GM 950 Lot 282 Mukim Plentong, District Johor Bahru, Johor	Approx. 8.3 acres of vacant land	Vacant land	Freehold	15,335	2022 (A) / 2023 (C)
11.	Paragon Platinum Sdn. Bhd.	GM 439 Lot 283 Mukim Plentong, District Johor Bahru, Johor	Approx. 9.9 acres of land approved for detached factories	Development in progress	Freehold	23,808	2022 (A) / 2023 (C)
12.	Paragon Platinum Sdn. Bhd.	GM 880 Lot 85 Mukim Plentong, District Johor Bahru, Johor	Approx. 8.6 acres of vacant land	Vacant land	Freehold	14,631	2022 (A) / 2023 (C)
13.	Paragon Business Hub Sdn. Bhd.	GM 699 Lot 300 and GRN 80943 Lot 2699 Mukim Plentong, District Johor Bahru, Johor	Approx. 114.3 acres of vacant land	Development in progress	Freehold	39,922	2022 (A) / 2023 (C)
14.	Paragon Business Hub Sdn. Bhd.	GM 462 Lot 94 Mukim Plentong, District Johor Bahru, Johor	Approx. 9.4 acres of vacant land	Vacant land	Freehold	13,417	2024 (A) & (C)
15.	Paragon Business Hub Sdn. Bhd.	HSD 631308 PTD 250799 Mukim Plentong, District Johor Bahru, Johor	Approx. 14.9 acres of vacant land	Vacant land	Freehold	29,854	2024 (A) & (C)
16.	Paragon Business Hub Sdn. Bhd.	GM 757 Lot 90 and GM 1083 Lot 923 Mukim Plentong, District Johor Bahru, Johor	Approx. 19.3 acres of vacant land	Vacant land	Freehold	36,496	2024 (A) / 2025 (C)
17.	PGB Iconic Sdn. Bhd.	HSD 135013 PTB 17989 Township of Johor Bahru, District Johor Bahru, Johor	Approx. 1.3 acres of vacant land	Vacant land	Freehold	22,221	2023 (A) & 2024 (C)

## LIST OF GROUP PROPERTIES

As at 31 March 2025

No.	Company	Address	Description	Existing Use	Tenure / Approximate Age of Building	Net Book Value as at 31.03.2025 RM '000	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)
18.	PGB Iconic Sdn. Bhd.	GRN 85942 Lot 2942 and GRN 85947 Lot 2943 Township of Johor Bahru, District Johor Bahru, Johor	Approx. 1.4 acres of vacant land	Vacant land	Freehold	19,381	2023 (A) & (C)
19.	PGB Landmark Sdn. Bhd.	HSD 306832 PTD 2994 Mukim of Tanjung Kupang, District Johor Bahru, Johor	Approx. 6.0 acres of vacant land	Vacant land	Freehold	11,642	2023 (A) / 2024 (C)
20.	PGB Landmark Sdn. Bhd.	HSD 306833 PTD 2995 Mukim of Tanjung Kupang, District Johor Bahru, Johor	Approx. 11.1 acres of vacant land	Vacant land	Freehold	13,389	2023 (A) / 2024 (C)
21.	PGB Landmark Sdn. Bhd.	HSD 602455 PTD 5401 Mukim of Tanjung Kupang, District Johor Bahru, Johor	Approx. 9.5 acres of vacant land	Vacant land	Freehold	10,874	2023 (A) / 2024 (C)
22.	PGB Landmark Sdn. Bhd.	HSD 602898 PTD 5868 Mukim of Tanjung Kupang, District Johor Bahru, Johor	Approx. 55.8 acres of vacant land	Vacant land	Freehold	59,200	2023 (A) / 2024 (C)
23.	PGB Landmark Sdn. Bhd.	HSD 306839 PTD 3006 Mukim of Tanjung Kupang, District Johor Bahru, Johor	Approx. 12.0 acres of vacant land	Vacant land	Freehold	23,326	2023 (A) / 2024 (C)
24.	PGB Landmark Sdn. Bhd.	GRN 361960 Lot 132561 Mukim of Pulai, District Johor Bahru, Johor	Approx. 2.4 acres of vacant land	Vacant land	Freehold	3,011	2023 (A) / 2024 (C)

645,433



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Seventy-Eighth Annual General Meeting ("78<sup>th</sup> AGM") of the Company will be held at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru Johor, Malaysia on Tuesday, 2 September 2025 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following Ordinary Resolutions:

## AGENDA

### ORDINARY BUSINESS

- |  |  |
|--|--|
| 1. To lay before the meeting the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2025 together with the Reports of the Directors and Auditors thereon. | <b>Please refer<br/>Explanatory<br/>Note A</b> |
| <hr/>  |  |
| 2. To re-elect the following Directors who retire during the year in accordance with the Company's Constitution and being eligible, offer themselves for re-election:                                  |  |
| (a) Dato' Haji Ismail Bin Karim  | - Article 106 <b>RESOLUTION 1</b>              |
| (b) Dato' Jeffrey Lai Jiun Jye   | - Article 106 <b>RESOLUTION 2</b>              |
| (c) Leong Siew Foong   | - Article 106 <b>RESOLUTION 3</b>              |
| <hr/>  |  |
| 3. To approve the proposed payment of Non-Executive Directors' Fees totaling RM282,000 for the financial year ending 31 March 2026 in the following manner:  |  |
| (a) RM72,000 to Tee Boon Hin   | <b>RESOLUTION 4</b>                            |
| (b) RM72,000 to Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar  | <b>RESOLUTION 5</b>                            |
| (c) RM72,000 to Dato' Haji Ismail bin Karim  | <b>RESOLUTION 6</b>                            |
| (d) RM66,000 to Dato' Jeffrey Lai Jiun Jye   | <b>RESOLUTION 7</b>                            |
| <hr/>  |  |
| 4. To approve the payment of Non-Executive Directors' Allowances up to an amount of RM100,000 for the period from 2 September 2025 to the next AGM of the Company.                                     | <b>RESOLUTION 8</b>                            |
| <hr/>  |  |
| 5. To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.   | <b>RESOLUTION 9</b>                            |

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions: -

6. **RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75(1) AND 76(1) OF THE COMPANIES ACT 2016 ("RENEWAL MANDATE")** **RESOLUTION 10**

"**THAT** pursuant to Sections 75(1) and 76(1) of the Companies Act 2016 ("Act"), the Constitution of the Company and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion, deem fit, including in pursuance of offers, agreements, rights or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements, rights or options in respect of shares in the Company including those which would or might require shares in the Company to be issued after the expiration of the approval hereof provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) ["New Shares"] for the time being without first offering the New Shares to the holders of the existing shares and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities"), and that such authority conferred by this resolution shall commence upon passing this ordinary resolution and continue to be in force until the conclusion of the next AGM of the Company."

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** **RESOLUTION 11**

"**THAT** approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties mentioned under Section 2.4 of the Circular to Shareholders dated 30 July 2025 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are not more favourable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such approval shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company at which such Proposed Shareholders' Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the AGM whereby the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within the next AGM of the Company after the date it 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."

## NOTICE OF ANNUAL GENERAL MEETING

- 
8. To transact any other business appropriate to an AGM, due notice of which shall have been previously given in accordance with the Act and the Company's Constitution.
- 

### BY ORDER OF THE BOARD

**LEONG SIEW FOONG**  
**MAICSA No. 7007572 (CCM PC No.: 202008001117)**

**Company Secretary**

Johor Bahru  
30 July 2025

### Notes:

1. A member entitled to attend, participate, speak and vote at the 78<sup>th</sup> AGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote at the 78<sup>th</sup> AGM. Each member entitled to vote may vote in person or by proxy or by attorney or in case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place.
2. Where a member entitled to vote on a resolution has appointed more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Every member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the meeting of members and that such proxy need not be a member.
6. The Form of Proxy shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to submit proxy appointment electronically via TIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the 78<sup>th</sup> AGM for the electronic lodgement of Form of Proxy.
7. For the purpose of determining who shall be entitled to attend and vote at the meeting, the Company shall request the Record of Depositors as at 26 August 2025 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend and vote at this meeting and appoint proxy(ies).

ORDINARY BUSINESS

**Audited Financial Statements for financial year ended 31 March 2025 ("FY2025") - Explanatory Note A**

8. This Agenda item is meant for discussion only as the audited financial statements do not require formal approval of shareholders pursuant to Section 340(1)(a) of the Act. Hence, the matter will not be put for voting.

**Re-election of Directors who retire in accordance with Articles 106 of the Company's Constitution**

9. Article 106 of the Company's Constitution provides that one-third (1/3) or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. With the current Board size of seven (7), two (2) Directors are to retire in accordance with Article 106 of the Company's Constitution provided that all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election. The Company has also complied with the minimum requirement of Independent Directors, ie one-third (1/3) of its Board composition consists of Independent Directors. In the event of any vacancy in the Board of Directors, resulting in non-compliance of minimum Independent Director requirement, such vacancy must be filled within three (3) months.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 78<sup>th</sup> AGM, the Nomination Committee ("NC") has considered the following:

- (1) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities;
- (2) The level of independence demonstrated by each of the Non-Executive Directors ("NEDs"), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company; and
- (3) Fit and Proper Policy.

In line with the Malaysian Code on Corporate Governance ("MCCG"), the Board has conducted an assessment of independence of the NEDs and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The individual Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. In addition, the retiring Directors have been assessed and evaluated individually by the Board based on fit and proper criteria. Directors' conflict of interest or potential conflict of interest are disclosed in Audit Committee Report.

Premised on the annual assessment results, the individual Directors (including retiring Director) met the performance criteria required of the Company. Hence, the Board accepted the NC's recommendation that the Directors who retire in accordance with Article 106 of the Company's Constitution are eligible to stand for re-election at the relevant Board meeting. Retiring Directors had consented to their re-election, abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at Board meeting. Profiles of the retiring Directors are set out on pages 5 to 11 of the Company's Annual Report for the FY2025. In addition, the retiring Directors have satisfied the Company's Directors' Fit and Proper Policy. Retiring Directors will abstain from voting on the resolution in respect of their re-election at the 78<sup>th</sup> AGM.

# NOTICE OF ANNUAL GENERAL MEETING

## ORDINARY BUSINESS

### Directors' remuneration

10. Resolutions 4 to 8, pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Guidance 7.2 of Malaysian Code on Corporate Governance requires each and every Non-Executive Director's fee and benefit to be table individually in the forthcoming AGM. In this respect, the Board agreed that the shareholders' approval shall be sought at 78<sup>th</sup> AGM on the Directors remuneration in two (2) separate resolutions as below: -
- (a) Resolutions 4 to 7 on payment of Directors' fees in respect of the financial year ending 31 March 2026 ("FY2026"); and
  - (b) Resolution 8 on the payment of Directors' benefits from 78<sup>th</sup> AGM to the next AGM in 2026 ("Relevant Period").

### Directors' fees

11. The Board decided to maintain the NEDs' fees for FY2026 in view of the performance of the Company and the current global economy. The detailed NEDs' fees are contained in page 153 of Corporate Governance Overview Statement.

The payment of the NEDs' fees in respect FY2026 will only be made provided Resolutions 4 to 7 have been passed at 78<sup>th</sup> AGM.

### Directors' remuneration (excluding Directors' fees)

12. The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to NEDs. Benefits are to reimburse NEDs' travelling expenses to attend meetings of Company. In addition, benefits comprise meeting allowances that are payable to all the NEDs. Payment of benefits to the NEDs will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company of the Relevant Period, based on the proposed benefits, if the proposed Resolution 8 is passed at the forthcoming AGM.

The Board is of the view that it is just and equitable for the Directors to be paid the Directors' benefits (excluding Directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company in the respective financial year.

The total amount of benefits payable to NEDs is estimated to be up to RM100,000 for the Relevant Period after taking into account of several factors including the number of scheduled meetings to be held during the Relevant Period.

Based on the schedule of meetings held in FY2025, an amount of RM18,500 has been utilised to pay the benefits to the Directors.

NEDs who are shareholders of the Company will abstain from voting on Resolution 8 at the 78<sup>th</sup> AGM.



## ORDINARY BUSINESS

### Appointment of Auditors

13. Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs BDO PLT ("BDO"), shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. BDO, have indicated their willingness to continue their service until the conclusion of the 78<sup>th</sup> AGM.

An annual assessment on the suitability and independence of BDO and the results were made known to Audit Committee. Amongst the criteria considered in the assessment,

- (a) the adequacy of the experience and resources of BDO in terms of the firm and the professional staff assigned to the audit;
- (b) independence of BDO and the level of non-audit services to be rendered by BDO to Company for FY2025, the number and experience of supervisory and professional staff assigned to the particular audit.

Audit Committee took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at the private meetings, which demonstrated their independence, objectivity and professionalism. BDO also presented to Audit Committee its Annual Transparency Report.

Audit Committee was satisfied with the suitability of BDO and recommended to the Board the reappointment of BDO as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the Bursa Securities' Main Market Listing Requirement. Audit Committee was also satisfied in its review that the provisions of non-audit services by BDO to the Company and the Group for the FY2025 did not in any way impair their objectivity and independence as external auditors of the Group. The Board at its meeting held on 21 July 2025 accepted Audit Committee's recommendation and subsequently recommended the same for shareholders' approval to be sought at the 78<sup>th</sup> AGM on the reappointment of BDO as external auditors of the Company for FY2025 under Resolution 9. Once it is passed, it will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

## SPECIAL BUSINESS

### Renewal of authority to allot and issue shares pursuant to Sections 75(1) and 76(1) of the Act ("Renewal Mandate")

14. The Resolution 10 is for the purpose of renewing the General Mandate for issuance of shares by the Company pursuant to Sections 75(1) and 76(1) of the Act.

The Resolution 10, if passed, is primarily to give flexibility to the Board of Directors of the Company, from the date of 78<sup>th</sup> AGM, to allot and issue shares or to make or grant offers, agreements, rights or options in respect of shares to such persons in their absolute discretion including to make or grant offers, agreements, rights or options which would or might require shares in the Company to be issued after the expiration of the approval, without having to convene a general meeting, provided that the aggregate number of shares issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being ("General Mandate"). As at the date of this Notice, the Directors have not utilised the General Mandate granted to the Directors at the 78<sup>th</sup> AGM and hence, no proceed was raised therefrom.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM.

The authority will provide flexibility to the Company for allotment and issuance of shares for any possible fund-raising activities, including but not limited to placement of shares for purpose of funding of future investment projects, working capital, capital expenditures, general corporate purposes, settlement of trade and non-trade creditors, repayment of banking facilities or as consideration for strategic opportunities involving equity deals which may require the allotment of new shares. In addition, any delay arising from and cost involved in convening general meeting to approve such issuance of shares should be eliminated.

# NOTICE OF ANNUAL GENERAL MEETING

## SPECIAL BUSINESS

### **Proposed Renewal Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")**

15. The Proposed Shareholders' Mandate under Resolution 11 is seeking for shareholders' approval at the forthcoming AGM of the Company.

The Proposed Shareholders' Mandate is to facilitate transactions in the normal course of business of the Company and its subsidiaries ("the Group") which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

Further information on Proposed Shareholders' Mandate is set out in the Circular to Shareholders of the Company which is published on the Company website at <https://pgbgroup.com.my/>.

#### **Personal Data Privacy:**

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

## FORM OF PROXY

I / We \_\_\_\_\_ NRIC / Passport No: \_\_\_\_\_  
 of \_\_\_\_\_ Telephone No.: \_\_\_\_\_  
 being a member/members of PARAGON GLOBE BERHAD hereby appoint \_\_\_\_\_  
 \_\_\_\_\_ NRIC / Passport No: \_\_\_\_\_  
 of \_\_\_\_\_  
 #and / #or failing him / her \_\_\_\_\_ NRIC / Passport No: \_\_\_\_\_  
 of \_\_\_\_\_

or failing #him/#her, the CHAIRMAN OF THE MEETING as my/our proxy(ies) to vote for me/us and on my/our behalf at the Seventy-Eighth Annual General Meeting ("78<sup>th</sup> AGM") of the Company at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Tuesday, 2 September 2025 at 10.00 a.m. or at any adjournment thereof.

# Delete if not applicable

My/Our proxy(ies) is/are to vote as indicated below:

AGENDA	RESOLUTION	FOR	AGAINST
Re-election of Dato' Haji Ismail Bin Karim.	1		
Re-election of Dato' Jeffrey Lai Jiun Jye.	2		
Re-election of Leong Siew Foong.	3		
Approval the payment of RM72,000 for the Non-Executive Directors' Fees to Tee Boon Hin for the financial year ending 31 March 2026.	4		
Approval the payment of RM72,000 for the Non-Executive Directors' Fees to Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar for the financial year ending 31 March 2026.	5		
Approval the payment of RM72,000 for the Non-Executive Directors' Fees to Dato' Haji Ismail bin Karim for the financial year ending 31 March 2026.	6		
Approval the payment of RM66,000 for the Non-Executive Directors' Fees to Dato' Jeffrey Lai Jiun Jye for the financial year ending 31 March 2026.	7		
Approval the payment of Non-Executive Directors' Allowances up to an amount of RM100,000 for the period from 2 September 2025 to the next AGM of the Company.	8		
Reappointment of Messrs BDO PLT as Auditors.	9		
Approval for the Renewal Mandate of the Authority to Allot and Issue Shares pursuant to Sections 75(1) & 76(1) of Companies Act 2016.	10		
Approval for the Proposed Shareholders' Mandate for Recurrent Related Parties Transactions of a Revenue or Trading Nature.	11		

(Please indicate with an 'X' in the spaces provided how you wish your vote to be cast. If you do not do so, your proxy will vote or abstain from voting at his/her discretion.)

The proportion(s) of my/our holding to be represented by my/our proxies is/are stated as above.

	%
First Proxy	%
Second Proxy	%
<b>TOTAL</b>	<b>100 %</b>

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025

\_\_\_\_\_  
Signature

**Fold this flap for sealing**

---

**Notes:**

- (1) A member entitled to attend, participate, speak and vote at the 78th AGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote at the 78th AGM. Each member entitled to vote may vote in person or by proxy or by attorney or in case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place.
- (2) Where a member entitled to vote on a resolution has appointed more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
- (3) The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- (4) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (5) Each member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him/her at the meeting of members and that such proxy need not be a member.
- (6) The Form of Proxy shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to submit proxy appointment electronically via TIH Online at <https://tjih.online> not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the 78th AGM for the electronic lodgement of the Form of Proxy.
- (7) For the purpose of determining who shall be entitled to attend and vote at the meeting, the Company shall request the Record of Depositors as at 26 August 2025 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend and vote at this meeting and appoint proxy(ies).

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 30 July 2025.

**Then fold Here**

---

**AFFIX  
STAMP**

**The Share Registrar  
PARAGON GLOBE BERHAD  
(Company No. 194801000095 (1713-A))  
Unit 32-01, Level 32, Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi, 59200 Wilayah Persekutuan  
Kuala Lumpur**

---

**1st fold here**







**PARAGON GLOBE BERHAD**

194801000095 (1713-A)

**HEADQUARTER:**

Level 10-02, Grand Paragon Hotel, No.18, Jalan Harimau,  
Taman Century, 80250 Johor Bahru, Johor.

T 607-278 6668 F 607-278 6666

**KL OFFICE:**

No. 9, Lorong Gurney, Off Jalan Semarak, 54100 Kuala Lumpur.

T 603-2691 2288 F 603-2691 2228



[www.pgbgroup.com.my](http://www.pgbgroup.com.my)