PGB

PROPERTY DEVELOPMENT · CONSTRUCTION · INVESTMENTS

ANNUAL REPORT 2026

Innovation, acceleration.

INSIDE THIS REPORT

VISION AND MISSION

VISION

To be a renowned property developer that delivers 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.

VISION AND MISSION

MISSION

We are committed to be the leading developer across the industrial and commercial sector by providing innovative, excellence and quality developments 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@pgbgroup.com.my
Website: **www.pgbgroup.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
- CIMB Bank Berhad
- Malayan Banking Berhad
- United Overseas Bank (Malaysia) Berhad

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
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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

PARAGON GLOBE BERHAD
百 丽 环 球
194801000095 (1713-A)

● Dormant Companies

100%	**Paragon Bizhub Sdn. Bhd.** *201701046552 (1260728-A)*
100%	**PGBG Construction Sdn. Bhd.** *201801003277 (1265290-X)*
100%	**Paragon Business Hub Sdn. Bhd.** *201801003286 (1265299-H)*
100%	**Paragon Platinum Sdn. Bhd.** *201901013310 (1322638-K)*
100%	**Paragon Globe Properties Sdn. Bhd.** *201901037555 (1346885-T)*
100%	**PGB Innovation Sdn. Bhd.** *202201043020 (1488717-H)*
100%	**PGB Iconic Sdn. Bhd.** *202301022951 (1516874-X)*
100%	**PGB Landmark Sdn. Bhd.** *202301033981 (1527904-M)*
100%	**PGB Desa Heights Sdn. Bhd.** *202401019026 (1564875-X)*
100% ●	**PGB Gardens Sdn. Bhd.** *202401039429 (1585276-U)*
99.06%	**Builtech Acres Sdn. Bhd.** *199501034667 (363869-X)*
100% ●	**PGB Development Sdn. Bhd.** *202501025456 (1626869-T)* *(Formerly known as PGB Parkland Sdn. Bhd.)* *Date of incorporation: 6 June 2025*
100% ●	**PGBG Resources Sdn. Bhd.** *202501057311 (1658717-P)* *Date of incorporation: 10 December 2025*

OUR 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

TAN SRI DATUK WIRA DR. HJ. MOHD SHUKOR BIN HJ. MAHFAR
Independent Non-Executive Director

DATO' HAJI ISMAIL BIN KARIM
Independent Non-Executive Director

DATO' JEFFREY LAI JIUN JYE
Non-Independent Non-Executive Director

BOARD OF DIRECTORS' PROFILE

Dato' Sri Edwin Tan Pei Seng

Executive Chairman

Age: 45 | Gender: Male | Nationality: Malaysian | Date of Appointment: 27 October 2017

Professional Experience

Dato' Sri Edwin Tan Pei Seng brings extensive experience in property development, investment and corporate leadership. He commenced his career as a Financial Executive and subsequently advanced to the position of Financial Controller before assuming executive directorship roles across various private companies in the hospitality, investment holding, property development and related sectors.

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

In his capacity as Executive Chairman, he provides leadership to the Board in setting the Group's strategic direction and overseeing the formulation of corporate policies and the Group's overall performance and operations, with the objective of driving sustainable and profitable growth of the Group.

He was recognised among the 100 Most Influential Young Entrepreneurs in 2016 and received the Young Entrepreneurs Super Model Awards 2022 by the Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM"). He also serves as the Honorary Life President of the Johor Bahru Chinese Chamber of Commerce and Industry ("JBCCCI").

Academic / Professional Qualifications and Memberships

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

Board Committee Memberships

None.

Directorships in Other Public Companies and Listed Issuers

None.

Family Relationship with any Director and/or Major Shareholder

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

Conflict of Interest

Details of potential conflict of interest and recurrent related party transactions are disclosed in the Additional Compliance Information and Audit Committee Report on pages 155 and 160 of the Annual Report.

Conviction of Offences

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

Board Meeting Attendance

7/8

Attended seven (7) out of eight (8) Board meetings held during the financial year ended 31 March 2026.

BOARD OF DIRECTORS' PROFILE

Dato' Sri Godwin Tan Pei Poh

Group Executive Director

Age: 42 | Gender: Male | Nationality: Malaysian | Date of Appointment: 27 October 2017

Professional Experience

Dato' Sri Godwin Tan Pei Poh brings extensive experience in marketing, sales and operational management within the property development industry. He commenced his career as a management trainee upon graduation and progressively advanced to assume executive directorship roles within various private companies.

He has played a key role in the marketing and development of several property projects, including Paragon Residences and Paragon Suites, and contributed to the successful establishment of Paragon Private and International School. He has also been actively involved in the management of Paragon Market Place, a retail mall located in Johor Bahru, providing operational and commercial oversight.

In addition, he has been involved in strategic collaborations with Selgate Healthcare Sdn. Bhd. on healthcare-related initiatives, supporting the Group's diversification efforts.

In his capacity as Group Executive Director, he oversees the Group's sales, marketing and key operational functions, including market positioning, sales execution and revenue generation. He also provides leadership to the Group's operational teams, contributing to the Group's growth and overall performance.

Academic / Professional Qualifications and 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 Companies and Listed Issuers

None.

Family Relationship with any Director and/or Major Shareholder

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

Conflict of Interest

Details of potential conflict of interest and recurrent related party transactions are disclosed in the Additional Compliance Information and Audit Committee Report on pages 155 and 160 of the Annual Report.

Conviction of Offences

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

Board Meeting Attendance

7/8

Attended seven (7) out of eight (8) Board meetings held during the financial year ended 31 March 2026.

BOARD OF DIRECTORS' PROFILE

Mdm. Leong Siew Foong

Executive Director

Age: 59 | Gender: Female | Nationality: Malaysian | Date of Appointment: 16 June 2022

Professional Experience

Mdm. Leong Siew Foong brings over thirty-five (35) years of extensive experience in corporate governance, corporate regulatory compliance and corporate secretarial practice. She commenced her career with a reputable corporate secretarial firm, where she developed strong expertise in governance advisory, statutory compliance and corporate administration.

Throughout her career, she has been actively involved in advising boards and senior management on governance matters, ensuring compliance with regulatory requirements and facilitating the effective implementation of corporate governance practices.

In her capacity as Executive Director, she oversees the Group's corporate governance, corporate regulatory compliance, risk management and sustainability functions and also serves as the Company Secretary of the Company. She works closely with the Board to strengthen governance practices and ensure alignment with regulatory expectations and sustainability objectives.

Academic / Professional Qualifications and 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 Companies and Listed Issuers

None.

Family Relationship with any Director and/or Major Shareholder

None.

Conflict of Interest

None.

Conviction of Offences

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

Board Meeting Attendance

8/8

Attended all Board meetings held during the financial year ended 31 March 2026.

BOARD OF DIRECTORS' PROFILE

Mr. Tee Boon Hin

Senior Independent Non-Executive Director

Age: 64 | Gender: Male | Nationality: Malaysian | Date of Appointment: 27 October 2017

Professional Experience

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

His professional experience spans a wide range of industries, including property development, construction, manufacturing, hospitality, agricultural and retail. His areas of expertise include financial modelling, corporate tax planning, business advisory and valuation services, as well as the preparation of court-related assessment reports and provision of litigation support services.

As a corporate director, he has led and advised on corporate restructuring exercises, mergers and acquisitions as well as the implementation of risk management frameworks across various industries.

In his capacity as Senior Independent Non-Executive Director, he provides independent judgement and oversight on the Board's deliberations, particularly in matters relating to financial reporting, audit, risk management and internal controls.

In addition to his professional practice, Mr. Tee is actively involved in community service, including participating in Parent-Teacher Association activities and supporting local education initiatives and charitable causes.

Academic / Professional Qualifications and Memberships

- Bachelor of Commerce, University of Canterbury, New Zealand.
- Chartered Accountant, Malaysian Institute of Accountants ("MIA").
- Fellow, Chartered Tax Institute of Malaysia ("CTIM").
- 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 Companies and Listed Issuers

None.

Family Relationship with any Director and/or Major Shareholder

None.

Conflict of Interest

None.

Conviction of Offences

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

Board Meeting Attendance

8/8

Attended all Board meetings held during the financial year ended 31 March 2026.

BOARD OF DIRECTORS' PROFILE

Dato' Haji Ismail Bin Karim

Independent Non-Executive Director

Age: 71 | Gender: Male | Nationality: Malaysian | Date of Appointment: 27 November 2017

Professional Experience

Dato' Haji Ismail Bin Karim brings over thirty-five (35) years of distinguished experience in public service. He served as the Johor State Secretary until his retirement in December 2016, providing overall administrative leadership of the Johor State Government.

Throughout his public service career, he held various key appointments at the Johor Land Office, Johor State Economic Planning Unit, Johor State Secretary's Office and Johor State Islamic Religious Department, with responsibilities spanning policy formulation, public administration and state development planning.

He currently serves as the President of the Johor State Football Association and Treasurer of the Football Association of Malaysia. He is also a board member of the Tunku Laksamana Johor Cancer Foundation and has served on the Board of UTM Holdings Sdn. Bhd. since July 2023.

In his capacity as Independent Non-Executive Director, he provides independent judgement and oversight on the Board's deliberations, contributing to effective governance, Board composition and succession planning, as well as strengthening risk management, regulatory compliance and long-term organisational resilience.

Academic / Professional Qualifications and Memberships

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

Board Committee Memberships

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

Directorships in Other Public Companies and Listed Issuers

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

Family Relationship with any Director and/or Major Shareholder

None.

Conflict of Interest

Details of potential conflict of interest are disclosed in the Audit Committee Report on page 160 of the Annual Report.

Conviction of Offences

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

Board Meeting Attendance

8/8

Attended all Board meetings held during the financial year ended 31 March 2026.

BOARD OF DIRECTORS' PROFILE

Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar

Independent Non-Executive Director

Age: 71 | Gender: Male | Nationality: Malaysian | Date of Appointment: 27 November 2017

Professional Experience

Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar brings extensive experience in taxation, public administration and corporate governance. He commenced his career in the banking industry before joining the Inland Revenue Board of Malaysia ("IRBM") in 1979, where he rose through the ranks and served as Chief Executive Officer ("CEO") from January 2011 until his retirement in December 2016.

During his public service career, he held numerous leadership roles, including President of the Malaysian Association of Statutory Bodies and Chairman of the Commonwealth Association of Tax Administrations ("CATA"). In recognition of his contributions, he received 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.

Building on his deep expertise in taxation and management, he currently leads his own tax and management consultancy firm, MSM Management Advisory. He also holds several key positions, including Chairman of McMillan Woods National Tax Firm, Chairman of the Board of Universiti Utara Malaysia, Advisor to Century Software (Malaysia) Sdn. Bhd. and Trustee of Yayasan Tenaga Nasional. He was appointed to the Board of IRBM on 1 August 2021.

In his capacity as Independent Non-Executive Director, he provides independent judgement and oversight on the Board's deliberations, particularly in matters relating to taxation, risk management, regulatory compliance and governance, contributing to informed decision-making and the Group's long-term sustainability.

Academic / Professional Qualifications and Memberships

- Bachelor of Economics, Universiti Malaya, Malaysia.
- Postgraduate Diploma in Computer Science, Universiti Teknologi 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, Universiti Tenaga Nasional and Asia Metropolitan University.

Board Committee Memberships

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

Directorships in Other Public Companies and Listed Issuers

- Independent Non-Executive Chairman, 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 Shareholder

None.

Conflict of Interest

None.

Conviction of Offences

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

Board Meeting Attendance

8/8

Attended all Board meetings held during the financial year ended 31 March 2026.

BOARD OF DIRECTORS' PROFILE

Dato' Jeffrey Lai Jiun Jye

Non-Independent Non-Executive Director

Age: 46 | Gender: Male | Nationality: Malaysian | Date of Appointment: 1 February 2019

Professional Experience

Dato' Jeffrey Lai Jiun Jye brings extensive experience in corporate management and entrepreneurship across diverse sectors, including engineering, data centre solutions, ICT solutions, property investment and development, education, healthcare services, shopping mall management, agriculture, as well as the food and beverage industry.

He currently serves as the Executive Chairman and Chief Executive Officer ("CEO") of Cabnet Holdings Berhad. He was appointed as CEO on 1 June 2022 and subsequently as Executive Chairman on 28 April 2025.

In addition, he holds various leadership positions across multiple organisations. He is an Executive Director of Kuopacific Malaysia Sdn. Bhd. and serves as Director and CEO of Paragon Private and International School in Johor Bahru, Malaysia, an institution recognised for multiple awards for excellence. He is also the Managing Director of MindChamps Preschool Malaysia, an award-winning preschool brand.

Dato' Jeffrey Lai was honoured with the Best Intelligent Figures Brands Award 2021 (Top 15) by China Press and the National Consumer Action Council ("MTPN").

He is actively involved in industry and business associations and currently holds the following positions:

- Vice-President, The Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM"), 2024-2027.
- President, Johor Associated Chinese Chambers of Commerce and Industry ("JACCCI"), 2024-2027.
- President, Johor Bahru Chinese Chamber of Commerce and Industry ("JBCCCI"), 2024-2026.
- Member, Committee on ASEAN-China-GCC Business Council Initiative, Malaysia-China Business Council, 25 May 2026-24 May 2028.

In his capacity as Non-Independent Non-Executive Director, he contributes entrepreneurial and commercial insights to the Board's deliberations on business strategy, market developments and growth opportunities, while supporting the Board in matters relating to talent development and remuneration practices.

Academic / Professional Qualifications and Memberships

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

Board Committee Memberships

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

Directorships in Other Public Companies and Listed Issuers

Executive Chairman and CEO, Cabnet Holdings Berhad.

Family Relationship with any Director and/or Major Shareholder

None.

Conflict of Interest

Details of potential conflict of interest are disclosed in the Audit Committee Report on page 160 of the Annual Report.

Conviction of Offences

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

Board Meeting Attendance

7/8

Attended seven (7) out of eight (8) Board meetings held during the financial year ended 31 March 2026.

PROFILE OF **KEY SENIOR MANAGEMENT**

Eileen Tey Yee Lin
Finance Director

Age: 44 | Gender: Female | Nationality: Malaysian
Date of Appointment: 1 November 2017

Professional Experience

Ms. Eileen Tey Yee Lin brings extensive experience in auditing, taxation and financial advisory. She commenced her career with Ernst & Young, where she progressed to the position of Audit Senior Manager and was involved in engagements with both public listed and private companies across various industries.

She subsequently served as the Group Assistant Financial Controller at Joland Group of Companies, where she oversaw financial management and internal reporting functions.

In her capacity as Finance Director, she leads the Group's accounting and finance functions and plays a key role in corporate exercises, including group restructuring, fundraising initiatives and development rights agreements. She contributes significantly to strengthening the Group's financial governance, operational efficiency and long-term sustainability.

Academic / Professional Qualifications and Memberships

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

Directorships in Other Public Companies and Listed Issuers

None.

Family Relationship with any Director and/or Major Shareholder

None.

Conflict of Interest

None.

Conviction of Offences

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

Tan Hui Boon
Senior General Manager and Director of the Group's subsidiaries

Age: 69 | Gender: Male | Nationality: Malaysian
Date of Appointment: 1 December 2017

Professional Experience

Mr. Tan Hui Boon brings over forty (40) years of extensive experience in the construction and property development industry. He commenced his career with IJM Corporation Berhad in May 1981 as a Senior Site Supervisor, where he developed strong technical and operational 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. His portfolio includes residential, hospitality, healthcare, industrial, educational and infrastructure developments across Malaysia and Singapore.

In his current role as Senior General Manager and Director of the Group's subsidiaries, he oversees project supervision and management, strategic planning and operational leadership across the Group's core business operations. He plays a key role in ensuring alignment of subsidiary operations with the Group's strategic objectives and continues to drive operational efficiency, quality delivery and project excellence.

Academic / Professional Qualifications and Memberships

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

Directorships in Other Public Companies and Listed Issuers

None.

Family Relationship with any Director and/or Major Shareholder

Mr. Tan Hui Boon is related to Dato' Sri Edwin Tan Pei Seng, Executive Chairman and Dato' Sri Godwin Tan Pei Poh, Group Executive Director.

Conflict of Interest

None.

Conviction of Offences

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

PROFILE OF **KEY SENIOR MANAGEMENT**

Chew Sai Ping
Project Director

Age: 55 | Gender: Female | Nationality: Malaysian
Date of Appointment: 12 September 2022

Professional Experience

Ms. Chew Sai Ping brings over twenty-five (25) years of extensive experience in the construction and property development industry. She commenced her career in 1997 as a Contract Manager at a reputable construction company, where she gained valuable experience in project management, contract administration and site supervision.

In 2020, she transitioned to a property development company, where she assumed a key role in overseeing project planning, cost management and strategic execution, contributing to the company's growth and expansion initiatives. Her professional portfolio includes mixed-use developments, high-rise residential projects, landed housing and industrial developments.

In her capacity as Project Director, she oversees project planning and implementation, cost management and contract administration for the Group's development projects. She plays a key role in ensuring the successful execution and timely delivery of the Group's development projects, while maintaining quality and cost efficiency.

Academic / Professional Qualifications and Memberships

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

Directorships in Other Public Companies and Listed Issuers

None.

Family Relationship with any Director and/or Major Shareholder

None.

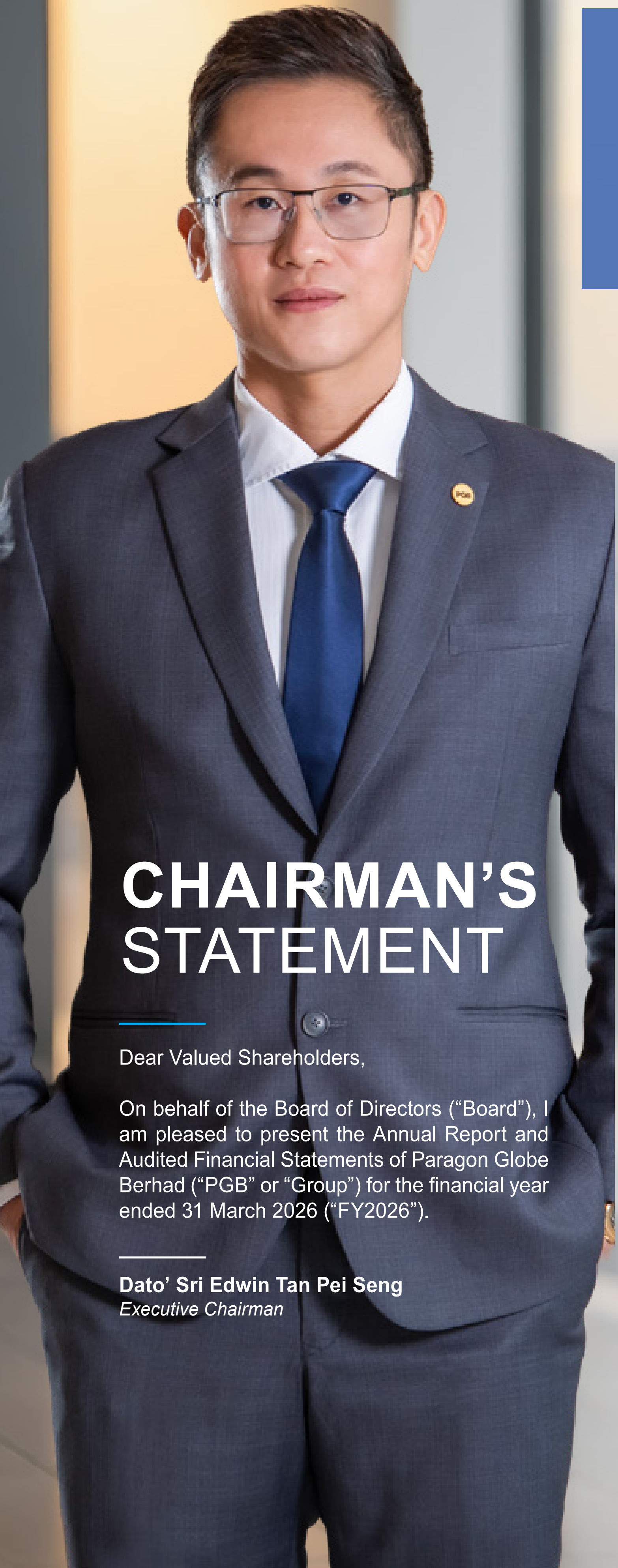
Conflict of Interest

None.

Conviction of Offences

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

REVIEW & OUTLOOK



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 2026 ("FY2026").

Dato' Sri Edwin Tan Pei Seng
Executive Chairman

FY2026 marked PGB's transition from value realisation to platform building. Following an exceptional FY2025, the Group remained profitable, expanded its asset base and began converting strategic momentum into stronger foundations, broader capabilities and clearer positioning within Johor's key economic corridors.

The significance of FY2026 lies in how the Group carried forward the value created in FY2025. In a more normalised financial year, the Board's focus was not merely on scale, but on ensuring that key decisions were guided by financial discipline, asset quality and strategic relevance. This enabled PGB to preserve profitability while laying the groundwork for the Group's next stage of progress.

For our shareholders, FY2026 should therefore be viewed as a deliberate transition period. The Group progressed selected developments, strengthened its asset base and evaluated opportunities that could enhance the value of its landbank over time. These efforts reflected a clear ambition to build a property group where core development earnings are progressively complemented by income-generating assets and landbank optimisation opportunities.

The Board recognises that the property development sector is inherently cyclical. Market demand, financing conditions, construction costs and buyer sentiment may shift from year to year. This reality shaped our approach during the year. PGB must continue to protect the strength of its development business while gradually widening the sources from which value can be created.

During the financial year, this approach was reflected in the Group's continued execution of its project pipeline, selective capital deployment and pursuit of opportunities aligned with its broader property strategy. These actions were not isolated initiatives; they formed part of a deliberate strategy to shift PGB's property development model toward a broader, more resilient property platform characterised by stronger foundations, greater strategic flexibility and clearer pathways for sustainable performance.

As Chairman, I believe FY2026 strengthened PGB's strategic position. It was a year of measured progress, deliberate preparation and focused execution. The Group did not stand still after an exceptional year. It began converting momentum into greater capacity, a stronger asset base and a clearer direction for sustainable shareholder returns.

OPERATING ENVIRONMENT AND MARKET CONTEXT

Navigating global uncertainty while positioning PGB within Johor's evolving growth landscape

GLOBAL LANDSCAPE

Geopolitical tensions, shifting trade policies and supply-chain adjustments continued to affect business confidence, capital deployment and operating costs.

MALAYSIA'S RESILIENCE

Malaysia entered 2026 from a position of resilience, supported by domestic demand, export activity and private investment.

JOHOR'S OPPORTUNITY

JS-SEZ, the RTS Link, industrial activity and digital infrastructure momentum continued to reinforce Johor's role as a key economic corridor.

PGB'S STRATEGIC DIRECTION

Measured execution, responsible capital allocation, sustainability integration and market-aligned development guided the Group's priorities during the year.

The financial year under review unfolded against a complex and shifting external landscape. Globally, persistent geopolitical tensions, shifting trade policies and supply-chain adjustments continued to weigh on business confidence and capital deployment. Renewed instability in the Middle East also highlighted how energy prices, logistics networks and transportation routes remain sensitive to disruptions beyond domestic control. For property and construction players, these conditions reinforced the need for cost discipline, prudent project planning and careful execution.

Against these global headwinds, Malaysia entered 2026 from a position of resilience. The domestic economy expanded by 5.4% in the first quarter of 2026, supported by domestic demand, export activity and sustained private investment. Looking ahead, the national economy is projected to grow within the range of 4.0% to 5.0% for 2026. Nevertheless, the Board remains mindful that this outlook continues to be shaped by external risks, including geopolitical developments, tariff-related uncertainties, cost-of-living pressures and tighter global financial conditions.

Within the property sector, market conditions remained selective. Buyers, tenants and investors continued to assess opportunities with greater caution, with demand increasingly influenced by practical considerations such as location, connectivity, affordability, sustainability and delivery certainty. At the same time, developers continued to manage evolving cost considerations, including financing conditions, procurement, labour availability and regulatory developments affecting property development and construction activities. In such an environment, landbank ownership alone is not sufficient. Value is created through disciplined planning, appropriate timing and execution that is aligned with real market demand.

Johor continued to present meaningful opportunities. The state's prospects were supported by cross-border connectivity, industrial activity, the progression of the Johor–Singapore Special Economic Zone ("JS-SEZ"), the ongoing development of the Rapid Transit System ("RTS") Link and growing investment interest in digital infrastructure.

Recent market developments also highlight Johor's growing role as one of Malaysia's key digital infrastructure and data centre locations, supported by its proximity to Singapore and established industrial areas such as Kulai and Iskandar Puteri. As the sector matures, approval and investment considerations are becoming more selective, with power availability, water management, renewable energy access and infrastructure planning playing an increasingly important role.

OPERATING ENVIRONMENT AND MARKET CONTEXT

Navigating global uncertainty while positioning PGB within Johor's evolving growth landscape

> **Favourable market trends do not automatically translate into shareholder returns. Opportunities must be assessed carefully against demand visibility, execution requirements, funding capacity, regulatory considerations and strategic fit.**

These developments are relevant to PGB as the Group's landbank and development activities are situated within Johor's key growth areas. However, the Board remains mindful that favourable market trends must be translated into results through disciplined assessment, sound execution and clear strategic fit.

Throughout FY2026, PGB responded to this operating environment in a measured manner. The Group progressed developments aligned with market demand, continued to strengthen its asset base and evaluated opportunities that supported its broader direction. Sustainability considerations also continued to be integrated into selected developments, recognising that future-ready assets will increasingly be assessed not only by location and design, but also by environmental performance and operational relevance.

This market context will continue to guide the Board's oversight. As Johor continues to evolve, the Group will remain focused on translating its landbank, project pipeline and partnerships into shareholder value through sound capital allocation, responsible development and clear strategic relevance.

FINANCIAL RESILIENCE AND CAPITAL DISCIPLINE

Preserving profitability, strengthening the financial base and deploying capital in a measured manner

PROFITABILITY PRESERVED

PGB remained profitable in a more normalised financial year, with profit attributable to owners of the parent of RM73.35 million.

MARGIN DISCIPLINE MAINTAINED

The Group maintained a healthy gross profit margin of 49.63%, supported by project execution and cost control.

FINANCIAL BASE EXPANDED

Total assets increased to approximately RM1.14 billion, supported by investment properties and inventories.

Following the exceptional results achieved in FY2025, which were supported by significant land monetisation, FY2026 represented a more normalised financial year for the Group. This transition was anticipated by the Board. During the year, the Group focused on preserving profitability, maintaining financial flexibility and deploying capital in a measured manner to support its continuing development.

FINANCIAL RESILIENCE AND CAPITAL DISCIPLINE

Preserving profitability, strengthening the financial base and deploying capital in a measured manner

For FY2026, the Group recorded revenue of RM154.85 million, profit before tax of RM93.83 million and profit attributable to owners of the parent of RM73.35 million. Although these results were lower than the previous financial year's high base, PGB remained profitable and continued to deliver a healthy gross profit margin of approximately 49.63%. Property development remained the principal revenue contributor, while the Group's performance was also supported by investment-related income and effective project execution and cost control.

The Group's financial position continued to strengthen during the year. Total assets increased to approximately RM1.14 billion, compared with RM780.64 million in FY2025, marking an important milestone in PGB's scale and capacity. This increase was mainly reflected in investment properties of RM370.51 million and inventories of approximately RM664.16 million, representing resources deployed into development land, ongoing project phases and assets that support the Group's pipeline and future monetisation opportunities.

Shareholders' equity attributable to owners of the parent increased to RM477.06 million, while net assets per share rose to RM0.64. Borrowings increased to RM506.03 million, in line with the Group's funding requirements for development activities, investment assets and landbank-related commitments. The Board remains mindful that a larger balance sheet and higher financing levels require prudent financial oversight. Accordingly, funding decisions are made progressively, with reference to the pace of project execution, the Group's liquidity position and the expected contribution of each asset to PGB's overall direction.

During the year, the Group also maintained its approach to capital recycling. Proceeds from selected land monetisation activities were redeployed towards landbank acquisitions, repayment of borrowings, project development expenditure and working capital requirements, supporting the Group's funding flexibility and project pipeline.

Overall, FY2026 reflected steady financial management during a period of transition. The Group maintained profitability, enlarged its financial base and allocated resources towards assets and opportunities with clear commercial purpose. The Board will continue to balance ambition with prudence, ensuring that financial decisions remain aligned with responsible execution and sustainable value creation for shareholders.

For a more detailed analysis, please refer to the Management Discussion and Analysis section of this Annual Report.

FINANCIAL BASE AND CAPITAL POSITION

(as at 31 March 2026)

Total Assets
RM1.14 billion

Investment Properties
RM370.51 million

Inventories
RM664.16 million

Shareholders' Equity Attributable to Owners of the Parent
RM477.06 million

Borrowings
RM506.03 million

Net Assets Per Share
RM0.64

FY2026 was not about repeating FY2025's exceptional earnings base. It was about preserving profitability, strengthening the Group's financial base and deploying capital towards assets and opportunities with strategic relevance.

STRATEGIC PROGRESS TOWARDS A BROADER PROPERTY PLATFORM

Connecting development activities, investment assets, landbank optimisation and strategic collaborations

Calia Residences by PGB

Expanding the Group's serviced apartment offering in strategic growth locations.

Selgate Specialist Hospital Sepang

Marking the Group's participation in healthcare-related property infrastructure.

PGB-GSP AutoPark Groundbreaking Ceremony

Held subsequent to the financial year end, marking continued progress in PGB's industrial collaboration with GSP Automotive Malaysia Sdn. Bhd.

DEVELOPMENT PIPELINE

Commercial, industrial and serviced apartment offerings progressing in a measured, demand-driven manner.

INVESTMENT ASSETS

Healthcare, workers' accommodation and industrial-related assets broadening the Group's platform over time.

LANDBANK OPTIMISATION

Selected landbank developed, monetised or activated to unlock value.

STRATEGIC COLLABORATIONS

Partnerships supporting financing, sustainability, market access and sector positioning.

FY2026 was a pivotal year in which the Group translated its strategic direction into tangible progress across an expanding property portfolio. Property development remains the core foundation of PGB's business, but the Board's focus extended beyond individual project delivery. Throughout the year, the Group strengthened the connection between its development pipeline, investment assets, landbank optimisation and strategic collaborations, with the aim of building a broader property platform that can perform across changing market conditions.

The Group's development pipeline continued to move forward in a measured, demand-driven manner. Established commercial and industrial offerings, including Pekan Sentral shop offices and detached factories, supported near-term operational momentum. The Group's entry into serviced apartment offerings through Calia Residences by PGB, together with future pipeline developments such as The Iconic by PGB and Kensington Parkview by PGB, reflects its deliberate focus on delivering market-relevant products in strategic locations. The emphasis was not on volume or scale alone, but on ensuring that each development remains aligned with connectivity improvements, market absorption and the evolving needs of purchasers and occupiers.

STRATEGIC PROGRESS TOWARDS A BROADER PROPERTY PLATFORM

Connecting development activities, investment assets, landbank optimisation and strategic collaborations

FY2026 progress was not limited to individual projects or transactions. It reflected the Group's effort to connect its development pipeline, investment assets, landbank and partnerships into a broader property platform.

Building on its development pipeline, PGB also continued to broaden its investment asset base. The successful handover of Selgate Specialist Hospital Sepang marked an important milestone in the Group's participation in healthcare-related property infrastructure, while the continued development of PGB Hostel and the progress of Desa 27 supported the Group's presence in assets that serve real operational and tenant needs. These assets add operational depth to the Group's portfolio and have the potential to contribute more stable income streams over time, alongside earnings generated from property development.

Landbank optimisation remained a key part of the Group's capital strategy. During the year, PGB continued to assess how selected parcels could be developed, monetised or activated through partnerships in a manner that supports market demand and financial flexibility. This approach was reflected in targeted land monetisation activities, development rights arrangements and the continued assessment of selected parcels for future value creation. These initiatives underscore the Board's view that the Group's landbank is not a passive holding, but a strategic resource that can be activated through development, capital recycling and sector-focused opportunities.

Strategic collaborations played an essential role in supporting this direction by strengthening the capabilities behind the Group's property platform. The collaboration with United Overseas Bank (Malaysia) Berhad expanded access to tailored green financing solutions, investor networks and sustainability-related opportunities. The collaboration with GreenRE Sdn. Bhd. reinforced the integration of recognised green building standards into selected developments, while the industrial collaboration with GSP Automotive Malaysia Sdn. Bhd. highlights the Group's positioning within sector-focused industrial opportunities. Together, these partnerships demonstrate how PGB is actively building capabilities beyond project execution, particularly in institutional financing, sustainability integration, market access and sector positioning.

Subsequent to the financial year end, the Group announced the proposed disposal of lands in Tanjung Kupang to an established data centre operator. Subject to completion, the proposed transaction illustrates the embedded value of PGB's landbank and reflects the Board's approach to selective landbank optimisation. It also demonstrates how selected assets may be positioned within areas of digital infrastructure demand while preserving financial flexibility for future opportunities.

PGB will continue to strengthen its core development business, grow its investment asset base and deepen partnerships that enhance the Group's ability to respond to market opportunities.

For a detailed review of the Group's portfolio and strategic initiatives, please refer to the Management Discussion and Analysis section of this Annual Report.

SUSTAINABILITY, GOVERNANCE AND RESPONSIBLE GROWTH

Building responsibly, growing with purpose

The value of a development is not measured only when it is completed, but by how responsibly it is planned, how efficiently resources are used and how meaningfully it serves the people around it.

At PGB, sustainability is integral to safeguarding the Group's future. As a property group, each decision made today shapes more than buildings. It influences how land, materials, energy and water are used, and affects the experience of purchasers, tenants, employees, contractors and surrounding communities.

During FY2026, the Group translated this responsibility into practical action. Sustainability considerations were applied with a clear understanding of project feasibility, funding capacity and execution realities, ensuring that the Group's approach remained purposeful, achievable and relevant to the way developments are planned and delivered.

The year saw steady progress in the Group's sustainability practices. PGB strengthened its governance structure and internal coordination, reinforced the link between material sustainability matters and risk management, and improved the consistency of sustainability data and performance tracking. These efforts provide a stronger basis for operational decisions and enable the Group to respond more effectively to changing stakeholder and regulatory expectations.

In our developments, we continued to incorporate recognised green building considerations where relevant and practicable. The GreenRE Silver Certification obtained for PGB Hostel during FY2026 marked a meaningful step in the Group's ongoing efforts to improve resource efficiency and environmental performance. Other GreenRE-related initiatives reflect the same direction, where design, construction and operational considerations are viewed not only from a commercial angle, but also from the perspective of asset relevance over time.

Sustainability is also inherently about people. Throughout the year, PGB carried out employee engagement activities, workplace health and safety initiatives, wellness programmes and targeted community-related contributions. These efforts reflect the Board's belief that business progress should be accompanied by care for employees, safe working environments and meaningful relationships with the communities connected to the Group.

Strategic partnerships added further momentum to this journey. The Group's collaborations with United Overseas Bank (Malaysia) Berhad and GreenRE Sdn. Bhd. strengthened access to green financing-related opportunities and recognised green building expertise. As market expectations around sustainability continue to evolve, these collaborations allow the Group to widen its perspective and deepen practical capability in selected areas.

The Board's priority is to keep sustainability practical, transparent and meaningful. PGB will pursue progress that makes commercial sense, uses resources carefully and contributes positively to the people and places touched by our developments.

Further details on the Group's sustainability approach, performance data and future priorities are set out in the Sustainability Statement of this Annual Report.

DIVIDEND POLICY

Balancing returns with future requirements

The Board has not adopted a formal dividend distribution policy at this juncture. Dividend considerations will be assessed in the context of the Group's overall financial position and the resources required to progress its business plans.

During FY2026, PGB continued to channel resources into its development pipeline, investment properties and landbank-related opportunities. With an enlarged asset base and a more active funding position, the Board considers it important to retain adequate financial flexibility to meet operational needs and advance opportunities aligned with the Group's direction.

Notwithstanding the absence of a formal dividend policy, the Board recognises the importance of providing returns to shareholders. Any future dividend recommendation will be considered carefully, having regard to the Group's performance and capital requirements at the relevant time. Accordingly, no dividend was declared or recommended for FY2026.

This approach enables the Group to balance shareholder returns with reinvestment into areas that can strengthen its business platform and future earnings capacity.

MOVING FORWARD

Turning progress into purposeful expansion

FY2026 has placed PGB in a stronger position for the years ahead. After the exceptional performance recorded in FY2025, the Group remained profitable, enlarged its total assets beyond the RM1 billion milestone and advanced both its development pipeline and investment property portfolio. These achievements provide a clearer base from which PGB can pursue selective growth in a measured manner.

Looking beyond the current financial year, Johor's economic profile is entering a more dynamic phase. The movement of people, capital and businesses between Johor and Singapore, together with the RTS Link, the JS-SEZ and rising demand for industrial and digital infrastructure, is reshaping how land value, connectivity and project readiness are assessed. Demand linked to cloud-based services and artificial intelligence is also reinforcing the importance of data centre capacity and infrastructure-ready locations. For PGB, this creates a relevant backdrop to its future direction, as the Group's landbank, development pipeline and investment assets are situated within economic corridors where these demand drivers are becoming increasingly important.

Against this changing backdrop, PGB's task is not to chase every emerging trend, but to identify opportunities that fit its capabilities, funding position and business direction. The Board and Management will study market conditions carefully, consider relevant market benchmarks and deliberate major decisions before committing resources. The Group will be selective in its next moves, pursuing growth avenues where the commercial rationale is clear, sustainability requirements are considered and the path to execution is achievable.

This disciplined approach will guide the way PGB advances its current and upcoming projects. Developments such as Calia Residences by PGB, The Iconic by PGB and Kensington Parkview by PGB are expected to broaden the Group's product offerings, while investment assets and industrial-related initiatives, including Selgate Specialist Hospital Sepang, PGB Hostel, Desa 27 and PGB-GSP AutoPark, add depth to the Group's property portfolio. The PGB Experience Gallery also strengthens the Group's market engagement platform by providing a dedicated space to showcase current and future developments, connect with purchasers and reinforce PGB's brand presence across Johor's key growth areas.

The proposed disposal of land parcels in Tanjung Kupang, announced subsequent to the financial year end, further illustrates the strategic value embedded within the Group's landbank. Subject to completion, the transaction reflects the relevance of selected assets within Johor's digital infrastructure landscape and demonstrates how PGB can unlock value while preserving flexibility for future opportunities.

PGB's growth must be supported by sound governance, effective risk management and responsible decision-making. As the Group broadens its footprint, the Board and Board Committees will continue to ensure that major decisions are reviewed with care, supported by transparent reporting and guided by clear accountability. This oversight helps ensure that opportunities are assessed against the Group's financial position, risk appetite and operating capacity. Further details on the Group's risk governance and internal control framework are set out in the Statement on Risk Management and Internal Control section of this Annual Report.

The Board enters the upcoming financial year with a clear view of PGB's direction, while remaining realistic about the work ahead. The Group has made meaningful progress, but the next phase will require patience, judgement and consistent execution. PGB will move with ambition, but not without assessment; with confidence, but not without care. Our objective is to turn the progress achieved in FY2026 into stronger business momentum and enduring value for shareholders and stakeholders.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere appreciation to our shareholders and all stakeholders who supported PGB throughout FY2026. Your continued trust and support are deeply valued as the Group advances its business in an evolving operating environment.

To my fellow Directors, I record my sincere appreciation for your counsel, guidance and contribution to the Board's deliberations. Your insights have helped ensure that the Group's strategic decisions are considered with proper governance, risk oversight and accountability.

I also extend my gratitude to the Management team and employees of PGB. Strategy can only be translated into progress through the commitment of people. Your professionalism, hard work and resilience during the financial year have enabled the Group to advance its plans and strengthen its operations.

FY2026 was a year of purposeful progress for PGB. As we enter a new financial year, we do so with clearer priorities and a shared responsibility to build with care, act with integrity and create meaningful outcomes for those who have placed their confidence in us.

Thank you.

Dato' Sri Edwin Tan Pei Seng
Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,
On behalf of Management and the Board of Directors ("Board"), we are pleased to present the Management Discussion and Analysis ("MD&A") of Paragon Globe Berhad ("PGB" or "Group") for the financial year ended 31 March 2026 ("FY2026").

Dato' Sri Godwin Tan Pei Poh
Group Executive Director

FY2026: A YEAR OF TRANSITION AND PIPELINE STRENGTHENING

FY2026 was a year of transition, capital deployment and pipeline strengthening for the Group, following the exceptional performance recorded in the financial year ended 31 March 2025 ("FY2025"), which was supported by significant land monetisation. The Group recorded revenue of RM154.85 million, profit before tax of RM93.83 million and profit attributable to owners of the parent of RM73.35 million. While performance moderated from FY2025's high base, the Group remained profitable and maintained a resilient gross profit margin of 49.63%.

During the year, the Group focused on strengthening the foundation for its next phase of growth through disciplined execution, selective landbank value creation and continued progress across its development and investment property portfolio. These efforts support PGB's longer-term direction of building a broader development and recurring-income platform, particularly within Johor's key growth corridors.

FY2026 KEY FINANCIAL SNAPSHOT

Revenue	RM154.85 million
Profit Before Tax	RM93.83 million
Profit Attributable to Owners of the Parent	RM73.35 million
Gross Profit Margin	49.63%

STRENGTHENING FOR THE NEXT PHASE OF GROWTH

PIPELINE STRENGTHENING

Progressing the Group's development and investment property portfolio to support future earnings resilience.

LANDBANK OPTIMISATION

Unlocking value from selected landbank to enhance capital efficiency and returns.

RECURRING-INCOME ASSETS

Expanding recurring-income assets to support more diversified income streams over time and long-term value creation.

MACROECONOMIC AND MARKET LANDSCAPE

The global operating environment remained uneven during FY2026, shaped by geopolitical tensions, trade policy uncertainty, supply chain realignments and cost pressures across construction-related sectors. Although inflationary pressures moderated in several markets, business and investment sentiment continued to be influenced by interest rate expectations, currency movements and the pace of global demand. These conditions reinforced the need for property developers to remain disciplined in project planning, pricing, cost management and capital allocation.

In Malaysia, the economy remained resilient, supported by domestic demand, investment activity and continued expansion across key economic sectors. Bank Negara Malaysia reported that Malaysia's economy expanded by 5.40% in the first quarter of 2026, while the Overnight Policy Rate was maintained at 2.75% at its Monetary Policy Committee meeting on 7 May 2026. The stable monetary environment provided a supportive backdrop for businesses and homebuyers, although affordability, financing conditions and cost discipline remained important considerations.

The Malaysian property market moderated in the first quarter of 2026 but remained broadly supported by underlying demand. According to the National Property Information Centre of the Valuation and Property Services Department, total property transactions declined by 8.00% year-on-year to 89,966 transactions, while total transaction value recorded a marginal decline of 0.60% to RM51.09 billion. At the same time, the Malaysian House Price Index continued to grow by 1.70%, with an average house price of RM507,533. These indicators point to a more selective market, where buyers continued to prioritise location, affordability, product quality and access to financing.

Supply discipline remained important for property developers. New residential launches moderated to 9,112 units in the first quarter of 2026, while the broader market continued to absorb completed unsold residential units and serviced apartment inventory. These trends are relevant to the Group's development planning, particularly for serviced apartment products, as they reinforce the need for disciplined launch timing, targeted pricing and careful assessment of market absorption.

At the same time, investment momentum continued to support industrial and property-related opportunities. Malaysia attracted RM92.80 billion in approved investments in the first quarter of 2026, with continued investor interest in digital infrastructure, data centres, cloud computing, manufacturing and logistics. These trends support demand for strategically located and infrastructure-ready landbank, particularly in established growth corridors.

Johor remained a key growth corridor, supported by its proximity to Singapore, established industrial base and improving cross-border connectivity. The Johor-Singapore Special Economic Zone ("JS-SEZ") and the Johor Bahru-Singapore Rapid Transit System ("RTS") Link continue to support the State's longer-term positioning as a regional economic and investment hub. Together, these catalysts are expected to support demand for residential, commercial, industrial and investment-linked developments in strategic Johor locations.

Against this backdrop, the Group continued to align its development and investment strategy with market fundamentals that are expected to remain relevant over the medium to long term. As demand becomes more selective, Management believes that location, connectivity, product-market fit, sustainability considerations and funding discipline will remain key factors in project success.

OVERVIEW OF THE GROUP'S BUSINESS AND STRATEGIC DIRECTION

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. Property development remains the Group's principal business and main revenue contributor, supported by construction activities that complement the execution of selected development projects. The Group's investment activities are focused on building a portfolio of income-generating assets that can contribute progressively to earnings resilience over time.

The Group's business model is anchored on long-term value creation through disciplined landbank optimisation, development execution and sustainable capital management. During FY2026, PGB continued to strengthen its presence across Johor's key growth corridors through commercial and industrial developments, investment-linked assets, and a pipeline of residential and serviced apartment developments aligned with future market opportunities.

Building on the strategic foundations laid in previous years, the Group continued to align its portfolio with market segments supported by longer-term demand drivers. Its industrial and investment-linked developments are supported by tenant commitments, long-term lease arrangements and demand for strategically located, infrastructure-ready assets. At the same time, the Group's serviced apartment pipeline is planned with a focus on location, product-market fit, pricing discipline and market absorption.

Management remained focused on project feasibility, disciplined launch timing, cost management and prudent funding. The Group continued to assess opportunities to unlock value from selected landbank and channel resources into projects and assets that are expected to support future earnings visibility. This approach allows PGB to balance near-term liquidity requirements with longer-term development potential, particularly in locations supported by infrastructure connectivity, industrial activity and cross-border investment momentum.

Sustainability considerations continue to form part of the Group's development approach. Through green building initiatives, sustainability-linked collaborations and responsible development practices, PGB seeks to enhance the long-term marketability and relevance of its projects while responding to the evolving expectations of purchasers, tenants, financiers and other stakeholders.

This strategic direction provides the foundation for the Group's ongoing business activities and supports Management's focus on disciplined execution, market-responsive planning and funding discipline. Further discussion on the Group's operating performance, key corporate developments and future prospects is set out in the following sections of this MD&A.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Following the business overview outlined earlier, the Group's FY2026 financial results reflect a transition from the exceptional land-monetisation contribution recorded in FY2025 towards a year of continued profitability, asset base expansion and disciplined funding management. The year-on-year movement should therefore be viewed against FY2025's high comparative base, rather than as a simple contraction in operating momentum.

Against this transition, Management focused on preserving margins, progressing development activities and managing funding needs amid a more selective and price-sensitive property market, as well as higher financing requirements. This provided the context for the Group's continued profitability, balance sheet expansion and liquidity position during the financial year.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

The review below discusses the key drivers of the Group's financial performance, segmental results, financial position, key financial indicators and liquidity position for FY2026.

Financial Performance Review

Financial Results	FY2026 RM'000	FY2025 RM'000	Variances	
			RM'000	%
Revenue	**154,849**	306,257	(151,408)	(49.44)
Gross profit	**76,853**	155,141	(78,288)	(50.46)
Other income	**56,176**	6,277	49,899	>100.00
Distribution costs	**(1,789)**	(276)	(1,513)	>100.00
Administration expenses	**(24,465)**	(15,333)	(9,132)	59.56
Finance costs	**(12,950)**	(5,657)	(7,293)	>100.00
Profit before tax	**93,825**	140,152	(46,327)	(33.05)
Profit for the financial year	**73,701**	105,641	(31,940)	(30.23)
Profit attributable to owners of the parent	**73,350**	105,624	(32,274)	(30.56)
Earnings per ordinary share attributable to owners of the parent ("EPS")(sen)	**9.82**	14.15	(4.33)	(30.60)

Revenue moderated to RM154.85 million in FY2026, compared with RM306.26 million in FY2025, following the exceptional land-related contribution recognised in the preceding financial year. Notwithstanding the lower revenue base, gross profit margin remained resilient at 49.63%, broadly comparable with 50.66% in FY2025. This reflected the Group's continued emphasis on cost discipline, margin preservation and effective execution across its development activities.

The impact of lower revenue was partly moderated by higher other income, which increased to RM56.18 million from RM6.28 million in FY2025, mainly driven by fair value gain on investment properties. This supported the stronger contribution from the investments segment and reflected the growing role of the Group's portfolio of investment properties in the overall earnings mix.

Operating and financing costs increased in line with the Group's broader activity base. Distribution costs and administration expenses rose to RM1.79 million and RM24.47 million respectively, reflecting higher project-related and business development requirements. Finance costs increased to RM12.95 million from RM5.66 million, mainly due to higher borrowings used to support development activities and landbank-related funding requirements.

Overall, the Group recorded profit before tax of RM93.83 million and profit for the financial year of RM73.70 million. Profit attributable to owners of the parent stood at RM73.35 million, while EPS was 9.82 sen. Although profitability moderated from FY2025's exceptional level, the Group remained profitable and continued to maintain a financial foundation to support its development pipeline and recurring-income direction.

REVIEW OF **FINANCIAL RESULTS** AND **FINANCIAL CONDITION**

Segmental Financial and Operational Performance Review

PGB's operations are reported under three (3) principal business segments: property development, investments and construction. Property development remained the Group's main revenue and earnings contributor, while the investments segment recorded a notable turnaround, supported by investment property-related gains and income. The construction segment continued to support the Group's internal development requirements.

Segment	Revenue		Profit/(Loss) Before Tax	
	FY2026 RM'000	FY2025 RM'000	FY2026 RM'000	FY2025 RM'000
Property development	**154,325**	306,156	**59,927**	150,873
Investments	**524**	101	**35,190**	(9,973)
Construction	**-**	-	**(1,292)**	(748)
Total	**154,849**	**306,257**	**93,825**	**140,152**

Property Development

The property development segment remained the Group's principal revenue contributor, accounting for approximately 99.66% of total revenue. The segment recorded revenue of RM154.33 million and profit before tax of RM59.93 million, compared with revenue of RM306.16 million and profit before tax of RM150.87 million in FY2025.

The lower contribution reflected the shift from the sizeable land-related contributions recognised in the preceding financial year towards a year supported by ongoing development activities and selected landbank value creation. Despite the moderation, the segment remained profitable and continued to provide the core earnings base for the Group.

During the year, Management continued to manage the development portfolio with a focus on sales progress, project delivery, cost control and preparation for future development phases. The segment remains supported by the Group's landbank, commercial and industrial development portfolio, and planned serviced apartment pipeline. Further details on key project progress and corporate developments are set out under the Operational and Corporate Development Review section of this MD&A.

Investments

The investments segment delivered a notable turnaround in FY2026, recording revenue of RM0.52 million and profit before tax of RM35.19 million, compared with revenue of RM0.10 million and loss before tax of RM9.97 million in FY2025.

The improved performance was mainly supported by fair value gain on investment properties and operating lease rental income. These contributions broadened the Group's earnings mix during FY2026 and supported Management's direction of building income-generating assets alongside its core development business.

While property development remains the Group's main revenue driver, Management will continue to monitor asset performance, tenancy arrangements, occupancy levels and funding costs to support the investments segment's contribution over time.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Construction

The construction segment did not record external revenue in FY2026, consistent with FY2025, as its activities remained primarily focused on supporting the Group's internal development requirements. The segment recorded a loss before tax of RM1.29 million, compared with a loss before tax of RM0.75 million in the preceding financial year.

The higher loss was mainly attributable to fixed overheads and operating costs incurred in maintaining the segment's operational capabilities. Although the segment did not contribute external revenue during the year, it continued to support the coordination and execution of selected development activities within the Group.

Management will continue to monitor the segment's cost structure and assess opportunities that complement the Group's development portfolio, execution capabilities and risk appetite.

Financial Position Review

Financial Position	FY2026 RM'000	FY2025 RM'000	Variances	
			RM'000	%
Investment properties	**370,510**	217,596	152,914	70.27
Inventories	**664,157**	440,901	223,256	50.64
Cash and bank balances	**22,363**	30,510	(8,147)	(26.70)
Total assets	**1,137,975**	780,643	357,332	45.77
Trade and other payables	**134,905**	35,950	98,955	>100.00
Borrowings	**506,026**	294,919	211,107	71.58
Total liabilities	**660,044**	376,413	283,631	75.35
Shareholders' equity attributable to owners of the parent	**477,064**	403,715	73,349	18.17

The Group's financial position expanded in scale during FY2026, with total assets increasing by 45.77% to RM1.14 billion as at 31 March 2026. The expansion was mainly driven by higher investment properties and inventories, reflecting the Group's continued investment in assets that serve complementary roles within its business model.

Investment properties increased to RM370.51 million, mainly attributable to fair value gain recognised on certain investment properties and capitalisation of factory assets developed under the Group's industrial collaboration. Inventories rose to RM664.16 million, mainly due to completed land acquisitions and the recognition of costs arising from development arrangements entered into by the Group.

REVIEW OF **FINANCIAL RESULTS** AND **FINANCIAL CONDITION**

Together, these asset classes support the Group's longer-term platform. Investment properties are intended to enhance the Group's recurring-income potential over time, while inventories provide the foundation for future development activities. This balance enables PGB to build income-generating assets while maintaining a development pipeline that can be brought to market progressively, subject to market conditions, approvals and project execution requirements.

The larger asset base was accompanied by higher funding and working capital obligations. Total liabilities increased to RM660.04 million, mainly attributable to higher borrowings and trade and other payables, which rose to RM506.03 million and RM134.91 million respectively. Cash and bank balances stood at RM22.36 million, compared with RM30.51 million in FY2025.

Shareholders' equity attributable to owners of the parent increased by 18.17% to RM477.06 million, supported by profit generated during FY2026. The higher equity base contributed to the improvement in net assets per share and provides a stronger capital foundation for the Group's ongoing business activities.

Overall, the Group's financial position reflected a larger asset base, higher funding requirements and a strengthened equity base. Further discussion on the Group's liquidity and funding approach is set out under the Capital Management and Liquidity section of this MD&A.

Key Financial Indicators

Key Financial Indicators	FY2026	FY2025	Variances	Variances (%)
Current ratio (times)	**3.93**	3.29	0.64	19.45
Debt-to-equity ratio (times)	**1.38**	0.93	0.45	48.39
Gearing ratio (times)	**1.06**	0.73	0.33	45.21
Net assets per share (RM)	**0.64**	0.54	0.10	18.52

The Group's key financial indicators reflected the broader changes in its financial position during FY2026, as the asset base expanded and the capital structure became more active. The current ratio improved to 3.93 times from 3.29 times in FY2025, indicating that the Group maintained adequate short-term financial capacity to meet its current obligations.

The debt-to-equity ratio increased to 1.38 times, while the gearing ratio rose to 1.06 times, reflecting higher borrowings used to support the Group's enlarged asset base. The higher leverage position should be viewed in the context of the Group's enlarged asset base, strengthened shareholders' equity and improving net assets per share.

Net assets per share improved to RM0.64 from RM0.54 in FY2025, supported by the increase in shareholders' equity following profit generated during the year. This reflects the strengthening of the Group's capital base despite higher funding requirements.

Overall, the indicators show that PGB maintained adequate liquidity while adopting a more active funding position to support its enlarged asset base and future development pipeline.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Capital Management and Liquidity

The Group's capital management approach in FY2026 focused on aligning available funding resources with the expanding scale and timing of its business activities. Funding requirements were managed through a combination of internally generated funds, bank borrowings, working capital optimisation and proceeds from land monetisation activities. These proceeds were applied in accordance with their approved purposes, allowing realised land value to be channelled back into the Group's business and funding requirements.

Cash and bank balances stood at RM22.36 million as at 31 March 2026, compared with RM30.51 million in FY2025. The lower cash position reflected the deployment of funds towards ongoing project execution and working capital requirements during the financial year. Together with the improved current ratio of 3.93 times, this indicated that the Group maintained adequate liquidity to support its current obligations.

To support the expanded asset base and longer-term development requirements, borrowings increased to RM506.03 million from RM294.92 million in FY2025. This more active funding structure resulted in a gearing ratio of 1.06 times and a debt-to-equity ratio of 1.38 times. Management continues to monitor borrowings against repayment schedules, financing costs and expected cash inflows from project sales and leasing activities.

The Group's capital framework remains closely integrated with PGB's broader strategy of maintaining property development as the core earnings driver while progressively expanding income-generating assets to support longer-term earnings resilience. Moving forward, Management will continue to pace capital commitments, preserve liquidity and manage funding costs prudently as the Group progresses its development and investment property portfolio.

OPERATIONAL AND CORPORATE DEVELOPMENT REVIEW

Beyond the financial results, FY2026 reflected the Group's continued progress in translating its landbank, development capabilities and asset strategy into a broader operating platform. Management's focus during the year extended beyond delivering current projects to preparing the Group for its next phase of growth through active portfolio management, development planning and selected corporate initiatives.

Development Portfolio and Project Pipeline

Property development remained the Group's core operating platform during the financial year. PGB continued to progress its commercial and industrial developments, including key projects such as Pekan Sentral shop offices and various detached factory developments. These initiatives reinforced the Group's presence in the business and industrial property segments and supported its ongoing participation in Johor's strategic growth corridors.

Management's approach was centred on disciplined execution rather than growth by volume alone. Active projects were managed with a focus on project delivery, cost control, sales progress and product relevance, while future phases were assessed against market demand, regulatory approvals and funding capacity.

A key milestone during the year was the progress of Calia Residences by PGB, which marks the Group's strategic expansion into serviced apartment offerings. The project is supported by the completed development rights arrangement involving two (2) parcels of freehold land in Johor Bahru and broadens PGB's product base within the high-rise property segment. The Group's longer-term pipeline is further supported by The Iconic by PGB, a planned serviced apartment development, and Kensington Parkview by PGB, a planned mixed development.

Together, these projects establish a wider, diversified development pipeline for the Group. Future launches will continue to be paced with reference to prevailing market conditions, buyer demand and funding capacity, supporting an orderly development cycle and reducing the risk of introducing new supply ahead of market absorption.

OPERATIONAL AND CORPORATE DEVELOPMENT REVIEW

Investment Properties and Income-Generating Assets

In parallel with its development activities, the Group continued to build assets that can contribute to a more diversified earnings base over time. The Group's portfolio of investment properties includes specialised leased assets, workers' accommodation and industrial-related properties, which complement its core development business.

The handover of Selgate Specialist Hospital Sepang marked a key milestone for the Group, representing its first hospital-related asset and a meaningful addition to its portfolio of specialised investment properties. The asset reflects PGB's ability to deliver purpose-built properties that can support long-term tenancy and asset value creation.

The Group also progressed its workers' accommodation platform through PGB Hostel, with Phase 2 currently under development. Desa 27 also moved closer towards operationalisation, with construction substantially completed and leasing arrangements secured for selected units.

These developments add depth to the Group's portfolio of investment properties and strengthen the foundation for recurring income over time. Management will continue to monitor tenancy performance, occupancy, asset quality and operating requirements to support their long-term contribution.

Landbank Optimisation and Strategic Collaborations

Landbank optimisation remained central to the Group's corporate development approach. During FY2026, PGB continued to manage its landbank through completed transactions, development arrangements and strategic collaborations. These activities supported the Group's ability to unlock value from selected land parcels while preserving flexibility for future development and investment opportunities.

During the year, the Group completed selected land monetisation activities as part of its ongoing landbank optimisation strategy. Its development rights arrangements also provided flexibility in structuring future projects, managing upfront capital requirements and pacing development according to market conditions. Collectively, these initiatives supported Management's objective of balancing development opportunities with prudent capital deployment.

A key corporate development during FY2026 was the Group's strategic collaboration with GSP Automotive Malaysia Sdn. Bhd. ("GSP Automotive") for the establishment of PGB-GSP AutoPark ("AutoPark") in Iskandar Puteri. The collaboration is anchored by GSP Automotive and is intended to attract automotive component manufacturers, suppliers and logistics partners into the AutoPark ecosystem. As part of the arrangement, PGB will apply its landbank, development capabilities and asset management experience as master developer and ecosystem integrator, including the development and leasing of selected factory units targeted for green certification. This initiative reflects the strategic value of the Group's Iskandar Puteri landbank and supports PGB's participation in industrial-related opportunities aligned with the region's growing investment landscape.

In addition, the Group entered into a Memorandum of Collaboration with United Overseas Bank (Malaysia) Berhad to support future financing opportunities, including green financing and investment-related initiatives. This collaboration complements PGB's broader strategy of strengthening its development and investment property platform while maintaining access to funding solutions that support longer-term business growth.

Subsequent to the financial year end, PGB announced the proposed disposal of two (2) parcels of land in Tanjung Kupang to a data centre operator. The proposed disposal highlights the strategic relevance of the Group's landbank within Johor's data centre and industrial landscape and reflects Management's ongoing focus on selective landbank monetisation. As the transaction was announced after FY2026, it should be read as a subsequent corporate development and not as part of the Group's FY2026 financial performance.

OPERATIONAL AND CORPORATE DEVELOPMENT REVIEW

Execution Quality and Sustainability Focus

As the Group progresses a broader development and investment property portfolio, disciplined execution remains important to preserving margins, managing delivery timelines and supporting long-term asset value. During FY2026, Management continued to place emphasis on project discipline, product quality and compliance across its development activities.

Sustainability considerations were also incorporated into selected projects, including targeted GreenRE certifications for Calia Residences by PGB, The Iconic by PGB, Kensington Parkview by PGB and selected industrial assets under the AutoPark. PGB Hostel Phase 1 also obtained GreenRE Silver certification during the year. These initiatives support the Group's efforts to align project planning and asset positioning with evolving market expectations, regulatory direction and stakeholder considerations. Further details on the Group's sustainability approach, initiatives and performance are set out in the Sustainability Statement of this Annual Report.

Overall, FY2026 demonstrated steady progress in strengthening the Group's operating platform. PGB advanced its development pipeline, built income-generating assets, optimised its landbank and deepened strategic collaborations. Management will continue to pursue these initiatives with emphasis on disciplined execution, market relevance and sustainable long-term growth.

RISK MANAGEMENT

As PGB continues to progress its development pipeline, investment property portfolio and strategic corporate initiatives, effective risk management remains fundamental to sustaining business resilience, protecting stakeholder confidence and supporting responsible value creation. Risk oversight continues to be guided by the Group Risk Management Framework ("GRM Framework"), with governance oversight provided by the Board and Risk Management Committee.

During FY2026, the Group conducted its annual risk assessment and update process to ensure that its key risk profile remained aligned with current operational activities and strategic direction. The Group's overall risk profile remained broadly stable during the year, with certain individual risk ratings recalibrated to reflect changing market conditions, cost pressures and operational developments. Concurrently, the Group's annual sustainability materiality reassessment confirmed that no new material sustainability matters were identified and all thirteen (13) material sustainability matters identified in FY2025 remained relevant for FY2026.

The Group's risk landscape continues to be shaped by market conditions, project execution requirements, funding needs, regulatory expectations, sustainability considerations and increasing reliance on digital systems. While certain risks arise from external factors beyond the Group's direct control, Management continues to monitor these exposures and implement mitigation measures through established governance, internal control and reporting processes. Further details on the Group's risk management framework, internal control system and risk governance structure are set out in the Statement on Risk Management and Internal Control section of this Annual Report.

RISK MANAGEMENT

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 Group's strategic direction remains anchored on property development, supported by the progressive expansion of its investment properties and targeted corporate initiatives. As PGB advances a broader development platform, strategic and operational risks are closely linked to the Group's ability to secure the right opportunities, pace project launches appropriately and execute developments in line with market demand and funding capacity.

The property market remains cyclical and sensitive to changes in buyer sentiment, financing conditions and supply dynamics. These factors may affect pricing, sales take-up and the timing of development activities. To manage these exposures, Management continues to assess market conditions, product positioning and project feasibility before committing resources to new launches or major development phases.

Execution discipline is equally important as the Group progresses its developments. Delays in approvals, changes in construction costs or weaker contractor performance may affect project margins, delivery commitments and product quality. Active projects are therefore monitored through management oversight, project reporting, budgetary controls and coordination with consultants, contractors and relevant authorities.

Through this approach, the Group seeks to manage strategic and operational risks in a manner that supports disciplined growth, protects project value and strengthens execution resilience.

Financial and Liquidity Risks

As the Group's asset base expands and its development and investment property activities progress, financial and liquidity risks are inherently tied to the timing of capital deployment, project cash flows and funding commitments. The Group's active funding position supports its broader corporate expansion, but requires continuous monitoring to ensure that borrowings, repayment obligations and working capital needs remain balanced against expected project milestones and income-generating asset plans.

The property development business is capital-intensive by nature. Changes in financing costs, slower market absorption or higher project costs may place pressure on margins and liquidity if not managed carefully. Management therefore addresses these exposures by maintaining disciplined financial oversight through structured cash flow planning, regular budget monitoring, cost controls and periodic reviews of capital commitments. Borrowings are monitored with reference to the Group's asset base, expected cash inflows and maturity profile, while capital allocation decisions are guided by strategic priorities, funding capacity and risk considerations.

Through this approach, the Group seeks to maintain adequate liquidity and financial flexibility while supporting the development pipeline and longer-term growth plans. Further details on how the Group manages its capital and liquidity position are set out in the Capital Management and Liquidity section of this MD&A.

Compliance, Governance and Integrity Risks

As the Group's business platform becomes broader and more active, maintaining compliance and governance discipline remains essential to upholding stakeholder trust, supporting responsible execution and ensuring that business decisions are made within a sound control environment.

RISK MANAGEMENT

Governance and integrity risks may arise where business decisions are not supported by adequate oversight, transparent documentation or effective internal controls. Such risks may affect the Group's regulatory standing, reputation and ability to execute its strategy responsibly. Management therefore continues to reinforce compliance awareness, ethical conduct and control discipline across business functions, supported by oversight from the Board and Board Committees.

The Group manages these exposures through established governance policies, operating procedures and transparent reporting channels. These mechanisms guide responsible corporate conduct, support compliance with applicable laws and regulations, and provide channels for identifying and addressing potential misconduct or control weaknesses. Regular internal audit reviews and risk reporting further support Management and Board Committees in maintaining oversight of overall control effectiveness.

Through this governance structure, the Group seeks to ensure that business growth is pursued with accountability, transparency and integrity.

Sustainability-Related Risks

Sustainability-related risks remain integrated into the GRM Framework, influencing how projects are planned, delivered and managed over time. In line with the continuity of the Group's thirteen (13) material sustainability matters, these considerations shape PGB's approach to environmental practices, product quality, workplace safety and responsible procurement across its development activities and portfolio of investment properties.

Management addresses these risks through practical, operational measures embedded directly into business activities. These include responsible procurement guidelines, project-level environmental monitoring, occupational health and safety controls, sustainability data tracking and targeted green building certification initiatives. These measures support the Group's efforts to keep its sustainability practices proportionate to its business scale, operating environment and reporting maturity.

Through this approach, the Group seeks to strengthen the link between sustainability, risk management and business resilience, while continuing to improve its sustainability practices and disclosures.

Cybersecurity and Data Governance Risks

As digital systems become more embedded in daily operations, cybersecurity and data governance risks remain vital to business continuity, regulatory compliance and stakeholder confidence. The increasing reliance on digital platforms and electronic records requires information assets to be managed securely and responsibly across business functions.

Technology-related disruptions, unauthorised access or potential data breaches are monitored as part of the Group's broader internal control processes, with attention given to system reliability, user access rights, data accuracy and compliance with personal data protection requirements.

To manage these exposures, PGB maintains practical safeguards covering user authentication, data backup routines, network security and incident reporting. These are supplemented by periodic IT-related reviews to reinforce responsible information handling and support the timely identification of potential weaknesses.

Through this approach, the Group seeks to maintain operational continuity, protect information assets and strengthen data governance in line with its evolving business needs.

PROSPECTS AND OUTLOOK

As PGB advances into its next phase of growth, the Group remains focused on building on the operational foundations established during FY2026. While FY2025 was marked by significant land monetisation, FY2026 demonstrated the Group's ability to maintain profitability, expand its asset base and execute targeted initiatives that support a broader and more resilient property platform. Moving into FY2027, the Group's direction remains firmly anchored on disciplined execution, market-responsive project development and prudent capital allocation across its core operating segments.

Property development continues to serve as the primary engine of the Group's growth. This momentum will be supported by the steady monetisation of completed inventories, progression of ongoing developments and the planned launch of new projects that respond to market demand. Management continues to assess buyer sentiment, pricing, funding capacity and market absorption before committing resources to major launches or development phases.

The Group's upcoming pipeline, including Calia Residences by PGB, The Iconic by PGB and Kensington Parkview by PGB, is expected to broaden PGB's product base and strengthen its participation in selected growth segments. At the same time, strategic industrial initiatives such as the proposed PGB-GSP AutoPark reflect the value of the Group's landbank and its ability to participate in opportunities arising from Johor's evolving investment landscape. These projects will be progressed in a measured manner, with emphasis on product relevance, execution discipline, sustainability considerations and long-term value creation.

In tandem with cyclical development revenue, PGB will continue to strengthen its portfolio of investment properties as part of its broader objective to build more diversified income streams over time. Assets such as Selgate Specialist Hospital Sepang, PGB Hostel and Desa 27 provide a platform for recurring income potential. Management remains focused on optimising tenancy arrangements, occupancy and asset performance while prudently evaluating new opportunities that align with the Group's financial capacity and risk appetite.

The construction segment will continue to support the Group's internal development activities and project delivery requirements. Where suitable opportunities arise, the Group may also evaluate external construction contracts that are aligned with its capabilities, execution standards and risk-return expectations. This approach allows the segment to contribute to operational efficiency while maintaining discipline over project quality, safety and delivery commitments.

Practical sustainability considerations will remain an important part of PGB's development and investment approach. The Group will continue to embed targeted environmental and social considerations into selected projects, including green building certification initiatives, responsible procurement practices, workplace safety and environmental management. These efforts support the Group's objective of delivering developments that are commercially relevant, responsibly planned and aligned with evolving stakeholder expectations.

To support capital efficiency and enhance project-level returns, the Group will continue to evaluate strategic partnerships, development rights arrangements and other collaborative structures, where appropriate. These arrangements may allow the Group to optimise capital deployment, manage upfront funding requirements and expand its development platform in a disciplined manner. New opportunities will continue to be subject to internal assessment and, where required, tabled to the Board for deliberation and approval.

While the Board has not formalised a dividend policy, PGB remains committed to delivering sustainable long-term returns to shareholders. Retained earnings will continue to be allocated prudently towards viable developments, investment opportunities and business initiatives that support future growth. The Group will also continue to explore new markets, strengthen operational efficiency through technology adoption and cost discipline, and maintain proactive stakeholder engagement as part of its broader approach to responsible growth.

Although the operating environment is expected to remain competitive, Management believes that the Group's landbank, active pipeline, growing portfolio of investment properties and strategic collaborations provide a stronger platform for long-term growth. Guided by sound governance, disciplined capital management and market-aware execution, PGB remains committed to strengthening its business platform and delivering sustainable value to shareholders and stakeholders in the years ahead.

OUR COMMITMENT TO SUSTAINABILITY

SUSTAINABILITY OVERVIEW

INTRODUCTION

Paragon Globe Berhad ("PGB" or "Company") is pleased to present our Sustainability Statement for the financial year ended 31 March 2026 ("FY2026"). This Sustainability Statement outlines the sustainability approach, initiatives and performance of PGB and its subsidiaries (collectively, "Group") in managing material economic, environmental, social and governance ("ESG") matters across our business operations.

At PGB, sustainability is integral to the way we create long-term value. As a Group involved in property development, construction and investments, we recognise that our decisions and operations have an impact on our stakeholders, the built environment and the communities in which we operate. We therefore remain committed to embedding responsible business practices, sound governance, environmental stewardship and social responsibility into our strategies and day-to-day operations.

FY2026 marks PGB's fifth Sustainability Statement ("Statement") and reflects our continued efforts to strengthen sustainability governance, improve data quality and internal reporting practices, and align our disclosures with evolving regulatory expectations. During the year, we continued to build on the sustainability foundation established in previous years, with greater emphasis on integrating sustainability-related risks and opportunities into the Group's risk management processes while monitoring and progressively responding to Malaysia's evolving sustainability reporting requirements, including the National Sustainability Reporting Framework ("NSRF").

Through this Statement, we share how sustainability is being translated into action across the Group, from the way we govern our business and manage risks, to how we deliver quality developments, reduce our environmental footprint, support our people and contribute to the communities around us.

REPORTING SCOPE AND BOUNDARY

This Statement covers the Group's business operations within Malaysia, comprising its property development, construction and investment segments, unless otherwise stated.

The reporting scope and boundary are consistent with the Sustainability Statement for the financial year ended 31 March 2025 ("FY2025"), allowing for continuity and comparability in our sustainability disclosures. Comparative historical data from previous reporting periods are included, where available and applicable, to provide stakeholders with a clear view of our sustainability progress.

Where there are changes in reporting scope, measurement basis or data availability for specific indicators, these are disclosed in the relevant sections of this Statement.

REPORTING PERIOD

This Statement covers the period from 1 April 2025 to 31 March 2026, unless otherwise stated. Significant sustainability initiatives, developments or updates occurring after the reporting period have been included where they are considered relevant to stakeholders.

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 Bursa Securities' Sustainability Reporting Guide ("SRG"), the Malaysian Code on Corporate Governance ("MCCG"), the Global Reporting Initiative ("GRI") Standards 2021 and the United Nations Sustainable Development Goals ("UNSDGs").

SUSTAINABILITY OVERVIEW

In preparing this Statement, the Group has also taken into consideration the evolving sustainability reporting landscape in Malaysia, including the NSRF, which introduces the IFRS Sustainability Disclosure Standards, namely IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1") and IFRS S2 Climate-related Disclosures ("IFRS S2"), as the baseline sustainability disclosure standards in Malaysia.

The Group's adoption of the IFRS Sustainability Disclosure Standards will be guided by the applicable phased implementation timeline under Bursa Securities' Listing Requirements. In the meantime, we continue to strengthen our sustainability governance, risk management processes, climate-related data collection and internal reporting practices in line with the direction of the NSRF and the Group's reporting maturity.

ASSURANCE

To support the accuracy, integrity and reliability of our sustainability disclosures, this Statement has been reviewed by Management and approved by the Board of Directors ("Board").

In line with our commitment to transparency and credibility, the Group has engaged Wensen Consulting Asia (M) Sdn. Bhd., an independent verifier, to conduct a limited assurance exercise on selected sustainability indicators disclosed in this Statement.

BOARD APPROVAL

The Board has reviewed and approved this Statement and believes that it provides a fair and factual account of the Group's sustainability approach, initiatives and performance for FY2026.

The Board acknowledges its responsibility for overseeing the Group's sustainability direction, material sustainability matters, sustainability-related risks and opportunities and the integrity of sustainability disclosures. This responsibility is supported by the Risk Management Committee ("RMC"), Sustainability Steering Committee ("SSC") and Sustainability Working Committee ("SWC"), in accordance with the Group's sustainability governance structure.

FORWARD-LOOKING STATEMENTS

This Statement may contain forward-looking statements relating to the Group's sustainability strategies, targets, plans, initiatives and future priorities. These statements are based on current expectations, assumptions and available information at the time of reporting.

Such forward-looking statements should not be regarded as absolute guarantees or predictions of future performance, as they are subject to risks, uncertainties and changes in business, regulatory, economic, environmental and social conditions. Readers are advised not to place undue reliance on these statements.

FEEDBACK

We value the views and feedback of our stakeholders as they help us continuously improve our sustainability practices and disclosures.

Stakeholders who wish to provide feedback or seek further information on this Statement may contact us at **enquiry@pgbgroup.com.my**.

SUSTAINABILITY JOURNEY

PGB's sustainability journey reflects our progressive efforts to embed responsible business practices across the Group. Over the years, we have moved from compliance-based reporting towards a more structured approach that integrates governance, stakeholder engagement, performance monitoring and risk-informed sustainability management.

As sustainability expectations continue to evolve, the Group remains focused on building the internal discipline, oversight and data quality needed to support long-term value creation.

2018 – 2021

Building Our Reporting Foundation

During the early phase of our sustainability journey, the Group focused on establishing the foundation for sustainability reporting in line with Bursa Securities' SRG and Listing Requirements.

KEY MILESTONES

- Adopted Bursa Securities' SRG.
- Developed initial stakeholder engagement mechanisms.
- Strengthened data collection across identified sustainability areas.
- Continued monitoring sustainability matters during the COVID-19 period.

2022 – 2023

Strengthening Governance and Stakeholder Engagement

The Group began formalising a more strategic sustainability approach through clearer governance, defined sustainability goals and stronger stakeholder engagement.

KEY MILESTONES

- Established sustainability goals, policy and strategic framework.
- Formed the SSC and appointed a Sustainability Officer.
- Conducted the first materiality assessment and developed a Materiality Matrix.
- Expanded materiality assessment to include external stakeholders.
- Rolled out key policies including the Sustainable Procurement Policy and Occupational Health and Safety Policy.

SUSTAINABILITY JOURNEY

2024 – 2025
Enhancing ESG Integration and Sustainability Practices

As our sustainability practices matured, we placed greater emphasis on improving data quality, performance monitoring and climate-related disclosures.

KEY MILESTONES

- Enhanced the consistency and comparability of sustainability data.
- Introduced sustainability performance targets and indicators.
- Conducted a full-scale materiality assessment involving internal and external stakeholders.
- Expanded climate-related disclosures through Scope 1, Scope 2 and selected Scope 3 emissions tracking.
- Strengthened targets for occupational health and safety, labour practices, diversity and inclusion, community investment and green building certification.

2026
Advancing Sustainability Integration and Reporting Alignment

In FY2026, the Group further strengthened the link between sustainability, risk management and reporting discipline. While sustainability reporting requirements continue to evolve, we remain focused on improving our internal processes, data quality and governance practices in a practical and progressive manner.

KEY MILESTONES

- Conducted the FY2026 Annual Materiality Reassessment.
- Confirmed that all thirteen (13) material sustainability matters remained relevant.
- Strengthened alignment between material sustainability matters and the Group's risk management frameworks.
- Improved sustainability data collection and performance monitoring.
- Obtained GreenRE Silver Certification for PGB Hostel, marking progress from provisional certification to actual certification and reinforcing the Group's efforts to integrate green building standards into its developments.
- Continued to monitor developments under the NSRF and IFRS Sustainability Disclosure Standards, while strengthening internal reporting practices, climate-related data collection and sustainability disclosures in line with applicable requirements and the Group's current stage of reporting maturity.

As PGB moves forward, sustainability will remain an ongoing journey of learning, improvement and adaptation. We will continue to strengthen governance, improve data discipline, deepen sustainability integration into business planning and enhance the transparency of our disclosures in response to evolving stakeholder and regulatory expectations.

OUR APPROACH TO **SUSTAINABILITY**

At PGB, sustainability is part of how we manage our business, make decisions and create long-term value for our stakeholders. As the Group's activities span property development, construction and investments, we recognise the importance of balancing business growth with responsible governance, environmental stewardship, social responsibility and stakeholder trust.

Our approach is guided by a structured sustainability framework, clear governance responsibilities, stakeholder engagement and risk-informed decision-making. As sustainability expectations continue to evolve, we are taking measured steps to strengthen how sustainability is governed, monitored and reflected in business decisions, while keeping our approach practical and aligned with the Group's current scale, operating environment and reporting maturity.

In FY2026, we continued to build on the progress made in previous years, with a clearer focus on connecting sustainability to the way we manage risks, monitor performance and make business decisions. We also validated the continued relevance of our material sustainability matters and improved the quality of data used to support sustainability tracking and reporting.

SUSTAINABILITY FRAMEWORK

The Group's Sustainability Framework provides a structured approach for integrating sustainability considerations into our business activities and decision-making processes. It connects our business segments, vision and mission with the Sustainability Policy, governance structure, sustainability pillars, material sustainability matters, communication channels and stakeholder relationships that guide our approach.

Anchored on four sustainability pillars, namely Governance, Economic, Environmental and Social, this approach helps the Group organise its sustainability priorities and manage the thirteen (13) material sustainability matters that are most relevant to our business and stakeholders.

Sustainability considerations are integrated across key business and governance processes, including business planning, project delivery, risk management, performance monitoring and stakeholder engagement. Sustainability-related risks and opportunities are also considered within the Group Risk Management Framework, supporting a more disciplined approach to managing matters that may affect business resilience, stakeholder confidence and long-term value creation.

OUR APPROACH TO **SUSTAINABILITY**

The diagram below summarises how sustainability is embedded across the Group's business and operations.

PGB SUSTAINABILITY FRAMEWORK

How We Embed Sustainability Across the Group

OUR BUSINESS

- PROPERTY DEVELOPMENT
- CONSTRUCTION
- INVESTMENTS

OUR PURPOSE

VISION

To be a renowned property developer delivering innovative, high-quality products that create positive economic, social and environmental impacts.

MISSION

To foster sustainable growth through responsible practices within our property development, construction and investment activities.

OUR FOUNDATION

SUSTAINABILITY POLICY

Guides the integration of sustainability considerations into business strategies, operations and decision-making.

SUSTAINABILITY GOVERNANCE

Provides oversight, accountability and coordination through the Board, RMC, SSC and SWC.

OUR SUSTAINABILITY PILLARS AND MATERIAL MATTERS

GOVERNANCE
Responsible and Sustainable Governance

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

ECONOMIC
Strengthening Our Economic Outlook

Material Matters
- Product Quality and Responsibility
- Economic Performance
- Supply Chain Management

ENVIRONMENTAL
Minimising Our Environmental Footprint

Material Matters
- Waste Management
- Climate Change and Action
- Water Management

SOCIAL
Valuing Our People and Community

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

STAKEHOLDER ENGAGEMENT

Shareholders and Investors | Employees | Customers | Contractors and Suppliers | Government and Regulators | Media | Local Communities and Non-Government Organisations

COMMUNICATION CHANNELS

Annual Report | Company Website | Corporate Announcements | Annual General Meetings | Digital Platforms | Sustainability Statement

IN ALIGNMENT WITH

1 NO POVERTY; 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS

Through this approach, the Group seeks to manage governance, business performance, environmental responsibility and social impact in a practical and coordinated manner.

OUR APPROACH TO **SUSTAINABILITY**

SUSTAINABILITY POLICY

The Group's Sustainability Policy sets out the principles that guide how sustainability is integrated into our business strategies, operations and decision-making. It reflects our commitment to responsible growth, environmental stewardship, social well-being and sound governance, while taking into account the expectations of stakeholders connected to our business activities.

During FY2026, the Board reviewed and approved the updated Sustainability Policy on 29 May 2025. The updated policy provides clearer guidance on how sustainability matters are governed, monitored and escalated across the Group, supporting more consistent oversight and implementation.

The policy is made available on the Company's website and communicated to relevant personnel to support awareness and consistent application. We will continue to review and update our sustainability practices to ensure they remain relevant to the Group's operating environment and evolving stakeholder expectations. For more information, please visit **https://pgbgroup.com.my**.

SUSTAINABILITY GOVERNANCE

Strong governance is essential for translating sustainability commitments into meaningful action. The Group's sustainability governance structure provides clear oversight, accountability and coordination across different levels of the organisation, enabling sustainability matters to be reviewed, monitored and escalated through appropriate channels.

The Board provides overall direction for the Group's sustainability approach and is supported by the RMC, which oversees sustainability-related risks and opportunities and their integration into the Group's risk management framework.

During FY2026, the Group continued to operate under the enhanced sustainability governance structure approved by the Board on 29 May 2025. Under this structure, sustainability risk oversight is consolidated under the RMC, allowing sustainability-related matters to be considered alongside the Group's broader risk management priorities.

At management level, the SSC supports the execution of sustainability strategies and monitors progress across key focus areas, including stakeholder engagement, materiality assessment, target setting and performance tracking. The SSC reports directly to the RMC and is supported by the SWC, which coordinates with relevant departments to support implementation, data gathering and follow-up on sustainability matters at the operational level.

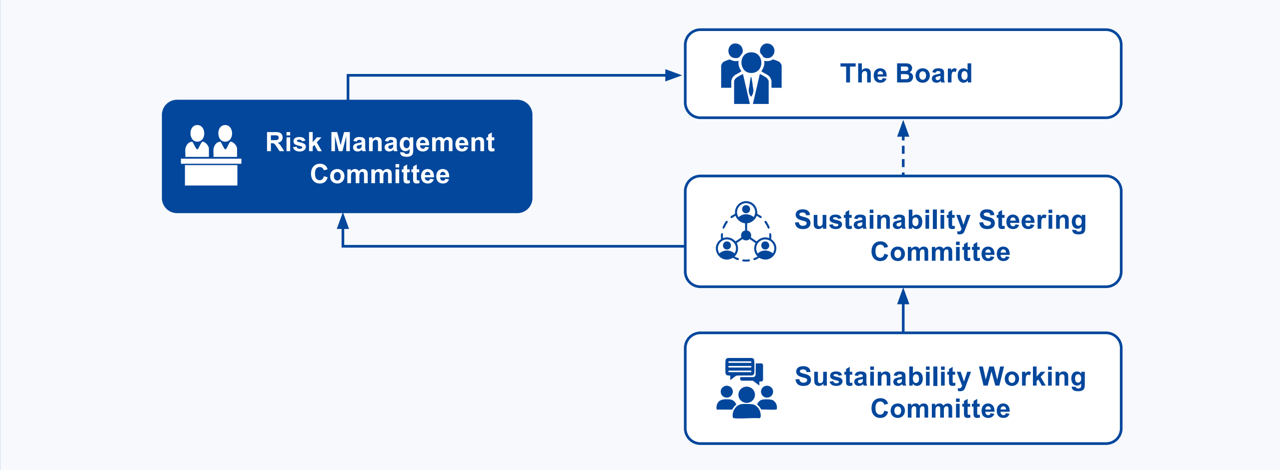
During FY2026, the SSC and SWC helped connect sustainability oversight with day-to-day execution. The SSC reviewed developments affecting the Group's sustainability reporting and direction, including the integration of sustainability matters into the Group's risk management process and the alignment of selected sustainability targets with departmental responsibilities. The SWC supported these efforts at operational level by coordinating data, implementation updates and follow-up actions with relevant departments. This provided a more consistent channel for matters to be monitored, discussed and escalated through the Group's sustainability governance structure where required.

The Group also monitors developments in sustainability reporting requirements and relevant ESG benchmarking expectations as part of its sustainability governance process. These developments are considered by the SSC and SWC, where relevant, to support the continued strengthening of sustainability disclosures, internal data discipline and alignment between sustainability priorities, risk management and operational responsibilities.

OUR APPROACH TO **SUSTAINABILITY**

The Group's sustainability governance structure is illustrated below:

SUSTAINABILITY GOVERNANCE STRUCTURE



Governance Body	Key Roles And Responsibilities
The Board	Provides overall oversight of the Group's sustainability direction, including material sustainability matters, strategies, policies, targets and disclosures. The Board also reviews and approves the Sustainability Statement for inclusion in the Annual Report.
RMC	Oversees sustainability-related risks and opportunities, monitors sustainability performance and supports the integration of sustainability matters into the Group's risk management framework. The RMC also reviews key sustainability updates, materiality outcomes and related matters before recommending them to the Board, where required.
SSC	Coordinates the Group's sustainability strategies, targets and implementation progress. The SSC reviews material sustainability matters, stakeholder engagement outcomes, sustainability data and disclosures before reporting to the RMC.
SWC	Supports the implementation of sustainability initiatives at operational level. The SWC works with relevant departments to collect data, track progress, coordinate initiatives and provide updates to the SSC.

OUR APPROACH TO **SUSTAINABILITY**

Sustainability matters are discussed through the Group's established governance process.

Governance Process and Engagement

Operational Level (SWC)

Operational updates and data are gathered from relevant departments and tracked on an ongoing basis.

Management Level (SSC)

Data and updates are reviewed, progress is monitored and key matters are escalated to the RMC.

Oversight Level (RMC and the Board)

Material matters are reviewed and deliberated, with recommendations or approvals sought from the Board where required.

In accordance with the Sustainability Policy, sustainability matters are included as part of RMC and Board oversight at least twice a year, while the SSC and SWC support more regular monitoring through quarterly and monthly discussions respectively. This governance rhythm enables sustainability-related matters to be reviewed from both strategic and operational perspectives, while supporting timely escalation where further deliberation or action is required.

Through this structure, the Group seeks to maintain practical and coordinated oversight of sustainability matters, ensuring that sustainability-related risks, opportunities and performance updates are considered in line with the Group's business priorities and risk management process.

INTEGRATION OF SUSTAINABILITY INTO RISK MANAGEMENT

Sustainability-related risks and opportunities are increasingly connected to the way businesses operate, respond to change and create long-term value. For the Group, these matters are considered within the broader risk management process so that sustainability issues are not viewed in isolation, but assessed together with other business risks that may affect resilience, operational continuity and stakeholder confidence.

This approach is supported by the Group Risk Management Framework, which provides a structured process for identifying, assessing, monitoring and reporting risks through established governance channels. Sustainability-related matters may emerge as the Group navigates changes in its regulatory, market and operating environment. Insights from day-to-day operations, internal reviews and departmental risk assessments also help the Group identify areas that may require closer monitoring or further action.

In FY2026, the Group continued to align its material sustainability matters with the Group's risk management frameworks. Inputs from the Group's risk registers, residual risk heat maps and risk assessment observations were used to support the annual materiality reassessment and to validate the continued relevance of the Group's material sustainability matters.

OUR APPROACH TO **SUSTAINABILITY**

The reassessment confirmed that no new material sustainability matters were identified and all thirteen (13) material sustainability matters identified in FY2025 remained relevant for FY2026. This process supports the Group in monitoring sustainability-related matters through its existing risk governance structures, while keeping the approach practical and aligned with the Group's current reporting maturity.

Further details on the Group's risk management and internal control practices are disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

SUSTAINABILITY GOALS

Our sustainability goals provide direction for translating the Group's sustainability priorities into practical action. They are aligned with our four (4) sustainability pillars and guide how we manage the material matters disclosed throughout this Statement.

These goals help the Group focus its efforts on areas where we can make meaningful progress and where sustainability is most relevant to our business and stakeholders.

The Group's four (4) sustainability goals are set out below:

Governance

Responsible and Sustainable Governance

Building trust through ethical conduct, regulatory compliance, sound governance and responsible management of data and integrity-related matters.

Economic

Strengthening Our Economic Outlook

Creating sustainable economic value through disciplined execution, quality developments and responsible relationships with customers, suppliers and business partners.

Environmental

Minimising Our Environmental Footprint

Managing our environmental impact through practical measures that support resource efficiency, climate-related tracking, waste management and greener development practices.

Social

Valuing Our People and Community

Supporting a safe, respectful and inclusive workplace, while contributing to community well-being through meaningful engagement and social initiatives.

Through these goals, the Group continues to align sustainability with business priorities and stakeholder expectations in a manner that reflects our operating environment and reporting maturity.

OUR APPROACH TO **SUSTAINABILITY**

STAKEHOLDER ENGAGEMENT

Stakeholder engagement remains an important part of how the Group shapes its sustainability priorities and business decisions. Through regular communication with our stakeholders, we gain practical insights into the matters that are most relevant to our operations, business relationships and long-term value creation.

Our stakeholders comprise individuals and groups who are impacted by our business activities or who may influence the Group's ability to achieve its objectives. These include shareholders and investors, employees, customers, contractors and suppliers, government and regulators, media, local communities and non-governmental organisations ("NGOs").

Engagement is carried out through both formal and informal channels, depending on the nature of the stakeholder relationship and the matters being addressed. The feedback and observations gathered from these interactions support the Group in reviewing its material sustainability matters, responding to emerging concerns and improving sustainability practices over time.

The Group's stakeholder engagement mechanisms are summarised below:

Stakeholder Group	Engagement Channels and Frequency	Key Areas of Interest	Our Response and Relevant Sections
Shareholders and Investors	A Annual general meeting A Annual report O Company website N Corporate announcements O Digital platforms N Extraordinary general meetings Q Quarterly financial results N Site visits	• Anti-bribery and anti-corruption • Board leadership • Business outlook, strategy and growth plans • Climate change strategies • Corporate governance • Corporate reputation • ESG practices and commitment • Financial and operational performance • Risk management and internal control • Transparency and accountability	The Group provides shareholders and investors with timely updates on its strategy, financial performance, corporate developments and sustainability progress through annual and quarterly reporting, corporate announcements, general meetings and other communication channels. During FY2026, the Group continued to strengthen the linkage between sustainability matters and risk management, while maintaining its focus on ethical conduct, governance, transparency and accountability. Relevant responses are further disclosed under the Sustainability Governance, Integration of Sustainability into Risk Management, Anti-Bribery and Anti-Corruption, Compliance to Laws and Regulations and Economic Performance sections of this Statement.

LEGEND: A Annually N As and when needed O Ongoing P Periodically Q Quarterly

OUR APPROACH TO **SUSTAINABILITY**

Stakeholder Group	Engagement Channels and Frequency	Key Areas of Interest	Our Response and Relevant Sections
Employees	P Corporate activities N Employment contracts P Employee engagement programmes and events N Employee handbook A Employee surveys A Employee performance appraisals P Internal communications P Meetings A Town halls P Training, seminars and workshops	• Anti-bribery and anti-corruption • Career development • Compensation, benefits and welfare • Diversity and inclusion • Employee engagement • ESG practices and commitment • Job security and retention • Labour and human rights • Leadership, communication and organisational direction • Occupational health and safety • Organisational direction and growth plans • Work-life balance • Working environment and culture	The Group engages employees through internal communication, training, performance reviews, workplace activities and employee feedback channels. These engagements support employee development, organisational alignment and a more connected workplace. During FY2026, the Group continued to promote ethical conduct through the ABC declaration exercise, while supporting workplace safety, fair employment practices, diversity, employee well-being and engagement. Relevant responses are further disclosed under the Anti-Bribery and Anti-Corruption, Labour Practices and Standards, Occupational Health and Safety and Diversity and Inclusion sections of this Statement.
Customers	N Advertisement and marketing promotions N Corporate and product brochures O Company website N Corporate announcements N Customer feedback platforms O Digital platforms P Public events	• Customer service experience • Data privacy • Defect rectification • ESG practices and commitment • Market outlook and development updates • Product design and features • Product pricing, quality and safety • Social contributions • Timely delivery	The Group remains focused on delivering quality developments and maintaining responsive communication with customers throughout the project lifecycle. During FY2026, the Group continued to manage product quality through workmanship assessments, project-level controls and certification initiatives, while upholding responsible data handling practices and customer communication. Relevant responses are further disclosed under the Product Quality and Responsibility, Data Privacy and Security, Economic Performance and Community Development and Programmes sections of this Statement.

LEGEND: A Annually N As and when needed O Ongoing P Periodically Q Quarterly

OUR APPROACH TO **SUSTAINABILITY**

Stakeholder Group	Engagement Channels and Frequency	Key Areas of Interest	Our Response and Relevant Sections
Contractors and Suppliers	(N) Briefings, updates and meetings (N) Contract and legal discussions (O) Company website (N) Emails and letters (N) Letters of award (A) Performance evaluations (P) Site visits and inspections (N) Tender sessions	• Anti-bribery and anti-corruption • Business ethics and compliance • Health and safety of contractors' workers • Legal compliance and contractual commitments • Payment schedules • Procurement process and practices • Product and service pricing and quality • Supply chain management • Sustainable building practices and methods	The Group works with contractors and suppliers through procurement processes, project coordination, site monitoring and performance evaluation mechanisms to support reliable project delivery and responsible business conduct. During FY2026, supplier and contractor evaluations were carried out to support quality, reliability, safety, compliance and responsible supply chain practices. The Group also continued to promote fair procurement and responsible sourcing, supported by relevant governance policies including the Anti-Bribery and Anti-Corruption ("ABC") Policy, Sustainable Procurement Policy and Conflict of Interest and Related Party Transaction ("COI and RPT") Policy. Relevant responses are further disclosed under the Anti-Bribery and Anti-Corruption, Supply Chain Management, Occupational Health and Safety and Product Quality and Responsibility sections of this Statement.

LEGEND: (A) Annually (N) As and when needed (O) Ongoing (P) Periodically (Q) Quarterly

OUR APPROACH TO **SUSTAINABILITY**

Stakeholder Group	Engagement Channels and Frequency	Key Areas of Interest	Our Response and Relevant Sections
Government and Regulators	A Audits and inspections N Compliance reporting N Emails and letters N Industry dialogues N Regulatory requirements reporting N Training, seminars and workshops	• Anti-bribery and anti-corruption • Corporate governance practices • ESG practices and commitment • Labour practices and standards • Occupational health and safety • Public and community engagement • Regulatory compliance and certification • Transparency and accountability	The Group continues to monitor and comply with applicable laws, regulations, licensing requirements, regulatory reporting obligations and Bursa Securities' Listing Requirements. Relevant regulatory developments, including sustainability reporting updates, are considered in strengthening the Group's governance processes, internal controls and reporting practices. The Group also continues to maintain appropriate records and engage with relevant authorities to support compliance and accountability. Relevant responses are further disclosed under the Sustainability Governance, Integration of Sustainability into Risk Management, Compliance to Laws and Regulations, Labour Practices and Standards, Occupational Health and Safety and Climate Change and Action sections of this Statement.

LEGEND: A Annually N As and when needed O Ongoing P Periodically Q Quarterly

OUR APPROACH TO **SUSTAINABILITY**

Stakeholder Group	Engagement Channels and Frequency	Key Areas of Interest	Our Response and Relevant Sections
Media	N Advertisement and marketing promotions N Corporate and product brochures O Company website N Corporate announcements O Digital platforms N Interviews and engagement sessions N Press releases N Public events	• Business outlook, strategy and growth plans • Corporate reputation • Long-term relationship building • Public knowledge of developments • Transparency and timely information	The Group communicates material corporate developments through appropriate channels and maintains responsible communication practices to ensure information shared is accurate, timely and aligned with regulatory requirements. The Group also communicates sustainability initiatives, project updates and community contributions to support public understanding of its business activities and responsible development efforts. Relevant responses are further disclosed under the Compliance to Laws and Regulations, Economic Performance, Product Quality and Responsibility and Community Development and Programmes sections of this Statement.

LEGEND: A Annually N As and when needed O Ongoing P Periodically Q Quarterly

OUR APPROACH TO **SUSTAINABILITY**

Stakeholder Group	Engagement Channels and Frequency	Key Areas of Interest	Our Response and Relevant Sections
Local communities and NGOs	O Company website P Community initiatives and development programmes N Corporate announcements O Digital platforms N Public events N Sustainability initiatives	• Community development and programmes • Environmental and social issues in relation to business operations • ESG practices and commitment • Infrastructure improvements • Job and business opportunities • Support for local economies	The Group supports community development through targeted initiatives that contribute to social well-being, education, health-related causes, sports participation and community support. During FY2026, community programmes were carried out across areas such as education, welfare, health, sports and community support. The Group also seeks to manage environmental and social impacts through responsible project practices, community engagement and timely communication with relevant communities. Relevant responses are further disclosed under the Community Development and Programmes, Supply Chain Management, Climate Change and Action and Waste Management sections of this Statement.

Stakeholder feedback plays an important role in helping the Group review its material sustainability matters and identify areas that may require closer monitoring or improvement. In FY2026, insights from ongoing engagement, together with the Group's risk profile and sustainability performance observations, supported the annual materiality reassessment.

LEGEND: A Annually N As and when needed O Ongoing P Periodically Q Quarterly

OUR APPROACH TO **SUSTAINABILITY**

MATERIALITY

Materiality helps the Group focus its sustainability efforts on matters that are most relevant to our business, stakeholders and long-term value creation. It guides the way we prioritise our initiatives, set targets, monitor performance and structure the disclosures in this Statement.

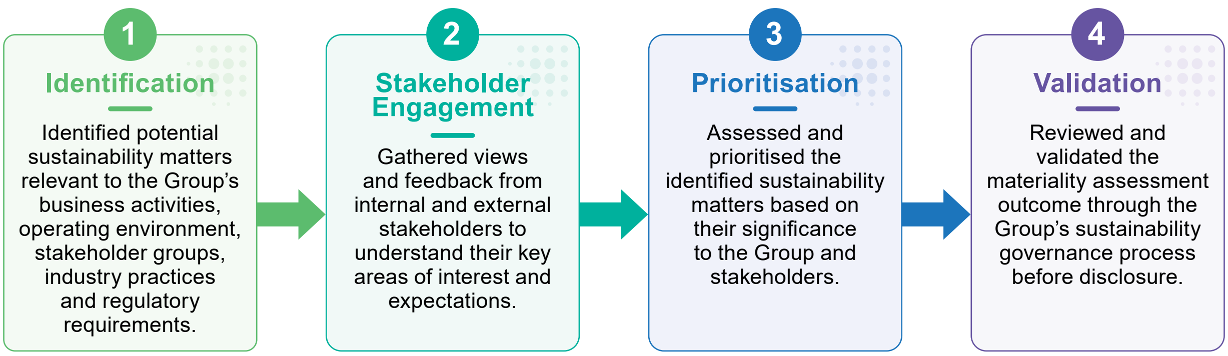
In FY2025, the Group conducted a full-scale materiality assessment involving both internal and external stakeholders. The assessment identified thirteen (13) material sustainability matters ("MSMs") across the Group's four (4) sustainability pillars of Governance, Economic, Environmental and Social. These MSMs remain the foundation of our sustainability approach and continue to shape the focus areas disclosed in this Statement.

For FY2026, the Group carried out an annual materiality reassessment to validate whether the FY2025 materiality outcome remained relevant, having regard to the Group's operating environment, stakeholder expectations, regulatory developments and risk profile.

Materiality Assessment Process

The Group's materiality assessment process is designed to keep our sustainability priorities relevant to the business and responsive to stakeholder concerns. It considers the Group's business activities, stakeholder feedback, regulatory expectations, industry developments and risk management insights.

The full-scale assessment conducted in FY2025 was guided by four (4) key phases:



This process provides a consistent basis for reviewing the Group's sustainability focus areas, while allowing our approach to evolve in line with business priorities, stakeholder expectations and regulatory developments.

FY2026 Annual Materiality Reassessment

In FY2026, the Group conducted an annual materiality reassessment as a validation exercise, rather than a new full-scale materiality assessment. The review considered whether there were any developments in the Group's operating environment, stakeholder expectations, sustainability performance or risk profile that would require the existing materiality outcome to be updated.

The reassessment was supported by insights from ongoing stakeholder engagement and the Group's risk management process. Based on the review, no trigger was identified that required a new full-scale materiality reassessment. No new MSMs were identified and all thirteen (13) MSMs identified in FY2025 remained relevant for FY2026.

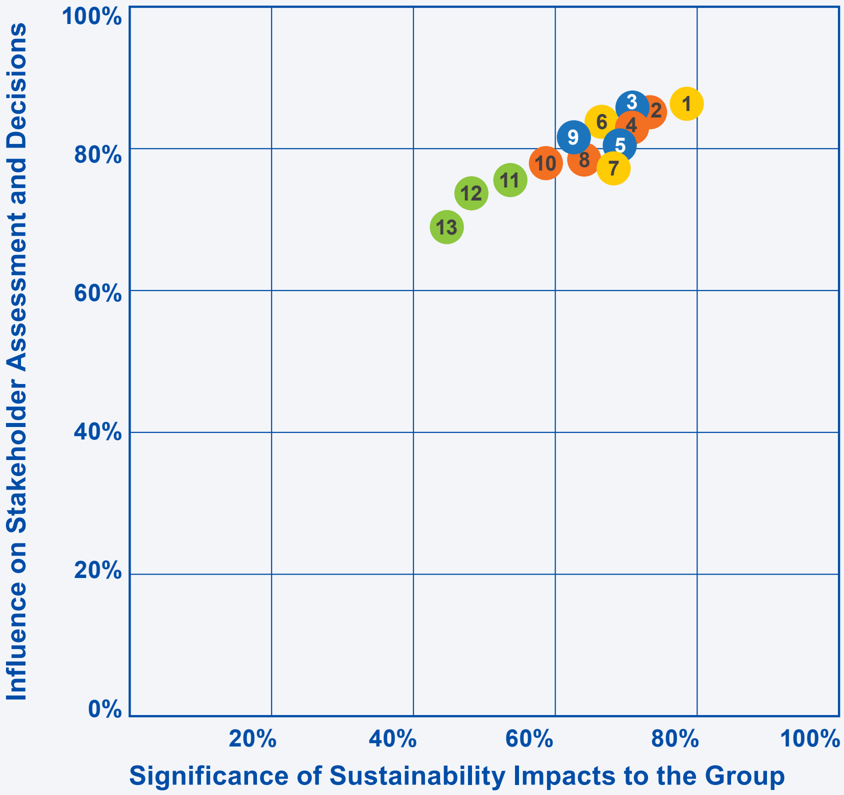
As there were no material changes requiring re-prioritisation, the Group did not perform a re-ranking or re-scoring exercise during the year. Accordingly, the FY2025 materiality matrix remains applicable for FY2026 and continues to guide the Group's sustainability focus areas, performance monitoring and disclosures.

OUR APPROACH TO **SUSTAINABILITY**

Materiality Matrix

The materiality matrix below reflects the thirteen (13) MSMs identified through the full-scale materiality assessment conducted in FY2025. Following the FY2026 annual materiality reassessment, the Group confirmed that the FY2025 materiality matrix remains applicable for FY2026.

MATERIALITY MATRIX FOR PARAGON GLOBE BERHAD



1 Product Quality and Responsibility
2 Occupational Health and Safety
3 Compliance to Laws and Regulations
4 Labour Practices and Standards
5 Anti-Bribery and Anti-Corruption
6 Economic Performance
7 Supply Chain Management
8 Diversity and Inclusion
9 Data Privacy and Security
10 Community Development and Programmes
11 Waste Management
12 Climate Change and Action
13 Water Management

LEGEND Governance Economic Environmental Social

The matrix continues to provide an overview of the relative importance of each MSM to the Group and its stakeholders. It also supports the alignment of our sustainability priorities with governance oversight, risk management, operational planning and reporting processes.

OUR APPROACH TO **SUSTAINABILITY**

Material Matters

The Group's MSMs reflect the sustainability-related risks and opportunities that are most relevant to our business and stakeholders. These matters are considered within the Group's sustainability governance and risk management processes, supporting more informed decision-making and ongoing performance monitoring.

To support a clearer connection between our sustainability priorities and broader sustainability objectives, the MSMs are mapped against the relevant UNSDGs. The table below summarises the Group's MSMs, their associated key risks and opportunities, UNSDG linkages and the sections where further details on our management approach, initiatives and performance are disclosed.

13 MSMs

4 Sustainability Pillars

Aligned with selected UNSDGs

Linked to risks, opportunities and relevant disclosures

Pillars	MSM	UNSDGs Linkage	Key Risks	Key Opportunities	Relevant Sections
GOVERNANCE	**Compliance to Laws and Regulations**	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Regulatory non-compliance could disrupt operations, affect stakeholder confidence and expose the Group to penalties or reputational impact.	A strong compliance culture strengthens operational integrity, corporate credibility and the Group's ability to respond to evolving regulatory expectations.	Compliance to Laws and Regulations, pages 67 to 68.
	Anti-Bribery and Anti-Corruption	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Weak integrity controls could expose the Group to misconduct, investigations, enforcement action and loss of stakeholder trust.	Upholding ethical conduct strengthens governance, protects reputation and supports responsible relationships with stakeholders and business partners.	Anti-Bribery and Anti-Corruption, pages 69 to 71.
	Data Privacy and Security	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Data breaches, cybersecurity incidents or weak privacy controls could disrupt operations and affect the confidence of customers, employees and business partners.	Strong data governance and digital safeguards support operational resilience and strengthen trust in the Group's business processes.	Data Privacy and Security, pages 72 to 73.

Further details on the Group's management approach, initiatives and performance for each MSM are disclosed in the referenced sections of this Statement.

OUR APPROACH TO **SUSTAINABILITY**

Pillars	MSM	UNSDGs Linkage	Key Risks	Key Opportunities	Relevant Sections
ECONOMIC	**Product Quality and Responsibility**	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Poor product quality, defects or delays could affect customer satisfaction, increase rectification costs and weaken the Group's reputation.	Quality-focused developments strengthen customer confidence, brand credibility and long-term market positioning, while supporting more responsible development practices.	Product Quality and Responsibility, pages 75 to 76.
	Economic Performance	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Market uncertainty, cost pressures or project delays could affect profitability, cash flow and stakeholder confidence.	Sound financial performance supports business resilience, future investment capacity and long-term value creation.	Economic Performance, pages 77 to 80.
	Supply Chain Management	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Supplier non-compliance, poor performance or supply disruption could affect project delivery, quality and operational continuity.	Responsible procurement and supplier engagement strengthen project execution, fair business practices and value chain resilience.	Supply Chain Management, pages 81 to 84.

Further details on the Group's management approach, initiatives and performance for each MSM are disclosed in the referenced sections of this Statement.

OUR APPROACH TO **SUSTAINABILITY**

Pillars	MSM	UNSDGs Linkage	Key Risks	Key Opportunities	Relevant Sections
ENVIRONMENTAL	**Climate Change and Action**	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Climate-related physical and transition risks could affect operating costs, asset resilience, business continuity and stakeholder confidence.	Climate-related monitoring, energy efficiency and greener development practices support more resilient operations and responsible development positioning.	Climate Change and Action, pages 86 to 89.
	Waste Management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ineffective waste handling or improper disposal could increase environmental impact, compliance exposure and operational inefficiency.	Better waste practices support cost control, reduce compliance risks and help minimise the Group's environmental footprint.	Waste Management, pages 90 to 93.
	Water Management	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Poor water management or inefficient usage could increase costs, affect operational efficiency and contribute to environmental concerns.	Responsible water management supports resource efficiency, cost savings and resilience against water-related risks.	Water Management, pages 94 to 95.

Further details on the Group's management approach, initiatives and performance for each MSM are disclosed in the referenced sections of this Statement.

OUR APPROACH TO **SUSTAINABILITY**

Pillars	MSM	UNSDGs Linkage	Key Risks	Key Opportunities	Relevant Sections
SOCIAL	**Occupational Health and Safety ("OHS")**	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	Workplace incidents or weak safety practices could lead to injuries, work disruption, regulatory action and reputational impact.	A strong safety culture protects employees, contractors and site stakeholders while supporting productivity, morale and compliance.	Occupational Health and Safety, pages 97 to 100.
	Labour Practices and Standards	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	Weak employment practices, high turnover or limited workforce development could affect productivity, employee morale and retention.	Fair employment practices, employee development and a supportive work culture strengthen engagement, talent retention and organisational performance.	Labour Practices and Standards, pages 101 to 110.
	Diversity and Inclusion	5 GENDER EQUALITY 10 REDUCED INEQUALITIES	Limited diversity or inclusion could affect employee engagement, workplace culture and organisational adaptability.	Inclusive workplace practices encourage broader perspectives, strengthen employee morale and support a more resilient workforce.	Diversity and Inclusion, pages 111 to 116.

Further details on the Group's management approach, initiatives and performance for each MSM are disclosed in the referenced sections of this Statement.

OUR APPROACH TO **SUSTAINABILITY**

Pillars	MSM	UNSDGs Linkage	Key Risks	Key Opportunities	Relevant Sections
SOCIAL	**Community Development and Programmes**	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS	Limited community engagement could weaken stakeholder relationships and reduce the effectiveness of social initiatives.	Meaningful community initiatives strengthen trust, stakeholder goodwill and community well-being, while supporting more inclusive local development.	Community Development and Programmes, pages 117 to 121.

Further details on the Group's management approach, initiatives and performance for each MSM are disclosed in the referenced sections of this Statement.

OUR APPROACH TO **SUSTAINABILITY**

SUSTAINABILITY TARGETS

Sustainability targets help translate the Group's priorities into measurable progress. They provide a practical reference point for monitoring how our commitments are reflected across governance practices, business operations, environmental management and engagement with people and communities.

In FY2026, the Group continued to track its performance against the targets established under its four (4) sustainability goals. The results reflect progress in several areas, while also highlighting matters that require continued attention as the Group strengthens its data discipline, internal monitoring and reporting practices.

Selected sustainability targets are reflected in departmental key performance indicators ("KPIs") to support clearer ownership and accountability across the Group. This helps align operational responsibilities with sustainability priorities such as project quality, workplace safety, responsible procurement, employee development and data protection. As sustainability reporting expectations continue to evolve, the Group will review its targets and indicators, where appropriate, to ensure they remain relevant to its business, MSMs and applicable reporting requirements.

The table below summarises the Group's FY2026 performance against its sustainability targets:

LEGEND: Achieved | On-track | Attention required

RESPONSIBLE AND SUSTAINABLE GOVERNANCE

2028 Targets	FY2026 Progress	Progress Status
Achieve zero incidents of non-compliance with applicable laws and regulations.	No incidents were reported.	Achieved
Achieve zero incidents of bribery and corruption.	No incidents were reported.	Achieved
Achieve zero breaches of customer privacy and loss of customer data.	No breaches were reported.	Achieved

STRENGTHENING ECONOMIC OUTLOOK

2028 Targets	FY2026 Progress	Progress Status
Achieve an average Quality Assessment System in Construction ("QLASSIC") score of over 75% for newly completed projects. Baseline Year: FY2022	An average QLASSIC score of 77% was achieved.	Achieved
Obtain GreenRE certification for future development projects.	GreenRE Silver Certification was obtained during the financial year.	Achieved
Ensure 100% procurement from local suppliers and contractors.	100% of procurement spend was directed to local suppliers and contractors.	Achieved

OUR APPROACH TO **SUSTAINABILITY**

LEGEND: Achieved | On-track | Attention required

MINIMISING ENVIRONMENTAL FOOTPRINT

	2028 Targets	FY2026 Progress	Progress Status
	Achieve 10% reduction in paper consumption by FY2028. Baseline Year: FY2023	Paper consumption increased to 588 reams, mainly due to higher operating activities, including new project launches and additional operational facilities.[1]	Attention required
	Establish a carbon footprint baseline by FY2028.	Scope 1, Scope 2 and selected Scope 3 emissions continued to be tracked as part of the Group's carbon footprint baseline development.	On-track

VALUING PEOPLE AND COMMUNITY

	2028 Targets	FY2026 Progress	Progress Status
	Achieve zero incidents of work-related fatality.	Zero work-related fatalities were reported.	Achieved
	Achieve zero lost time incident rate ("LTIR").	Zero LTIR was recorded.	Achieved
	Achieve zero substantiated complaints concerning human rights violations annually.	No substantiated complaints concerning human rights violations were recorded.	Achieved
	Achieve zero incidents of forced and child labour.	No incidents of forced or child labour were recorded.	Achieved
	Conduct a minimum of four (4) employee engagement activities annually.	Eleven (11) employee engagement activities were conducted.	Achieved
	Achieve an average of fifteen (15) training hours per employee. Baseline Year: FY2025	An average of nine (9) training hours per employee was recorded.[1]	Attention required
	Achieve 30% female representation on the Board.	Female representation on the Board remained at 14%.	Attention required
	Maintain annual community investment of RM120,000 ±10%. Baseline Year: FY2023	Community investment of RM2,293,083 was recorded, exceeding the target range.[1]	Achieved

Note:

1. The Group will review the target basis and measurement approach for selected indicators, where appropriate, to ensure they remain relevant to the Group's operating scale, data scope and reporting practices.

RESPONSIBLE AND SUSTAINABLE GOVERNANCE

Strong governance defines the way we grow, make decisions and uphold the trust placed in us. It reinforces accountability across the Group and provides the discipline needed to manage risks, protect integrity and create lasting value.

Through this goal, we continue to uphold ethical conduct, regulatory discipline and responsible information management, strengthening the foundation for resilience, stakeholder confidence and long-term value creation.

MATERIAL MATTERS:

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

ALIGNED UNSDGs:

- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

COMPLIANCE TO LAWS AND REGULATIONS

WHY IT MATTERS

Compliance with laws and regulations is a core discipline that underpins how the Group operates, makes decisions and earns stakeholder trust. As our business spans property development, construction and investment activities, we are guided by legal, regulatory and industry requirements that shape the way we conduct business, manage responsibilities and uphold accountability.

Regulatory non-compliance could disrupt operations, affect stakeholder confidence and expose the Group to penalties or reputational impact. By maintaining a strong compliance culture, the Group strengthens business continuity, supports responsible decision-making and protects the foundation for long-term value creation.

OUR APPROACH

The Group manages compliance through governance oversight, functional accountability and internal policies that guide responsible conduct across the organisation. The Board, supported by the relevant Board Committees and Management, oversees key compliance matters and ensures that regulatory obligations are monitored in a structured manner.

Compliance responsibilities are embedded across relevant business and operational functions, with each department accountable for understanding and monitoring the requirements applicable to its area of work. Where specialised guidance is required, the Group engages external advisers and professional service providers to support informed decision-making and ensure matters are addressed appropriately.

The Group's approach is guided by applicable laws, Bursa Securities' Listing Requirements and recognised governance principles, including the MCCG. Internal policies such as the Code of Conduct, ABC Policy, Whistleblowing Policy and other governance-related policies set expectations on responsible conduct, accountability, reporting responsibilities and escalation of matters requiring attention.

Compliance matters are also considered through the Group's governance and risk management processes, enabling key issues and regulatory developments to be assessed and brought to the attention of the relevant governance bodies where necessary. Transparency and accountability are further supported by internal control, assurance and reporting processes, including internal audit reviews, external audit assurance on the financial statements and management follow-up on improvement areas, where applicable.

The Group's Whistleblowing Policy provides a channel for reporting suspected misconduct, unethical behaviour or non-compliance, supporting timely review of concerns through the Group's established governance channels. Compliance awareness is also supported through relevant briefings, communication and training, where appropriate, particularly for employees involved in compliance-sensitive functions. During FY2026, the Group continued to monitor regulatory developments relevant to its business and reporting obligations.

Further details on the Group's corporate governance framework, internal control and assurance processes are disclosed in the "Corporate Governance Overview Statement", "Statement on Risk Management and Internal Control" and "Audit Committee Report" of this Annual Report.

COMPLIANCE TO LAWS AND REGULATIONS

OUR PERFORMANCE

In FY2026, the Group recorded zero incidents of non-compliance with applicable laws and regulations that resulted in significant fines, penalties or sanctions. This is consistent with the Group's target to maintain zero incidents of non-compliance, as disclosed in the Sustainability Targets section of this Statement.

Indicator	2024	2025	2026
Number of confirmed incidents of non-compliance with laws and regulations	0	0	**0**

MOVING FORWARD

Moving forward, the Group will continue to monitor regulatory developments and strengthen compliance awareness across relevant functions. As regulatory and stakeholder expectations evolve, we will review our policies, procedures and internal processes where appropriate to ensure compliance remains embedded in our business operations and decision-making.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

As sustainability reporting expectations continue to evolve, the Group will also continue to enhance coordination between governance, risk management and reporting processes in a practical and proportionate manner. These efforts are aligned with the Group's broader governance priorities and support its contribution to UNSDG 16.

ANTI-BRIBERY AND ANTI-CORRUPTION

WHY IT MATTERS

Integrity is fundamental to the way the Group conducts business and earns trust. It shapes how we make decisions, engage with stakeholders and uphold fairness in our dealings with customers, contractors, suppliers, consultants, authorities and business partners.

Bribery and corruption have no place in a responsible business. They can undermine governance, weaken stakeholder confidence and expose the Group to legal, financial and reputational consequences. By upholding a zero-tolerance stance against bribery and corruption, the Group protects its integrity, strengthens accountability and reinforces the foundation for long-term value creation.

OUR APPROACH

The Group maintains a firm zero-tolerance approach towards bribery and corruption, anchored by its Board-approved ABC Policy. The policy sets out the principles and expectations for ethical conduct across the Group and in relevant business dealings with external parties.

The ABC Policy is aligned with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and reinforces the standards expected in business dealings. It provides guidance on situations where integrity risks may arise, including payments, sponsorships, conflicts of interest and dealings with third parties. This supports the Group's commitment to maintaining appropriate procedures and controls to prevent bribery and corruption across its business activities.

Oversight of ABC matters is supported by the Group's governance structure, with the Board setting the tone from the top and the relevant Board Committees providing oversight on internal control, risk and compliance matters. At the operational level, the ABC Compliance Function supports policy implementation, awareness, monitoring and reporting, while employees and business partners are expected to conduct business with integrity.

The Group embeds ABC expectations into relevant business processes, from business partner due diligence and contractual safeguards to declaration and risk assessment activities. Where certain operations are assessed to have higher exposure to corruption risks, additional safeguards are applied to strengthen accountability, documentation and review of project or contract-related transactions.

Corruption-related risks are considered within the Group's risk management process, enabling areas with higher exposure to be monitored and reviewed as part of ongoing control improvement. Further details on the Group's risk management and internal control practices are disclosed in the "Statement on Risk Management and Internal Control" of this Annual Report.

The Whistleblowing Policy provides a confidential channel for employees and external parties to raise suspected misconduct, unethical behaviour or corruption-related concerns. Reports made in good faith are reviewed through established procedures and are handled with appropriate confidentiality and protection against retaliation.

ABC GOVERNANCE AT A GLANCE

BOARD OF DIRECTORS
Sets the tone from the top and oversees ABC governance.

AUDIT COMMITTEE / RISK MANAGEMENT COMMITTEE
Provides oversight on internal control, risk and compliance matters.

ABC COMPLIANCE FUNCTION
Supports policy implementation, awareness, monitoring and reporting.

EMPLOYEES / BUSINESS PARTNERS / THIRD PARTIES
Expected to conduct business with integrity and report concerns.

ANTI-BRIBERY AND ANTI-CORRUPTION

ABC awareness is reinforced through onboarding procedures, internal communication and annual declaration exercises. These efforts help strengthen understanding of the Group's expectations and encourage employees to recognise, avoid and report situations that may compromise integrity.

The ABC Policy and Whistleblowing Policy are made available on the Company's website at **www.pgbgroup.com.my** and internal intranet to support transparency and accessibility.

OUR PERFORMANCE

(i) ABC Awareness and Declaration

In FY2026, the Group continued to reinforce ABC awareness through its annual ABC Declaration exercise. The exercise was conducted through internal communication to Directors and employees, supported by the circulation of the ABC Policy, key provisions of Section 17A of the MACC Act 2009 and an internally developed explanatory video to strengthen understanding of the Group's anti-corruption expectations. Participants were required to review the materials and submit their declaration via an online form.

The Group recorded an overall completion rate of 99% for the annual ABC Declaration. The following table summarises the completion rates across different employee categories over the past three (3) financial years:

Employee Category	Completion Rate (%)		
	2024	2025	2026
Senior Management	100	100	**100**
Middle Management	100	100	**100**
Executive	94	100	**97**[1]
Non-Executive	30	100	**100**

Note:
[1] The declaration pending as at the reporting cut-off date related to an employee who had left the Group before completing the declaration exercise.

(ii) Corruption Risk Assessment

The Group maintained its corruption risk assessment coverage at 75% of operations in FY2026, consistent with the previous financial year. The assessment focused on core business functions and departments with higher exposure to bribery and corruption risks, supporting the Group's ongoing review of controls and preventive measures.

Indicator	2024	2025	2026
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 selected for assessment based on their level of exposure to bribery and corruption risks.

ANTI-BRIBERY AND ANTI-CORRUPTION

(iii) Corruption Incidents

During FY2026, the Group recorded zero confirmed incidents of bribery or corruption. There were also no disciplinary actions, dismissals or legal cases involving bribery or corruption brought against the Group during the year. No whistleblowing reports related to bribery or corruption were received during FY2026.

Indicator	2024	2025	2026
Number of confirmed incidents of corruption and action taken	0	0	**0**

The Group did not make any political contributions during FY2026.

MOVING FORWARD

Moving forward, the Group will continue to reinforce a culture where integrity is expected, accountability is upheld and bribery or corruption is not tolerated. We will strengthen ABC awareness through continued communication, declaration exercises and practical guidance to help employees recognise and respond appropriately to integrity-related risks.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

The Group will also continue to apply a risk-based approach in monitoring corruption-related risks, with continued focus on areas involving business partners, project activities, contracts and third-party dealings. By maintaining a firm zero-tolerance stance, we remain committed to conducting business with integrity and contributing to UNSDG 16.

DATA PRIVACY AND SECURITY

WHY IT MATTERS

Data now sits at the centre of how businesses operate, make decisions and build relationships. As digital platforms, connected systems and data-driven tools become increasingly embedded in daily operations, the way information is collected, used and protected has a direct impact on stakeholder trust, operational continuity and responsible governance.

We are entrusted with personal, business and operational information from customers, employees, business partners and other stakeholders, and this information must be handled with care. A data breach or cybersecurity incident could disrupt operations, compromise confidential information and expose the Group to regulatory, financial and reputational risks. By strengthening data privacy and security, the Group reinforces accountability and builds trust in the way information is managed across an increasingly digital environment.

OUR APPROACH

The Group manages data privacy and security through a combination of internal policies, practical safeguards and responsible data handling practices. Our approach is guided by applicable data protection requirements, including the Personal Data Protection Act 2010 and related regulatory developments. The Group's Privacy Policy, approved by the Board on 26 November 2025, sets out how personal data obtained through our business dealings with customers, employees, contractors, business partners and other relevant stakeholders is collected, used, disclosed, stored and managed. The policy is made available on the Company's website and internal platforms to support transparency and accessibility.

We recognise that protecting information depends not only on systems and technology, but also on the discipline with which data is handled in daily operations. Access to personal and business-related data is limited to authorised personnel based on business needs and user responsibilities, supported by practical safeguards designed to protect information, maintain system reliability and manage third-party processing arrangements appropriately. The Group's Information Technology ("IT") Policy and Procedures further support the responsible use and management of IT resources, including system access, IT assets, data backup, vendor access and incident reporting.

During FY2026, the Group strengthened its IT resilience through the establishment of an IT Disaster Recovery Plan. The plan supports business continuity by providing a structured response to technology-related disruptions, including recovery procedures, backup arrangements and responsibilities for restoring critical systems when required. Data privacy and cybersecurity risks are also monitored through the Group's risk management process, where areas such as access management, backup and disaster recovery, data privacy compliance and emerging regulatory developments are reviewed as part of broader internal control and risk monitoring practices.

Employee awareness remains an important line of defence. During the year, the Group continued to reinforce cybersecurity awareness through phishing simulations and internal reminders, helping employees remain alert to suspicious emails, links and impersonation attempts while encouraging responsible handling of personal and confidential information. Data protection and cybersecurity practices are also reviewed through IT reviews, internal control processes and external IT-related assessments where relevant. Where improvement areas are identified, appropriate follow-up actions are considered to strengthen system resilience, policy compliance and responsible data management.

DATA PRIVACY AND SECURITY

PGB'S DATA PRIVACY AND CYBERSECURITY SYSTEM AT A GLANCE

1 Cybersecurity Awareness

Phishing simulations and internal awareness initiatives help employees identify suspicious emails, links and impersonation attempts.

2 Risk Monitoring

Data privacy and cybersecurity risks are monitored through risk assessments, risk register updates and governance reporting processes.

3 Data Continuity and Recovery

Regular backups and the IT Disaster Recovery Plan support data continuity, system recovery and business resilience.

4 System Protection

Access controls, authentication, firewalls and anti-malware safeguards help protect systems and information assets.

OUR PERFORMANCE

In FY2026, the Group recorded zero substantiated complaints concerning breaches of customer privacy and losses of customer data. There were also no material cybersecurity incidents reported that resulted in significant disruption to the Group's business operations.

Indicator	2024	2025	2026
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	**0**

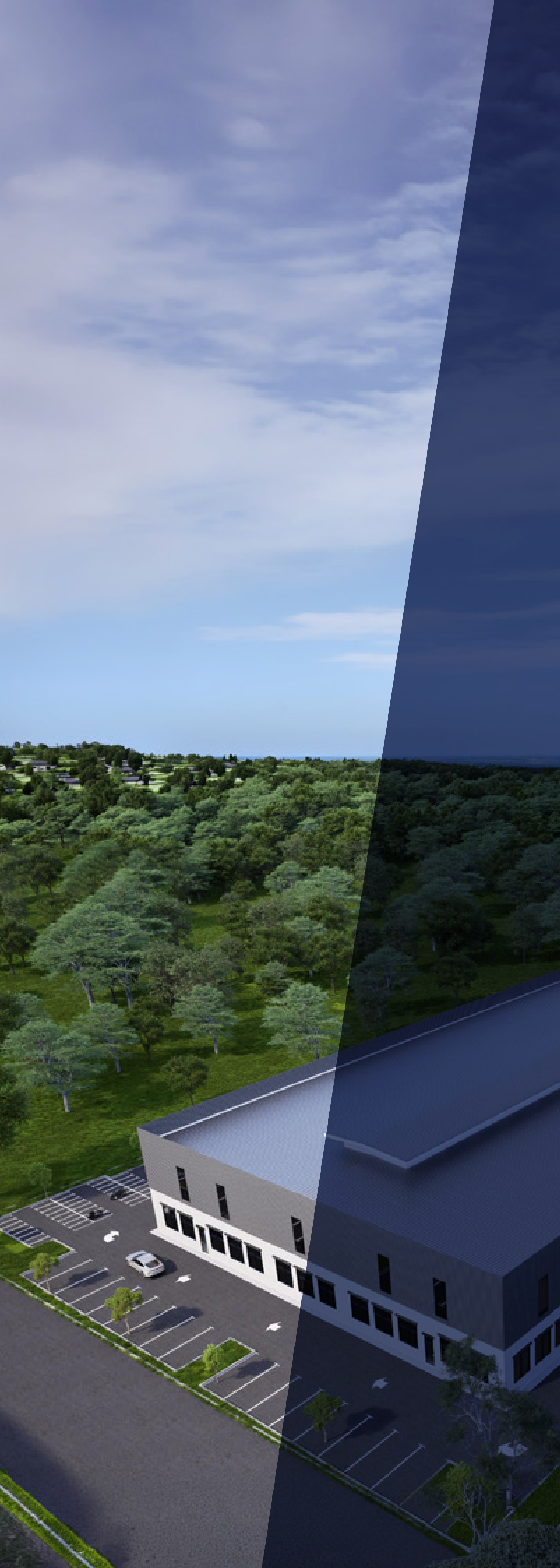
MOVING FORWARD

Moving forward, the Group will continue to strengthen data privacy and security as digital processes become more embedded in the way we operate. We will reinforce responsible data handling, maintain practical IT safeguards and enhance employee awareness, so that information is accessed, shared, protected and recovered with the discipline required in an increasingly connected business environment.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

The Group will also continue to monitor data privacy and cybersecurity risks through its governance and risk management processes, while keeping abreast of relevant regulatory developments. By strengthening our approach to data protection and IT resilience, we aim to safeguard information trust, support business continuity and contribute to UNSDG 9 and UNSDG 16.



STRENGTHENING OUR ECONOMIC OUTLOOK

Sustainable economic growth is built on discipline, resilience and the ability to create value that endures. It shapes the way we deliver quality developments, manage financial and operational performance, and strengthen the relationships that support our business.

Through this goal, we focus on building an economic foundation that is steady, responsible and responsive to change, enabling the Group to create long-term value while contributing positively to the markets and communities in which we operate.

MATERIAL MATTERS:

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

ALIGNED UNSDGs:

- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PRODUCT QUALITY AND RESPONSIBILITY

WHY IT MATTERS

Every development we deliver becomes part of the environment where people work, live, operate and build their future. For the Group, product quality is therefore more than a measure of workmanship. It reflects the care, discipline and responsibility applied in turning plans into spaces that are safe, functional, reliable and able to hold long-term value.

In property development and construction, quality shortfalls can affect more than project costs. They may delay delivery, increase rectification works, weaken customer confidence and affect the long-term value of the completed asset. By placing quality and responsibility at the centre of project delivery, the Group strengthens customer trust, supports operational discipline and reinforces its position as a responsible developer in a competitive market.

OUR APPROACH

The Group approaches product quality as a responsibility that begins well before construction starts and continues after a development is completed. At the early stage of each project, the Group considers how the development will be used, the expectations of its intended customers and the standards required to deliver a safe, functional and reliable outcome. Social and end-user factors are also considered during development and project planning, taking into account the nature, location and intended use of each project, including accessibility, connectivity, public safety and the needs of end-users, where relevant. This helps ensure that quality is not treated as a final inspection exercise, but as part of the way decisions are made throughout the project lifecycle.

During construction, quality is managed through active project oversight and close working relationships with consultants, contractors and site teams. Inspections are carried out at relevant stages of the construction process, from material receiving and in-progress works to final completion, so that workmanship and materials can be reviewed against approved specifications and project requirements. Where issues are identified, the relevant teams are expected to address them as the development progresses.

The Group continues to use the Quality Assessment System in Construction ("QLASSIC"), developed by the Construction Industry Development Board ("CIDB"), as an objective benchmark to assess workmanship quality and support continuous improvement in construction standards. Departmental performance is also monitored against internal quality targets, helping to reinforce accountability and strengthen ownership of quality outcomes across the project team.

Product responsibility also extends to the way developments are communicated, handed over and supported after completion. Marketing and promotional materials are expected to be prepared with care and reviewed to ensure that information shared with customers is accurate, clear and not misleading. Handover and post-completion matters are reviewed by the relevant teams, while feedback received during these interactions supports ongoing improvements in design practicality, delivery standards and overall customer experience.

In line with the Group's sustainability direction, product quality is considered together with responsible development. New developments are assessed for environmental considerations in accordance with relevant regulatory requirements, including applicable guidelines issued by the Department of Environment. Together with appointed contractors and consultants, the Group implements appropriate environmental management practices during construction to support compliance and minimise adverse site-level impacts.

The Group also incorporates green building considerations into selected developments. The pursuit of GreenRE certification provides a recognised framework to guide improvements in energy performance, resource efficiency and environmental quality, supporting the Group's efforts to deliver developments that are well-constructed, functional and more resource-conscious over time.

PRODUCT QUALITY AND RESPONSIBILITY

OUR PERFORMANCE

(i) QLASSIC Score

In FY2026, the Group achieved an average QLASSIC score of 77% for newly completed projects, exceeding its target of more than 75% and improving from 76% in FY2025 and 75% in FY2024. This reflects the Group's continued focus on workmanship quality, project oversight and continuous improvement in construction standards.

Description	2024	2025	2026
Average QLASSIC Score	75%	76%	77%
Development project assessed	Single Storey Detached Factory Type D1	2 Units of Single Storey Detached Factory with Double Storey Office Type D4	PGB Hostel and Pekan Sentral Phase 3

(ii) Green Building Certifications

During FY2026, the Group's green building certification progress was marked by the PGB Hostel obtaining GreenRE Silver Certification, following its earlier provisional certification. The provisional GreenRE Bronze Certification for PGB Desa 27, obtained in the previous financial year, remained in place during the year.

The Group will continue to pursue GreenRE certification for selected future developments where relevant and practicable.

GreenRE
PGB Hostel
GreenRE **Silver Certification** obtained

GreenRE
PGB Desa 27
(Plot 3 and Plot 4)
Provisional GreenRE **Bronze Certification**

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 FY2026.

MOVING FORWARD

Moving forward, the Group will continue to raise the discipline of product delivery by strengthening quality oversight, workmanship standards and coordination across project teams, consultants and contractors. We will remain focused on delivering developments that are practical, reliable and aligned with customer expectations, while supporting continuous improvement in project delivery and customer experience.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The Group will also continue to advance responsible development practices by integrating quality, safety, functionality and sustainability more deliberately into selected projects where relevant. Through continued focus on QLASSIC performance, GreenRE certification and responsible product delivery, we aim to strengthen customer confidence, protect long-term asset value and contribute to UNSDG 9 and UNSDG 12.

ECONOMIC PERFORMANCE

WHY IT MATTERS

Economic performance reflects how effectively the Group turns strategy, resources and market opportunities into measurable value. As a property development, construction and investment group, financial resilience supports project delivery, responsible management of commitments and the capacity to invest in future growth.

The strength of our economic platform shapes how value is created, distributed and retained across stakeholders. When performance is managed with discipline, the Group is better positioned to navigate market cycles, respond to changing demand and pursue opportunities without compromising long-term stability. Through prudent financial management, the Group strengthens stakeholder confidence, supports business continuity and contributes to sustainable economic value for shareholders, employees, customers and the wider community.

OUR APPROACH

The Group manages economic performance through disciplined financial oversight, strategic planning and prudent capital management. The Board and Management review the Group's financial position, operating performance and business priorities to ensure that decisions are guided by commercial discipline, risk awareness and long-term value creation.

Our approach is centred on maintaining a balance between growth and resilience. Financial resources are allocated with consideration of project requirements, funding capacity and expected returns, allowing the Group to preserve flexibility while pursuing opportunities aligned with its strategic direction. The Group's financial strategy is guided by key focus areas that support resilience, operational discipline and sustainable growth, as illustrated below:

FINANCIAL STRATEGY

FOR RESILIENT ECONOMIC GROWTH

MONITOR MARKET TRENDS AND BUSINESS RISKS

Strengthen resilience and adaptability to changing conditions.

MAINTAIN A SOUND BALANCE SHEET AND CASH FLOW

Support investment capacity and operational flexibility for sustained growth.

STRENGTHEN OPERATIONAL EFFICIENCY

Drive productivity, cost discipline and optimal resource use.

EXPLORE GROWTH OPPORTUNITIES

Pursue strategic opportunities that support sustainable expansion and revenue diversification.

Guided by **financial discipline**, **prudent risk management** and **responsible governance**, we build a strong and adaptable foundation for long-term value creation.

ECONOMIC PERFORMANCE

Guided by these focus areas, Management monitors budgets, project progress and operational performance through regular reporting and cross-functional coordination. This provides visibility into project timelines, cost structures and revenue performance, enabling timely decision-making and supporting efficient project delivery.

The Group also continues to evaluate market trends, business risks and growth opportunities within Johor's evolving property landscape. Maintaining a sound balance sheet, healthy cash flow and operational efficiency remains integral to supporting ongoing developments, future investments and the Group's ability to generate sustainable economic value over the long term.

In line with our commitment to responsible value creation, we continue to strengthen the transparency and quality of our economic and sustainability disclosures. Financial and non-financial information is monitored through internal reporting processes and disclosed through the Annual Report, Sustainability Statement and other corporate communications, where relevant. This supports stakeholders in understanding how the Group creates, distributes and retains economic value, while demonstrating how sustainability considerations are progressively integrated into our business strategy, risk management and performance monitoring practices.

As part of our long-term economic strategy, we seek to align growth opportunities with sustainable development outcomes. This includes allocating resources towards projects that incorporate green building standards, resource-efficient design considerations and recognised certification pathways such as GreenRE. During the year, the Group continued to advance its portfolio of sustainability-aligned developments, including projects targeting GreenRE certification and completed developments that have obtained GreenRE certification. These efforts support the Group's ability to enhance asset quality, improve market competitiveness and strengthen long-term stakeholder value.

The Group also continues to engage financial institutions and business partners to explore green financing, market access and collaboration opportunities that support sustainable project development. This approach enables us to balance financial performance with responsible capital allocation, while contributing to the development of more sustainable infrastructure and built environments.

During FY2026, the Group entered into a Memorandum of Collaboration with United Overseas Bank (Malaysia) Berhad, formalising and expanding the earlier Memorandum of Understanding between both parties. The collaboration supports PGB's efforts to explore green financing solutions, banking support and sustainability-linked opportunities across selected residential, commercial and industrial developments. It also complements the Group's broader strategy to strengthen access to financing, support sustainable project development and enhance long-term economic value creation.

By integrating financial discipline with market awareness, sustainability considerations and strategic execution, the Group aims to maintain a strong and adaptable economic platform that supports long-term growth and stakeholder value creation.

ECONOMIC PERFORMANCE

SPOTLIGHT INITIATIVE:
Advancing Industrial Ecosystem Development through Strategic Partnership

In FY2026, PGB entered into a Strategic Partnership Collaboration Agreement with GSP Automotive Malaysia Sdn. Bhd. ("GSP"), a subsidiary of Shanghai-listed GSP Automotive Group, to support the development of an automotive-focused industrial cluster in Iskandar Puteri, Johor. The collaboration forms part of the Group's landbank optimisation strategy, with approximately 47 acres of its Iskandar Puteri landbank earmarked for the proposed AutoPark development.

Anchored by a global automotive component manufacturer, the proposed AutoPark is expected to strengthen PGB's industrial development pipeline, support supply chain participation and contribute to investment growth within the Johor-Singapore Special Economic Zone ("JS-SEZ"). The initiative also reflects the Group's commitment to responsible development, with two (2) factory units planned for GSP designed to achieve GreenRE certification.

OUR PERFORMANCE

In FY2026, the Group continued to generate and distribute economic value through its business operations. Economic value generated amounted to RM157,332,401, compared to RM308,753,189 in FY2025. The lower amount was mainly due to the exceptional contribution from asset monetisation recorded in the previous financial year. Excluding the effect of this one-off value realisation, the Group continued to maintain a resilient economic platform supported by core business activities, disciplined financial management and ongoing project execution.

Economic value distributed amounted to RM125,996,358 in FY2026, reflecting the Group's continued contribution to stakeholders through its operating activities, employee remuneration, financing obligations, tax contributions and community investments. The Group retained RM31,336,043 in economic value, supporting its financial flexibility, reinvestment capacity and ability to pursue long-term growth opportunities.

RM157.33 million
Economic Value Generated

RM126.00 million
Economic Value Distributed

RM31.34 million
Economic Value Retained

ECONOMIC PERFORMANCE

The financial results are summarised below:

Economic Value Generated and Distributed	2024 RM	2025 RM	2026 RM
Economic value generated	**52,635,400**	**308,753,189**	**157,332,401**
Economic value distributed:	**48,582,565**	**201,249,912**	**125,996,358**
Operating costs	38,064,056	151,391,195	79,784,789
Employee wages and benefits	7,210,048	9,471,449	10,843,639
Finance costs	1,067,667	5,656,941	12,950,269
Taxation	2,080,346	34,510,918	20,124,578
Community investments	160,448	219,409	2,293,083
Economic value retained	**4,052,835**	**107,503,277**	**31,336,043**

Note:
The financial information presented above is derived from the audited financial statements. For the purpose of this disclosure, economic value generated comprises revenue and income from financial investments and excludes the fair value gain on investment properties.

Economic Value Distributed to Stakeholders			
Category	**2024 %**	**2025 %**	**2026 %**
Payments to suppliers and other operating costs	79	75	63
Payments to employees	15	5	9
Payments to providers of capital	2	3	10
Payments to government	4	17	16
Community investments	0	0	2
Total	**100**	**100**	**100**

The value distribution profile highlights the Group's continued role in supporting its business ecosystem, with the majority of economic value distributed through project and operational activities. The increase in community investments in FY2026 also reflects the Group's ongoing commitment to contributing beyond its core business operations.

MOVING FORWARD

Moving forward, the Group will continue to build on a disciplined economic platform that supports steady growth and long-term resilience. We will remain focused on managing capital responsibly, strengthening project execution and maintaining the financial flexibility required to respond to market opportunities with confidence.

As Johor's economic landscape continues to evolve, the Group will pursue growth in a measured and commercially sound manner. By staying disciplined in financial management and purposeful in strategic execution, we aim to strengthen sustainable value creation for stakeholders while contributing to UNSDG 8, UNSDG 9 and UNSDG 12.

SUPPLY CHAIN MANAGEMENT

WHY IT MATTERS

Supply chain management is where strategy, procurement discipline and project execution come together. As a property developer, the quality of the Group's developments depends not only on internal capabilities, but also on the reliability, professionalism and accountability of the supply chain partners engaged throughout the project lifecycle, including suppliers, contractors, subcontractors, consultants and service providers. The ability to secure the right materials, services and expertise at the right time influences every stage of development, from construction progress and cost management to the quality of the finished product.

Responsible procurement also enables the Group to integrate sustainability considerations into supply chain engagement in a practical and commercially sound manner. By working with capable local partners, encouraging ethical conduct and promoting responsible environmental and social practices, the Group supports local economic participation while building a more resilient value chain. Through disciplined procurement and constructive partnerships, the Group aims to strengthen the foundation for quality delivery, responsible growth and long-term stakeholder value.

OUR APPROACH

The Group manages its supply chain through a structured procurement approach that emphasises fairness, transparency, quality and responsible business conduct. In making procurement decisions, the Group seeks to balance commercial, operational and sustainability considerations to ensure that supply chain partners are able to meet project requirements while supporting responsible and efficient project delivery.

The Group's procurement governance is supported by its Sustainable Procurement Policy, which provides guidance to supply chain partners on responsible and sustainable procurement practices and reinforces the Group's expectation that procurement activities should consider ESG aspects based on the nature and scope of each engagement. The policy was reviewed and updated, with the latest version approved by the Board on 22 May 2026. It is made available on the Company's website to support transparency and awareness among stakeholders.

The Sustainable Procurement Policy is guided by four (4) principles that reflect the Group's practical approach to responsible procurement.

SUSTAINABLE PROCUREMENT POLICY PRINCIPLES

SUSTAINABLE PROCUREMENT POLICY

1. Supporting The Local Economy

Supporting local supply chain partners where practical and appropriate to promote domestic economic participation.

2. Environmental Consideration

Considering resource efficiency, climate-related impacts and responsible environmental practices in procurement decisions.

3. Social Responsibility

Promoting respect for human rights, fair labour practices, safe working conditions and responsible workplace standards.

4. Ethical Business Practices

Upholding integrity, transparency, anti-bribery and anti-corruption practices and fair competition.

SUPPLY CHAIN MANAGEMENT

These principles guide how the Group applies sustainability considerations within procurement activities. As far as practicable, the Group prioritises locally sourced materials and local supply chain partners to support domestic economic participation, improve coordination with project teams and enhance responsiveness to site and operational requirements. For reporting purposes, "local" refers to supply chain partners that operate in Malaysia.

The Group incorporates environmental and social considerations into its supply chain engagement. Supply chain partners are expected to comply with applicable laws and regulations, conduct business responsibly, observe appropriate health and safety standards, uphold fair treatment of workers, prevent child labour and forced labour, avoid discriminatory practices and minimise environmental impacts arising from their activities. These matters are communicated, where relevant, through procurement processes, project coordination and site monitoring arrangements.

Subject to project requirements, commercial considerations and availability, preference may be given to products and services that take into account resource efficiency, climate-related considerations and responsible environmental practices. The Group also encourages responsible material selection and sourcing practices that support waste minimisation and lower environmental impact.

Ethical conduct remains central to supply chain engagement. Supply chain partners are expected to conduct business with integrity, transparency and accountability, supported by the Group's governance policies on anti-bribery and anti-corruption, conflicts of interest, related party transactions and fair business conduct. These expectations are formalised through relevant declarations to strengthen ethical conduct and transparency within supplier relationships.

To maintain procurement discipline, the Group applies a structured selection, evaluation and monitoring process:

SUPPLIER SELECTION, EVALUATION AND MONITORING PROCESS

1. **Pre-Qualification**
   Identify potential supply chain partners based on project requirements, capability and suitability.
2. **Assessment and Selection**
   Evaluate commercial, technical and relevant sustainability considerations before appointment.
3. **Appointment**
   Engage selected supply chain partners based on approved procurement procedures and contractual requirements.
4. **Performance Monitoring**
   Monitor progress, responsiveness, quality, safety and overall performance during project execution.
5. **Evaluation and Future Engagement**
   Consider evaluation outcomes when updating the approved list and making future engagement decisions.

A structured process helps maintain procurement discipline, quality standards and accountability across the supply chain.

SUPPLY CHAIN MANAGEMENT

The process supports supplier and contractor selection, performance monitoring and future engagement decisions. For contractor and subcontractor engagements, performance evaluation considers relevant operational, commercial and sustainability-related criteria, including aspects of quality, capability, reliability, responsibility, and safety and environmental awareness. Evaluation outcomes are considered when maintaining and updating the Group's approved contractor and consultant list, while improvement areas are discussed with the relevant parties where required.

For project-related engagements, contractors are required to submit progress reports to support project monitoring and coordination. These reports enable the Group to track work progress, identify emerging issues and engage relevant parties on timely corrective actions where required. Through this approach, the Group seeks to build a dependable supply chain that supports quality delivery, responsible project execution and long-term business resilience.

OUR PERFORMANCE

The Group continued to maintain procurement controls, supplier monitoring processes and project coordination mechanisms during FY2026 to support accountability, quality delivery and responsible supply chain practices.

The Group also maintained its focus on local procurement during the year. Consistent with previous years, 100% of procurement expenditure was incurred with local suppliers and contractors, while 100% of suppliers and contractors engaged by the Group were local entities registered and operating in Malaysia. This reflects the Group's continued support for local economic participation and a more responsive domestic supply chain.

100%
Proportion of expenditure on local suppliers and contractors
FY2026

100%
Proportion of local suppliers and contractors
FY2026

Indicator	2024 %	2025 %	2026 %
Expenditure on local suppliers and contractors[1]	100	100	**100**
Local suppliers and contractors[1]	100	100	**100**

Note:
1. The data includes suppliers and contractors engaged across the Group's business segments, where applicable.

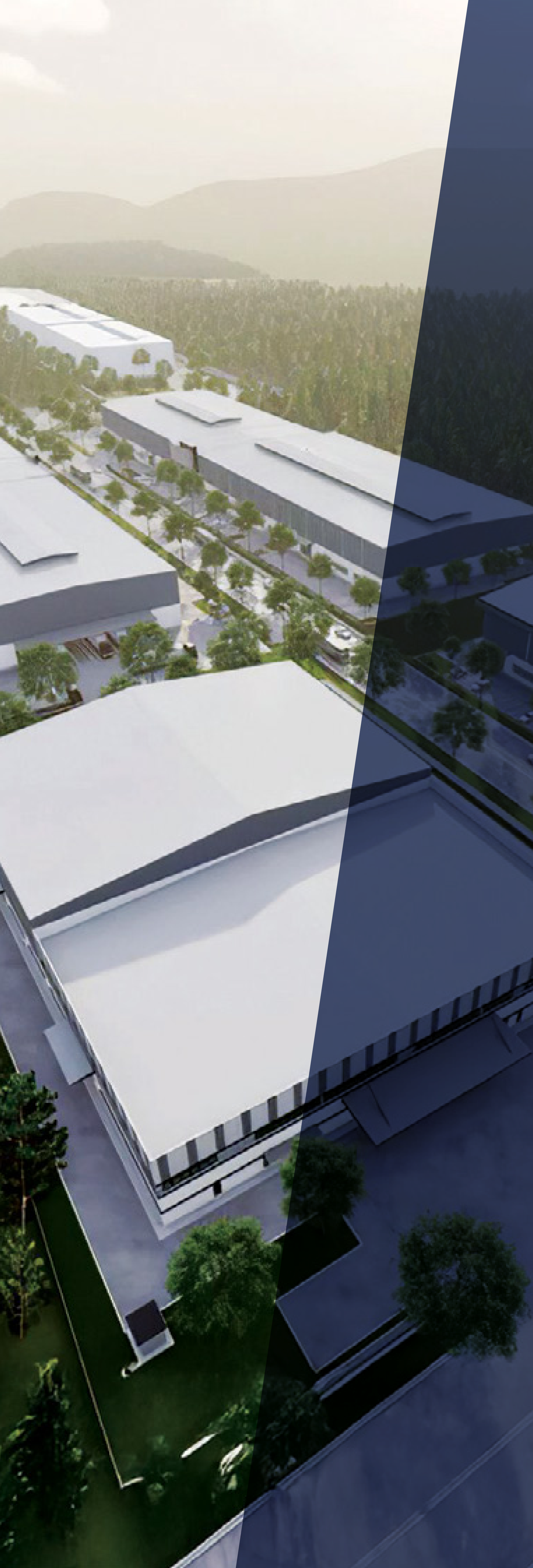
During the year, the Group conducted performance evaluations for four (4) selected supply chain partners. The evaluations assessed overall performance across key areas relating to service delivery, quality, responsiveness and capability. Based on the evaluation outcomes, all assessed supply chain partners remained eligible to be considered for future engagement or tender opportunities. These evaluations support the Group's efforts to maintain procurement discipline, monitor supplier performance and promote accountability across its supply chain.

SUPPLY CHAIN MANAGEMENT

MOVING FORWARD

Moving forward, the Group will continue to strengthen supply chain management as an important part of quality project delivery and long-term business resilience. The Group will focus on building a dependable supplier base through disciplined procurement, constructive engagement and clear expectations on quality, safety, ethical conduct, environmental responsibility and responsible social practices.

As sustainability expectations across the property and construction value chain continue to evolve, the Group will apply the principles under its Sustainable Procurement Policy in a commercially sound and proportionate manner. By strengthening procurement oversight and working with capable local partners, the Group aims to build a more reliable and accountable supply chain while supporting responsible project delivery and contributing to UNSDG 8, UNSDG 12 and UNSDG 16.



MINIMISING OUR ENVIRONMENTAL FOOTPRINT

Responsible growth requires us to recognise the environmental impact of the way we operate, develop and use resources. It reinforces the need to manage natural resources carefully, reduce avoidable impacts and strengthen practical measures that support a more sustainable built environment.

Through this goal, we aim to integrate environmental considerations into everyday decision-making, so that our operations and developments continue to progress with greater awareness, discipline and responsibility.

MATERIAL MATTERS:

- Climate Change and Action
- Waste Management
- Water Management

ALIGNED UNSDGs:

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

CLIMATE CHANGE AND ACTION

WHY IT MATTERS

Climate change is reshaping the built environment and influencing how developments are planned, delivered and managed over the long term. Rising temperatures, changing weather patterns and increasing stakeholder expectations are placing greater emphasis on environmental performance, resource efficiency and climate resilience across the property sector.

For PGB, climate action begins with better visibility, practical discipline and progressive improvement. By enhancing emissions tracking, improving data quality and embedding environmental considerations into relevant business processes, the Group is building a clearer foundation for informed decision-making and continuous improvement. These efforts support the Group's ability to manage climate-related impacts and risks more effectively, while contributing to the transition towards a lower-carbon and more resilient built environment over time.

OUR APPROACH

The Group approaches climate-related matters through a practical and progressive focus on energy efficiency, greenhouse gas ("GHG") emissions tracking, environmental awareness and sustainable development practices. As our operations and developments continue to expand, we are strengthening the way environmental data is collected, reviewed and reported to improve visibility over emissions sources and support more informed decision-making across the business.

The Group recognises that climate-related risks and opportunities may affect its operations and developments over time. These include physical risks, such as changing weather patterns, heavier rainfall, flooding and heat-related impacts, as well as transition-related matters such as evolving regulatory requirements, stakeholder expectations, energy efficiency expectations and demand for more sustainable buildings. These matters are considered through the Group's sustainability governance and risk management processes, as well as through project planning, design and operational monitoring.

To provide a structured basis for emissions measurement and reporting, the Group defines its GHG accounting boundaries with reference to the internationally recognised GHG Protocol:

SCOPE 1

DIRECT EMISSIONS

Emissions from sources owned or controlled by the Group, such as fuel consumed by company vehicles.

SCOPE 2

INDIRECT EMISSIONS

Emissions from purchased electricity used across offices, sales gallery and operational facilities.

SCOPE 3

OTHER INDIRECT EMISSIONS

Selected indirect emissions across the value chain, comprising business travel and employee commuting.

CLIMATE CHANGE AND ACTION

FY2026 marks the Group's second year of GHG emissions tracking and disclosure. Building on the baseline established in FY2025, we continued to monitor Scope 1, Scope 2 and selected Scope 3 emissions. This ongoing process supports greater continuity in climate-related data collection and allows the Group to improve the consistency and reliability of its environmental disclosures over time.

To support emissions measurement and disclosure, the Group continues to utilise Bursa Securities' Centralised Sustainability Intelligence ("CSI") platform for the calculation of Scope 1 and Scope 2 emissions. Scope 1 emissions are primarily based on fuel consumption records for sources owned or controlled by the Group, while Scope 2 emissions are based on purchased electricity consumption at monitored locations, including offices, sales gallery and operational facilities.

For selected Scope 3 emissions, the Group currently reports Category 6: Business Travel and Category 7: Employee Commuting, using a distance-based methodology based on available travel claims records and employee commuting survey responses. Other Scope 3 categories will be reviewed progressively as the Group strengthens data availability, boundary assessment and internal collection processes.

Alongside emissions tracking, the Group continues to implement practical energy-saving measures across its offices and operations. These include the use of energy-efficient LED lighting, switching off lights and air-conditioning after office hours and promoting energy conservation awareness through internal communications and employee engagement efforts.

Environmental considerations are also incorporated into selected developments through green building certification initiatives and sustainable design features that are aligned with project requirements and development objectives. These efforts support better building performance and encourage more efficient use of energy, water and materials across the development lifecycle, while contributing to the long-term resilience and value of the Group's developments.

As climate-related disclosure expectations continue to evolve, the Group will continue to strengthen its internal data collection and reporting practices in a measured and practical manner. This supports better visibility over environmental performance and provides stakeholders with a clearer understanding of the Group's climate-related footprint, actions and progress.

OUR PERFORMANCE

(i) Energy Consumption Performance

In FY2026, the Group recorded total energy consumption of 320.46 MWh, compared with 65.87 MWh in FY2025. The increase was mainly attributable to the inclusion of additional operational sites within the reporting boundary during the year.

Indicator	2024	2025	2026
Total energy consumption (MWh)[1]	63.26	65.87	**320.46**

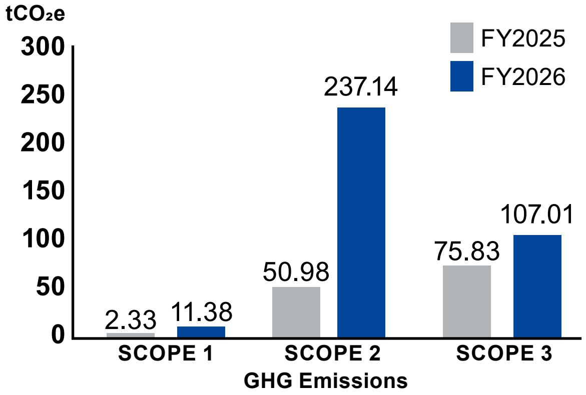
FY2026 TOTAL ENERGY CONSUMPTION
320.46 MWh

Notes:
1. Unit of measurement of energy consumption is megawatt-hours ("MWh").
2. FY2024 and FY2025 energy consumption were based on the monitored locations applicable for those years.
3. FY2026 energy consumption increased mainly due to the expanded reporting boundary, including headquarters, branch office, sales gallery and PGB Hostel.

CLIMATE CHANGE AND ACTION

(ii) GHG Emissions Performance

FY2026 represents the Group's second year of reporting Scope 1, Scope 2 and selected Scope 3 GHG emissions, with total emissions increasing primarily due to expanded operational activities and broader data coverage during the year.



Indicator	2025 tCO_2e	2026 tCO_2e
Scope 1 GHG emissions	2.33	11.38
Scope 2 GHG emissions	50.98	237.14
Scope 3 GHG emissions	75.83	107.01
Total GHG emissions	**129.14**	**355.53**

Scope 1 emissions increased following the acquisition of additional company vehicles and fuller tracking of fuel consumption. Scope 2 emissions increased due to the inclusion of additional facilities in the reporting boundary, while Scope 3 emissions increased in line with higher business travel activities and a larger employee base captured through the employee commuting survey.

Notes:

1. Unit of measurement of GHG emissions is metric tonnes of carbon dioxide equivalent (tCO_2e).
2. Scope 1, Scope 2 and Scope 3 emissions are disclosed based on the Group's GHG emissions boundary described under Our Approach. Scope 3 emissions comprise selected categories, namely Category 6: Business Travel and Category 7: Employee Commuting.
3. FY2026 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") 2025 emission factors and Malaysia Energy Information Hub ("MEIH") 2024 emission factor respectively, while FY2026 Scope 3 GHG emissions were calculated using UK DEFRA 2025 emission factors.
4. FY2025 Scope 1 and Scope 2 GHG emissions were calculated using the Bursa Securities CSI platform, applying UK DEFRA 2024 and MEIH 2022 emission factors respectively, while FY2025 Scope 3 GHG emissions were calculated using UK DEFRA 2024 emission factors.
5. FY2025 was the Group's first year of GHG emissions tracking and disclosure. As such, GHG emissions data is currently presented for FY2025 and FY2026, with reporting coverage to be strengthened progressively over time.
6. The GHG emissions data for Scope 1, Scope 2 and Scope 3 for FY2025 and FY2026 were externally assured.

(iii) Scope 3 GHG emissions performance

The Group continued to track selected Scope 3 emissions from business travel and employee commuting during FY2026. These categories were measured using available travel records and employee commuting survey data, based on a distance-based methodology.

Indicator	2025 tCO_2e	2026 tCO_2e
Category 6: Business Travel	1.57	26.22
Category 7: Employee Commuting	74.26	80.79
Total Scope 3 GHG emissions	**75.83**	**107.01**

CLIMATE CHANGE AND ACTION

MOVING FORWARD

Moving forward, the Group will continue to strengthen climate action through disciplined energy monitoring, GHG emissions tracking and practical conservation measures across its operations. The Group will focus on improving data quality, maintaining consistency in emissions reporting and enhancing visibility over its environmental footprint.

As climate data and reporting coverage mature, the Group will review its reporting boundary, measurement approach and relevant climate-related indicators, including appropriate metrics and potential targets, to support more meaningful performance monitoring over time. The Group will also continue to integrate environmental considerations into relevant operational and development processes in a practical and proportionate manner. Through these efforts, the Group seeks to support a lower-carbon and more resilient built environment, while contributing to UNSDG 7 and UNSDG 13.

WASTE MANAGEMENT

WHY IT MATTERS

Waste management is an important aspect of environmental stewardship and operational efficiency within the Group's business activities. As a property developer, the Group generates various types of waste through office operations, project development activities and day-to-day business processes. Effective management of these waste streams helps minimise environmental impacts, support regulatory compliance and promote the responsible use of resources.

As stakeholder expectations continue to evolve, waste management has become increasingly important in demonstrating accountability and transparency in environmental performance. By strengthening waste monitoring, promoting recycling and encouraging more responsible consumption habits, the Group seeks to minimise avoidable waste, improve resource efficiency and contribute to broader sustainability outcomes. These efforts support our long-term aspiration to create value responsibly while reducing the environmental footprint of our business activities.

OUR APPROACH

The Group manages waste through a practical approach guided by the 4R principles of Reduce, Refuse, Reuse and Recycle. These principles provide a common reference for managing waste across our offices and project-related activities, while supporting more responsible consumption, improved segregation of recyclable materials and safe disposal where waste cannot be avoided.

Under this approach, the Group seeks to reduce avoidable waste through better planning and more efficient use of resources, refuse unnecessary materials or excessive packaging where practical, reuse materials where they can be safely repurposed and recycle suitable materials through appropriate collection arrangements. These efforts are supported by ongoing waste monitoring and responsible disposal practices, including the use of licensed contractors where required.

WASTE MANAGEMENT PRINCIPLES

The group manages waste through a practical approach guided by the 4R principles, supported by safe disposal and waste data tracking.

Safe Disposal Ensure waste is handled and disposed of in a compliant manner.

Waste Data Tracking Monitor waste data to support better waste management decisions.

These supporting controls help ensure compliant handling and better waste management decisions.

WASTE MANAGEMENT

Waste management is monitored through the Group's existing sustainability governance structure. This supports oversight of waste-related practices and helps ensure that our approach remains aligned with regulatory requirements and operational needs.

The Group's waste streams include non-hazardous waste such as construction waste, general office waste, recyclable materials and food waste, as well as scheduled waste, if generated. Waste handling and disposal are managed in line with relevant environmental requirements, including the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005, where scheduled waste is involved.

TYPES OF WASTE GENERATED AND MONITORED

The group manages different waste streams across its operations in a responsible and compliant manner.

NON-HAZARDOUS WASTE

Generated across our operations

Construction Waste

Waste materials arising from construction and development activities.

General Office Waste

Non-recyclable waste from office operations and day-to-day activities.

Recyclable Materials

Materials such as paper, carton boxes, plastics, metals and other recyclables for recovery.

Food Waste

Waste generated from pantry and food-related activities.

Managed through established collection, recycling and disposal arrangements.

SCHEDULED WASTE, IF GENERATED

Managed with appropriate controls

Stored Safely

Stored at designated locations to support safe handling and prevent environmental and health risks.

Handled by licensed contractors

Collected, transported and treated by licensed waste contractors.

Regulatory Compliance

Disposed of in accordance with applicable regulatory requirements.

Scheduled waste, if generated, is managed with appropriate controls to support safe handling and regulatory compliance.

For project-related waste, contractors and subcontractors are expected to manage waste responsibly and engage licensed waste contractors for proper disposal. Non-hazardous waste is managed through established collection, recycling and disposal arrangements, while scheduled waste, if generated, is stored at designated locations and handled by licensed contractors. These controls support safe and compliant waste handling while reducing potential environmental and public health risks.

At the operational level, the Group continues to promote responsible office waste management through digitalisation, paper reduction, reuse and recycling practices. Employees are encouraged to adopt responsible consumption habits in daily work processes, supported by recycling arrangements for materials such as paper, carton boxes, plastics and other recyclable items. The Group also reduces reliance on printed materials where possible, including through electronic distribution of corporate documents and greater use of digital communication channels.

WASTE MANAGEMENT

SPOTLIGHT INITIATIVE:
Recycling for Sustainability and Social Impact

During FY2026, PGB continued its collaboration with Persatuan Kebajikan Berkat Berganda (Shuang Fu) Johor Bahru to promote recycling while supporting social inclusion. Through this initiative, recyclable materials collected from PGB's office and sales gallery contributed by employees were channelled to the organisation for recycling and reuse.

The initiative supports a self-sustaining social enterprise model, where recyclable resources are converted into funding to sustain the organisation's operations while creating meaningful employment opportunities for persons with disabilities. In FY2026, a total of 1,376 kg of recyclable resources was collected through this initiative, reflecting the Group's effort to connect responsible waste practices with positive community impact.

The Group continues to strengthen waste performance tracking through internal records, project-related information and vendor collection data. These efforts provide a clearer basis for monitoring waste diverted from disposal and waste directed to disposal, supporting more consistent reporting and better-informed waste management decisions over time.

OUR PERFORMANCE

(i) Paper Consumption and Printing Performance

In FY2026, the Group procured 588 reams of paper, compared with 185 reams in FY2025. The increase was mainly attributable to the expansion of the reporting scope, including the commencement of operations at the sales gallery and PGB Hostel during the year. Printing costs also increased in line with higher operational and administrative requirements.

Indicator	2024	2025	2026
Number of reams procured	160	185	**588**
Annual procurement cost on paper ream (RM)	1,808	2,101	**6,448**
Annual cost on printing (RM)	8,738	18,387	**23,002**

The Group will continue to monitor paper consumption and encourage digital documentation, electronic communication and responsible printing practices across its offices and operational sites.

WASTE MANAGEMENT

(ii) Waste Diversion and Disposal Performance

The Group continued to monitor waste diverted from disposal and waste directed to disposal during FY2026. Total waste generated decreased from 193.55 MT in FY2025 to 111.03 MT in FY2026, mainly due to lower recorded construction waste during the year. Waste diverted from disposal increased from 0.61 MT in FY2025 to 1.38 MT in FY2026, supported by continued recycling efforts and expanded collection points during the year.

Indicator	2024	2025	2026
Waste diverted from disposal (MT)	0.20	0.61	1.38
Waste directed to disposal (MT)	1.30	192.94	109.65
Total waste generated (MT)	**1.50**	**193.55**	**111.03**

Notes:

1. Unit of measurement for waste diverted from disposal, waste directed to disposal and total waste generated is metric tonnes ("MT").
2. Construction waste tracking commenced in FY2025.
3. Waste diverted from disposal mainly comprised recyclable materials collected through office recycling initiatives and recycling vendor arrangements.
4. Waste directed to disposal mainly comprised construction waste and food waste.
5. Waste data is reported based on available project records, vendor information and internal tracking records.

During the year, there were no reported instances of material non-compliance, penalties or fines in relation to waste management. The Group will continue to strengthen waste monitoring, improve data collection processes and promote responsible waste practices across its operations and developments.

MOVING FORWARD

Moving forward, the Group will continue to enhance its waste management approach by embedding responsible waste practices into daily operations and project activities. Efforts will focus on strengthening waste monitoring processes, encouraging more efficient use of resources and identifying opportunities to minimise waste generation while maintaining compliance with environmental requirements.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

As environmental expectations continue to evolve, the Group will work towards improving the consistency and quality of waste data, while encouraging greater awareness and participation among employees and relevant project stakeholders. Through continued focus on waste reduction, recycling and better performance tracking, we aim to improve resource efficiency, reduce our environmental footprint and contribute to UNSDG 12.

WATER MANAGEMENT

WHY IT MATTERS

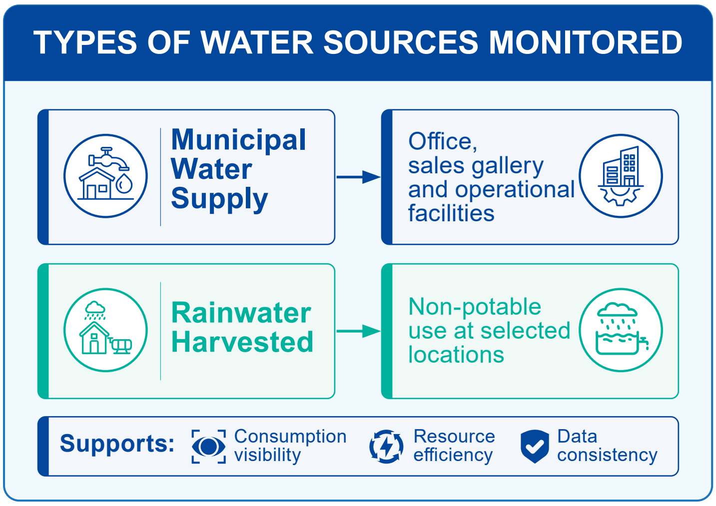
Water management remains an important environmental priority as climate change, urbanisation and changing consumption patterns continue to place pressure on freshwater resources. In Malaysia, shifting rainfall patterns and growing demand for water have reinforced the need for businesses to manage water responsibly and support more efficient resource use.

For PGB, responsible water management is important to operational resilience, regulatory compliance and the long-term sustainability of our developments. As our business activities and operating locations expand, maintaining better visibility over water use enables the Group to manage environmental impacts more effectively and support responsible growth across its operations and selected project activities.

OUR APPROACH

The Group manages water through a practical approach that focuses on consumption monitoring, efficient use, rainwater harvesting and compliance with applicable environmental requirements. Water use is monitored across selected locations to provide clearer visibility over consumption patterns and support more informed decision-making.

The Group's monitored water sources comprise municipal water supply and harvested rainwater. Municipal water consumption is mainly associated with office operations, sales gallery activities and operational facilities, while harvested rainwater is used at selected project sites and operational facilities for non-potable purposes such as site cleaning, tyre washing, dust control and other operational uses. This helps reduce reliance on municipal water where rainwater harvesting is available and operationally practical.



Water-related controls at construction sites are managed in accordance with applicable regulatory requirements, project conditions and environmental management practices. Contractors and subcontractors are required to comply with requirements relating to site drainage, wastewater management, effluent discharge, erosion and sediment control and other site-specific environmental controls, including Environmental Impact Assessment ("EIA") approval conditions, Environmental Management Plan ("EMP") and Erosion and Sediment Control Plan ("ESCP") requirements. These measures support controlled water use and help reduce potential environmental impacts arising from project activities.

Water efficiency considerations are also incorporated into selected developments through rainwater harvesting systems and water-efficient sanitary fittings, where applicable. These features support more efficient water use during the operational phase of the developments and contribute to the Group's broader approach to resource efficiency.

At the operational level, the Group promotes water conservation through regular checks and maintenance of plumbing systems, employee awareness and practical water-saving practices in the workplace. The Group will continue to monitor water-related risks and consumption trends where relevant as its operating footprint expands, while progressively strengthening water data collection, coverage and internal tracking to improve the consistency and quality of its water-related disclosures over time.

WATER MANAGEMENT

OUR PERFORMANCE

In FY2026, the Group recorded total water consumption of 2,088.85 m^3, compared with 815.10 m^3 in FY2025. The increase was mainly attributable to higher municipal water consumption following the expansion of monitored locations during the year, including the sales gallery and PGB Hostel.

Indicator	2024	2025	2026
Municipal water consumption (m^3)[3]	1,073.62	814.65	2,083.79
Rainwater harvested (m^3)[4]	-	0.45	5.06
Total water consumption (m^3)	**1,073.62**	**815.10**	**2,088.85**

Notes:
1. Unit of measurement for water consumption, rainwater harvested and total water consumption is cubic metres ("m^3").
2. Prior-year disclosures have been restated in m^3 to ensure consistency in unit measurement across municipal water consumption and rainwater harvested.
3. Municipal water consumption data is based on water bills and/or dedicated water meter records for monitored locations. Water consumption at project sites is currently not systematically tracked.
4. Rainwater harvested refers to rainwater collected and used for non-potable purposes at selected project sites and operational facilities.
5. The Group started tracking rainwater harvested from FY2025.

During the year, there were no reported instances of material non-compliance, penalties or fines in relation to water use or effluent discharge.

MOVING FORWARD

Moving forward, the Group will continue to strengthen water management as part of its broader environmental discipline, with emphasis on improving consumption visibility, promoting efficient use and applying practical conservation measures across monitored locations. As our operating footprint expands, we will work towards improving the consistency of water data collection and strengthening internal monitoring to support more informed decisions on water use.

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The Group will also continue to incorporate water efficiency considerations into selected developments where relevant, including rainwater harvesting and water-saving features that support more responsible resource use during the operational phase. Through continued focus on consumption monitoring, conservation and practical design measures, we aim to manage water resources more effectively while supporting sustainable development practices and contributing to UNSDG 6 and UNSDG 12.

VALUING OUR PEOPLE AND COMMUNITY

People and communities are central to the way we grow, operate and create lasting value. They shape the strength of our workplace, the quality of our relationships and the positive contribution we seek to make beyond our business.

Through this goal, we seek to nurture a safe, fair and respectful environment where people can contribute with confidence, while strengthening our role as a responsible organisation within the communities we serve. Our focus remains on creating shared progress by supporting our people, respecting different perspectives and contributing meaningfully to social well-being.

MATERIAL MATTERS:

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

ALIGNED UNSDGs:

1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 17 PARTNERSHIPS FOR THE GOALS

OCCUPATIONAL HEALTH AND SAFETY

WHY IT MATTERS

Occupational health and safety is fundamental to protecting our people, contractors and stakeholders involved in our operations and project activities. The Group operates in an environment where construction-related activities may expose workers and contractors to safety risks if not properly managed. Maintaining a safe and healthy working environment is therefore essential to responsible project delivery, operational continuity and regulatory compliance.

For PGB, safety goes beyond meeting statutory requirements. It reflects the way we plan, supervise and carry out our activities with care, discipline and accountability. By strengthening safety awareness, maintaining site controls and working closely with contractors, the Group seeks to reduce workplace risks and foster a culture where health and safety remain a shared responsibility across our operations and developments.

OUR APPROACH

The Group's approach to occupational health and safety is guided by its Occupational Health and Safety ("OHS") Policy, which sets out the principles and expectations for maintaining safe, healthy and responsible working environments. The policy provides a common reference for employees, contractors and relevant stakeholders involved in the Group's operations and project activities. The latest version of the OHS Policy was approved by the Board on 22 May 2026 and is available on the Company's website.

The OHS Policy is guided by six (6) core principles that support the implementation of the Group's health and safety practices.

PRINCIPLES OF THE OCCUPATIONAL HEALTH AND SAFETY POLICY

OCCUPATIONAL HEALTH AND SAFETY

In our property development and construction-related activities, OHS requirements are embedded into project governance and contractor management processes. Project contracts include health and safety provisions, while contractors are expected to comply with applicable OHS laws and regulations, including the Occupational Safety and Health Act 1994, project requirements and site safety procedures. Individuals entering project sites are required to observe relevant safety rules, including personal protective equipment ("PPE") requirements, site access controls and other site-specific safety measures.

Project teams maintain oversight through regular coordination with contractors, review of project progress reports, joint site inspections and engagement with contractor safety personnel. This ongoing engagement helps ensure that health and safety matters are integrated into day-to-day project supervision and that issues identified during site activities are appropriately addressed.

At project sites, contractors are required to establish appropriate health, safety and environmental arrangements, including Health, Safety and Environment ("HSE") Committees where applicable. These committees provide a platform for discussing site safety matters, supporting inspections, identifying potential risks and facilitating feedback on health and safety concerns. Where safety observations are raised, contractors are expected to implement appropriate remedial actions, with follow-up monitored through the Group's project oversight processes.

Contractors are also expected to appoint competent safety personnel to support the implementation of site safety measures, conduct risk assessments, facilitate safety briefings, support incident reporting and maintain emergency preparedness arrangements in line with applicable requirements. These arrangements help reinforce accountability at site level and support a more structured approach to managing safety risks across project activities.

The Group also promotes safety awareness through toolbox briefings, housekeeping inspections, safety signage and regular communication at project sites. These practices provide practical reminders on safe work behaviours and encourage contractors and site workers to report unsafe conditions or potential hazards. By maintaining open communication on safety matters, the Group seeks to support a work environment where health and safety are treated as a shared responsibility.

Beyond project sites, the Group maintains workplace safety and emergency response measures across its offices, sales gallery and operational facilities. These include fire safety equipment, first aid kits, fire drill arrangements and employees trained as first aiders to support workplace readiness. The Group also promotes employee health and well-being through various initiatives aimed at encouraging preventive health awareness, active lifestyles and a safer, more supportive workplace environment.

OCCUPATIONAL HEALTH AND SAFETY

SPOTLIGHT INITIATIVE:
Strengthening Safety Awareness and Preventive Well-Being

During FY2026, the Group reinforced safety awareness through first aid awareness training, site inspections, toolbox briefings and regular safety communication at project sites, alongside fire drill activities conducted at operational facilities. These initiatives supported practical understanding of safe work behaviours and strengthened awareness of emergency response across the Group's operations and project activities.

The Group also carried out selected health and wellness initiatives during the year, including glucose screening, influenza vaccination, regular fruit distribution and sports activities. These efforts complemented the Group's OHS practices by encouraging preventive health awareness, active lifestyles and employee well-being.

OUR PERFORMANCE

(i) Work-related Injuries and Fatalities

During FY2026, the Group recorded zero work-related fatalities and zero lost-time injuries among employees and contractors within the reporting scope. Total workman hours decreased from 1,196,342 hours in FY2025 to 501,144 hours in FY2026, mainly due to lower contractor workman hours as certain projects progressed towards completion during the year, while new projects remained at an early stage with lower site activity levels.

Indicator	2024	2025	2026
Total workman hours	882,616	1,196,342	**501,144**
Employees[2]			
Number of fatalities	0	0	**0**
Number of lost time injuries	0	0	**0**
Lost time incident rate[1]	0	0	**0**
Contractors[3]			
Number of fatalities	0	0	**0**
Number of lost time injuries	0	0	**0**
Lost time incident rate[1]	0	0	**0**

Notes:
1. Lost time incident rate is calculated based on the number of lost-time injuries per 200,000 hours worked.
2. Employee fatalities and lost-time injuries cover the Group's employees.
3. Contractor fatalities and lost-time injuries cover contractors engaged at Group-controlled project sites.

OCCUPATIONAL HEALTH AND SAFETY

During the year, there were no reported major legal actions, fines or sanctions in relation to occupational health and safety.

(ii) Health and Safety Trainings

The Group continued to provide and facilitate health and safety training during FY2026 to reinforce safety awareness and safe working practices across its operations and project sites. During the year, a total of 18 employees and 22 contractors participated in health and safety-related training programmes to support compliance with workplace safety requirements and strengthen awareness of safe work practices.

The lower number of contractors trained in FY2026 was mainly due to the completion of major site induction and safety training programmes in prior years. The Group continued to focus on targeted training and practical safety awareness activities to support compliance, site readiness and a safer working environment.

Indicator	2024	2025	2026
Number of employees trained on health and safety standards	0	17	**18**
Number of contractors trained on health and safety standards	856	252	**22**
Total number of employees and contractors trained	856	269	**40**

Note:
Health and safety trainings cover targeted OHS modules and general training with safety elements, including site inductions, first aid awareness, fire drill, working safely at height and other safety-related programmes.

MOVING FORWARD

Moving forward, the Group will continue to place the safety, health and well-being of our people and contractors at the centre of how we plan and deliver our operations. As project activities progress across different stages of development, we will strengthen the consistency of site supervision, contractor engagement and safety communication to ensure that safe work practices remain visible, understood and actively reinforced.

We will also continue to build a more proactive safety culture by encouraging timely reporting of hazards, practical learning from site observations and stronger emergency readiness across our workplaces. Together with our continued focus on preventive health and employee well-being, these efforts support our commitment to maintaining zero fatalities and zero lost-time injuries, while contributing to UNSDG 3 and UNSDG 8.

LABOUR PRACTICES AND STANDARDS

WHY IT MATTERS

People are at the heart of the Group's progress and long-term success. As PGB continues to grow, the strength of our workforce plays an important role in sustaining performance, preserving organisational knowledge and supporting the Group's ability to deliver value to stakeholders.

Responsible labour practices shape the way employees experience the workplace. A fair, respectful and supportive environment enables employees to perform with confidence, develop their capabilities and contribute meaningfully to the Group's objectives. By investing in its people and maintaining responsible employment practices, the Group seeks to build a stable, engaged and capable workforce that can grow with the business over the long term.

OUR APPROACH

The Group manages labour practices through a combination of formal policies, practical employment controls, development opportunities and employee engagement channels. This approach supports consistency in employment practices, clarity in workplace expectations and appropriate avenues for employees to raise concerns or provide feedback.

Policies and Procedures

The Group's labour practices are supported by workplace policies and employment procedures that guide how employees are hired, managed, supported and treated throughout their employment journey. These policies are aligned with the Employment Act 1955 and other applicable labour laws, and are reinforced through the Group's Code of Conduct, Employee Handbook and relevant human resource policies.

At the foundation of this framework are core labour principles that guide responsible employment practices across the Group.

LABOUR PRACTICE PRINCIPLES

These principles guide the Group's employment practices and workplace standards.

LABOUR PRACTICES AND STANDARDS

The Employee Handbook serves as a key reference for employees, setting out employment terms, working arrangements, compensation and benefits, leave entitlements, disciplinary procedures and grievance channels. It supports consistency in the way employment matters are communicated and managed across the Group.

The Group's broader policy framework establishes expectations for professional conduct, respectful workplace behaviour and responsible communication, while supporting a fair and inclusive working environment. These expectations are embedded into day-to-day employment practices through written employment contracts, defined working arrangements, attendance monitoring, age verification and established reporting channels. This helps the Group manage labour-related risks in a practical and accountable manner while reinforcing the standards expected across the workplace.

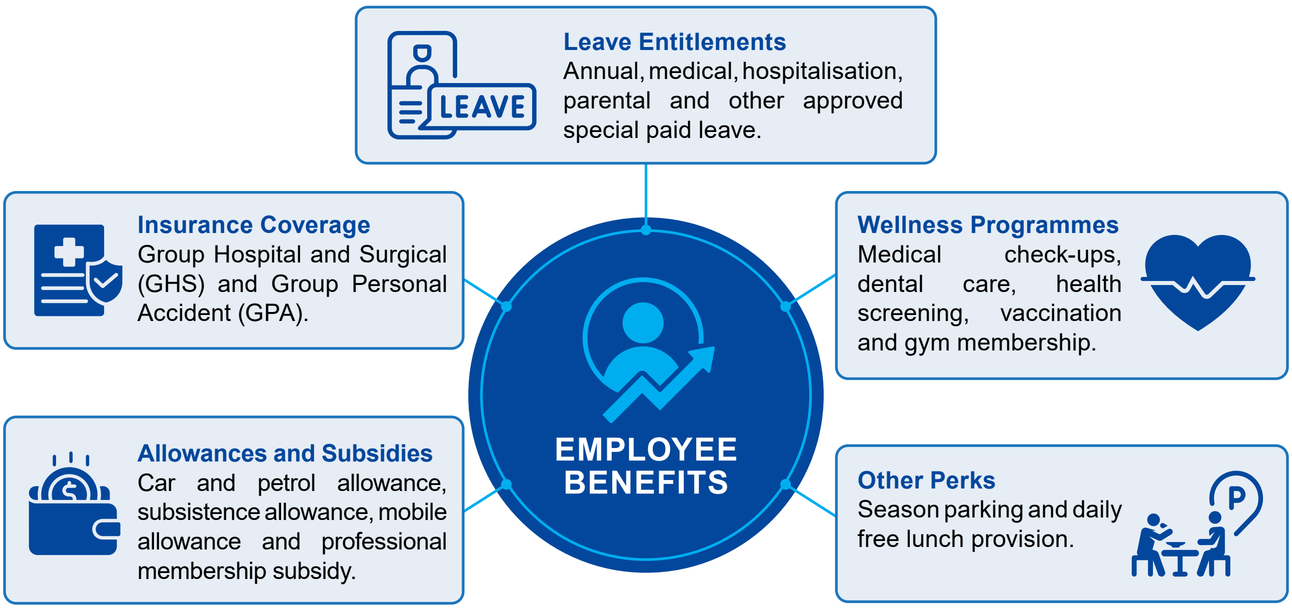
Employees are encouraged to report workplace concerns, misconduct or grievances through accessible channels without fear of retaliation. Reports are handled with appropriate confidentiality, fairness and due process, with follow-up actions taken where necessary. Through this framework, the Group seeks to maintain a workplace where employment practices are applied responsibly, employee rights are respected and concerns are addressed with care and accountability. Broader workplace diversity initiatives are further addressed under the "Diversity and Inclusion" sustainability matter.

Compensation, Benefits and Performance Management

The Group recognises that fair compensation, appropriate benefits and clear performance expectations are important in supporting employee motivation, retention and long-term workforce stability. Remuneration practices are guided by job responsibilities, individual performance and market considerations, with the aim of recognising employee contributions in a fair and responsible manner.

In addition to remuneration, the Group provides a range of employee benefits that support employees' welfare, health and day-to-day needs. These include leave entitlements, wellness-related benefits, insurance coverage, allowances and other workplace conveniences. The benefits offering reflects the Group's effort to support employees in their professional roles while contributing to their overall well-being.

EMPLOYEE BENEFITS AT A GLANCE



Note: Benefits are provided subject to employment terms, eligibility and applicable company policies.

LABOUR PRACTICES AND STANDARDS

Employee performance is managed through an annual appraisal process, guided by role-specific key KPIs and performance expectations. The appraisal process provides a structured platform to review performance, discuss development needs and align individual contributions with the Group's business priorities. It also supports talent development, succession planning and the recognition of employee contributions.

Talent Attraction and Recruitment

Recruitment within the Group is managed with reference to approved manpower requirements, role scope and the capabilities required across the business. Before a position is filled, the relevant function considers the operational need for the role, the responsibilities involved and the skills required to perform effectively. This helps ensure that recruitment decisions are made in a structured manner and remain aligned with the Group's business and operational priorities.

The Group's recruitment process is guided by fairness, merit and equal opportunity. Candidates are considered based on relevant qualifications, experience, skills and suitability for the position. Upon appointment, employment terms are documented to establish clear expectations on responsibilities, reporting lines, working arrangements and conditions of employment.

New employees are provided with an introduction to the Group's workplace standards, policies and procedures to support their integration into the organisation. This helps employees understand their roles, workplace expectations and the standards of conduct expected across the Group.

Talent Development and Succession Planning

The Group supports employee development through structured and role-relevant learning opportunities. Training needs are identified with reference to job responsibilities, performance discussions, departmental requirements and business priorities, ensuring that learning remains practical and aligned with the needs of both employees and the organisation. Employees, regardless of role or seniority, are provided with access to professional development opportunities that are relevant to their functions and development needs.

Employees are encouraged to participate in training programmes, seminars and professional development activities that strengthen their knowledge, skills and job effectiveness. Learning also takes place through practical day-to-day work exposure, on-the-job learning and guidance from more experienced team members. These opportunities help employees broaden their understanding of the Group's operations and build confidence in their roles over time.

The Group also maintains a formal Succession Planning Policy to support leadership continuity, talent development and long-term organisational resilience. Succession planning is applied in a practical and proportionate manner for key roles and functions that are important to business continuity, taking into account the Group's size, structure and evolving business needs. Where suitable, internal talent may be considered for relevant opportunities to encourage career progression, retain institutional knowledge and support workforce continuity.

LABOUR PRACTICES AND STANDARDS

Employee Engagement and Voice

The Group recognises that a positive employee experience is shaped by regular communication, workplace connection and opportunities for employees to share feedback. We therefore continue to organise engagement initiatives that encourage interaction across teams, support employee well-being and strengthen employees' connection with the organisation.

EMPLOYEE ENGAGEMENT FOCUS AREAS

01	02	03
Workplace Connection	**Employee Well-being**	**Employee Voice**
Staff interaction, bonding and shared experiences.	Health, wellness and workplace morale.	Feedback, surveys and communication channels.

During FY2026, our approach continued to focus on three (3) broad areas: workplace connection, employee well-being and employee voice.

Workplace connection was encouraged through staff activities, festive gatherings, employee appreciation initiatives and other platforms that brought employees together beyond their day-to-day work routines. These initiatives supported cross-department interaction and helped strengthen team relationships across the Group.

Employee well-being continued to be promoted through health and recreational initiatives aimed at encouraging preventive care, active lifestyles and workplace morale. These efforts complemented the Group's broader commitment to maintaining a supportive and people-focused work environment.

Employee voice remained an important part of the Group's approach. Employees are encouraged to share their views, concerns and suggestions through appropriate communication channels, including discussions with supervisors, the Human Resources Department and employee surveys. Feedback received is considered in identifying areas for improvement and strengthening the overall employee experience.

Through continued engagement and communication, the Group seeks to foster a workplace culture where employees feel connected, informed and able to contribute meaningfully to the organisation's progress.

FY2026 EMPLOYEE ENGAGEMENT HIGHLIGHTS

Workplace Connection

Company Trip to Shanghai.

Employee Well-Being

Sport Activities - Badminton.

Employee Voice

Townhall Meeting.

LABOUR PRACTICES AND STANDARDS

OUR PERFORMANCE

The Group monitors a range of workforce indicators to evaluate the effectiveness of its labour practices, employee development initiatives and engagement efforts. These indicators provide insights into workforce well-being, capability development, employee retention and overall workplace experience, enabling the Group to identify trends and areas for continuous improvement.

(i) Substantiated Complaints Concerning Human Rights

The Group is committed to maintaining a workplace where employees are treated with dignity, fairness and respect. During FY2026, there were no reported or substantiated complaints concerning human rights violations, including incidents relating to child labour, forced labour, discrimination or workplace harassment.

Indicator	2024	2025	2026
Number of substantiated complaints concerning human rights violations	0	0	**0**

(ii) Employee Training Hours and Investment

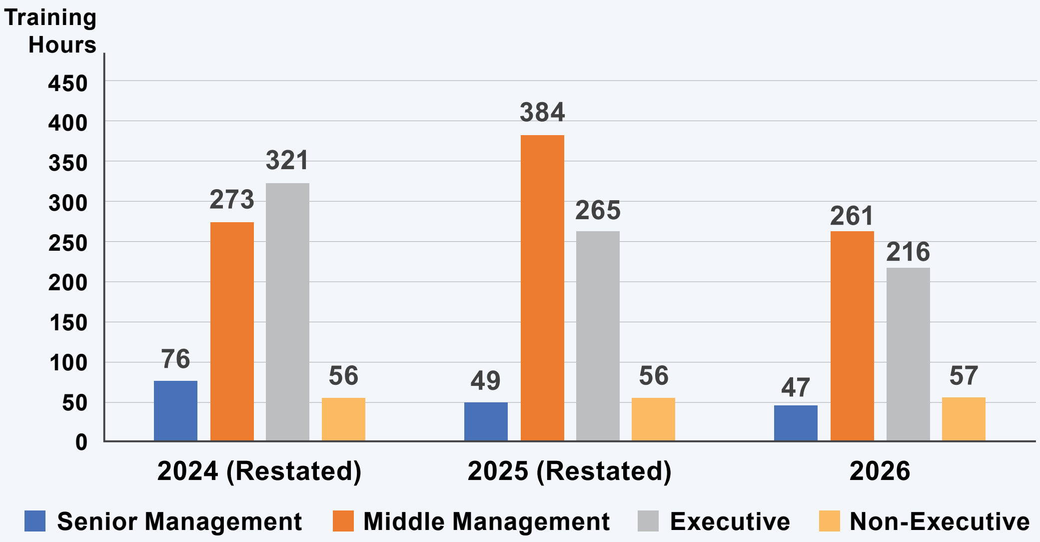
The Group continued to invest in employee learning and development during FY2026. Training programmes were conducted to enhance employees' knowledge, skills and professional development across various areas, including technical competencies, governance, regulatory updates, safety, operational knowledge and role-specific capabilities.

During FY2026, the Group recorded 581 total employee training hours, compared with 754 hours in FY2025. Average training hours per employee stood at 9 hours, compared with 14 hours in the previous financial year. While total training hours were lower during the year, the Group continued to provide targeted learning opportunities to support employees in strengthening their capabilities and carrying out their roles effectively.

Total investment in employee learning and development increased to RM73,736 in FY2026, compared with RM33,216 in FY2025. Despite the lower total training hours, the increase in investment was mainly attributable to higher programme-related costs, including employees' participation in a technology-related training session conducted by Alibaba (China) Network Technology Co., Ltd. during the Company's trip to Shanghai, China.

LABOUR PRACTICES AND STANDARDS

Total Employee Training Hours by Employee Category



Average Training Hours

Employee Category	2024[2]	2025[2]	2026
Senior Management[1]	25	16	16
Middle Management	23	21	14
Executive	19	11	7
Non-Executive	6	6	4
Average training hours per employee	**17**	**14**	**9**

Indicator	2024[2]	2025[2]	2026
Total investment in employee learning and development (RM)	29,594	33,216	**73,736**

Notes:

1. Employee training hours exclude all Directors and are presented based on employee categories as at the end of each financial year.
2. FY2024 and FY2025 figures have been restated to exclude Directors' training hours and related training costs from employee training data. This restatement was made to improve alignment with the Group's employee reporting boundary and to enhance comparability of employee training data across the three-year period.
3. Directors' training details are tracked separately and disclosed under the "Corporate Governance Overview Statement" section of the Annual Report.
4. Average training hours are calculated based on total employee training hours divided by the number of employees within the relevant employee category.

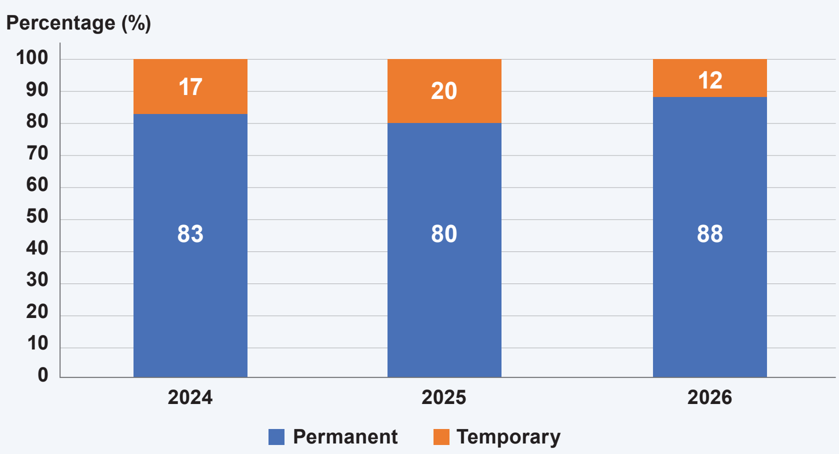
LABOUR PRACTICES AND STANDARDS

(iii) Employee Composition

As at 31 March 2026, the Group had 64 employees, compared with 54 employees in FY2025. The increase was mainly attributable to the Group's operational needs and continued business activities during the year.

The Group maintained a stable employment structure, with 88% of employees engaged under permanent employment contracts. This supports workforce continuity, retention of institutional knowledge and the development of longer-term capabilities within the organisation, while maintaining an appropriate level of workforce flexibility to meet business requirements.

Employee Composition by Employment Type



Note:
Employee headcount excludes the Board. Detailed workforce profile by gender, age group, ethnicity and employee category is disclosed under the "Diversity and Inclusion" section of this Statement.

(iv) New Hires and Attrition

The Group monitors employee movement to better understand workforce stability, resourcing needs and retention trends. During FY2026, the Group welcomed 21 new hires and recorded 11 employee exits.

New hires during the year supported the Group's operational requirements and workforce renewal across business functions. Employee exits were lower than in FY2025, resulting in a lower average monthly turnover rate and indicating more moderate workforce movement during the year.

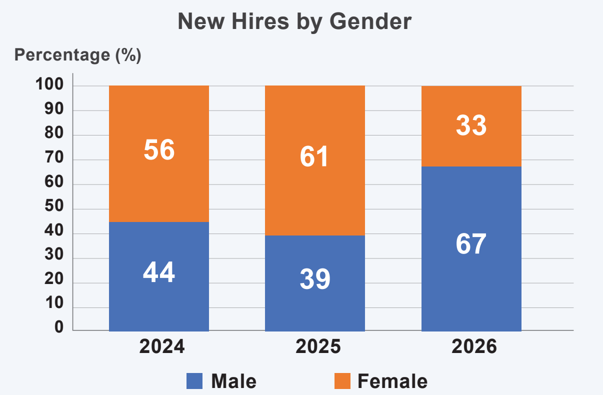
Indicator	2024	2025	2026
Number of new hires	9	31	**21**
Average monthly new hire rate (%)	1.77	5.41	**2.87**
Number of employee exits	8	19	**11**
Average monthly turnover rate (%)	1.58	3.38	**1.48**

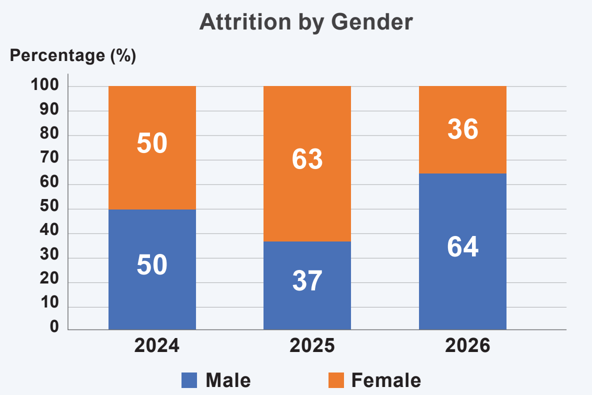
Note:
New hire and turnover rates are computed based on the Group's monthly employee movement methodology. Detailed workforce movement data is presented by gender, age group, ethnicity and employee category.

LABOUR PRACTICES AND STANDARDS

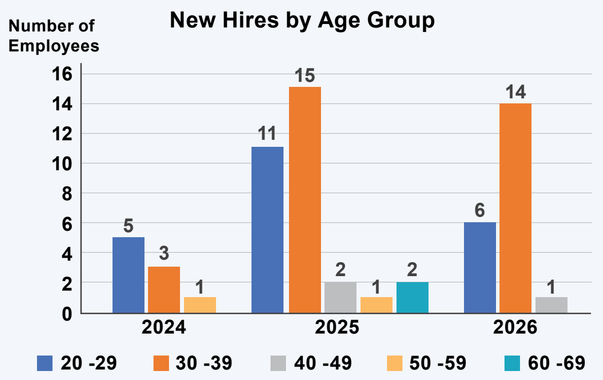
Workforce Movement Profile

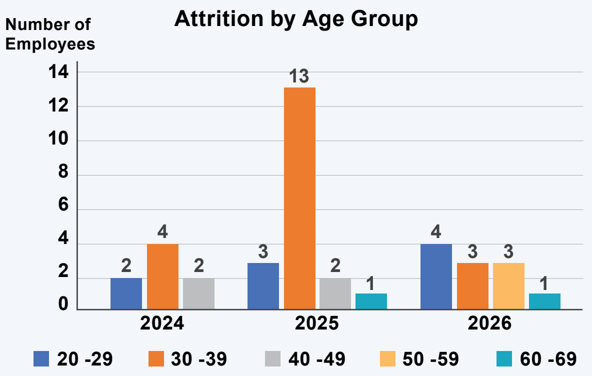
Workforce Movement by Gender



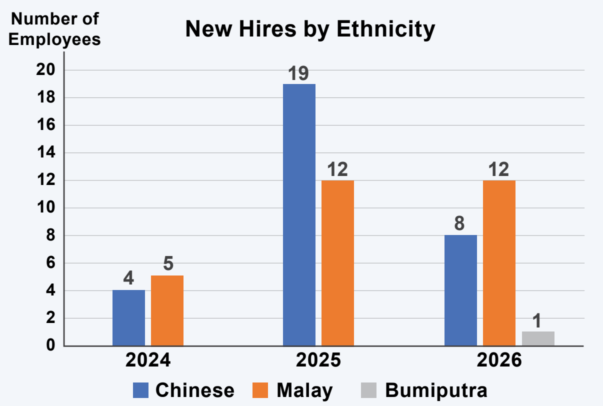


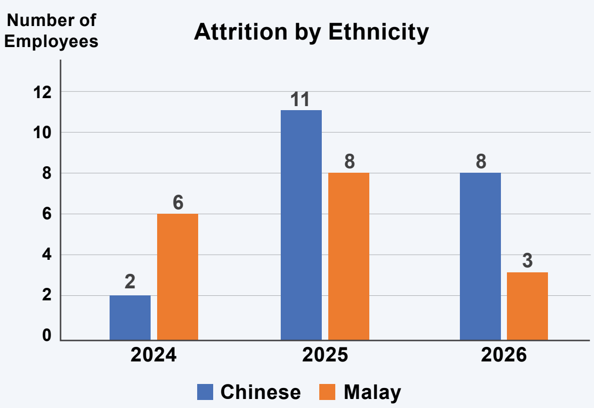
Workforce Movement by Age Group





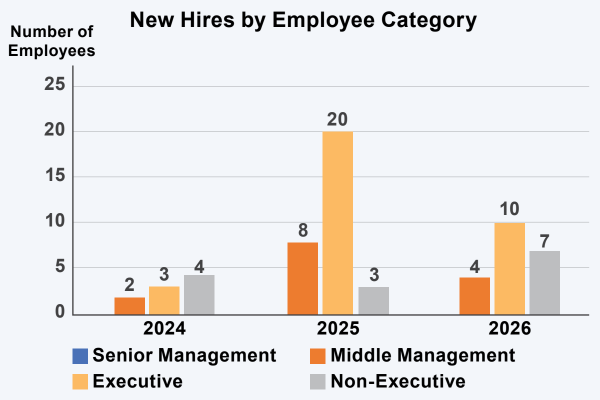
Workforce Movement by Ethnicity

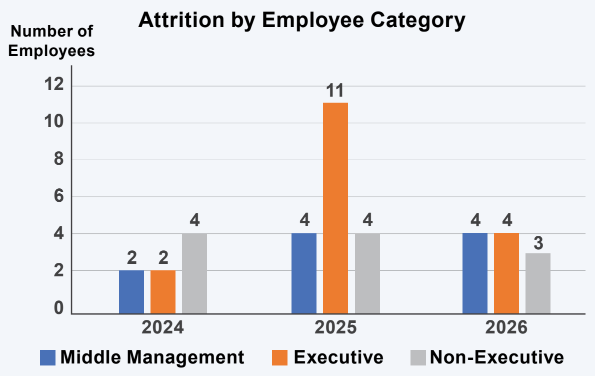




LABOUR PRACTICES AND STANDARDS

Workforce Movement by Employee Category



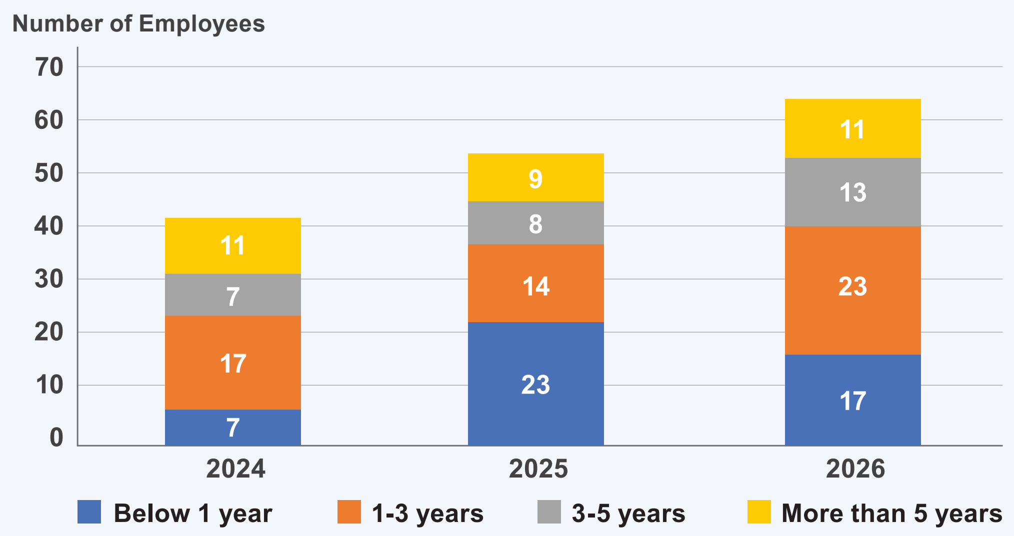


(v) Employee Tenure

The Group monitors employee tenure to better understand workforce stability, retention patterns and continuity of organisational knowledge. As at 31 March 2026, 73% of employees had served the Group for more than one (1) year, compared with 57% in FY2025.

The increase in employees with more than one (1) year of service indicates improved workforce continuity during FY2026. Employees with longer service contribute operational familiarity and institutional knowledge, while newer employees bring fresh perspectives and support the Group's evolving business needs.

Employee Tenure Profile



Note: Employee tenure data is based on employees as at the end of each financial year.

LABOUR PRACTICES AND STANDARDS

(vi) Employee Survey

The Group conducted an employee survey during FY2026 to gather employees' views on selected aspects of the workplace, including working environment, teamwork and cooperation, welfare and benefits, physical facilities and training opportunities. The survey serves as a structured feedback channel to better understand employees' experiences and perspectives across the workplace.

The FY2026 survey results reflected generally positive responses across the selected areas. The survey findings will continue to support the Group in reviewing employee engagement priorities and identifying practical areas for improvement across communication, employee support and workplace experience.

Selected Survey Area	FY2026 Score (%)
Working Environment	83
Teamwork and Cooperation	83
Welfare and Benefits	82
Physical Facilities	82
Training Opportunities	79

Note:
Survey scores are calculated based on the weighted average rating received for each survey area and converted into a percentage. The findings shown above represent selected survey areas for FY2026.

MOVING FORWARD

Moving forward, the Group will continue to strengthen its people practices across the employee lifecycle, with emphasis on fair employment, targeted capability building, employee engagement and workforce continuity. As the Group advances its development pipeline and operational priorities, we will focus on equipping employees with relevant skills, strengthening workplace communication and maintaining an environment where employees are treated with dignity, supported in their roles and able to contribute with confidence.

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

The Group will also place greater discipline on translating workforce data and employee feedback into practical actions. Insights from workforce trends and employee feedback will be used to better understand evolving capability requirements, strengthen employee engagement and support workforce retention. By linking people development with business needs and maintaining responsible labour practices, we aim to build a more capable, engaged and resilient workforce while contributing to UNSDG 4 and UNSDG 8.

DIVERSITY AND INCLUSION

WHY IT MATTERS

Diversity and inclusion shape the way the Group considers issues, works across teams and makes decisions. When people with different backgrounds and experiences are part of the conversation, matters can be viewed more broadly and decisions are less likely to be shaped by a single perspective. This supports better judgement, stronger collaboration and a clearer understanding of the needs and expectations of different stakeholders.

Inclusion ensures that diversity is translated into meaningful participation. It creates the conditions for employees to exchange views, contribute according to their strengths and work together with mutual respect. By welcoming different perspectives and encouraging constructive collaboration, the Group seeks to build a more cohesive and responsive workforce that can contribute to long-term business resilience.

OUR APPROACH

The Group's approach to diversity and inclusion is guided by fairness, merit, respect and non-discrimination. These principles support the way the Group promotes representation, participation and inclusive workplace behaviour across different levels of the organisation.

The Group's Employee Diversity and Inclusion Policy provides a framework for fostering an inclusive workplace where employees and Directors are treated with fairness, dignity and respect. The policy promotes equal opportunity and non-discrimination, while encouraging a culture that values diverse perspectives and backgrounds. This is further supported by the Group's policies on eliminating discrimination in the workplace and sexual harassment, which reinforce expectations on respectful conduct, reporting channels, confidentiality and appropriate follow-up actions.

While the Group's recruitment, development and performance management practices are discussed under the "Labour Practices and Standards" section of this Statement, diversity and inclusion considerations are reflected through the Group's commitment to fair access and merit-based decision-making. Candidates and employees are assessed based on relevant qualifications, experience, capability and suitability for the role, without discrimination based on personal characteristics unrelated to job requirements.

At the leadership level, the Group is guided by its Board and Senior Management Diversity Policy, which recognises the importance of maintaining an appropriate mix of gender, age, ethnicity, skills, experience and independence in supporting effective leadership and decision-making. The Group has established a sustainability target of achieving 30% female representation on the Board. While female Board representation remained at 14% as at 31 March 2026, gender diversity continues to be considered as part of Board composition and future appointment deliberations. Appointments to the Board and Senior Management will continue to be assessed based on skills, knowledge, experience and suitability, while taking into account opportunities to improve representation where appropriate. Further information on Board composition, diversity and independence is disclosed in the "Corporate Governance Overview Statement" of this Annual Report.

The Group also monitors diversity indicators across the Board, Senior Management and workforce to maintain visibility over representation at different levels of the organisation. These indicators provide useful insights into the Group's diversity profile and support the continued review of inclusion practices in line with workforce needs, organisational requirements and leadership succession considerations.

DIVERSITY AND INCLUSION

OUR PERFORMANCE

The following profile presents the Group's diversity position across the Board, Senior Management and employees.

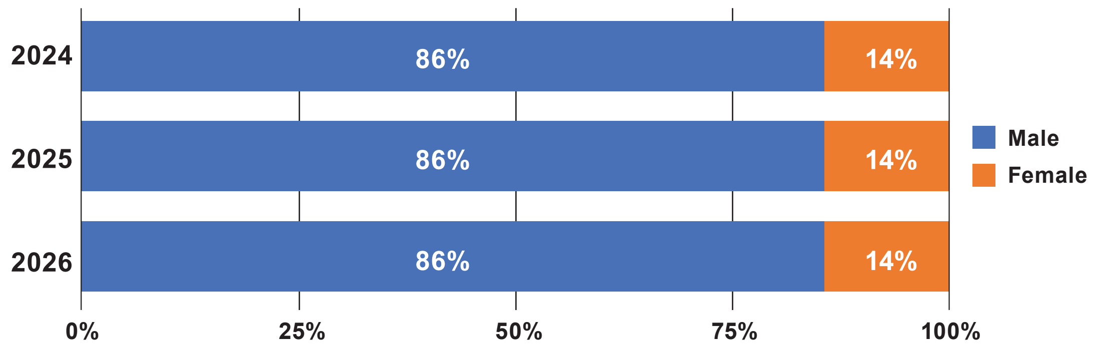
(i) Board of Directors Profile

As at 31 March 2026, the Board comprised seven (7) Directors. Female representation on the Board remained at 14%, represented by one (1) female Director, while male Directors accounted for 86%. This meets the minimum board gender diversity requirement under Bursa Securities' Listing Requirements, while remaining below the Group's sustainability target of achieving 30% female representation on the Board.

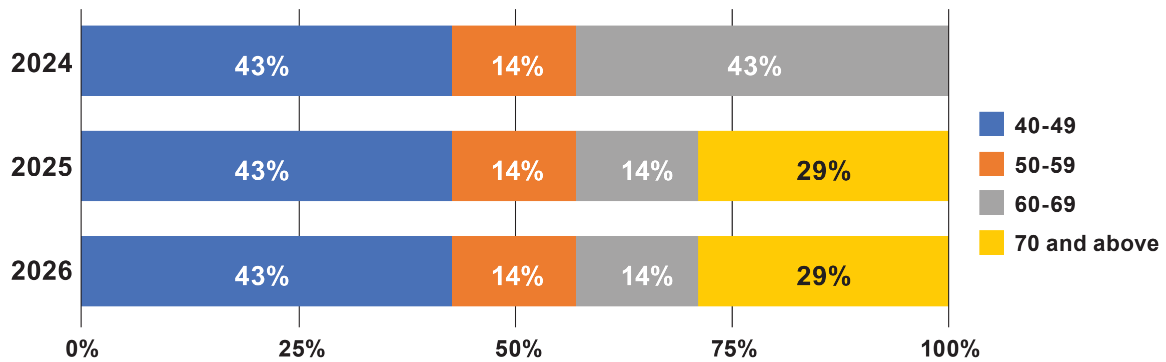
The Board's gender and ethnicity profiles remained stable over the three-year period. In terms of age, the Board continued to comprise Directors across different age groups, supporting a mix of experience and perspectives in Board deliberations.

Total Directors: 7

(a) Board Diversity by Gender

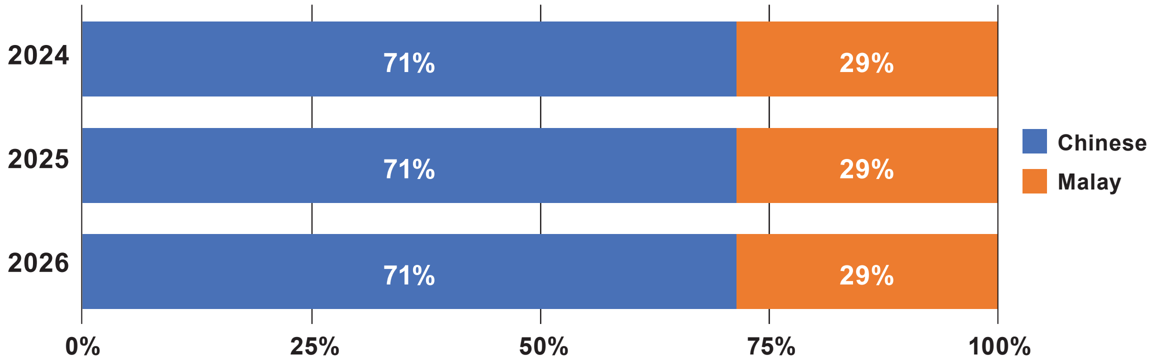


(b) Board Diversity by Age Group



DIVERSITY AND INCLUSION

(c) **Board Diversity by Ethnicity**



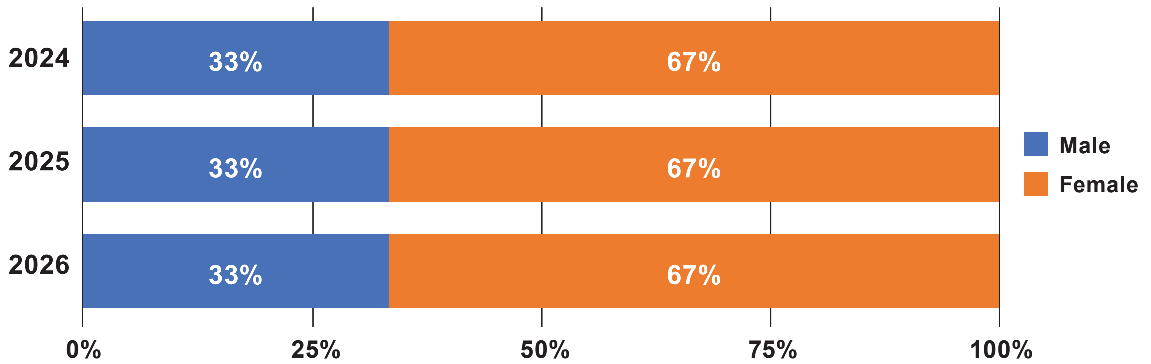
(ii) Senior Management Profile

As at 31 March 2026, the Senior Management team comprised three (3) members. Female representation remained at 67%, while male representation stood at 33%, reflecting a stable gender profile at Senior Management level over the past three (3) financial years.

The Senior Management team also maintained representation across different age groups. In terms of ethnicity, the Senior Management team remained fully represented by Chinese employees. Given the small size of the Senior Management team, percentages should be read together with the underlying headcount.

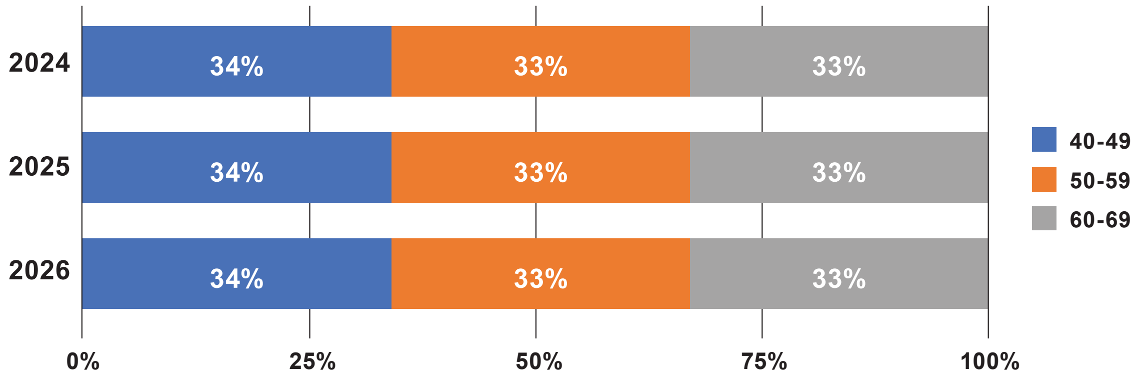
Total Senior Management: 3

(a) **Senior Management Diversity by Gender**

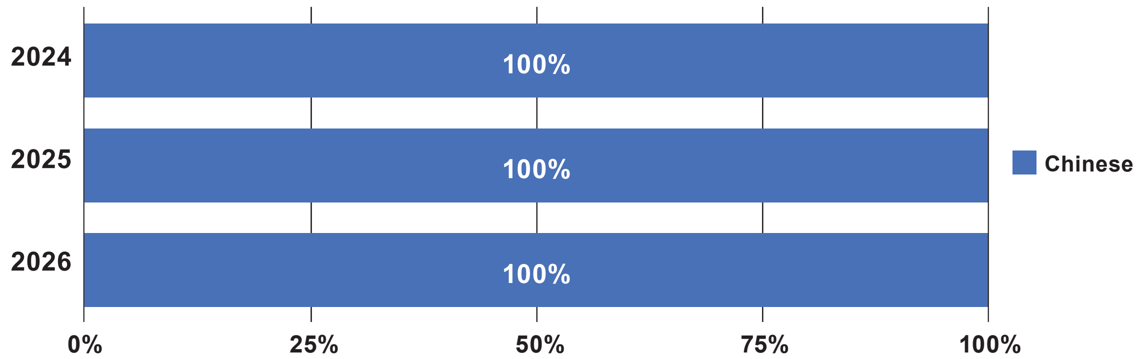


DIVERSITY AND INCLUSION

(b) **Senior Management Diversity by Age Group**



(c) **Senior Management Diversity by Ethnicity**

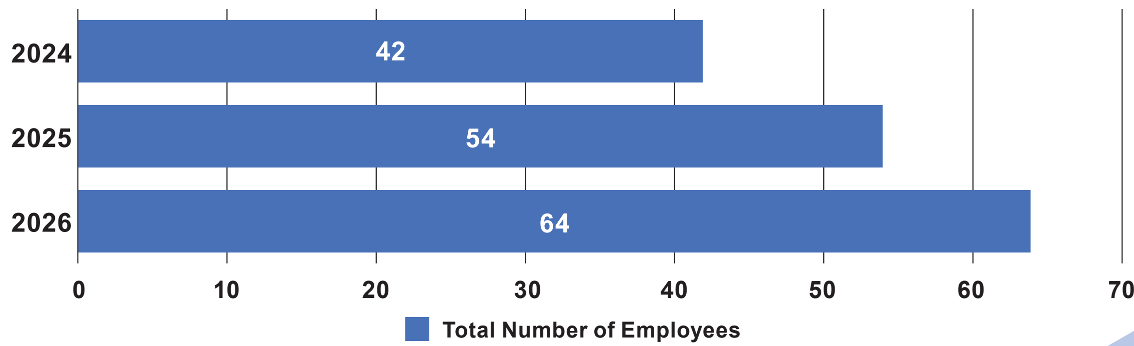


(iii) Employee Profile

As at 31 March 2026, the Group had 64 employees, compared with 54 employees in FY2025. The increase reflects the Group's operational requirements and continued business activities during the year.

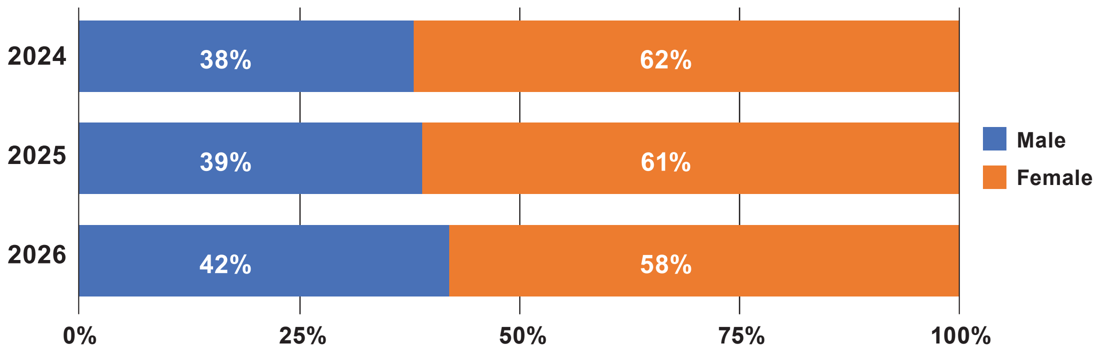
The Group maintained a generally balanced workforce gender profile, with female employees representing 58% and male employees representing 42% of total employees in FY2026. The workforce also continued to comprise employees across different age groups, with a significant proportion below the age of 40. In terms of ethnicity, the workforce comprised Chinese, Malay, Indian and Bumiputera employees, and all employees were local during FY2026.

(a) **Total Number of Employees**

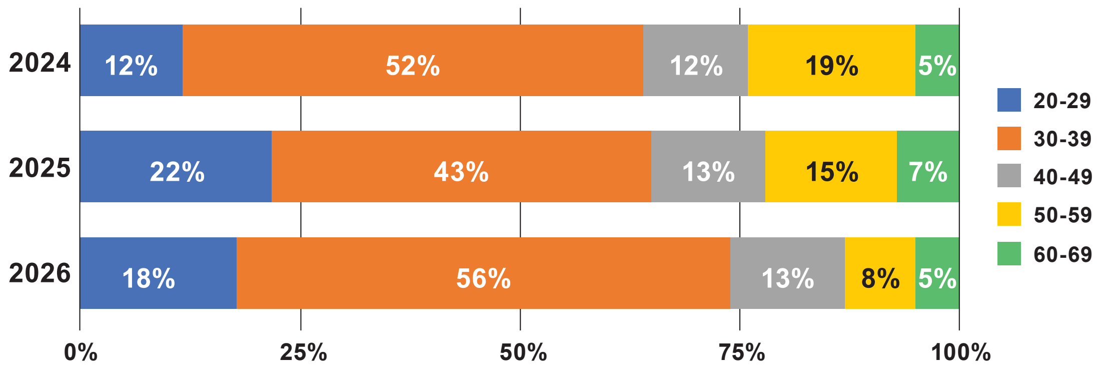


DIVERSITY AND INCLUSION

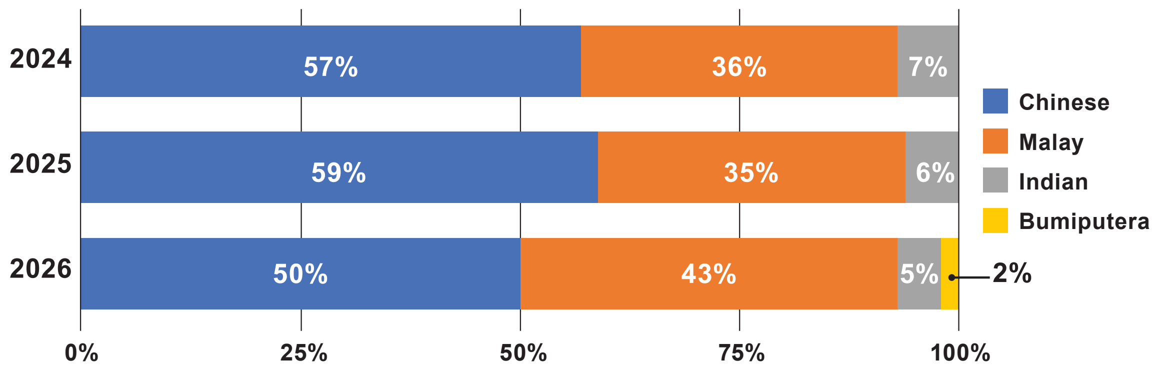
(b) Employee Diversity by Gender



(c) Employee Diversity by Age Group

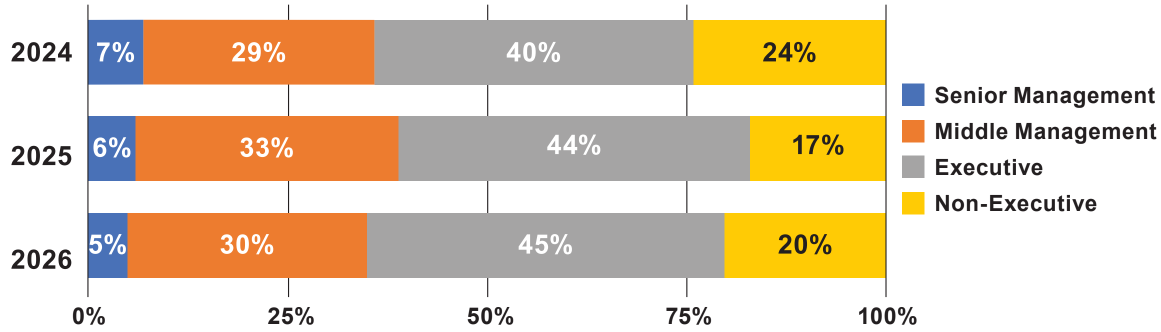


(d) Employee Diversity by Ethnicity



DIVERSITY AND INCLUSION

(e) Employee Profile by Employee Category



Note: Employee profile data excludes the Board.

MOVING FORWARD

Moving forward, the Group will strengthen diversity and inclusion in a practical and measured manner, with focus on maintaining visibility over representation across the Board, Senior Management and workforce. As part of this effort, the Group will continue to monitor diversity indicators, review workforce composition trends and consider diversity factors in leadership renewal and succession planning, including its sustainability target of achieving 30% female representation on the Board.

Beyond representation, the Group will also continue to nurture a workplace where different views can be shared and considered constructively. Through fair decision-making, respectful workplace conduct and opportunities for employees to participate across teams, the Group aims to build a more inclusive, cohesive and responsive organisation while contributing to UNSDG 5 and UNSDG 10.

COMMUNITY DEVELOPMENT AND PROGRAMMES

WHY IT MATTERS

Community development is an important part of how the Group contributes beyond its business operations. Through its presence across various communities, the Group is connected to places where people live, work and gather, providing opportunities to support initiatives that respond to practical community needs. Meaningful contributions, whether through education, welfare support, health-related causes or community activities, help strengthen the social environment surrounding the Group's operations and developments.

The value of community engagement lies not only in financial support, but also in the relevance and continuity of the initiatives undertaken. By working with community partners, local organisations and employees, the Group is able to direct support to beneficiaries in a more focused and practical manner. These efforts help build stronger local relationships, encourage employee participation and support communities that are more connected, inclusive and resilient.

OUR APPROACH

The Group supports community development through donations, sponsorships, employee involvement and partnerships with community-focused organisations. Our approach is guided by the intention to contribute in areas where support can be meaningful, relevant and responsive to community needs, while remaining aligned with the Group's role as a responsible corporate citizen.

During FY2026, the Group organised its community initiatives across four (4) focus areas: education and knowledge advancement, social well-being and community support, health and humanitarian causes, and sports and active lifestyles. This thematic approach provides clearer direction to the Group's community contributions and allows the Group to better review the nature and reach of its support over time.

Partnerships remain central to the way the Group delivers community support. Through collaboration with local authorities, industry associations, non-profit organisations and other relevant partners, the Group is able to support programmes that are more closely connected to community needs and have broader outreach.

Employee participation is also encouraged in selected community programmes. Involvement in these initiatives helps bring the Group's community efforts closer to employees, while promoting teamwork, care and a shared sense of responsibility.

To support accountability and continuous improvement, the Group tracks key outputs from its community programmes, including community investment, external beneficiaries, employee volunteer participations and volunteer hours. These indicators help the Group understand the reach of its initiatives and review how resources are directed.

COMMUNITY DEVELOPMENT AND PROGRAMMES

OUR PERFORMANCE

In FY2026, the Group continued to support community initiatives under its four (4) focus areas through financial contributions, sponsorships, festive programmes, health-related campaigns, sports activities and employee volunteer participation.

Community investment increased significantly during the year, mainly due to larger education-related contributions. The Group's initiatives reached 1,453 external beneficiaries, while employee volunteer participation across selected programmes totalled 67 instances, contributing 263 volunteer hours.

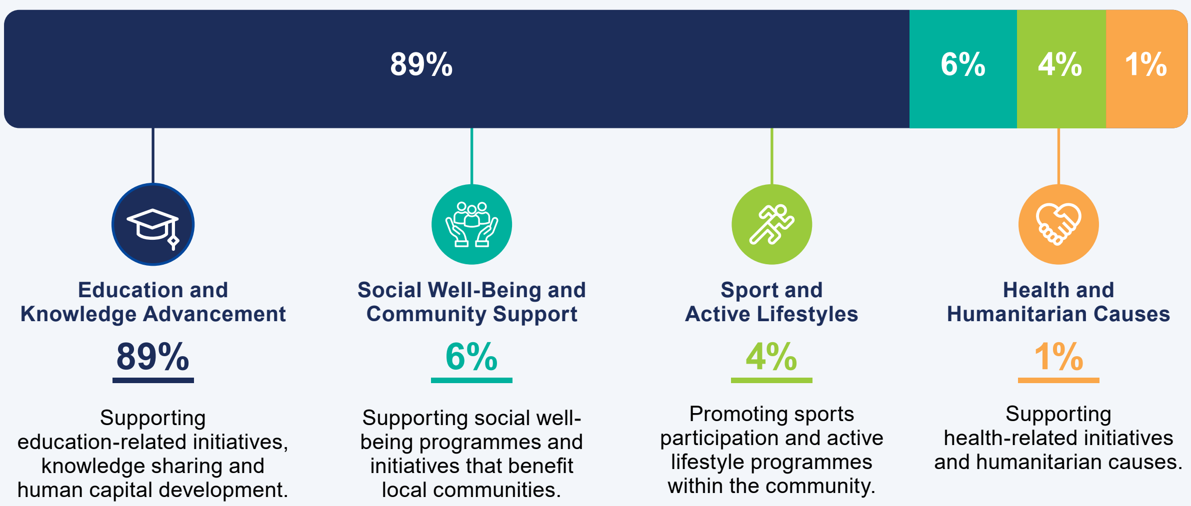
Indicator	2024	2025	2026
Total community investment for beneficiaries external to the Group (RM)	160,448	219,409	**2,293,083**
Total number of external beneficiaries	4,758	13,899	**1,453**
Employee volunteer participations	66	115	**67**
Total volunteer hours contributed	173	378	**263**

Note: Employee volunteer participations are counted based on participation instances across community programmes and may include employees who participated in more than one initiative.

FY2026 Community Investment by Focus Area

In FY2026, the Group's community investment was mainly directed towards education-related initiatives. The remaining contributions supported social well-being and community support, sports and active lifestyles, and health and humanitarian causes.

Breakdown by Focus Area (Percentage of Total Community Investment)



Note: Percentages are based on the Group's total community investment for FY2026 of RM2,293,083.

COMMUNITY DEVELOPMENT AND PROGRAMMES

Selected FY2026 Community Highlights

Education and Knowledge Advancement

Education and knowledge advancement formed the largest part of the Group's FY2026 community investment. During the year, the Group supported education-related initiatives, including contributions to education foundations and sponsorships that encouraged knowledge sharing, dialogue and human capital development.

The Group also participated in Nikkei Forum Medini 2025, a regional platform that brought together industry leaders and experts to exchange perspectives on areas such as finance, the digital economy, technology, clean energy, education and human capital development. Through these initiatives, the Group supported broader learning opportunities and platforms for collaboration and the exchange of ideas.

Social Well-Being and Community Support

The Group continued to support social well-being through festive celebrations and community support programmes. These included Hari Raya Celebration 2025 and Chinese New Year Celebration 2026, which were organised in collaboration with Grand Paragon Hotel Johor Bahru and brought festive cheer to children from welfare homes and charitable organisations.

The Group also supported Program Sinar Ramadhan through the contribution of essential items to families in need. Other contributions during the year included food baskets, festive contributions and support for charitable and community activities. These initiatives reflect the Group's continued effort to support vulnerable communities and maintain meaningful engagement during festive and community occasions.

COMMUNITY DEVELOPMENT AND PROGRAMMES

Health and Humanitarian Causes

Health-related initiatives remained part of the Group's community contribution during FY2026. The Group contributed RM30,000 to Tunku Laksamana Johor Cancer Foundation in support of cancer patients in need.

The Group also organised its annual Blood Donation Campaign in collaboration with Paragon Market Place to support Hospital Sultanah Aminah Johor Bahru. The campaign recorded 110 registered donors and 80 successful blood donations, supported by volunteers from PGB and Paragon Market Place.

Sports and Active Lifestyles

The Group supported sports and active lifestyle initiatives that encouraged participation, community connection and healthy living. During FY2026, PGB supported the JMBA Run 2025, a charity run which raised funds for local non-governmental organisations and educational institutions. A total of 30 PGB employees and their family members participated in the event.

The Group also continued its support for the 12th Johor Bahru Chinese Chamber of Commerce and Industry ("JBCCCI") Annual Golf Tournament 2025, marking its fourth consecutive year as title sponsor. The event provided a platform for business networking, relationship-building and community engagement within Johor's business ecosystem.

COMMUNITY DEVELOPMENT AND PROGRAMMES

Cross-Cutting Environmental and Social Initiative

In addition to the above focus areas, the Group's recycling-linked social initiative also contributed to community support during FY2026. As the initiative primarily relates to waste management, further details are disclosed under the "Waste Management" section of this Statement.

MOVING FORWARD

Moving forward, the Group will continue to support community development initiatives that address local needs and contribute positively to the well-being of the communities it serves. These efforts will remain aligned with the Group's role as a responsible corporate citizen and will be undertaken in a manner that is appropriate to its resources and operating context.

The Group will also seek to deepen collaboration with community partners, local organisations, industry associations and other relevant stakeholders to support programmes with meaningful outreach. Where appropriate, employee participation will continue to be encouraged, as volunteer involvement helps strengthen employee connection with the communities served by the Group. Through measured community investment, employee participation and purposeful partnerships, the Group aims to contribute to stronger and more connected communities while supporting UNSDG 1, UNSDG 3, UNSDG 4, UNSDG 10, UNSDG 11 and UNSDG 17.

PRESCRIBED BURSA CSI PLATFORM SUMMARY

PARAGON GLOBE BERHAD

BMLR Transition Period

Date & Time: 2026-07-28_14:42:52

Main Market | Group 2 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Economic Performance	Economic value generated	RM	308,753,189	157,332,401	Pending finalisation	External (Limited)
Anti-Bribery and Anti-Corruption	Number of confirmed incidents of corruption and action taken	Incident(s)	0	0	To maintain zero confirmed incidents of bribery and corruption	External (Limited)
Occupational Health and Safety	Lost time incident rate	Rate	0	0	To maintain zero lost time incident rate	External (Limited)
Cybersecurity and Data Protection	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Case(s)	0	0	To maintain zero substantiated complaints concerning customer privacy breaches or data loss	External (Limited)
Energy Consumption	Total energy consumption	MWh	65.87	320.46	Pending finalisation	External (Limited)
Labour Practices and Standards	Average training hours	Hours	14	9	To achieve an average of 15 training hours per employee annually	External (Limited)
Human Rights Violations	Number of substantiated complaints concerning human rights violations	Incident(s)	0	0	To maintain zero substantiated complaints concerning human rights violations	Internal
Supply Chain Management	Expenditure on local suppliers and contractors	Percentage	100	100	To maintain 100% procurement spend with local suppliers and contractors	External (Limited)
Waste Management	Waste diverted from disposal	Metric tonnes	0.61	1.38	Pending finalisation	External (Limited)
Water Management	Total water consumption	Cubic Metres	815.10	2,088.85	Pending finalisation	External (Limited)
Community Investment	Total community investment	RM	219,409	2,293,083	To maintain annual community investment of RM120,000 ±10%	External (Limited)
Raw Material Supply (cement) - responsible sourcing	Green cement purchased	Metric tonnes	0	0	Pending finalisation	Internal

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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 Asia (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 2026 ("Statement"), which is available on PGB's website for the financial year ended 31 March 2026.

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 2026.

Scope
The assurance covers the information on the following subject matters in PGB's Sustainability Statement 2026:

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) Reporting of Sustainability Steering Committee to Risk Management Committee

3. Materiality
   a) Existence of procedures for conducting the materiality assessment process
   b) Results of the annual materiality assessment conducted on sustainability matters

4. 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) Code of Conduct outlining expectations for all employees on responsible conduct
   e) Existence of a risk register that identifies and addresses corruption-related risks
   f) Declaration by all employees confirming they have reviewed the explanatory video 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

5. Data Privacy and Security
   a) Existence of Privacy Policy
   b) Existence of information technology policies and procedures
   c) Existence of IT Disaster Recovery Plan
   d) Existence of a risk register that identifies and addresses data privacy and cybersecurity-related risks
   e) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

6. Product Quality and Responsibility
   a) Achieved QLASSIC score of 77% for newly completed project
   b) GreenRE Silver Certification awarded for "PGB Hostel" project
   c) Provisional GreenRE Bronze Certification awarded for "PGB Desa 27 (Plot 3 and Plot 4)" project

7. Economic Performance
   a) Results of the economic value generated, distributed and retained
   b) Results of the economic value distributed to stakeholders
   c) Disclosure relating to the Memorandum of Collaboration with United Overseas Bank (Malaysia) Berhad to support green financing, banking support and sustainability-linked opportunities
   d) Disclosure relating to the Strategic Partnership Collaboration Agreement with GSP Automotive Malaysia Sdn. Bhd. to support the development of an automotive-focused industrial cluster in Iskandar Puteri, Johor

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EXTERNAL ASSURANCE STATEMENT

8. Supply Chain Management
   a) Existence of Sustainable Procurement Policy
   b) Existence of Conflict of Interest and Related Party Transaction Policy
   c) 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"
   d) Percentage of expenditure on local suppliers and contractors and reliance on local suppliers and contractor
   e) Performance evaluations for four (4) selected supply chain partners

9. Waste Management
   a) Total recyclable resources collected through the Group's collaboration with Persatuan Kebajikan Berkat Berganda (Shuang Fu) Johor Bahru
   b) Number (reams) of paper consumption
   c) Annual procurement cost on paper ream and printing cost
   d) Waste diverted from disposal (MT)
   e) 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_2e) from petrol consumption by the Group's combustion engine vehicle
    c) Total Scope 2 GHG emissions (metric tonnes CO_2e) from purchased electricity
    d) Total Scope 3 GHG emissions (metric tonnes CO_2e) from Category 6 (business travel) and Category 7 (employee commuting)

11. Water Management
    a) Total water consumption (m^3)

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 training hours 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 profile (by years of service)
    j) Annual employee survey to gather feedback

14. Diversity and Inclusion
    a) Existence of Board and Senior Management Diversity Policy
    b) Percentage of directors by gender, age group and ethnicity
    c) Percentage of senior management by gender, age group and ethnicity
    d) Percentage of total employees by gender, age group, ethnicity and employee category

15. Community Development and Programmes
    a) Total amount invested in the community where the target beneficiaries are external to the listed issuer
    b) Total number of external beneficiaries
    c) Total number of employee volunteer participations
    d) Total volunteer hours contributed

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EXTERNAL ASSURANCE STATEMENT

Our Procedures
In completing our review of PGB's Sustainability Statement 2026, we undertook the following procedures between June 2026 and July 2026, 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. Sustainability 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.

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 reporting criteria adopted by Management, including Bursa Malaysia Securities Berhad's Sustainability Reporting Requirements, 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 2026 and accompanying base data tables for the year ended 31 March 2026 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 2026.

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.

Wensen

Sin Siew Mun

WENSEN CONSULTING ASIA (M) SDN. BHD.
Associate Director – Assurance and Corporate Risk Advisory

23 July 2026

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HOW WE ARE GOVERNED

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Paragon Globe Berhad ("Company" or "PGB"), together with its subsidiaries ("Group"), is pleased to present this Corporate Governance Overview Statement ("CG Statement") for the financial year ended 31 March 2026 ("FY2026").

This CG Statement provides an overview of the Group's corporate governance practices during FY2026, with reference to the Malaysian Code on Corporate Governance ("MCCG"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Companies Act 2016 and applicable corporate governance guidance.

The CG Statement is structured in accordance with the three (3) principles of the MCCG:

This CG Statement should be read together with the Company's Corporate Governance Report ("CG Report") for FY2026, which provides detailed disclosure on the application of each MCCG Practice, including explanations for departures and alternative practices adopted during the financial year.

The CG Report is available on the Company's website at **www.pgbgroup.com.my** and may be accessed by scanning the QR code below:

Scan here to access our CG Report 2026

APPLICATION OF THE RECOMMENDED CORPORATE GOVERNANCE PRACTICES

The Group's application of the MCCG Practices for FY2026 is summarised below. The explanations for the departures and the alternative practices adopted are disclosed in the CG Report.

Summary of MCCG Application Status

	Recommended Practices	Step-up Practices
Total	43	5
Applied	38	3
Departure	3	0
Not Applicable	2	0
Not Adopted	0	2

Departures from MCCG Practices

The three (3) departures from the Recommended Practices are outlined below:

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.

Not Applicable Practices

The following two (2) Recommended Practices were not applicable to the Group during FY2026:

Practice 12.2

Large Companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Practice 13.5

For virtual general meetings, the Chairman is required to be present at the main venue of the meeting.

The following sections provide a summary of the Group's corporate governance practices, the Board's key focus areas and future priorities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board sets the Group's strategic direction and oversees governance, risk management, internal control, sustainability and long-term business objectives. During FY2026, the Board focused on decisions that affected the Group's development pipeline, landbank positioning, funding capacity, project delivery and stakeholder reporting.

The Board proactively evaluated material strategic proposals and partnership opportunities involving landbank-related acquisitions, disposals, development rights arrangements and commercial collaborations. These matters were assessed against the Group's funding capacity, expected returns, project requirements and risk appetite. The Board's deliberations supported Management in prioritising opportunities aligned with the Group's development footprint, financial resources and long-term property development plans.

Financial and operational oversight served as a core pillar of the Board's strategic agenda throughout FY2026. The Board assessed quarterly financial results, the annual budget, project progress, cost movements and business updates against the Group's operating environment and ongoing cash flow requirements. Risk matters were consistently considered against the Group's risk profile and changes in the operating environment.

To ensure comprehensive governance, the Board also integrated sustainability considerations into its oversight of project delivery, risk governance and corporate reporting. Matters with sustainability implications were channelled through the relevant Board Committees before being reported or recommended to the Board.

BOARD STRUCTURE AND LEADERSHIP

The Board operates through a governance structure that defines the reporting lines between the Board, Board Committees, Management-level committees, working functions and independent assurance providers. The structure supports Board oversight, delegated authority, Management reporting and escalation of key matters for Board deliberation.

The Board Charter sets out the matters reserved for the Board, the delegation of responsibilities to Board Committees and the respective roles of the Executive Chairman, Executive Directors and Non-Executive Directors. The Board Charter is reviewed as and when necessary to ensure that it remains aligned with the Group's governance requirements and regulatory developments. The Board Charter is available on the Company's website at **https://pgbgroup.com.my/corporate-governance**.

The Board is supported by four (4) Board Committees, namely the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC"). Each Board Committee operates within its respective Terms of Reference ("TOR") and reports key deliberations, findings and recommendations to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The primary oversight areas of the Board Committees are summarised below:

Board Committee	Primary Oversight Area
Audit Committee	Financial reporting, external audit, internal audit, internal control, related party transactions, recurrent related party transactions, conflict of interest, anti-bribery and anti-corruption, and whistleblowing matters.
Nomination Committee	Board composition, Directors' appointment and re-election, independence, diversity, training needs, Board evaluation and Senior Management evaluation.
Remuneration Committee	Remuneration framework for Directors and Senior Management, including performance and sustainability-related considerations.
Risk Management Committee	Group's risk profile, risk appetite, risk management process, sustainability-related risks and risk governance.

Dato' Sri Edwin Tan Pei Seng serves as Chairman of the Board ("Executive Chairman"). The position of Chief Executive Officer remained vacant during FY2026. In the absence of a Chief Executive Officer, the Executive Directors and Senior Management managed operational execution in accordance with the Board's direction and the approved authority structure. The Executive Chairman leads Board proceedings, sets meeting agendas and facilitates Board deliberations. He does not sit on the AC, NC, RC or RMC, allowing Board Committee matters to be reviewed separately before escalation to the Board.

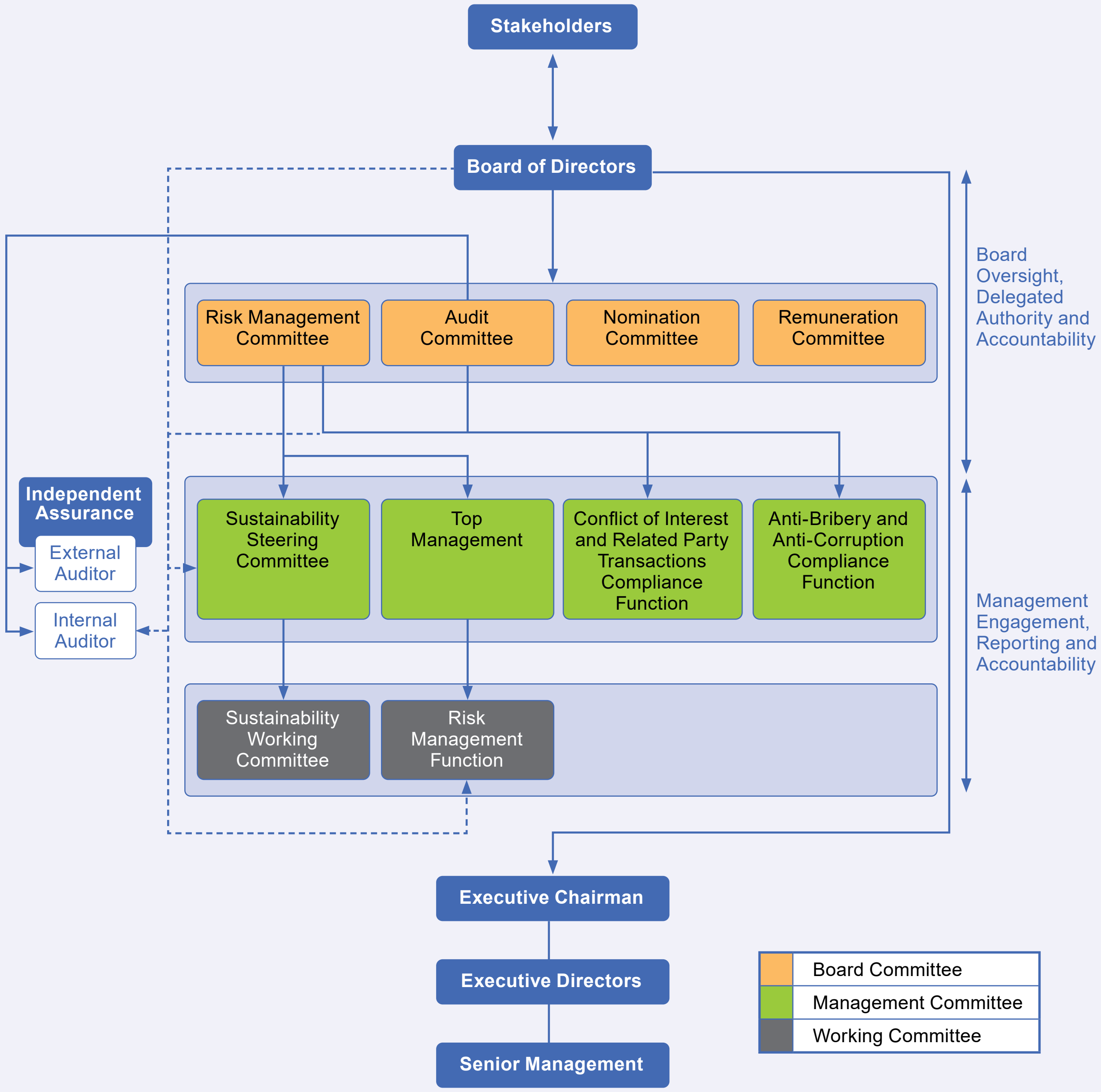
Strategic and policy decisions approved by the Board are implemented through the Executive Directors, with day-to-day responsibilities delegated to Senior Management and key functional teams. These functions include finance, human resources, project management, contracts and procurement, sales and marketing, business development, and legal and compliance.

The Corporate Governance Structure illustrates the flow of oversight, delegated authority and accountability across the Group. Board Committees provide focused review at Board level, while Management-level committees and working functions support implementation, reporting and follow-up actions. Independent assurance is provided through the External Auditors and Internal Auditors, with relevant matters escalated to the AC and the Board where required. This structure is reviewed periodically, as necessary, to ensure continued relevance and support efficient, transparent and informed decision-making throughout the organisation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS

CORPORATE GOVERNANCE STRUCTURE



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD MEETINGS AND ADMINISTRATION

The Board operates under an annual meeting schedule, with additional meetings convened where matters require Board consideration between scheduled meetings. During FY2026, the Board held eight (8) meetings to support timely deliberation and oversight of matters tabled to the Board.

Meeting notices, agendas and Board papers were circulated in advance to provide Directors with sufficient time to review the matters tabled and seek clarification where required. This allowed Board discussions to focus on key matters requiring decision, guidance or oversight.

The Board is supported by the Company Secretary, who is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and is qualified to act in this capacity under Section 235(2)(a) of the Companies Act 2016. She attends Board and Board Committee meetings, advises on governance, statutory and regulatory matters, records deliberations and decisions, and facilitates communication between the Board, Board Committees and Management.

Matters requiring Board approval between scheduled meetings are dealt with through circular resolutions and subsequently tabled for notation at the next Board meeting. Minutes of meetings are prepared by the Company Secretary and signed by the Chairman following Board approval. Directors also have direct access to Management, the Company Secretary, Internal Auditors, External Auditors and independent professional advisers where required.

As part of the annual governance evaluation for FY2026, the Board assessed the performance of the Company Secretary. The assessment covered regulatory advisory, meeting administration, Board processes and corporate governance support. The Board is satisfied with the quality of support and guidance provided throughout FY2026 and acknowledges the Company Secretary's continued contribution to the Group's governance framework.

During FY2026, all Directors complied with the minimum 50% attendance requirement under Paragraph 15.05 of the Listing Requirements. Details of Directors' attendance at Board and Board Committee meetings during FY2026 are set out below:

Name of Director	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee
Executive Directors					
Dato' Sri Edwin Tan Pei Seng	7/8	-	-	-	-
Dato' Sri Godwin Tan Pei Poh	7/8	-	-	-	-
Mdm. Leong Siew Foong	8/8	-	-	-	-
Non-Executive Directors					
Mr. Tee Boon Hin	8/8	7/7	4/4	3/3	6/6
Dato' Haji Ismail Bin Karim	8/8	7/7	4/4	3/3	6/6
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	8/8	7/7	-	-	6/6
Dato' Jeffrey Lai Jiun Jye	7/8	-	4/4	3/3	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BUSINESS CONDUCT AND CORPORATE CULTURE

The Board anchors the Group's corporate culture on transparency, integrity and responsible business conduct. Ethical governance is treated as an integral part of the Group's operating discipline, supported by internal policies, reporting channels and oversight processes designed to guide decision-making, prevent misconduct and safeguard the Group's assets and reputation.

The Group's conduct framework is underpinned by the Code of Conduct, Anti-Bribery and Anti-Corruption Policy ("ABC Policy") and Whistleblowing Policy. Together, these policies set out the standards expected in business dealings, provide clear guidance on the prevention and reporting of corruption, and establish formal channels for raising concerns regarding suspected misconduct.

The Code of Conduct applies to Directors and employees and sets out the standards expected in carrying out their duties and business dealings. It covers key areas of ethical conduct, compliance, conflicts of interest, confidentiality and professionalism. The Code of Conduct was reviewed and approved by the Board on 29 May 2025. Additionally, the Board and Company Secretary continue to observe the Code of Ethics issued by the Companies Commission of Malaysia for Company Directors and Company Secretaries.

The ABC Policy complements the Code of Conduct by setting out the Group's zero-tolerance stance against bribery and corruption. It provides guidance on identifying, preventing and reporting corrupt practices. The policy remained in force during FY2026 and continued to support the Group's anti-bribery and anti-corruption control environment.

The Whistleblowing Policy provides a reporting channel for employees and external parties to raise concerns relating to suspected misconduct, unethical behaviour, fraud, bribery, corruption or other breaches of the Group's policies. Reports made under the Whistleblowing Policy are reviewed and escalated in accordance with the procedures set out in the policy.

During FY2026, no bribery or corruption incidents and no whistleblowing cases were reported. The AC also reviewed conduct-related matters within its oversight scope, including related party transactions, recurrent related party transactions and conflict of interest matters. Further details on the AC's review are disclosed in the AC Report of this Annual Report.

The Group's conduct policies are available on the Company's website at **https://pgbgroup.com.my/corporate-governance** and may be accessed by scanning the QR codes below:

Scan here to access our Code of Conduct	Scan here to access our ABC Policy	Scan here to access our Whistleblowing Policy

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

SUSTAINABILITY GOVERNANCE

The Board views sustainability as part of the Group's governance, risk oversight and long-term business planning. The Group's Sustainability Policy was reviewed and approved by the Board on 29 May 2025. The policy guides how sustainability matters are monitored, reported and escalated across the Group.

To maintain clear lines of accountability, the Board retains overall responsibility for the strategic direction of material sustainability matters, while sustainability-related risks and opportunities are reviewed through the Board Committee framework. At Management level, day-to-day implementation, data coordination and performance tracking are supported by the Sustainability Steering Committee and Sustainability Working Committee.

During the financial year under review, the Group focused on maintaining the relevance of its sustainability approach and strengthening its governance practices. Sustainability-related risks and opportunities were considered together with the Group's risk management process and sustainability reporting cycle. The FY2026 Annual Materiality Reassessment confirmed that no new material sustainability matters were identified and that all thirteen (13) material sustainability matters identified in FY2025 remained relevant for FY2026.

The Group communicates its sustainability priorities, targets and performance through the Sustainability Statement, the Company's website and stakeholder engagement channels. Directors' understanding of sustainability matters is supported through Board and Board Committee updates, risk and materiality reporting, sustainability performance monitoring and relevant training programmes, as further discussed under the "Directors' Training and Development" section of this CG Statement.

The Board also continued to strengthen the connection between sustainability and performance oversight. The RC's TOR was reviewed and updated, with the latest version approved by the Board on 26 November 2025. Further details are set out under the "Remuneration Committee" section of this CG Statement.

Detailed disclosures on the Group's sustainability governance structure, stakeholder engagement, materiality assessment, targets and performance are set out in the Sustainability Statement of this Annual Report. The integration of sustainability-related risks into the Group's risk management process is further discussed in the Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

NOMINATION COMMITTEE

The NC supports the Board in maintaining an appropriate mix of skills, experience, independence, diversity and leadership capabilities across the Board and its Board Committees. In compliance with Paragraph 15.08A(1) of the Listing Requirements, the NC comprises three (3) Non-Executive Directors, with a majority being Independent:

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 Board-approved TOR, which is publicly accessible on the Company's website. The NC's TOR is reviewed periodically to ensure that it remains aligned with the Group's governance requirements, the Listing Requirements and the MCCG.

In accordance with its TOR, the NC is required to meet at least once annually or as and when necessary. During FY2026, the NC held four (4) meetings with full attendance recorded by all members.

Summary of Work

The key activities and deliberations undertaken by the NC during FY2026 are summarised across the following core areas:

Key Area	FY2026 Activities
Board composition, diversity and succession planning	Reviewed the Board's composition, diversity, skills mix and succession planning needs against the Group's strategic direction and Board Skills Matrix.
Board evaluation and Directors' assessment	Reviewed the annual evaluation results for the Board, Board Committees and individual Directors, including fit and proper status, independence, time commitment, training needs and suitability for appointment or re-election.
Re-election and tenure of Directors	Reviewed Directors retiring at the forthcoming 79th AGM and considered the tenure and independence of Independent Non-Executive Directors ("INEDs") whose continuation in office will be subject to shareholders' approval.
Senior Management performance and succession	Reviewed the performance of Executive Directors and Senior Management, and considered succession planning for Senior Management to support leadership continuity.
Evaluation tools and professional assessments	Reviewed the appraisal forms used for the annual evaluation process and considered the assessment outcomes relating to the Company Secretary, External Auditor and Internal Auditor.
Governance documents	Reviewed the NC's TOR to ensure continued alignment with the Listing Requirements, MCCG and the Group's governance needs.

The outcomes of these reviews were reported to the Board and formed the basis for recommendations on Board composition, Directors' re-election, independence, succession planning and continuing development.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

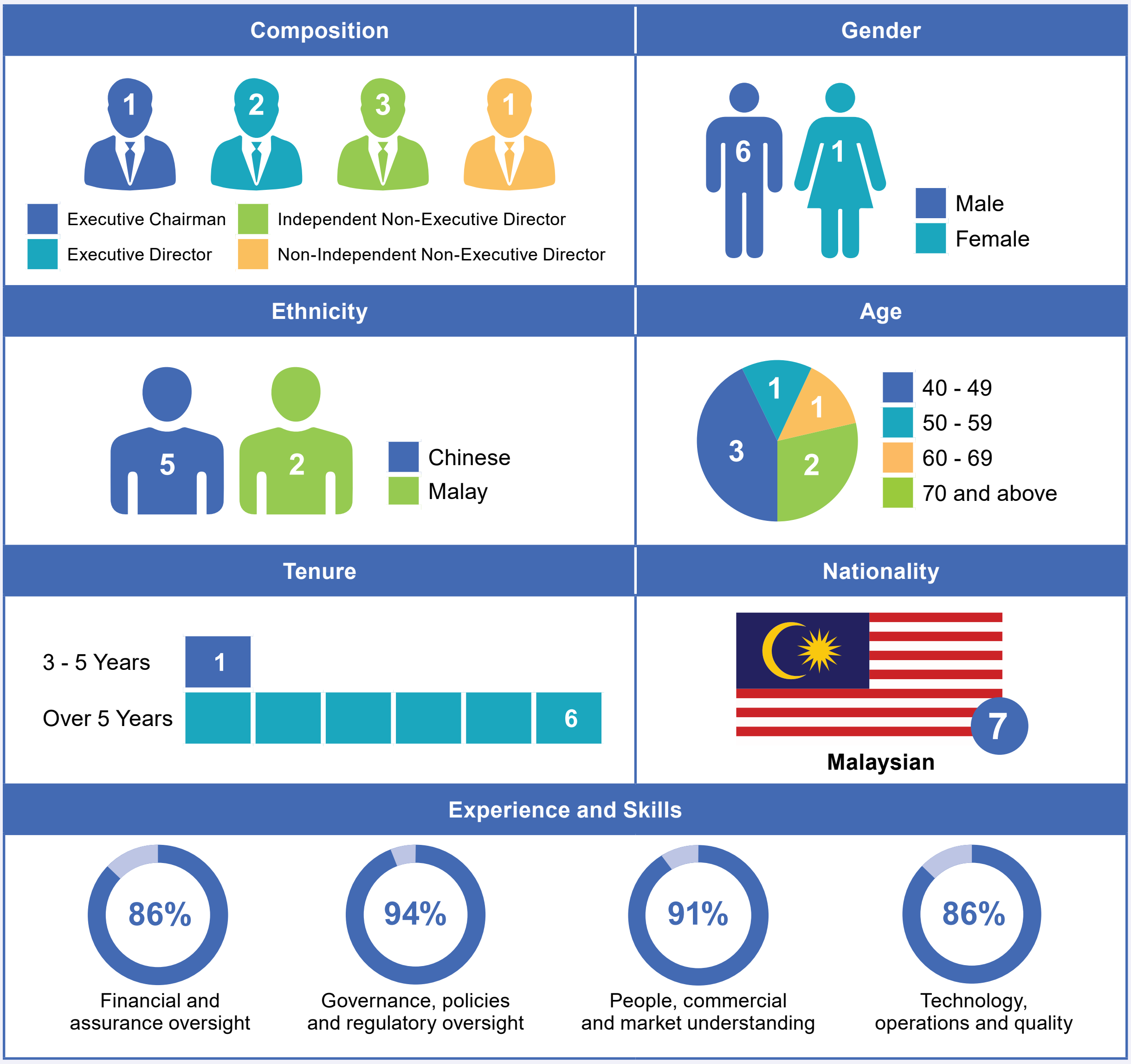
PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION, DIVERSITY AND INDEPENDENCE

The Board's composition is structured to provide a balanced mix of executive leadership, independent oversight and professional knowledge relevant to the Group's property development, construction and investment activities. Board diversity across factors such as gender, age, ethnicity, tenure, skills and experience is regarded as an important component of balanced decision-making and effective corporate governance.

As at 31 March 2026, the Board comprised seven (7) members, consisting of one (1) Executive Chairman, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) INEDs. This composition complies with Paragraph 15.02(1) of the Listing Requirements, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent.

The Board composition and diversity profile are illustrated below:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Board's diversity profile spans different age brackets and ethnic backgrounds, with a majority of Directors having served for more than five (5) years, supporting continuity of Board knowledge. Based on the annual Board skills matrix self-assessment, the Directors collectively possess competencies across key areas relevant to the Group's oversight needs. These include corporate governance, policies and regulatory oversight, commercial and market understanding, finance and assurance, and information technology.

During FY2026, INEDs represented 43% of the Board. While this complies with the minimum independence requirement under the Listing Requirements, it is below Practice 5.2 of the MCCG, which recommends that at least half of the Board should comprise Independent Directors. The Board maintained this structure during the financial year to support continuity of Board knowledge in overseeing the Group's business activities, development pipeline and strategic opportunities. Independent oversight was also supported through the Board Committee structure, with the AC and RMC comprising solely INEDs and the NC comprising exclusively Non-Executive Directors with a majority of INEDs.

Mr. Tee Boon Hin continued to serve as the Senior Independent Non-Executive Director during FY2026. In this role, he provides an additional channel for shareholders and other stakeholders to raise matters or concerns where engagement through the usual communication channels may not be suitable.

The Group's approach to diversity is guided by the Board and Senior Management Diversity Policy, which is available on the Company's website. As at 31 March 2026, the Board had one (1) woman Director, representing 14% of the Board, which remains below the 30% threshold recommended under Practice 5.9 of the MCCG. At Senior Management level, women represented 67%, reflecting broader gender representation within the Group's leadership structure. The NC will continue to consider gender diversity as part of future Board refreshment and appointment planning, together with fit and proper criteria, skills, experience, independence and the Group's business requirements.

Further information on Board diversity, Senior Management diversity and workforce diversity is disclosed in the Sustainability Statement of this Annual Report. Specific disclosures on the departures from Practices 5.2 and 5.9, including the alternative practices adopted by the Group during FY2026, are contained in the CG Report.

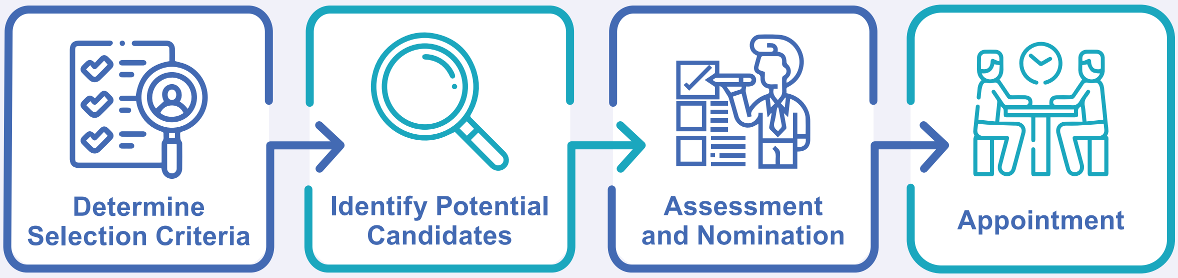
CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS

BOARD SELECTION, APPOINTMENT, RE-ELECTION AND CONTINUATION IN OFFICE

The NC oversees the process for Board selection, appointment, re-election and continuation in office. This process is structured to align the Board's collective capabilities with the Group's governance needs and evolving strategic and operational requirements.

1. Board Selection and Appointment

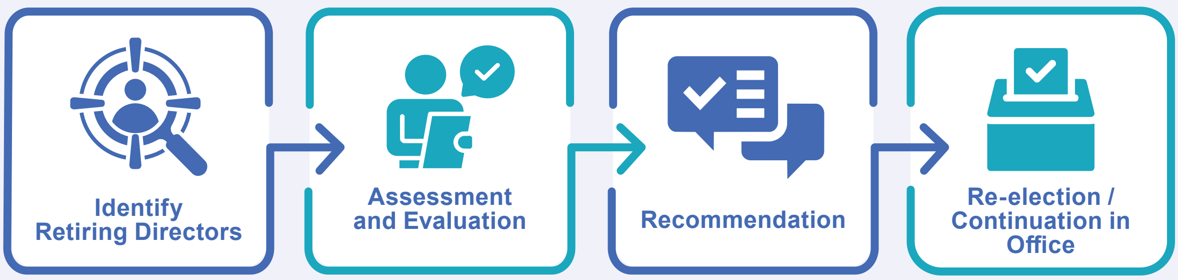


Board selection begins with a review of the existing Board composition, including the collective mix of skills, experience, independence, diversity and tenure. This assists the NC in determining the selection criteria required to address any identified gaps and support the Board's oversight responsibilities and the Group's strategic direction.

Potential candidates are identified through internal recommendations, external referrals or other professional sourcing channels. Shortlisted candidates are evaluated against the Group's established selection criteria and their capacity to contribute constructively to Board deliberations. This assessment is carried out in accordance with the Directors' Fit and Proper Policy, which was reviewed and approved by the Board on 29 May 2025 and remains accessible on the Company's website.

Candidates who fulfil the required criteria are recommended by the NC to the Board for formal consideration. During FY2026, there were no new appointments made to the Board.

2. Re-election and Continuation in Office of Existing Directors



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 number of Directors is not a multiple of three (3), 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. Retiring Directors remain in office until the conclusion of the AGM at which they retire. Retiring Directors will abstain from voting on the resolution in respect of their re-election at the 79th AGM. In the event of any vacancy on the Board resulting in non-compliance with the minimum independent director requirement, such vacancy shall be filled within three (3) months.

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS

The NC evaluates retiring Directors before making its recommendations to the Board. The assessment takes into account each retiring Director's performance, contribution, meeting attendance, fit and proper status, independence, time commitment and continued ability to discharge his or her duties effectively. The annual Board Effectiveness Evaluation and Directors' fit and proper assessment, as described in the following section, formed part of the NC's basis for its recommendations. For the forthcoming 79th AGM, two (2) Directors retiring by rotation were assessed by the NC and recommended to the Board for re-election. Details of the retiring Directors are disclosed in the Notice of 79th AGM and the Board of Directors' Profile section of this Annual Report.

The NC also reviewed the tenure and independence of INEDs who will reach or exceed a cumulative tenure of nine (9) years during the period from the forthcoming 79th AGM until the conclusion of the next AGM. Following the assessment, the Board was satisfied that the relevant INEDs continued to demonstrate independent judgement, objectivity and constructive participation in Board and Board Committee deliberations. Their continuation in office as INEDs will be subject to shareholders' approval through a two-tier voting process at the forthcoming 79th AGM. Further details, including the Board's justification, are disclosed in the CG Report.

BOARD AND BOARD COMMITTEE EFFECTIVENESS

The Board, with the support of the NC, conducts an annual Board Effectiveness Evaluation to assess the performance of the Board as a whole, its Board Committees and individual Directors. The evaluation provides a structured basis for reviewing overall Board effectiveness, Board and Committee processes, individual contribution, succession planning, re-election considerations and Directors' continuing development. Senior Management is also subject to annual performance evaluation as part of the Group's leadership oversight process.

For FY2026, the evaluation was internally administered in May 2026 using structured appraisal forms reviewed by the NC, without external facilitation. The evaluation covered the Board and Board Committees, the Board Skills Matrix, INED self-evaluation and Directors' fit and proper assessment. The assessment outcomes relating to the Company Secretary, External Auditor and Internal Auditor were also considered as part of the review of the Group's supporting governance functions.

The evaluation focused broadly on the Board's governance effectiveness, strategic oversight and Board dynamics. The NC Chairman oversaw the evaluation process, and the collective findings were reviewed by the NC before being reported to the Board.

The overall assessment outcome averaged 99%, compared with 98% in the previous financial year. The Board assessment recorded an average score of 97%, while the Board Skills Matrix recorded an average score of 91%. The Directors' skill set assessment, INED self-assessment and Board Committee assessments recorded full scores. These results supported the Board's assessment that the Board and Board Committees continued to discharge their respective responsibilities effectively during FY2026.

The evaluation also highlighted areas for continued Board development to support the Group's evolving business needs. These included continued exposure to relevant regulatory and industry developments, external expert briefings, sustainability updates and deeper engagement on the Group's strategic direction. These observations were considered in determining Directors' training and development needs and are consistent with the Group's broader efforts to strengthen sustainability oversight through Board and Committee reporting and risk management processes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS

The independence assessment reaffirmed that the INEDs continued to exercise objective judgement and contribute constructively to Board and Board Committee deliberations. None of the INEDs held directorships in more than five (5) listed issuers or held shares in the Company. The assessment also supported the NC's recommendations on the continuation in office of relevant INEDs, as further disclosed in the CG Report.

The Directors' fit and proper assessment indicated full scores for financial integrity, probity, personal integrity and reputation, while time commitment was supported by Directors' attendance records. These results supported the NC's overall evaluation of Directors' suitability, effectiveness and continued contribution to the Board.

The performance appraisals of the Executive Directors and Senior Management were also reviewed against their defined targets, with all personnel achieving satisfactory standings. The results were reported to the Board for consideration in executive remuneration and succession planning deliberations.

Based on the overall evaluation, the Board was satisfied that its current structure, size and composition remained appropriate in supporting the Group's governance needs and strategic direction. Details of the training programmes, seminars and relevant industry engagements attended or participated in by Directors during FY2026 are set out in the next section of this CG Statement.

Further details of the NC's activities and the full evaluation framework are provided in the CG Report.

DIRECTORS' TRAINING AND DEVELOPMENT

The Board recognises that continuous learning supports Directors in discharging their duties effectively and remaining informed of the evolving corporate and regulatory landscape. Accordingly, individual training and development needs are reviewed as part of the annual Board evaluation process conducted through the NC, to ensure that the Board's collective capabilities remain aligned with the Group's business activities and governance responsibilities.

As at 31 March 2026, all Directors had completed both the Mandatory Accreditation Programme and the Mandatory Accreditation Programme Part II: Leading for Impact within the timelines prescribed by Bursa Securities.

Beyond these mandatory programmes, the NC uses the annual evaluation results and the Board Skills Matrix to recommend relevant professional development. During FY2026, Directors participated in external programmes and seminars covering regulatory, financial reporting, risk management, sustainability and other matters relevant to the Group's strategic direction. This continuous education was complemented by regular updates from the Company Secretary on corporate governance developments and Listing Requirements, as well as technical briefings by the External Auditors on relevant financial reporting updates.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Details of the training programmes, seminars, briefings and relevant industry engagements attended or participated in by each Director during FY2026 are set out below:

Director Name	Programme / Seminar / Briefing / Industry Engagement	Organiser	Date
Dato' Sri Edwin Tan Pei Seng	Johor-Singapore Special Economic Zone ("JS-SEZ") Joint Business and Investment Forum	Malaysian Investment Development Authority ("MIDA") Johor	21 April 2025
	Nikkei Forum	Iskandar Investment Berhad	18 June 2025
	JS-SEZ Forum 2025	The Edge Malaysia & HSBC Bank Malaysia Berhad	23 June 2025
	Updates on Sustainability Journey in Malaysia: National Sustainability Reporting Framework and Amendments to Listing Requirements	NeedsBridge Advisory Sdn. Bhd. ("NeedsBridge")	21 July 2025
	Trade and Investment Mission to Shenzhen, China	Johor Bahru Chinese Chamber of Commerce & Industry ("JBCCCI")	23 - 26 July 2025
	18th World Chinese Entrepreneurs Convention, Macau	The Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM")	2 - 4 November 2025
	Investment Outlook and Opportunities	Public Bank Berhad	15 November 2025
	Q1 2025 Market Outlook: The Need for Measured Exuberance	CIMB Bank Berhad	13 January 2026
	Personal Data Protection Act ("PDPA") and the Practical Application at Work	Skrine Advocates & Solicitors ("Skrine")	29 January 2026

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Director Name	Programme / Seminar / Briefing / Industry Engagement	Organiser	Date
Dato' Sri Godwin Tan Pei Poh	JS-SEZ Joint Business and Investment Forum	MIDA	21 April 2025
	Nikkei Forum	Iskandar Investment Berhad	18 June 2025
	JS-SEZ Forum 2025	The Edge Malaysia & HSBC Bank Malaysia Berhad	23 June 2025
	Updates on Sustainability Journey in Malaysia: National Sustainability Reporting Framework and Amendments to Listing Requirements	NeedsBridge	21 July 2025
	JS-SEZ 2025 - Bridging Growth Across Borders	Knight Frank Malaysia Sdn. Bhd.	21 August 2025
	The Business Circle: Future Ready Learning Programme	United Overseas Bank Limited	26 - 29 October 2025
	PDPA and the Practical Application at Work	Skrine	29 January 2026
Mdm. Leong Siew Foong	Malaysian Business Reporting System 2.0 for Preparers of Financial Statements	Companies Commission of Malaysia ("CCM")	7 & 8 April 2025
	DeepSeek: AI Application in E-Commerce	Alibaba (China) Network Technology Co. Ltd.	1 June 2025
	Simplify and Scale The Power of Sangfor Hyper-Converged Infrastructure	ITWin Technology Sdn. Bhd.	17 July 2025
	Updates on Sustainability Journey in Malaysia: National Sustainability Reporting Framework and Amendments to Listing Requirements	NeedsBridge	21 July 2025
	PDPA: Compliance Awareness for Company Secretaries	The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA")	25 August 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Director Name	Programme / Seminar / Briefing / Industry Engagement	Organiser	Date
Mdm. Leong Siew Foong	Directors E-invoicing	PricewaterhouseCoopers Taxation Services Sdn. Bhd.	25 August 2025
	Empowering your Business: Secure, Modernise and Automate with Dell	Flexi Team System Sdn. Bhd.	11 September 2025
	MAICSA Annual Conference 2025	MAICSA	23 & 24 September 2025
	Suruhanjaya Syarikat Malaysia Info Session	CCM	7 October 2025
	Awareness of First Aid Training	St. John Ambulance Malaysia, Johor Bahru	11 October 2025
	IP Risk and ESG: Red Flags, Clauses and Drafting Strategies	CLJ Malaysia Sdn. Bhd.	28 October 2025
	The SORMIC Guide 2025: What the New Guide Is All About and Its Implications to Listed Issuers, Directors, Management and Auditors	MAICSA	5 November 2025
	Domestic Specific Project Mission Related to Green Incentives	Malaysian Investment Development Authority	11 December 2025
	The Foresight Boardroom: Decoding 2025 and Designing 2026	Institute of Corporate Directors Malaysia	12 December 2025
	JS-SEZ Summit	Sin Chew Daily	15 January 2026
	PDPA and the Practical Application at Work	Skrine	29 January 2026
	Public Leadership in a Borderless Economy	Talent and SME Development of Iskandar Regional Development Authority	9 February 2026
	Meet and Greet with Company Secretaries	CCM	17 March 2026

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Director Name	Programme / Seminar / Briefing / Industry Engagement	Organiser	Date
Mr. Tee Boon Hin	Case Study - Based MFRS Webinar: Accounting for Tangible and Intangible Assets	Malaysian Institute of Accountants ("MIA")	14 April 2025
	Key Learning Points from Review of MIA's Illustrative MPERS (Application by Reference to Various Related MFRSs)	MIA	13 May 2025
	Updates on Sustainability Journey in Malaysia: National Sustainability Reporting Framework and Amendments to Listing Requirements	NeedsBridge	21 July 2025
	National Tax Conference 2025	Chartered Tax Institute of Malaysia ("CTIM")	5 & 6 August 2025
	National Taxation Seminar 2025	Inland Revenue Board of Malaysia	27 October 2025
	2026 Budget Seminar	MIA	5 November 2025
	Capital Gains Tax on Domestic and Cross-Border Transactions	CTIM	19 December 2025
	MIA Member Technical Updates and Networking	MIA	13 January 2026
	PDPA and the Practical Application at Work	Skrine	29 January 2026
	2026 Budget Seminar	MIA	11 March 2026

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Director Name	Programme / Seminar / Briefing / Industry Engagement	Organiser	Date
Dato' Haji Ismail Bin Karim	Updates on Sustainability Journey in Malaysia: National Sustainability Reporting Framework and Amendments to Listing Requirements	NeedsBridge	21 July 2025
	PDPA and the Practical Application at Work	Skrine	29 January 2026
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Updates on Sustainability Journey in Malaysia: National Sustainability Reporting Framework and Amendments to Listing Requirements	NeedsBridge	21 July 2025
	Transfer Pricing: Intra Group Financing	Thannees Tax Consulting Services Sdn. Bhd.	25 September 2025
	Compliance with Listing Requirements - Reporting of Financial Statements	CKM Advisory Sdn. Bhd.	13 November 2025
	PDPA and the Practical Application at Work	Skrine	29 January 2026
	Introduction to new Disclosure Requirements for Shariah Screening	Bursa Malaysia Securities Berhad	11 February 2026

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Director Name	Programme / Seminar / Briefing / Industry Engagement	Organiser	Date
Dato' Jeffrey Lai Jiun Jye	137th China Import and Export Fair	ACCCIM	11 - 15 April 2025
	LinkQuest International School eMBA Sharing	LinkQuest International School	26 April 2025
	Delegation Visit to Myanmar and Cambodia	ACCCIM	4 - 6 May 2025
	2025 International Industry Conference in Singapore	Singapore Chinese Chamber of Commerce & Industry ("SCCCI")	15 May 2025
	Guangzhou Municipal Government and Fortune Global 500 Enterprises	ACCCIM	27 May 2025
	ACCCIM Delegation Visit to the Indonesian Chinese Association	ACCCIM	12 - 14 June 2025
	Speaker at the Malaysia-Singapore Chinese Chambers of Commerce Business Forum 2025	SCCCI	17 - 19 June 2025
	JS-SEZ Forum 2025	The Edge Malaysia & HSBC Bank Malaysia Berhad	23 June 2025
	Updates on Sustainability Journey in Malaysia: National Sustainability Reporting Framework and Amendments to Listing Requirements	NeedsBridge	21 July 2025
	Trade and Investment Mission to Shenzhen, China	Johor Bahru Chinese Chamber of Commerce & Industry ("JBCCCI")	23 – 26 July 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Director Name	Programme / Seminar / Briefing / Industry Engagement	Organiser	Date
Dato' Jeffrey Lai Jiun Jye	World Artificial Intelligence Conference 2025, Shanghai	ACCCIM	27 – 29 July 2025
	2025 SME Conference and Credit & Business Conference	SCCCI	3 September 2025
	Inaugural ASEAN Chinese Business Leaders' Summit 2025	ACCCIM	6 October 2025
	18th World Chinese Entrepreneurs Convention, Macau	ACCCIM	2 - 4 November 2025
	Investment Outlook and Opportunities	Public Bank Berhad	15 November 2025
	Speaker at the JS-SEZ Discussion Forum	Sin Chew Daily	4 December 2025
	Speaker for the Joint MBA Programme	JBCCCI and Southern University College	19 December 2025
	Speaker at the JS-SEZ Summit	Sin Chew Daily	15 January 2026
	Three Day Exchange and Study Visit, Guangdong	ACCCIM	20 January 2026
	PDPA and the Practical Application at Work	Skrine	29 January 2026
	Johor Dialogue 2026	JBCCCI	9 February 2026

Note: Professional development and continuing education for Directors include structured training courses, technical seminars, briefings, regional trade missions, economic forums and participation as speakers in business dialogues. These engagements are included where the subject matter is relevant to Directors' duties, Board oversight responsibilities, the Group's business activities or the broader operating environment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

REMUNERATION COMMITTEE

The RC supports the Board in maintaining a formal, objective and transparent remuneration framework for Directors and Senior Management. The framework is intended to align remuneration outcomes with individual responsibilities, performance, the Group's long-term objectives and shareholders' interests.

The RC comprises three (3) Non-Executive Directors, the majority of whom are Independent. The composition as at 31 March 2026 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 Board-approved TOR, which is publicly accessible on the Company's website. The RC's TOR is reviewed periodically to ensure that it remains aligned with the Group's governance requirements, the Listing Requirements and the MCCG. During FY2026, the RC's TOR was reviewed and updated, with the latest version approved by the Board on 26 November 2025.

In accordance with its TOR, the RC is required to meet at least once annually or as and when necessary. During FY2026, the RC held three (3) meetings with full attendance recorded by all members.

Summary of Work

The key activities and deliberations undertaken by the RC during FY2026 are summarised across the following core areas:

Key Area	FY2026 Activities
Non-Executive Directors' remuneration review	Reviewed the structure of fees and benefits payable to Non-Executive Directors for FY2026 and noted that they remained unchanged from the financial year ended 31 March 2025.
Executive Directors and Senior Management remuneration review	Reviewed the total remuneration packages for the Executive Chairman, Executive Directors and Senior Management, taking into account their respective responsibilities, achievement of key performance indicators ("KPIs"), Group performance and individual contribution.
Performance and remuneration alignment	Considered financial and non-financial KPI outcomes, including sustainability-related performance considerations, in making remuneration-related recommendations.
Governance documents	Reviewed and updated the RC's TOR and Remuneration Policy to ensure continued alignment with the Listing Requirements, MCCG and the Group's governance needs, and recommended the same to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS

The outcomes of these reviews were reported to the Board and formed the basis for the RC's recommendations on remuneration matters for Directors and Senior Management.

Following the close of FY2026, the RC reviewed the Non-Executive Directors' fees, having regard to their Board and Board Committee responsibilities, time commitment, market competitiveness and the Group's overall remuneration framework. Upon the RC's recommendation, the Board endorsed the proposed increase in Non-Executive Directors' fees. The proposed fees amount to RM433,500 for the period from 1 April 2026 until the conclusion of the next AGM of the Company and will be tabled on an individual basis.

The Board also endorsed the proposed Non-Executive Directors' allowances of up to RM100,000 for the period from 28 August 2026 to the conclusion of the next AGM of the Company. The proposed allowances mainly comprise meeting allowances and reimbursement of expenses incurred in the discharge of Directors' duties and will be paid on an incurred basis.

In accordance with Section 230(1) of the Companies Act 2016 and Article 64 of the Company's Constitution, the proposed Directors' fees and allowances are subject to shareholders' approval at the forthcoming 79th AGM. Directors abstained from deliberating and voting on matters in which they had a direct interest, and Directors who are shareholders will similarly abstain from voting on their respective resolutions at the AGM.

Remuneration Policy

The Board has established a formal Remuneration Policy to guide the determination of remuneration for Directors and Senior Management. The Remuneration Policy was updated and approved by the Board on 26 November 2025 and is available on the Company's website.

The policy sets out the remuneration principles, structure and procedures applicable to Non-Executive Directors, Executive Directors and Senior Management. The RC reviews the remuneration packages of Directors and Senior Management annually before making its recommendations to the Board. In conducting the review, the RC considers the scope of responsibilities, performance, experience, contribution and relevant benchmarking information to ensure that remuneration remains appropriate and supports the Group's ability to attract and retain suitably qualified individuals.

For Non-Executive Directors, remuneration is structured to reflect their responsibilities at Board and Board Committee levels and the time commitment required. It generally comprises Directors' fees, meeting allowances and benefits. For Executive Directors and Senior Management, remuneration is linked to individual and Group performance, with reference to financial and non-financial KPIs and performance appraisal outcomes. Their remuneration may include fixed components such as base salary and benefits, as well as variable components such as performance-based bonuses.

In line with good governance practice, Directors and Senior Management do not participate in deliberations or decisions involving their own remuneration.

Details of the remuneration of Directors and Senior Management are 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The Board recognises that effective audit, risk management and internal control processes are fundamental to maintaining financial reporting integrity, supporting responsible decision-making and safeguarding the Group's assets. In discharging its oversight responsibilities, the Board is supported by the AC and the RMC, with independent assurance provided by the External Auditors and the outsourced Internal Audit Function.

AUDIT COMMITTEE

The AC comprises three (3) members, all of whom are INEDs. This composition complies with Paragraph 15.09(1)(a) of the Listing Requirements of Bursa Securities and also aligns with Step-up Practice 9.4 of the MCCG, which recommends that the AC comprises solely Independent Directors.

The AC is chaired by Mr. Tee Boon Hin, who is not the Chairman of the Board. Mr. Tee is a Chartered Accountant and a member of the MIA, thereby fulfilling Paragraph 15.09(1)(c)(i) of the Listing Requirements. This also supports Practice 9.1 of the MCCG, which requires separation between the Board Chairman and AC Chairman roles.

The Board is satisfied that the AC possesses the necessary financial literacy, experience and understanding of financial reporting, internal control and audit matters to discharge its duties effectively. Mr. Tee's accounting background is complemented by Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar's experience in financial governance and taxation matters. Collectively, the AC members bring relevant knowledge and experience to support the Board's oversight of audit and financial reporting matters.

As at 31 March 2026, none of the AC members was a former key audit partner of the Group's External Auditors. The Board observes a minimum cooling-off period of three (3) years before any former key audit partner of the External Auditors may be appointed as a member of the AC.

The AC operates in accordance with its Board-approved TOR, which was reviewed and approved by the Board on 26 November 2025 and is available on the Company's website. During FY2026, the AC continued to support the Board in overseeing the integrity of the Group's financial reporting, the effectiveness of audit and internal control processes and governance matters within its scope.

Based on the annual evaluation conducted for FY2026, the Board was satisfied that the AC and its members continued to discharge their duties effectively in accordance with the AC's TOR. Further details on the AC's composition, attendance, meetings, summary of work and evaluation are set out in the AC Report of this Annual Report.

External and Internal Audit Oversight

The AC is responsible for assessing the suitability, performance, objectivity and independence of the External Auditors annually. For FY2026, the AC conducted an evaluation of BDO PLT ("BDO"), the External Auditors of the Company, taking into account audit quality, independence, communication with the AC, professional competence and compliance with relevant professional and regulatory requirements. The assessment was carried out in accordance with Paragraph 15.21 of the Listing Requirements and the Group's External Auditors' Policy, which is accessible on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

As part of the assessment, the AC reviewed BDO's confirmation of independence for the FY2026 audit engagement, in accordance with the By-Laws (On Professional Ethics, Conduct and Practice) of the MIA. The AC also considered BDO's latest Annual Transparency Report, together with the nature and scope of non-audit services provided by BDO and its affiliates during the year. Based on its review, the AC was satisfied that BDO remained independent and objective during the FY2026 audit engagement. Following the assessment, the AC recommended the reappointment of BDO as the Company's External Auditors for shareholders' approval at the forthcoming 79th AGM.

The Group's Internal Audit Function is outsourced to NeedsBridge Advisory Sdn. Bhd., an independent professional firm which reports directly to the AC. The Internal Audit Function provides independent and objective assurance on selected areas of governance, risk management and internal control based on a risk-based internal audit plan approved by the Board.

During FY2026, the AC reviewed internal audit reports, Management's responses and the implementation status of corrective actions arising from internal audit findings. The AC also assessed the independence, objectivity, competency and effectiveness of the outsourced Internal Audit Function and was satisfied that it continued to support the Group's internal control assurance process effectively.

Further details on the AC's oversight of the External Auditors and Internal Audit Function are disclosed in the AC Report and the Statement on Risk Management and Internal Control ("SORMIC") of this Annual Report.

RISK MANAGEMENT COMMITTEE

The Board retains overall responsibility for the adequacy and effectiveness of the Group's risk management and internal control system. The RMC supports the Board in overseeing the Group's risk governance, enterprise risk management framework, risk appetite and Management's responses to material risks. The AC complements this oversight through its review of internal control matters, internal audit findings and external audit observations.

The RMC comprises three (3) members, all of whom are INEDs. The composition as at 31 March 2026 is as follows:

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 Board-approved TOR, which is publicly accessible on the Company's website. The RMC's TOR is reviewed periodically to ensure that it remains aligned with the Group's governance requirements, the Listing Requirements and the MCCG.

In accordance with its TOR, the RMC is required to meet at least twice annually or as and when necessary. During FY2026, the RMC held six (6) meetings, with full attendance recorded by all members.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Summary of Work

The key activities and deliberations undertaken by the RMC during FY2026 are summarised across the following core areas:

Key Area	FY2026 Activities
Enterprise risk oversight	Reviewed the Group's risk profile, key risk movements, risk appetite and Management's mitigation responses to ensure that material risks remained appropriately monitored and escalated.
Risk assessment and reporting	Reviewed the outcome of the FY2026 Group-wide risk assessment process, including key risk areas, risk registers, bribery risk assessment and mitigation plans, before reporting to the Board for deliberation.
Strategic proposals and transactions	Reviewed the risk implications of significant strategic proposals and transactions before reporting relevant observations and recommendations to the Board.
Sustainability-related risk matters	Considered sustainability-related risks and material sustainability developments as part of the Group's risk management and Board reporting process.
Risk governance framework and policies	Reviewed the Group Risk Management Framework ("GRM Framework"), RMC's TOR and the Sustainability Policy to ensure continued alignment with the Listing Requirements, MCCG and the Group's governance needs, and recommended the relevant documents to the Board for approval.
Annual report risk disclosures	Reviewed the SORMIC and relevant risk-related disclosures before recommending them to the Board for approval and inclusion in the Annual Report.

The RMC's work during FY2026 supported the Board in maintaining oversight of the Group's risk profile, internal control environment and responses to key business, operational, regulatory and sustainability-related risks.

Risk Management and Internal Control Framework

The Group's risk management approach is governed by the GRM Framework, which sets out the risk governance structure, risk appetite and processes for identifying, assessing, responding to, monitoring and reporting risks. The framework is applied across the Group's business functions and reviewed periodically to ensure its continued relevance to the Group's strategic direction and operating environment.

The Group's risk management and internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. Accordingly, the system can provide reasonable, but not absolute, assurance against material misstatement, loss, fraud or other adverse outcomes.

Based on the assurance received from the Executive Chairman and Finance Director, together with the reviews and monitoring activities carried out by Management, the Risk Management Function, the Internal Audit Function, the AC and the RMC, the Board was satisfied that the Group's risk management and internal control system remained adequate and effective, in all material respects, during FY2026.

Further details on the Group's risk governance structure, risk management and internal control processes, including assurance from the Executive Chairman and Finance Director and the review conducted by the outsourced Internal Audit Function, are disclosed in the SORMIC of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board recognises that timely, transparent and balanced communication is essential to preserving market trust, enhancing corporate transparency and supporting sustainable long-term value. The Group is committed to providing fair and non-selective disclosure of material information to enable shareholders, investors and other stakeholders to maintain equitable access to factual information regarding the Group's performance, governance and strategic direction.

CORPORATE DISCLOSURE AND STAKEHOLDER COMMUNICATION

The Group's approach to communication is supported by its Corporate Disclosure Policy. This policy provides guidance to Directors, Management and employees on safeguarding corporate confidentiality, preventing insider trading and ensuring that external disclosures comply with the Listing Requirements of Bursa Securities and applicable capital market laws. The Corporate Disclosure Policy is reviewed periodically and updated where necessary to ensure its continued relevance and alignment with regulatory expectations and corporate governance best practices. Details of the policy are available on the Company's website.

The Group uses a range of corporate reporting, regulatory announcement and engagement channels to communicate with shareholders and stakeholders. These platforms include general meetings, Bursa Securities announcements, annual reports, circulars, the Company's website and other investor communication channels. The Company's website at **www.pgbgroup.com.my** remains a key platform for stakeholders to access corporate information, announcements, annual reports, governance documents and other relevant investor information.

During FY2026, the Group continued to make announcements and issue public communications on material corporate developments, financial results and other matters of stakeholder interest, including corporate proposals, strategic collaborations, sustainability-related initiatives and business developments. Further information on the Group's stakeholder engagement approach, sustainability-related communication and community initiatives is disclosed in the Sustainability Statement of this Annual Report.

Through these communication channels and governance arrangements, the Board seeks to maintain an open, fair and orderly flow of information between the Company and its shareholders and stakeholders. The Board will continue to review its communication practices to support clear, accessible and effective disclosures in line with regulatory expectations and the Group's stakeholder engagement approach.

CONDUCT OF GENERAL MEETINGS

The Board regards general meetings as an important platform for direct engagement between shareholders, the Board and Management. During the financial year under review, the Company convened two (2) general meetings, namely the 78th AGM on 2 September 2025 and an Extraordinary General Meeting ("EGM") on 24 April 2025.

The Notice of the 78th AGM was issued on 30 July 2025, providing shareholders with more than twenty-eight (28) days' notice in line with Practice 13.1 of the MCCG. For the EGM, at which an ordinary resolution was tabled, the Notice was issued on 9 April 2025, providing shareholders with at least fourteen (14) days' notice in compliance with the applicable requirements. Both notices were advertised in a nationally circulated English newspaper, announced through Bursa Securities and made available on the Company's website. Explanatory notes, proxy forms and administrative guides were also provided to support shareholders' understanding and participation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Both the 78th AGM and EGM were conducted physically following consideration of shareholders' demographics, venue accessibility and the value of direct shareholder engagement. All Directors attended both meetings in person. The Company Secretary, Senior Management, External Auditors, professional advisers, Poll Administrator and Independent Scrutineer were also present where relevant to support the conduct of the meetings and address matters within their respective scope.

At the 78th AGM, the Finance Director presented an overview of the Group's business and operations, while at the EGM, the Executive Chairman explained the proposed resolution before inviting questions from shareholders. Shareholders were given the opportunity to participate, raise questions and express their views on the matters tabled. Any feedback or concerns raised were recorded and considered by the Board and Management.

During FY2026, the Company did not conduct its general meetings on a virtual or hybrid basis. Shareholders who were unable to attend in person were able to appoint proxies or the Chairman of the meeting to attend and vote on their behalf. The Company also facilitated the electronic lodgement of proxy forms via Tricor's TIIH Online platform at **https://tiih.online**.

In accordance with Paragraph 8.29A of the Listing Requirements, all resolutions tabled at the 78th AGM and EGM were voted on by electronic poll. Tricor Investor & Issuing House Services Sdn. Bhd. acted as Poll Administrator, while Sky Corporate Services Sdn. Bhd. acted as Independent Scrutineer. The poll results were verified by the Independent Scrutineer, declared by the Chairman and released to Bursa Securities on the same day.

Pursuant to Practice 13.6 of the MCCG, the minutes of both general meetings, including the proceedings and poll results, were published on the Company's website within thirty (30) business days from the respective meeting dates. Further details on the Company's application of, and departure from, the relevant MCCG Practices are disclosed in the CG Report.

KEY FOCUS AREAS AND FUTURE PRIORITIES

During FY2026, the Board continued to strengthen the Group's governance framework by focusing on effective Board oversight, disciplined reporting and the continued alignment of governance practices with the Group's strategic direction, risk profile and sustainability priorities. These areas were supported by the work of the Board Committees, Management reporting and independent assurance from the External Auditors and outsourced Internal Audit Function.

Board and Board Committee effectiveness remained an important area of focus. The annual evaluation of the Board, Board Committees and individual Directors provided a structured basis for assessing the Board's composition, skills mix, independence, performance and development needs. The evaluation outcomes also supported the NC's recommendations on Directors' re-election, continuation in office, succession planning and Directors' continuing development.

Governance documents and policies were reviewed and updated during FY2026 to ensure continued alignment with the Group's governance needs, regulatory expectations and the MCCG. These included relevant Board Committee TORs, Sustainability Policy, Remuneration Policy and other governance policies within the respective oversight areas of the Board and Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C:
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Sustainability and risk governance remained key areas of Board focus. The Board, supported by the RMC, continued to oversee the integration of sustainability-related risks and opportunities into the Group's risk management process. The FY2026 Annual Materiality Reassessment confirmed that no new material sustainability matters were identified and that all thirteen (13) material sustainability matters identified in FY2025 remained relevant for FY2026.

The Board also maintained oversight of financial reporting, audit, internal control and assurance matters through the AC. These reviews covered matters within the AC's scope, including financial reporting, audit oversight, internal control, related party transactions and conflict of interest matters, and supported the Board's assessment of the adequacy and effectiveness of the Group's internal control and governance processes.

Moving forward, the Board will continue to focus on maintaining an appropriate Board composition, strengthening Directors' development, enhancing sustainability and risk oversight and ensuring that the Group's governance practices remain responsive to regulatory developments and the Group's strategic direction. Board diversity and succession planning will remain key areas of attention, including the Board's ongoing target of achieving at least 30% female representation in line with the MCCG.

The NC will continue to support long-term Board renewal by considering the Board's skills mix, independence, diversity and succession needs as part of its annual review process. The Board will also continue to address areas identified through the annual evaluation process, including Directors' development in areas relevant to sustainability, regulatory developments, strategic oversight and the Group's evolving business environment.

The Board will also continue to promote clear and timely communication with shareholders and stakeholders through corporate disclosures, general meetings, sustainability reporting and the Company's website. This supports the Group'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 the principles and practices of the MCCG throughout FY2026.

Further details on the Company's application of the MCCG Practices, including explanations for departures and the alternative practices adopted, are disclosed in the CG Report, which is available on the Company's website at **www.pgbgroup.com.my**.

This CG Statement and the accompanying CG Report were approved by the Board on 23 July 2026.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

On 20 January 2026, Paragon Business Hub Sdn. Bhd., a wholly-owned subsidiary of the Company, completed the disposal of part of a parcel of freehold land held under Geran 80943 Lot 2699, in the Mukim of Plentong, District of Johor Bahru, State of Johor ("Master Land A"), measuring approximately 19.759 acres ("Land E") to Bridge Data Centres Malaysia VI Sdn. Bhd. for a cash consideration of RM98.98 million ("Land E Disposal").

The status of utilisation of proceeds arising from the Land E Disposal as at financial year ended 31 March 2026 ("FY2026") is as follows:

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation(i)	Actual Utilisation	Reallocation of Proceeds(ii)	Balance Unutilised Proceeds
Estimated development costs in relation to the Land E Disposal	Within 18 months	32,775,000	(24,183,000)	(8,592,000)	-
Funding of acquisition of lands	Within 36 months	55,222,000	(55,222,000)	-	-
Working capital	Within 24 months	10,831,000	(19,462,000)	8,631,000	-
Estimated expenses relating to the Land E Disposal	Within 5 months	153,000	(114,000)	(39,000)	-
	Total	**98,981,000**	**(98,981,000)**	**-**	**-**

(i) The proposed utilisation of proceeds from the Land E Disposal as disclosed above should be read in conjunction with the Company's circular to shareholders dated 12 December 2024.

(ii) During the financial year, actual development-related costs and related expenses incurred were lower than the estimated amounts by approximately RM8.63 million, primarily due to cost optimisation. The savings were reallocated to working capital in accordance with the Company's announcement dated 26 February 2026.

2. AUDIT FEES AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors, BDO PLT and its affiliated firms for the Group and the Company for FY2026 are as follows:

	Group RM	Company RM
Audit fees	184,000	73,000
Non-audit fees	123,600	24,000
Total	**307,600**	**97,000**

ADDITIONAL COMPLIANCE INFORMATION

The non-audit fees comprise services including tax compliance and advisory services, preparation of transfer pricing documentation and review of the Statement on Risk Management and Internal Control disclosed in the Annual Report.

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of Directors and major shareholders, either still subsisting at the end of FY2026 or entered into since the end of the previous financial year.

4. CONTRACTS RELATING TO LOANS

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 established policies and procedures to ensure compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other applicable guidelines in relation to related party transactions and recurrent related party transactions.

All related party transactions are reviewed by the Audit Committee to ensure that they are conducted on an arm's length basis and on normal commercial terms, and are not detrimental to the interests of minority shareholders.

At the 78th Annual General Meeting ("AGM") of the Company held on 2 September 2025, shareholders' approval was obtained for a mandate to enable the Group to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business ("RRPT Mandate"). The RRPT Mandate will remain in force until the conclusion of the forthcoming AGM and is subject to renewal by the shareholders at that AGM.

The aggregate value of recurrent related party transactions conducted pursuant to the RRPT Mandate during the FY2026 did not exceed 10% of the applicable percentage ratios as prescribed under Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Company will seek shareholders' approval for the renewal of the RRPT Mandate at the forthcoming AGM to be held on 28 August 2026.

Details of the related party transactions undertaken by the Group during FY2026 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.

ADDITIONAL COMPLIANCE INFORMATION

7. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2026 (RM)	2025 (RM)
Revenue		**154,848,881**	306,256,922
Other Income		**54,365,476**	5,046,366
Interest Income		**1,810,586**	1,230,263
Total		**211,024,943**	**312,533,551**
Total Assets		**1,137,974,962**	**780,643,075**

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2026 (RM)	2025 (RM)
Interest Income involved in Shariah Non-Compliant Activities		**386,752**	16,709
Total		**386,752**	**16,709**

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2026 (RM)	2025 (RM)
Cash at bank (exclude cash in hand)		**1,219,411**	5,731,453
Deposits with licensed bank		**12,655,513**	7,181,097
Total Cash		**13,874,924**	**12,912,550**

ADDITIONAL COMPLIANCE INFORMATION

Conventional Account/Instruments	Remarks	Group	
		2026 (RM)	2025 (RM)
Cash at bank (exclude cash in hand)		**8,342,682**	17,455,557
Deposits with licensed bank		**142,104**	139,454
Total Cash		**8,484,786**	**17,595,011**

(ii) Debt Component

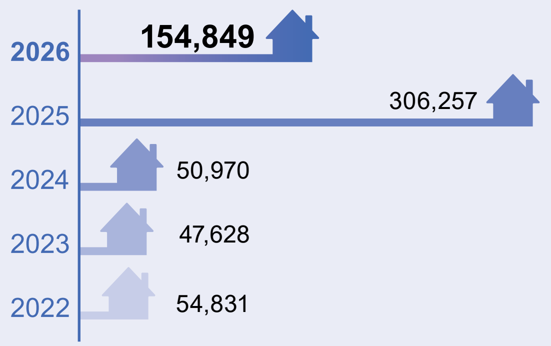
Islamic Financing	Remarks	Group	
		2026 (RM)	2025 (RM)
Current			
Term financing		**22,251,971**	12,284,179
Non-Current			
Term financing		**193,307,306**	175,908,943
Total Financing		**215,559,277**	**188,193,122**

Conventional Borrowing	Remarks	Group	
		2026 (RM)	2025 (RM)
Current			
Term loans		**1,579,346**	-
Hire purchase payables		**216,643**	157,715
Non-Current			
Term loans		**288,887,684**	106,726,000
Hire purchase payables		**619,099**	589,717
Total Debt		**291,302,772**	**107,473,432**

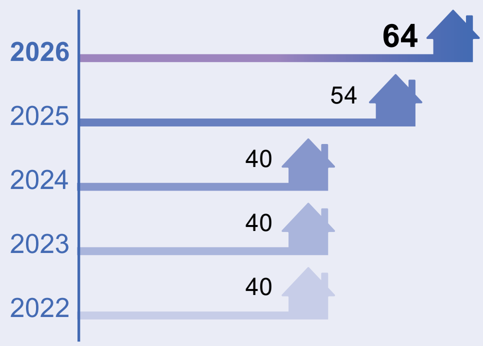
FIVE-YEAR
FINANCIAL HIGHLIGHTS

	2022	2023	2024	2025	2026
Financial Results (RM'000)					
Revenue	54,831	47,628	50,970	306,257	**154,849**
Profit before tax	1,958	5,011	838	140,152	**93,825**
Total comprehensive income/(loss) attributable to owners of the parent	1,175	3,952	(1,240)	105,624	**73,350**
Financial Position (RM'000)					
Total assets	311,794	366,164	470,469	780,643	**1,137,975**
Total liabilities	15,919	66,332	171,880	376,413	**660,044**
Equity attributable to owners of the parent	295,378	299,331	298,091	403,715	**477,064**
Financial Ratios					
Basic earnings/(loss) per share (sen)	0.25	0.53	(0.17)	14.15	**9.82**
Net assets per share attributable to owners of the parent (sen)	40	40	40	54	**64**

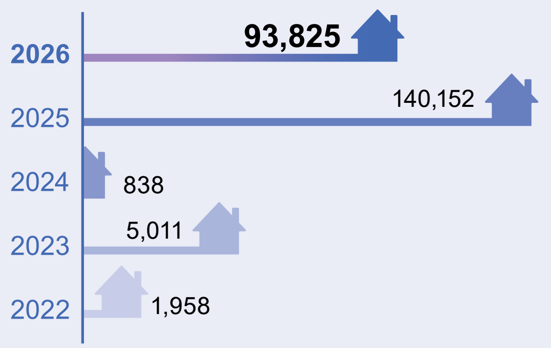
Revenue ('000)



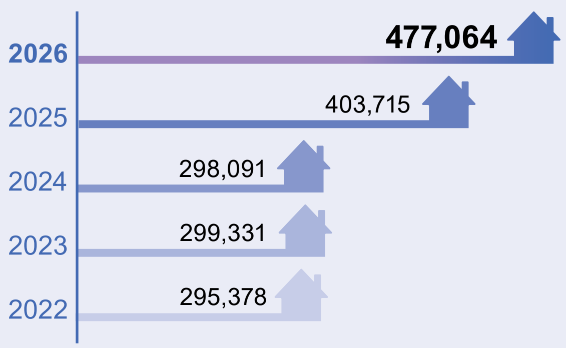
Net Assets Per Share (sen)



Profit Before Tax ('000)



Equity attributable to owners of the parent ('000)



AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of Paragon Globe Berhad ("Company" or "PGB"), together with its subsidiaries ("Group"), is pleased to present this Audit Committee Report ("AC Report") for the financial year ended 31 March 2026 ("FY2026").

This AC Report has been prepared in accordance with Paragraph 15.15 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). It provides an overview of the composition, attendance and summary of work undertaken by the Audit Committee ("AC") during FY2026.

The AC supports the Board in overseeing the Group's financial reporting process, internal and external audit functions, internal control matters and other governance responsibilities within its terms of reference. In carrying out its duties, the AC maintains active engagement with Management, the External Auditors and the Internal Auditors to support the integrity of the Group's financial reporting process, the effectiveness of the internal control system and the independence of the assurance functions.

COMPOSITION AND ATTENDANCE

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. This is in compliance with Paragraphs 15.09(1)(a) and (b) of the Listing Requirements and Step-up Practice 9.4 of the Malaysian Code on Corporate Governance ("MCCG"), which recommends that the AC comprises solely Independent 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

The AC is chaired by Mr. Tee Boon Hin, who is not the Chairman of the Board. Mr. Tee is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA"), thereby fulfilling the requirement under Paragraph 15.09(1)(c)(i) of the Listing Requirements. Together with Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar, who brings extensive experience in financial governance and taxation matters, a majority of the AC members possess relevant financial knowledge and experience. Collectively, the AC members possess the necessary financial literacy, experience and understanding of financial reporting, internal controls, governance and regulatory matters to discharge their duties effectively.

All AC members satisfy the independence criteria as prescribed under the Listing Requirements. No Alternate Director was appointed to the AC. As at 31 March 2026, none of the AC members was a former key audit partner of the External Auditors. The Board observes a minimum cooling-off period of three (3) years before any former key audit partner of the External Auditors may be appointed as a member of the AC.

During FY2026, the AC held seven (7) meetings. Details of the attendance of the AC members are disclosed in the Corporate Governance Overview Statement section on page 131 of this Annual Report.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE

The AC operates in accordance with its Terms of Reference ("TOR"), which sets out its composition, authority, duties, meeting procedures, reporting responsibilities and other relevant governance and regulatory matters within the AC's scope. The TOR was reviewed and approved by the Board on 26 November 2025 to ensure its continued relevance and alignment with the Listing Requirements, the MCCG and the Group's governance needs.

The latest TOR of the AC is available on the Company's website at **https://pgbgroup.com.my/corporate-governance**.

MEETINGS

In accordance with its TOR, the AC is required to meet at least four (4) times per financial year or more frequently as circumstances require. During FY2026, the AC held seven (7) meetings.

The Company Secretary attended all AC meetings to record the proceedings and deliberations. Meeting notices, agendas and supporting papers were circulated in advance to provide the AC members with sufficient time to review and consider the matters tabled for deliberation.

Management representatives and relevant officers were invited to attend the AC meetings, where appropriate, to provide clarification and updates on matters within the AC's scope.

Representatives from BDO PLT ("BDO"), the External Auditors, and NeedsBridge Advisory Sdn. Bhd. ("NeedsBridge"), the outsourced Internal Audit ("IA") Function, attended the relevant AC meetings by invitation to present and discuss matters within their respective scopes. These included external audit planning and findings, IA reports, Management's responses, follow-up status of audit recommendations and other audit-related matters.

Throughout the year, the AC maintained open and unrestricted channels of communication with both the External Auditors and Internal Auditors to support transparency, timely escalation of audit matters and effective follow-up. The AC held two (2) private sessions with the External Auditors and one (1) private session with the Internal Auditors, without the presence of Executive Directors and Management. These sessions provided a platform for open and independent discussion on audit-related matters, audit progress, Management's cooperation and any concerns arising from the audit work.

Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation. Significant matters deliberated by the AC, together with the AC's recommendations, where applicable, were reported to the Board for notation, consideration or approval.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK

In discharging its duties and responsibilities in accordance with its TOR, the AC carried out the following activities:

1. Financial Reporting

a. Reviewed the Group's unaudited quarterly financial results, together with the related announcements and disclosures, before recommending the same to the Board for approval and release to Bursa Securities.

b. Reviewed the Group's annual audited financial statements, together with the related notes and disclosures, for inclusion in the Annual Report before recommending the same to the Board for approval. The review focused on the adequacy of disclosures, changes in accounting policies, significant or unusual events, the appropriateness of the going concern assumption and compliance with applicable financial reporting standards and regulatory requirements.

c. Reviewed and considered key audit matters ("KAM"), significant audit and accounting matters, as well as audit adjustments identified by the External Auditors during the audit process, including their impact on the presentation and disclosures in the financial statements.

d. Engaged in discussions with Management and the External Auditors on the financial reporting standards adopted during the financial year and the basis of material accounting estimates, assumptions and judgements applied in the preparation of the Group's financial statements and related disclosures.

e. Reviewed key financial provisions, write-downs and capital expenditure on a quarterly basis, including provision for doubtful debts, debtor write-offs, property, plant and equipment additions and other capital expenditure, to ensure consistency with accounting standards, reasonableness of estimates and alignment with internal control procedures.

f. Reviewed the effectiveness of the Group's financial reporting process and related internal controls to support the integrity, accuracy and completeness of disclosures in line with applicable Malaysian Financial Reporting Standards ("MFRS"), the Listing Requirements and other relevant regulatory expectations.

g. Discussed new and amended MFRSs which came into effect during the financial year and their impact on the Group's financial statements.

2. External Audit

a. Reviewed BDO's audit planning memorandum for FY2026, which outlined the engagement and reporting responsibilities, audit scope and approach, areas of significant auditor attention, audit timeline, reporting deliverables and independence.

b. Reviewed and discussed BDO's audit findings and audit completion matters in relation to the Group's annual audited financial statements for FY2026, including key audit matters, significant audit and accounting matters, audit adjustments and disclosure matters. The AC considered Management's responses and noted that the audit findings and audit adjustments raised were not significant and did not materially affect the fair presentation of the financial statements. The AC subsequently recommended the annual audited financial statements to the Board for approval and inclusion in the Annual Report for presentation to shareholders.

AUDIT COMMITTEE REPORT

c. Received and reviewed BDO's confirmation of independence for the FY2026 audit engagement in accordance with the relevant professional and regulatory requirements. The AC considered the confirmation as part of its assessment of BDO's independence and objectivity.

d. Reviewed BDO's Annual Transparency Report, which was prepared pursuant to the requirements of the Audit Oversight Board and considered the information therein as part of its assessment of BDO's audit quality, governance structure and measures undertaken to uphold audit quality.

e. Reviewed the proposed audit fees and non-audit fees of BDO and its affiliates, taking into consideration the nature and scope of work, audit requirements, the Group's business activities and the External Auditors' independence. The AC also reviewed the nature of non-audit services to ensure that such services did not impair BDO's independence and objectivity.

f. Received assurance and ESG updates presented by BDO, including developments relating to sustainability reporting, sustainability assurance requirements and relevant assurance standards.

g. Held two (2) private sessions with BDO on 21 July 2025 and 26 February 2026, without the presence of Executive Directors and Management. These sessions enabled open and independent discussions on audit-related matters, Management's cooperation and any concerns arising from the audit work. BDO did not raise any major concerns during the private sessions and noted full cooperation from Management throughout the audit process.

h. 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 re-appointment of BDO as External Auditors of the Company to the Board for shareholders' approval at the forthcoming Annual General Meeting.

3. Internal Audit

a. Received and deliberated on the IA reports presented by NeedsBridge, the outsourced IA Function, in accordance with the approved internal audit plan. The AC reviewed the IA findings, risk implications and recommendations raised, together with Management's responses and corrective action plans, and monitored the actions taken to address the observations raised.

b. Reviewed the follow-up reports submitted by the IA Function to track the status of Management's action plans arising from previous IA findings and to monitor the timeliness and adequacy of corrective actions.

c. Reviewed the adequacy and effectiveness of internal controls for the areas reviewed based on IA observations. Based on the IA reports tabled, no material internal control deficiencies were reported to the AC for the areas reviewed.

d. Reviewed and monitored the progress of the approved IA plan for FY2026, including audit scope, priority areas, timelines and coverage of key internal control areas.

e. Held one (1) private session with NeedsBridge on 27 August 2025, without the presence of Executive Directors and Management, to facilitate open and independent discussions on internal audit matters. NeedsBridge reported that Management had provided full support and cooperation during the internal audit process, with no restrictions on access to relevant documentation.

f. Reviewed NeedsBridge's independence confirmation and evaluated the effectiveness of the IA Function, including its independence, objectivity, scope of work, competency and quality of reporting, in supporting the AC's oversight of the Group's internal control system. Following a satisfactory evaluation, the AC recommended the re-appointment of NeedsBridge as the outsourced IA Function of the Group to the Board, with fees to be determined based on the agreed audit scope and duration.

AUDIT COMMITTEE REPORT

4. Related Party Transactions and Recurrent Related Party Transactions

a. Reviewed related party transactions ("RPT") and recurrent related party transactions ("RRPT") of the Group on a quarterly basis and as required, based on the summaries tabled to the AC, including the nature of the transactions, related parties involved and transaction values.

b. Monitored RRPT governed by the shareholders' mandate to ensure that the transactions were conducted in the ordinary course of business, on an arm's length basis and on normal commercial terms, were not on terms more favourable to the related parties than those generally available to the public, were not detrimental to the interests of minority shareholders and remained within the approved mandate limits.

c. Reviewed the draft Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, including the nature of RRPT, classes of related parties, actual transacted values, estimated aggregate values and the procedures established by the Group for monitoring, tracking and identifying RRPT in a timely and orderly manner. The AC considered the adequacy of these procedures before recommending the Proposed Renewal of Shareholders' Mandate to the Board for approval and tabling at the forthcoming Annual General Meeting.

d. Reviewed significant RPT matters tabled during the year and considered the nature, rationale and terms of the transactions, the interests of the related parties and the relevant regulatory requirements before making its recommendation to the Board.

e. Ensured that interested Directors abstained from deliberation and decision-making on matters in which they had an interest, in accordance with the Listing Requirements and the Group's internal policies and procedures.

5. Conflict of Interest

a. Reviewed and monitored actual, potential and perceived conflict of interest ("COI") situations involving Directors and, where applicable, Senior Management and employees, based on the COI register and declarations tabled to the AC. The review covered the nature and extent of the COI situations, parties involved, changes in directorships, interests or business involvements and the measures taken to address, mitigate or manage such COI, to ensure that the COI register remained current and properly maintained.

b. During FY2026, there were no new COI or potential COI situations involving Directors reported to the AC. The AC continued to monitor and review the status of four (4) existing COI or potential COI situations involving Directors. The details are set out below:

No.	Individual Involved	Nature and Extent of COI / Potential COI	Measures Taken to Address COI
(i)	Dato' Haji Ismail bin Karim ("Dato' Ismail")	Dato' Ismail is a director of both BCB Berhad ("BCB"), a property development company, and PGB. He does not hold any directorship in BCB's subsidiaries or the Group's subsidiaries involved in property development.	The AC was of the view that there was no COI in this case. However, Dato' Ismail is required to abstain and recuse himself from deliberation on potential projects or dealings with BCB in future, where applicable.

AUDIT COMMITTEE REPORT

No.	Individual Involved	Nature and Extent of COI / Potential COI	Measures Taken to Address COI
(ii)	Dato' Jeffrey Lai Jiun Jye ("Dato' Jeffrey Lai")	Dato' Jeffrey Lai is a director of Landsco Resources Sdn. Bhd., Paragon Premium Sdn. Bhd. ("PPSB") and Chempaka Logistik Sdn. Bhd. ("CLSB"), which are involved in businesses that may be similar to, or may overlap with, the Group's business activities.	The AC considered this as a potential COI. Dato' Jeffrey Lai is required to abstain and recuse himself from all deliberations involving matters that may give rise to the potential COI.
(iii)	Dato' Sri Edwin Tan Pei Seng ("Dato' Sri Edwin Tan")	Dato' Sri Edwin Tan is a director and shareholder in Flagship Builders Sdn. Bhd. ("FBSB"), Amprojek Construction Sdn. Bhd. ("ACSB"), PPSB, Paragon View Sdn. Bhd. ("PVSB"), CLSB, Nipponkey Sdn. Bhd. ("NSB") and Common Development (M) Sdn. Bhd. ("CDMSB"), which are involved in businesses that may be similar to, or may overlap with, the Group's business activities.	The AC reviewed and noted the COI situation and was of the view that Dato' Sri Edwin Tan's continued involvement remains in the Group's interest, having regard to his extensive experience, industry knowledge and leadership role. Dato' Sri Edwin Tan is required to declare his interest, recuse himself from deliberation and abstain from voting or decision-making on any relevant matter or transaction where an actual, potential or perceived COI arises. The AC will continue to monitor relevant transactions and COI situations to ensure that they are properly reviewed, governed and managed in the interests of the Group and its shareholders.
(iv)	Dato' Sri Godwin Tan Pei Poh ("Dato' Sri Godwin Tan")	Dato' Sri Godwin Tan is a director and shareholder of FBSB, ACSB, PPSB, PVSB, CLSB, NSB and CDMSB which are involved in businesses that may be similar to, or may overlap with, the Group's business activities.	The AC reviewed and noted the COI situation and was of the view that Dato' Sri Godwin Tan's continued involvement remains in the Group's interest, having regard to his extensive experience, industry knowledge and leadership role. Dato' Sri Godwin Tan is required to declare his interest, recuse himself from deliberation and abstain from voting or decision-making on any relevant matter or transaction where an actual, potential or perceived COI arises. The AC will continue to monitor relevant transactions and COI situations to ensure that they are properly reviewed, governed and managed in the interests of the Group and its shareholders.

c. The AC was satisfied that the COI and potential COI situations reviewed during FY2026 were appropriately monitored and managed in accordance with the Group's internal procedures and applicable regulatory requirements.

d. Reviewed and recommended the revised Conflict of Interest and Related Party Transactions Policy to the Board for approval on 22 May 2026. The revisions were made to enhance consistency with the Listing Requirements, the Group's governance practices and procedures for identifying, declaring, evaluating, approving, monitoring and reporting COI, RPT and RRPT.

6. Anti-Bribery and Anti-Corruption and Whistleblowing

a. Reviewed anti-bribery and anti-corruption ("ABAC") case updates tabled at the quarterly AC meetings as part of the AC's oversight of the Group's integrity, ethical conduct and internal control environment. The AC noted that there were no ABAC cases reported for the respective reporting quarters reviewed during FY2026.

b. Reviewed whistleblowing case updates tabled during the year and noted the status of cases reported, if any, in accordance with the Group's whistleblowing procedures. The AC noted that there were no whistleblowing cases reported during FY2026.

7. Annual Report and Governance Disclosures

a. Reviewed the relevant sections of the Annual Report tabled to the AC before recommending the same to the Board for approval and inclusion in the Annual Report. These included the AC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement, Corporate Governance Report, Management Discussion and Analysis, Additional Compliance Information, Directors' Responsibilities Statement, Sustainability Statement and the Group's annual audited financial statements.

b. Considered the consistency of the relevant disclosures with the Group's financial reporting, audit findings, internal control matters, RPT disclosures, COI disclosures and applicable regulatory requirements.

c. Reviewed the External Auditors' review of the Statement on Risk Management and Internal Control and considered the observations arising therefrom, if any.

8. Other Matters

a. Reviewed the Group's annual budget including key assumptions, capital expenditure forecasts and Management's analysis of key variances between actual performance and the budgeted profit and loss forecast, before recommending the same to the Board for consideration and approval.

b. Reviewed and recommended the revised TOR of the AC to the Board for approval.

c. Reviewed and recommended the revised External Auditors' Policy to the Board for approval on 22 May 2026. The revisions were made to enhance consistency with the Listing Requirements, the Group's governance practices and procedures relating to the appointment, suitability, objectivity, independence, performance evaluation and engagement of non-audit services by the External Auditors.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group's IA Function is outsourced to NeedsBridge, an independent professional firm appointed to provide independent and objective assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control processes.

NeedsBridge reports directly to the AC and is independent of the activities and operations it reviews. The IA Function operates under an IA Charter and an engagement letter, which set out its purpose, scope, authority, responsibilities, reporting lines and independence safeguards. NeedsBridge has unrestricted access to the Group's relevant records, personnel and premises necessary to discharge its responsibilities effectively.

The engagement director from NeedsBridge, Mr. Pang Nam Ming, is a Certified Internal Auditor accredited by The Institute of Internal Auditors Global, holds a Certification in Risk Management Assurance and is a Chartered Member of the Institute of Internal Auditors Malaysia. 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.

Summary of Work

The IA activities were carried out using a risk-based approach and in accordance with the approved IA plan. The IA Function also applied a structured audit approach, which included process walkthroughs, review of relevant policies and procedures, discussions with process owners, direct observation and sample-based control testing.

Upon completion of each audit, the IA findings were discussed with Management before being tabled to the AC, together with the relevant risk implications, recommendations, Management's responses and agreed corrective action plans.

The summary of work performed by the IA Function during FY2026 is set out below:

a. Conducted internal audit reviews covering Sales and Marketing Management as well as Project and Site Management.

b. Assessed the adequacy and effectiveness of internal controls in the areas reviewed, as well as compliance with the Group's policies and procedures.

c. Presented IA reports to the AC, which included audit observations, risk implications, recommendations, Management's responses, corrective action plans, responsible personnel and target implementation timelines.

d. Performed follow-up reviews to monitor the implementation status of Management's action plans arising from previous IA findings.

Through its reviews, the IA Function provided an independent assurance on the adequacy and effectiveness of internal controls for the areas reviewed and no material internal control deficiencies were reported by the IA Function during FY2026.

The total cost incurred for the IA Function in respect of FY2026 was RM43,200 (FY2025: RM43,200).

AUDIT COMMITTEE REPORT

EVALUATION AND CONCLUSION

The Board, through the Nomination Committee, reviews the term of office and performance of the AC and each of its members annually to determine whether the AC and its members have discharged their duties in accordance with the AC's TOR.

The annual evaluation covers, among others, the AC's composition, independence, financial literacy, skills and experience, quality of deliberations, understanding of the Group's business and overall effectiveness in supporting the Board's oversight responsibilities within the AC's scope.

Based on the annual evaluation conducted for FY2026, the Board was satisfied that the AC and its members had effectively discharged their duties and responsibilities in accordance with the AC's TOR. The AC will continue to support the Board in strengthening financial reporting integrity, audit effectiveness, internal control oversight and governance practices across the Group.

Further details on the Board and Board Committee evaluation process are set out in the Corporate Governance Overview Statement of this Annual Report.

This AC Report was approved by the Board on 23 July 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 2026 ("FY2026").

This SORMIC has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), read together with Main Market Practice Note 9. In preparing this SORMIC, the Board has also taken into consideration the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies ("SORMIC Guide 2025") and the principles set out under Principle B of the Malaysian Code on Corporate Governance ("MCCG").

It sets out the main features of the Group's risk management processes and internal control system, including the governance structures, processes and review mechanisms that support the identification, assessment, management and monitoring of risks relevant to the achievement of the Group's strategic, operational, reporting, compliance and sustainability objectives.

BOARD RESPONSIBILITY

The Board affirms its ultimate responsibility for maintaining a sound system of risk management and internal control for the Group. This includes reviewing the adequacy, effectiveness and integrity of the system to ensure that it remains responsive to the Group's business objectives, operating environment and risk profile.

In discharging this responsibility, the Board sets the tone at the top, establishes the Group's risk appetite, approves the Group Risk Management Framework ("GRM Framework") and ensures that appropriate governance structures, policies, processes and resources are in place to support effective risk oversight and internal control.

The Board is supported by the Risk Management Committee ("RMC") and the Audit Committee ("AC") in discharging its oversight responsibilities. The RMC assists the Board in overseeing the implementation and effectiveness of the GRM Framework, reviewing the Group's key risk profile, monitoring changes in risk exposure and evaluating the adequacy of Management's responses, including those relating to sustainability-related risks and strategic transactions.

The AC supports the Board by reviewing the adequacy and effectiveness of the Group's internal control system through internal and external audit findings, follow-up actions and assurance activities. This enables the Board to obtain reasonable assurance that key controls are operating effectively and that areas requiring improvement are appropriately addressed.

The Board recognises that the Group's risk management processes and internal control system are designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives. Accordingly, these systems can provide only reasonable, and not absolute, assurance against material misstatement, loss, fraud or other adverse outcomes.

MANAGEMENT RESPONSIBILITY

Management, comprising Top Management, Risk Owners and the Risk Management Function ("RMF"), is responsible for implementing the Board-approved risk management policies and internal control measures across the Group. Top Management refers to Senior Management, including the Executive Directors. This responsibility includes embedding risk management into daily business operations, maintaining effective controls, monitoring risk exposures, escalating material matters on a timely basis and ensuring compliance with the GRM Framework, internal policies and applicable regulatory requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Under the leadership of the Executive Chairman, Top Management is responsible for ensuring that risk management strategies remain aligned with the Group's business objectives and risk appetite. Top Management also ensures that risk registers are reviewed and updated, and that significant developments in the Group's key risks, relevant risk monitoring indicators, reported incidents and mitigation progress are reported to the RMC and the Board through the RMF.

Risk Owners are accountable for managing day-to-day risks within their respective functions, while the RMF coordinates Group-wide risk management activities and provides second-line oversight.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Group's risk management processes and internal control system are embedded within its governance structure, business processes and reporting mechanisms. These systems are designed to provide a structured and consistent approach to managing risks, supporting effective decision-making, safeguarding the Group's assets and promoting compliance with applicable laws, regulations, internal policies and procedures.

The systems are supported by clearly defined roles and responsibilities, established policies and procedures, delegated authority limits, risk registers, management reporting, internal audit reviews and Board Committee oversight. They are applied across the Group's business functions and reviewed periodically to ensure their continued relevance and effectiveness.

I. RISK MANAGEMENT

GRM Framework

The Board adopts a structured and integrated approach to risk management through the GRM Framework. The GRM Framework provides the governance structure and methodology for identifying, assessing, responding to, monitoring and reporting risks across the Group.

The GRM Framework is guided, in material respects, by ISO 31000:2018 Risk Management Guidelines and is designed to embed risk-informed decision-making into business planning, strategic execution and daily operations. It supports consistency in risk assessment and reporting, while promoting accountability among Risk Owners and Management.

The key objectives of the GRM Framework include, but are not limited to, the following:

(i) providing clear guidance on identification, assessment, management, reporting and monitoring of risks;

(ii) ensuring that risk exposures remain within the Group's defined risk appetite and tolerance levels;

(iii) defining roles, responsibilities and reporting structures to support effective risk governance and escalation; and

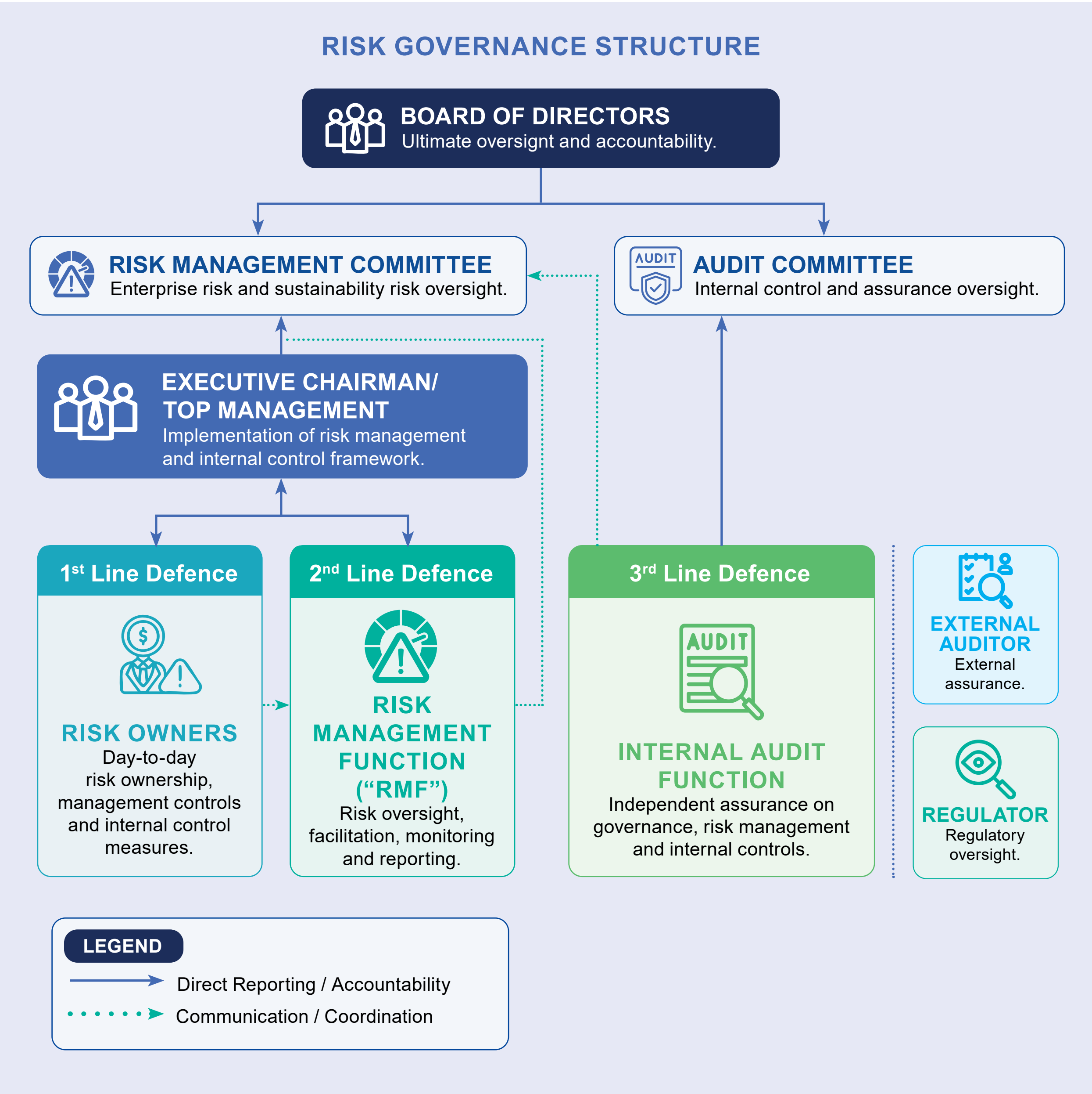
(iv) promoting a risk-aware culture across the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Governance Structure

The Group's risk governance structure establishes clear lines of oversight, accountability and responsibility to support the effective implementation of the GRM Framework. The structure is aligned with the Three Lines Model, where risk ownership, risk oversight and independent assurance are clearly distinguished.

A diagram of the Group's risk governance structure is illustrated below:



Under this structure, operational and functional units form the First Line of Defence and are responsible for identifying, assessing and managing risks within their respective areas. The RMF forms the Second Line of Defence by coordinating and facilitating the Group-wide risk management process, monitoring risk information and supporting reporting to Top Management, the RMC and the Board. The Internal Audit ("IA") Function forms the Third Line of Defence by providing independent assurance on the adequacy and effectiveness of the Group's governance, risk management processes and internal control systems.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The principal roles and responsibilities of the key parties within the Group's risk governance structure are summarised below:

Function	Roles and Responsibilities
The Board	Holds ultimate responsibility for the Group's risk management processes and internal control system, including approval of the GRM Framework and risk appetite, review of key risk reports, including sustainability-related risks and oversight of their adequacy and effectiveness.
RMC	Supports the Board in overseeing Group-wide risk management matters, including the effectiveness of the GRM Framework, related policies and procedures, risk appetite settings, the key risk profile, emerging risks, sustainability-related risks, strategic transaction risks and Management's mitigation responses.
AC	Supports the Board in overseeing the internal control system through internal and external audit reviews, and monitors Management's responses and follow-up actions on audit findings.
Top Management	Implements the GRM Framework and ensures that risk management practices remain aligned with the Group's business objectives and risk appetite. Leads risk identification, including sustainability-related risks, reviews and updates risk registers, key risks, Key Risk Indicators ("KRIs"), Performance Indicators ("PIs"), reported incidents and mitigation progress, and escalates material matters to the RMC and the Board through the RMF.
Risk Owners	Own and manage day-to-day risks within their respective functional areas. Identify, assess and report new or changing risks, implement mitigation plans, monitor controls, report changes in KRIs, PIs and reported incidents where relevant and communicate relevant risk information to Top Management and the RMF.
RMF	Coordinates the Group-wide risk management process and provides second-line oversight. Facilitates implementation of and compliance with the GRM Framework and related policies, maintains risk registers, monitors risk trends, KRIs, PIs, reported incidents and mitigation progress, and supports reporting to Top Management, the RMC and the Board.
IA Function	Provides independent third-line assurance to the AC on the adequacy and effectiveness of the Group's governance, risk management processes and internal control system. Reports audit findings to the AC and, where relevant, communicates risk-related observations to the RMC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Process

The Group adopts a structured risk management process comprising risk identification, risk assessment, risk response, and risk monitoring and review. This process is embedded across the Group and applied on an ongoing basis to support effective oversight and decision-making.

(i) Risk Identification

Risk identification is led by Top Management and Risk Owners, with facilitation by the RMF. Risks are identified through departmental reviews, management discussions, stakeholder engagement, internal audit observations, regulatory updates, sustainability-related considerations and other relevant sources.

Each identified risk is documented together with its potential causes, consequences and control responses, forming the basis for subsequent evaluation and treatment. This approach promotes accountability at the First Line of Defence and supports the timely identification of risks relevant to the Group's business activities and operating environment.

(ii) Risk Assessment

Identified risks are assessed at both gross and residual risk levels using the Group's approved risk rating criteria. The assessment considers the likelihood of occurrence, potential impact across financial and non-financial dimensions, as well as control effectiveness, in determining the level of risk exposure.

This process enables Management to prioritise risks based on their severity and to evaluate whether residual risks remain within the Group's risk appetite. Risks requiring further attention are escalated to the RMF, Top Management and, where appropriate, the RMC and the Board for review and action.

(iii) Risk Response

Risk responses are developed by Risk Owners in consultation with the RMF and Top Management. Mitigation strategies are designed to reduce risk exposures to acceptable levels, taking into account the Group's risk appetite, available resources, cost-benefit considerations and strategic priorities.

Management action plans are established for risks requiring further control enhancement, with implementation progress subject to periodic review and oversight.

(iv) Risk Monitoring and Review

Risk monitoring and review are carried out through scheduled risk reporting, management updates, RMF oversight and Board Committee deliberations. The monitoring process includes the review of changes in risk criteria, movements in the key risk profile, KRIs, PIs, reported incidents and the status of mitigation actions. Departmental risk registers are reviewed at least annually, or whenever material changes arise in the internal or external operating environment.

This enables the RMF, Top Management and the RMC to assess whether residual risks remain within the Group's risk appetite, whether existing controls continue to operate effectively and whether further action plans are required. Material changes in risk exposure or significant incidents are escalated to Top Management, the RMC and, where appropriate, the Board for deliberation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Appetite

The Group's risk appetite defines the level and type of risk that the Group is prepared to accept in pursuing its business objectives and creating value, and it is managed within the Group's risk capacity. The Board, through the RMC, oversees the Group's risk appetite and ensures that risk-taking activities remain aligned with the Group's strategic direction, operating environment and available resources.

Risk appetite is applied through the approved risk assessment criteria, residual risk evaluation and escalation process set out in the GRM Framework. It guides Top Management in determining whether risks are acceptable, require additional control measures or should be escalated for higher-level review. It also supports the prioritisation of mitigation efforts and the timely escalation of risks requiring further attention.

The Group's risk appetite is reviewed periodically to ensure its continued relevance, taking into account changes in business strategy, regulatory requirements, market conditions, operational developments and sustainability-related considerations.

FY2026 Key Risk Profile

During FY2026, the Group conducted its annual Group-wide risk assessment and update process and the Group's overall risk profile remained broadly stable. This included reviewing and updating departmental risk registers to ensure that identified risk events remained relevant, appropriately scoped and aligned with changes in the operating environment, business activities and control landscape. The assessment covered both existing and emerging risks across key areas such as governance, information technology and cybersecurity, bribery, fraud and sustainability-related matters. It was developed through structured discussions with Management and department heads, followed by the review and consolidation of the departmental risk registers, together with internal audit findings and other relevant internal inputs to support a comprehensive and current view of the Group's risk landscape.

In line with Adequate Procedures Principle II – Risk Assessment under the Guidelines on Adequate Procedures Pursuant to Subsection (5) of Section 17A of 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 during the year.

A total of 165 risk events were identified and assessed by Risk Owners across the Group, including 49 bribery-related risk events. These risk events were assessed based on gross risk rating, control effectiveness and residual risk rating in accordance with the criteria set out in the GRM Framework, and were subsequently consolidated into the Group's Key Risk Profile for strategic-level monitoring and response. During the year, certain risk ratings were recalibrated to reflect evolving market conditions and business exposures, although these represented refinements in risk assessment rather than material changes to the Group's overall risk categories.

The Group's key risk areas during FY2026 broadly comprised strategic and operational risks, governance and regulatory compliance risks, financial and liquidity risks, sustainability-related risks, fraud risks, information technology and cybersecurity risks, as well as bribery risks. These risk areas continued to be monitored through the Group's established risk management process, with material developments reported to the RMC and the Board for oversight and deliberation. During FY2026, the Group's risk management framework was also applied, where relevant, in assessing the risk implications of material strategic proposals and transactions requiring Management and Board deliberation.

Risks assessed as having elevated residual exposure remained key areas of focus during the year and were subject to heightened monitoring and management oversight. These included risks relating to demand softening, cash flow risks, fraud, governance and sustainability-related threats.

Mitigation plans were established for such risks, documented in the FY2026 Enterprise Risk Report, tabled to the RMC for deliberation, and actively monitored by the RMF and reviewed by Top Management to assess implementation progress and effectiveness. The updated Key Risk Profile and related mitigation measures were presented to the RMC in May 2026 and tabled to the Board for strategic deliberation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Integration of Sustainability into Risk Management

The Group recognises that sustainability-related risks and opportunities form an integral part of its overall risk landscape and long-term value creation approach. Accordingly, sustainability considerations are embedded within the GRM Framework and managed as part of the Group's broader enterprise risk management process.

This integration is supported by the Sustainability Policy approved by the Board on 29 May 2025. Under the Policy, Top Management and Heads of Department are responsible for incorporating sustainability-related risks and opportunities into the GRM Framework, where they are systematically assessed, monitored and tracked through the relevant risk registers using the same risk rating criteria applied to other enterprise risks.

Within the Group's broader risk governance framework, the RMC oversees the alignment of sustainability-related risks with the GRM Framework and ensures that appropriate mitigation strategies and governance controls are in place. Material sustainability-related matters are escalated through the Group's established reporting and escalation channels to the RMC and the Board for deliberation and action, in line with the Sustainability Policy. During FY2026, the RMC reviewed sustainability progress, ESG-related developments and selected sustainability focus areas as part of its oversight role.

During FY2026, the Group conducted its annual materiality reassessment to validate the continued relevance of its existing Material Sustainability Matters ("MSMs") and their alignment with the GRM Framework. The reassessment confirmed that no trigger arose requiring a full materiality reassessment, no new material sustainability matters were identified, and all thirteen (13) MSMs identified as at 31 March 2025 ("FY2025") remained relevant for FY2026. It also confirmed that sustainability considerations remained appropriately integrated within the Group's risk management framework and responsive to evolving risk exposures identified during the FY2026 risk assessment cycle. The outcome of the reassessment, together with the related recommendations, was presented to the RMC in May 2026 and tabled to the Board for deliberation.

Further details on the Group's sustainability approach and performance are disclosed in the Sustainability Statement on page 41 of this Annual Report, while the latest Sustainability Policy is available on the Company's website.

II. INTERNAL CONTROL SYSTEM

The Group's internal control system comprises the policies, procedures, governance structures and monitoring mechanisms established to support the achievement of its strategic, operational, reporting and compliance objectives. The system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives and therefore can provide only reasonable, and not absolute, assurance against material misstatement, loss, fraud or other adverse outcomes.

The Board, through the AC and the RMC, oversees the adequacy and effectiveness of the Group's internal control system. This oversight is supported by Management's implementation of control measures, the RMF's monitoring activities, the IA Function's independent reviews, and external audit observations where relevant. The Group's internal control system is applied across its business functions and reviewed periodically to ensure that it remains relevant, effective and responsive to the Group's operating environment.

In line with the principles reflected in the SORMIC Guide 2025, the Group's internal control system may be viewed through five (5) interrelated components, namely the control environment, risk assessment, control activities, information and communication, and monitoring activities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Control Environment

The Group's control environment establishes the foundation for a sound internal control system by reinforcing effective governance, ethical conduct and accountability across all levels of the organisation. It is supported by the following key components:

(i) Governance Framework and Board Oversight

The Group maintains a structured governance environment with clear reporting lines, defined responsibilities and effective oversight. The Board, supported by the AC, RMC, Remuneration Committee and Nomination Committee, provides strategic direction and oversight across the Group. The roles and responsibilities of the Board and its Board Committees are defined in the Board Charter and the respective terms of reference. Scheduled meetings are held to deliberate strategic matters, review performance and evaluate risks to ensure that the Group's objectives are pursued in a responsible and controlled manner.

(ii) Integrity and Ethical Values

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 Transaction Policy and Whistleblowing Policy, guides employee conduct and promotes a culture of ethical business practices, accountability and compliance. These policies are made available on the Company's website for reference by stakeholders where applicable.

(iii) Organisational Structure and Operational Accountability

The Group maintains a well-defined organisational structure with clearly delineated responsibilities, reporting lines and authorisation limits across its business operations. This supports the effective execution of duties, clear risk ownership and operational accountability aligned with the Group's business objectives and governance framework.

(iv) Human Resource Practices

To support the effective implementation of internal controls, the Group places strong emphasis on human capital management. Recruitment processes are designed to attract and retain competent personnel with the appropriate skills and experience, while performance evaluations are conducted at various levels to identify development needs, strengthen accountability and support succession planning.

Risk Assessment

Risk assessment is embedded within the Group's enterprise risk management process and forms an integral part of the internal control system. It supports the identification and evaluation of risks that may affect the achievement of the Group's strategic, operational, compliance or financial objectives.

In accordance with the approved risk rating criteria set out in the GRM Framework, risks, including fraud- and bribery-related risks, are assessed at both gross and residual risk levels, at least annually or whenever material changes arise in the operating environment. The assessment takes into account the likelihood of occurrence, potential impact and control effectiveness, enabling Management to evaluate the significance of identified risks and determine the level of control and mitigation required.

During FY2026, the Group continued to review and update its departmental risk registers as part of its annual Group-wide risk assessment and update process. This supported the assessment of both existing and emerging risks across the Group and enabled the internal control system to remain responsive to evolving business conditions, operational developments and regulatory expectations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Control Activities

The Group's control activities are implemented through documented policies, procedures and approval protocols designed to manage identified risks and support disciplined execution of business processes. These include delegated authority limits, budgetary controls, management approvals, segregation of duties, standard operating procedures ("SOPs"), compliance checks and periodic review mechanisms across the Group's operational and support functions.

(i) Policies, Procedures and Delegated Approvals

The Group has established Group-wide policies and function-specific SOPs to guide business operations and decision-making. Together, these documents define responsibilities, approval requirements and control expectations for key operational and financial processes, including appropriate segregation of duties and management approval protocols.

These documents are maintained to support consistent execution of key business processes and are reviewed and updated as necessary to reflect changes in business processes, internal audit findings, regulatory requirements and operational needs, thereby ensuring that they remain relevant and aligned with the evolving business environment.

(ii) Compliance, Integrity and Ethical Conduct

The Group is committed to conducting its business with integrity and in compliance with applicable laws, regulations and internal policies. Compliance responsibilities are embedded across the Group's business functions, with oversight by Management, the AC and the RMC.

The Group maintains an Anti-Bribery and Anti-Corruption Policy and related procedures to support its zero-tolerance stance against bribery and corruption. Bribery-related risks are identified, assessed and monitored through the Group's risk management framework. The Whistleblowing Policy provides a confidential channel for employees and external stakeholders to report suspected misconduct, fraud, corruption or other improper conduct without fear of retaliation. Matters reported through this channel are reviewed and escalated in accordance with the established procedures.

(iii) Information Technology, Data and Cybersecurity Controls

The Group recognises the importance of information technology, data protection and cybersecurity controls in supporting operational resilience and safeguarding information assets. Appropriate controls are established over system access, user authorisation, data handling, backup processes and information security practices to support the reliability, confidentiality and integrity of information used in the Group's operations.

Information technology and cybersecurity risks are assessed through the Group's risk management process and monitored by the relevant Risk Owners and Management. This enables the Group to respond to technology-related risks in a timely manner and to ensure that appropriate controls and mitigation measures remain in place in line with evolving business needs and risk exposures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(iv) Financial Control Framework

The Group also maintains a structured financial control framework to support prudent financial management and disciplined decision-making. An annual budget is prepared and submitted to the Board for review and approval, and financial performance is reviewed on a quarterly basis. Appropriate actions are undertaken to address any areas of concern identified through these regular reviews and related verification processes. This monitoring process supports timely decision-making, strengthens accountability and enables corrective actions to be taken where performance or risk indicators deviate from expected levels.

Investment proposals and other significant capital commitments are submitted to the Board for evaluation and approval to ensure alignment with the Group's strategic priorities, financial capacity and risk considerations. This framework supports financial discipline, accountability and the effective management of the Group's resources.

Information and Communication

The Group maintains established reporting and communication channels to support the effectiveness of its internal control system, risk management processes and decision-making framework. These channels facilitate the timely, accurate and secure flow of relevant information across the Group's business functions, Top Management, Board Committees and the Board.

Clear reporting lines and escalation procedures are in place to ensure that significant operational, financial, compliance and risk matters are communicated to the appropriate levels of Management and governance oversight bodies on a timely basis. Periodic management reports covering operational performance, financial metrics, compliance matters and other relevant control indicators, together with risk registers, internal audit reports and Board papers are prepared and circulated to support review, deliberation and decision-making.

The RMF facilitates structured reporting to Top Management, the RMC and the Board on key risk developments, while the IA Function reports audit findings, control gaps and follow-up status to the AC and, where relevant, to the RMC. Matters requiring Board attention are escalated through the relevant Board Committees in accordance with their respective mandates.

The Company Secretary supports the governance process by ensuring the timely circulation of meeting materials, proper recording of deliberations and decisions, and the maintenance of relevant corporate records. This supports effective communication between Management, Board Committees and the Board.

Externally, the Group supports transparency through timely corporate disclosures and stakeholder communication in accordance with applicable regulatory requirements and the Company's established disclosure practices. This promotes accountability and helps ensure that relevant stakeholders are kept appropriately informed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Monitoring Activities

The adequacy and effectiveness of the Group's internal control system are monitored through ongoing management oversight, risk monitoring activities, internal audit reviews, Board Committee deliberations and follow-up actions. These monitoring activities are intended to provide assurance that key controls continue to operate as intended and that identified weaknesses are addressed in a timely manner. They include the review of key risk developments, changes in the Key Risk Profile, KRIs, PIs, reported risk incidents, audit findings, control gaps, mitigation progress, compliance matters relating to internal policies and applicable regulatory requirements, and the status of corrective action plans.

Risk Owners are responsible for monitoring 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, facilitates structured risk reporting to Top Management and the RMC and supports the continuous enhancement of the Group's risk management process. Through this monitoring framework, Top Management and the RMC are able to assess whether residual risks remain within acceptable levels, whether existing controls continue to operate effectively and whether further improvement measures are required.

The IA Function operates independently and performs risk-based audits to evaluate the adequacy and effectiveness of the Group's internal controls and risk management practices. During FY2026, internal audit reviews were conducted on selected areas and the findings and recommendations arising from these reviews were presented to the AC together with Management's responses, corrective action plans and follow-up updates where applicable.

Any significant internal control matters highlighted by the External Auditors, where relevant, are reviewed by Management and reported to the AC and the Board through the appropriate governance channels. The AC reviews such matters together with Management's responses and the proposed corrective actions.

Collectively, these monitoring mechanisms support the timely identification of control weaknesses, strengthen accountability, facilitate appropriate follow-up actions and promote the continuous improvement of the Group's internal control system.

INTERNAL AUDIT FUNCTION

The IA Function serves as the Third Line of Defence by providing independent and objective assurance on the adequacy and effectiveness of the Group's governance processes, internal control system and risk management practices. In carrying out this role, the IA Function supports the AC and the Board in strengthening oversight, accountability and continuous improvement 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 an IA Charter and an engagement letter, which set out the IA Function's purpose, scope, responsibilities, authority, reporting lines and independence safeguards. The AC reviews and recommends the appointment, reappointment and proposed fees of the IA Function to the Board for final approval. NeedsBridge has unrestricted access to the Group's relevant records, personnel and premises to discharge its responsibilities effectively.

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. In accordance with the IA Charter, the IA Function also confirms to the AC, at least annually, its organisational independence. The AC also meets with the Internal Auditors, without the presence of the Executive Directors and Management, at least once annually to facilitate open discussion and preserve audit independence.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal audits are carried out in accordance with the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors Global ("IIAG"). The audit activities were guided, in all material respects, by the relevant global guidance, including the applicable internal audit standards and requirements.

The engagement director from NeedsBridge, Mr. Pang Nam Ming, is a Certified Internal Auditor accredited by the IIAG, holds a Certification in Risk Management Assurance and is a Chartered Member of the Institute of Internal Auditors Malaysia. The IA plan is developed on a risk-based basis with reference to the Group's key risks and Management input, and is reviewed by the AC and approved by the Board.

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 one (1) consultant for each audit engagement, with oversight by the engagement director. The team possessed the necessary experience, skills and professional qualifications to discharge its responsibilities effectively.

During FY2026, internal audit reviews were conducted on Sales and Marketing Management and Project and Site Management. These reviews covered key operational and governance areas and were intended to assess the adequacy and effectiveness of internal controls, as well as compliance with the Group's policies and procedures. Findings and recommendations from these reviews were presented to the AC together with Management's responses, corrective action plans, responsible personnel and target implementation timelines.

The AC monitors the implementation status of audit recommendations and corrective actions through follow-up reports and reviews. As part of its oversight responsibilities, the AC also evaluates the performance, competency, resource adequacy, independence and objectivity of the IA Function.

Based on the AC's evaluation and the annual independence confirmation provided by the IA Function, the AC was satisfied that the IA Function had operated with the necessary independence and objectivity, was adequately resourced and had unrestricted access to relevant information, records and personnel to discharge its responsibilities effectively. The Board, having considered the AC's assessment, was satisfied that the IA Function had continued to support the Group's internal control assurance process effectively and had operated with the necessary independence and objectivity.

For further details on the audit activities carried out during the year and the AC's evaluation of the IA Function, please refer to the Audit Committee Report in this Annual Report.

REVIEW OF THIS SORMIC BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Listing Requirements, the External Auditors, BDO PLT ("BDO") has reviewed this SORMIC for inclusion in the Annual Report of the Company for FY2026. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

BDO has reported to the Board that nothing has come to its attention that causes it to believe that this SORMIC included in this Annual Report, is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025, or that this SORMIC is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether this SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management processes and internal control system, including whether the processes described are sufficient to address any material internal control aspects of significant problems disclosed in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

OPINION AND CONCLUSION

In accordance with Paragraph 15.26(b) of the Listing Requirements, the Board has received written assurance from the Executive Chairman and the Finance Director that the Group's risk management processes and internal control system have operated adequately and effectively, in all material respects, throughout FY2026 and up to the date of this SORMIC, and that any identified weaknesses have been, or are being, appropriately addressed.

This assurance was based on, among others, the continued operation of the Group's risk management and internal control processes, including the review of risk registers, risk monitoring activities, internal audit findings, corrective action plans and the oversight carried out by the Board Committees during the financial year.

Based on the assurance received from the Executive Chairman and the Finance Director, together with the reviews and monitoring activities carried out by Management, the RMF, the IA Function, the AC and the RMC, the Board is satisfied that the Group's risk management processes and internal control system were adequate and effective, in all material respects, to support the achievement of the Group's business objectives during FY2026.

The Board is also satisfied that the Group's risk management processes and internal control system provide reasonable, though not absolute, assurance in safeguarding shareholders' investments, protecting the Group's assets and managing key risks affecting the Group's operations and financial performance. The Board was not made aware of any material internal control weaknesses, fraud incidents, major regulatory breaches, losses, contingencies or uncertainties during FY2026 that would require disclosure in this Annual Report.

The Board remains committed to continuously reviewing and strengthening the Group's risk management processes and internal control system in response to changes in the business environment, regulatory expectations and the Group's strategic priorities.

This SORMIC was approved by the Board on 23 July 2026.

FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITIES STATEMENT

For the audited financial statements

The Directors are required by the Companies Act 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards ("IFRS") and the requirements of the CA in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors ensured that Management has:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured compliance with applicable accounting standards in Malaysia; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

This Directors' Responsibilities Statement is made in accordance with a resolution of the Board of Directors dated 23 July 2026.

DIRECTORS' REPORT

For the financial year ended 31 March 2026

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 2026.

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/(loss) for the financial year	73,700,787	(4,047,943)
Attributable to:		
Owners of the company	73,349,573	(4,047,943)
Non-controlling interests	351,214	-
	73,700,787	(4,047,943)

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 2026.

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 (continued)

For the financial year ended 31 March 2026

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 *(First Director for newly incorporated subsidiary, resigned on 13 February 2026)*
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Jacky Toh Kie Chieh *(First Director for newly incorporated subsidiary, resigned on 13 February 2026)*
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 2026 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 1.4.2025	Bought	Sold	Balance as at 31.3.2026
Shares in the Company				
Direct interests:				
Dato' Sri Edwin Tan Pei Seng	175,200	-	-	175,200
Dato' Sri Godwin Tan Pei Poh	8,000	-	-	8,000
Indirect interests:				
Dato' Sri Edwin Tan Pei Seng*	424,048,100	-	-	424,048,100
Dato' Sri Godwin Tan Pei Poh*	424,048,100	-	-	424,048,100
Shares in the ultimate holding company, Paragon Adventure Sdn. Bhd.				
Direct interests:				
Dato' Sri Edwin Tan Pei Seng	650,000	-	-	650,000
Dato' Sri Godwin Tan Pei Poh	350,000	-	-	350,000
Shares in a subsidiary, Builtech Acres Sdn. Bhd.				
Direct interest:				
Dato' Sri Edwin Tan Pei Seng	500,003	-	-	500,003

* *Deemed interest held through Paragon Adventure Sdn. Bhd..*

DIRECTORS' REPORT (continued)

For the financial year ended 31 March 2026

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 2026 were as follows:

	Group RM	Company RM
Fees	330,000	282,000
Other emoluments	3,265,939	3,265,939
Estimated money value of benefits-in-kind	38,700	38,700
	3,634,639	**3,586,639**

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 2026 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 (continued)

For the financial year ended 31 March 2026

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 no known bad debts to be 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 necessitate the writing off of bad debts or render 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 the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (continued)

For the financial year ended 31 March 2026

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 17 November 2023, PGB Landmark Sdn. Bhd. ("PLSB") had entered into eight (8) Sales and Purchase Agreements ("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.

In previous 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. On 4 September 2025, the remaining two (2) SPAs have been completed pursuant to the terms of the SPAs and recognised as investment property and property development costs.

(b) On 2 August 2024, Paragon Business Hub Sdn. Bhd. ("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. On 20 January 2026, the SPA has been completed pursuant to the terms of the SPA.

(c) On 14 August 2024, PGB Desa Heights Sdn. Bhd. ("PDHSB") entered into a conditional Development Rights Agreement ("DRA") with a third party. The DRA granted PDHSB an elective option to acquire two (2) parcels of freehold land located in the Township of Johor Bahru, measuring approximately 3.51 acres and 3.61 acres respectively, for a total cash consideration of RM102,458,027. On 4 September 2025, the transaction has been completed.

(d) On 12 November 2024, Paragon Globe Properties Sdn. Bhd. ("PGPSB") had entered into three (3) DRAs with a third party. On 24 April 2025, the condition precedent of DRAs has been fulfilled pursuant to the terms of the DRAs.

(e) 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. On 24 September 2025, the SPA has been completed pursuant to the terms of the SPA.

(f) On 13 October 2025, PGPSB had entered into a SPA with a related party to acquire three (3) pieces of freehold land located in Mukim of Rengam, District of Kluang, Johor for total purchase consideration of RM11,475,254. The amount of RM2,295,051 paid in relation to the SPA has been recognised as deposits as disclosed in Note 13 to the financial statements as the SPA has yet to be completed as at current financial year end. On 8 July 2026, the SPA has been completed pursuant to the terms of the SPA.

(g) On 4 December 2025, PLSB has entered into a SPA with a third party for the proposed disposal of a parcel of freehold land located in Mukim of Tanjung Kupang, Johor Bahru, measuring approximately 5.4451 hectares for a cash consideration of RM64,471,626. On 3 July 2026, the SPA has been completed pursuant to the terms of the SPA.

(h) On 8 July 2026, PGB Gardens Sdn. Bhd. ("PGSB") entered into three (3) unconditional SPAs with three (3) beneficial owners to acquire an aggregate undivided share of 88/1,000 in the beneficial interests in the freehold land held under Mukim of Sedenak, District of Kulai, State of Johor, measuring approximately 11,184,030 square feet ("Master Land"). The interests acquired represent an aggregate land area of approximately 980,100 square feet, for a total cash consideration of RM13,859,808. On 8 July 2026, the SPAs have been completed pursuant to the terms of the SPA.

DIRECTORS' REPORT (continued)

For the financial year ended 31 March 2026

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

(i) 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.

(j) On 23 June 2026, PLSB has entered into a SPA with a third party for the proposed disposal of two (2) parcels of freehold lands in the Mukim of Tanjung Kupang, Johor Bahru, measuring approximately 65.281 acres for a total cash consideration of RM398,107,091. The SPA is yet to be completed as at the reporting date.

(k) On 14 July 2026, PGSB entered into twenty-nine (29) conditional SPAs with thirty-five (35) beneficial owners to acquire an aggregate undivided share of 753/1,000 in the beneficial interests in the Master Land, representing an aggregate land area of approximately 8,521,697 square feet for a total cash consideration of RM127,276,013. The amount of RM6,641,996 paid in relation to the conditional SPAs has been recognised as deposits as disclosed in Note 13 to the financial statements as the conditional SPAs has yet to be completed as at reporting date.

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 2026 were as follows:

	Group RM	Company RM
Statutory audit	184,000	73,000
Other services	6,000	6,000
	190,000	**79,000**

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
23 July 2026

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 196 to 251 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 2026 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

....
Dato' Sri Godwin Tan Pei Poh
Director

Johor Bahru
23 July 2026

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 251 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)
23 July 2026)

....
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 2026 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 251.

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 2026, 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"), as applicable to audits of financial statements of public interest entities 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.

INDEPENDENT AUDITORS' REPORT (continued)

to the members of Paragon Globe Berhad (Incorporated in Malaysia)

Key Audit Matters (continued)

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 2026 amounted to RM123.1 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.

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 RM370.5 million as at 31 March 2026 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.

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)

(b) Fair value of investment properties (continued)

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.

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.

INDEPENDENT AUDITORS' REPORT (continued)
to the members of Paragon Globe Berhad (Incorporated in Malaysia)

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 of the Company.

(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 ability of the Group or of the Company 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.

INDEPENDENT AUDITORS' REPORT (continued)

to the members of Paragon Globe Berhad (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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: (continued)

(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

Sia Yeak Hong
03413/02/2027 J
Chartered Accountant

Johor Bahru
23 July 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	**1,868,138**	4,910,194	**203,497**	198,991
Right-of-use assets	8	**6,028,206**	7,414,060	**2,473,864**	3,256,004
Investment properties	9	**370,510,448**	217,596,378	**-**	-
Intangible assets	10	**454,381**	55,136	**454,381**	52,501
Investment in subsidiaries	11	**-**	-	**378,391,825**	132,371,800
Inventories	12	**119,118,345**	271,725,075	**-**	-
		497,979,518	501,700,843	**381,523,567**	135,879,296
Current assets					
Inventories	12	**545,039,063**	169,175,572	**-**	-
Trade and other receivables	13	**65,261,703**	52,491,517	**3,866,472**	198,435,029
Contract assets	14	**6,693,133**	5,832,789	**-**	-
Current tax assets		**638,289**	1,415,441	**367,698**	218,690
Other investments	15	**13**	19,517,314	**13**	876,607
Cash and bank balances	16	**22,363,243**	30,509,599	**545,277**	6,051,948
		639,995,444	278,942,232	**4,779,460**	205,582,274
TOTAL ASSETS		**1,137,974,962**	780,643,075	**386,303,027**	341,461,570
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		**217,839,543**	144,489,970	**20,775,377**	24,823,320
		477,064,202	403,714,629	**280,000,036**	284,047,979
Non-controlling interests	11(b)	**866,791**	515,577	**-**	-
TOTAL EQUITY		**477,930,993**	404,230,206	**280,000,036**	284,047,979

STATEMENTS OF FINANCIAL POSITION (continued)

As at 31 March 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
LIABILITIES					
Non-current liabilities					
Borrowings	18	**482,195,627**	282,634,943	**-**	-
Lease liabilities	8	**4,068,964**	5,378,721	**1,129,465**	1,847,528
Deferred tax liabilities	19	**10,726,583**	3,715,268	**-**	-
		496,991,174	291,728,932	**1,129,465**	1,847,528
Current liabilities					
Trade and other payables	20	**134,905,040**	35,950,248	**104,283,441**	54,754,366
Borrowings	18	**23,830,680**	12,284,179	**-**	-
Lease liabilities	8	**1,637,303**	1,479,667	**890,085**	811,697
Contract liabilities	14	**-**	22,124,511	**-**	-
Current tax liabilities		**2,679,772**	12,845,332	**-**	-
		163,052,795	84,683,937	**105,173,526**	55,566,063
TOTAL LIABILITIES		**660,043,969**	376,412,869	**106,302,991**	57,413,591
TOTAL EQUITY AND LIABILITIES		**1,137,974,962**	780,643,075	**386,303,027**	341,461,570

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 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
Revenue	23	**154,848,881**	306,256,922	**14,145,117**	12,810,040
Cost of sales	24	**(77,996,311)**	(151,115,501)	**-**	-
Gross profit		**76,852,570**	155,141,421	**14,145,117**	12,810,040
Other income		**56,176,062**	6,276,629	**86,585**	252,124
Distribution costs		**(1,788,478)**	(275,694)	**-**	-
Administration expenses		**(24,464,520)**	(15,333,295)	**(13,483,371)**	(12,329,120)
Finance costs	25	**(12,950,269)**	(5,656,941)	**(4,627,076)**	(55,936)
Profit/(loss) before tax	26	**93,825,365**	140,152,120	**(3,878,745)**	677,108
Tax expense	27	**(20,124,578)**	(34,510,918)	**(169,198)**	(191,998)
Profit/(loss) for the financial year		**73,700,787**	105,641,202	**(4,047,943)**	485,110
Other comprehensive income/(loss), net of tax		**-**	-	**-**	-
Total comprehensive income/(loss) for the financial year		**73,700,787**	105,641,202	**(4,047,943)**	485,110
Profit/(loss) for the financial year attributable to:					
Owners of the company		**73,349,573**	105,623,735	**(4,047,943)**	485,110
Non-controlling interests	11(b)	**351,214**	17,467	**-**	-
		73,700,787	105,641,202	**(4,047,943)**	485,110
Total comprehensive income/(loss) attributable to:					
Owners of the company		**73,349,573**	105,623,735	**(4,047,943)**	485,110
Non-controlling interests	11(b)	**351,214**	17,467	**-**	-
		73,700,787	105,641,202	**(4,047,943)**	485,110
Earnings per ordinary share attributable to owners of the parent (sen):					
- Basic	28	**9.82**	14.15		
- Diluted	28	**9.82**	14.15		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2026

	Share capital RM	Capital reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Group						
Balance as at 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/ 1 April 2025	259,224,659	-	144,489,970	403,714,629	515,577	404,230,206
Profit for the financial year	-	-	73,349,573	73,349,573	351,214	73,700,787
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	73,349,573	73,349,573	351,214	73,700,787
Balance as at 31 March 2026	259,224,659	-	217,839,543	477,064,202	866,791	477,930,993

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2026

	Share capital RM	Capital reserve RM	Retained earnings RM	Total equity RM
Company				
Balance as at 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/ 1 April 2025	259,224,659	-	24,823,320	284,047,979
Loss for the financial year	-	-	(4,047,943)	(4,047,943)
Other comprehensive loss, net of tax	-	-	-	-
Total comprehensive loss	-	-	(4,047,943)	(4,047,943)
Balance as at 31 March 2026	259,224,659	-	20,775,377	280,000,036

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax		**93,825,365**	140,152,120	**(3,878,745)**	677,108
Adjustments for:					
Amortisation of intangible assets	10	**95,610**	2,874	**92,976**	-
Depreciation of:					
- property, plant and equipment	7	**275,639**	71,686	**61,690**	47,192
- right-of-use assets	8	**1,818,077**	1,130,603	**1,007,576**	810,564
Fair value gain on investment properties	9	**(53,563,259)**	(2,700,000)	**-**	-
Other investment:					
- fair value gain	26	**-**	(1,062,024)	**-**	(7,885)
- gain on disposal	26	**(77,078)**	(609,501)	**(13,607)**	(132,364)
Gain on disposal of right-of-use assets	8(b)	**-**	(93,000)	**-**	(93,000)
Gain on remeasurement of lease	8(b)	**-**	(18,875)	**-**	(18,875)
Reversal of impairment loss	26	**-**	-	**(72,978)**	-
Interest expense	25	**12,950,269**	5,656,941	**4,627,076**	55,936
Interest income		**(1,930,354)**	(1,310,077)	**(119,768)**	(79,814)
Intangible assets written off		**1**	-	**-**	-
Property, plant and equipment written off		**-**	8	**-**	8
Operating profit before changes in working capital		**53,394,270**	141,220,755	**1,704,220**	1,258,870
Changes in working capital:					
Contract assets		**(860,344)**	(5,830,788)	**-**	-
Contract liabilities		**(22,124,511)**	21,687,302	**-**	-
Inventories		**(255,398,956)**	(173,374,336)	**-**	-
Trade and other receivables		**(20,265,820)**	(42,786,597)	**2,060,068**	(15,021,316)
Trade and other payables		**98,760,097**	12,057,942	**131,902**	860,943
Cash (used in)/from operations		**(146,495,264)**	(47,025,722)	**3,896,190**	(12,901,503)
Tax paid		**(24,271,813)**	(23,264,210)	**(567,810)**	(280,000)
Tax refunded		**1,770,142**	15,478	**249,604**	15,477
Net cash (used in)/from operating activities		**(168,996,935)**	(70,274,454)	**3,577,984**	(13,166,026)

STATEMENTS OF CASH FLOWS (continued)

For the financial year ended 31 March 2026

	Note	Group		Company	
		2026 RM	2025 RM	2026 RM	2025 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Subscription of shares in subsidiaries	11	**-**	-	**(2,500,000)**	(6,750,000)
Interest received		**1,930,354**	1,310,077	**119,768**	79,814
Additions of:					
- investment properties	9(c)	**(61,379,987)**	(69,964,823)	**-**	-
- intangible assets	10	**(494,856)**	(52,500)	**(494,856)**	(52,500)
- property, plant and equipment	7	**(1,924,194)**	(4,751,271)	**(66,196)**	(103,671)
- right-of-use assets	8(c)	**(55,391)**	(629,316)	**(39,436)**	(629,316)
- deposits pledged with licensed banks		**(5,477,066)**	(6,573,019)	**-**	-
Proceeds from disposal of property, plant and equipment		**-**	1,948	**-**	-
Proceeds from disposal of right-of-use assets		**-**	93,000	**-**	93,000
Net cash inflow from the disposal of a subsidiary	11(c)	**-**	71	**-**	-
Net sale/ (purchase) of other investments		**19,594,379**	(326,495)	**890,201**	16,778,757
Net repayment (to)/from subsidiaries		**-**	-	**(6,128,359)**	123,103
Net repayments from/(to) related parties		**102,751**	(169,658)	**91,169**	(5,978)
Net cash (used in)/from investing activities		**(47,704,010)**	(81,061,986)	**(8,127,709)**	9,533,209
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		**(6,109,746)**	(2,622,879)	**-**	-
Net drawdown/(repayments) of:					
- term loan		**211,107,185**	153,715,818	**-**	-
- lease liabilities	8(d)	**(1,919,916)**	(1,209,160)	**(956,946)**	(839,159)
Net cash from/(used in) financing activities		**203,077,523**	149,883,779	**(956,946)**	(839,159)
Net decrease in cash and cash equivalents		**(13,623,422)**	(1,452,661)	**(5,506,671)**	(4,471,976)
Cash and cash equivalents at beginning of financial year		**23,189,048**	24,641,709	**6,051,948**	10,523,924
Cash and cash equivalents at end of financial year	16(d)	**9,565,626**	23,189,048	**545,277**	6,051,948

STATEMENTS OF CASH FLOWS (continued)

For the financial year ended 31 March 2026

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 8)		Term loans (Note 18)
	Group RM	Company RM	Group RM
At 1 April 2025	6,858,388	2,659,225	294,919,122
Cash flows:			
- Drawdown	-	-	303,084,297
- Payment of term loan	-	-	(91,977,112)
- Payment of lease liabilities	(1,919,916)	(956,946)	-
Non-cash flows:			
- Addition of lease liabilities	376,832	186,000	-
- Unwinding of interest	390,963	131,271	-
At 31 March 2026	5,706,267	2,019,550	506,026,307
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

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2026

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 2026 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 23 July 2026.

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 251 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 except for the effects of adoption of new MFRSs during the 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

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% - 20%
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, 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 in 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

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.

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.

NOTES TO THE **FINANCIAL STATEMENTS (continued)**

31 March 2026

4. MATERIAL ACCOUNTING POLICIES (continued)

4.7 Investment properties (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

4. MATERIAL ACCOUNTING POLICIES (continued)

4.10 Revenue recognition (continued)

The revenue recognition of the Group and of the Company are as follows (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) Rental income
Rental income is recognised on the straight-line basis over the lease term of the relevant tenancy agreement.

(d) Management fee
Management fee from rendering of services is recognised when the services are rendered.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

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 Amendment of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025

(a) Amendments to MFRS 121 *Lack of Exchangeability*

The Amendments introduce guidance on determining the appropriate exchange rate when a currency lacks exchangeability and require disclosures on the nature of the restrictions, the basis for estimating the exchange rate and the resulting effects on the entity's financial position, financial performance and cash flows.

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 2026

The following are Standards and Amendments of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Company:

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 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 2026 (continued)

The following are Standards and Amendments of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Company: (continued)

Title	Effective Date
Amendment to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Translation to a Hyperinflationary Presentation Currency (***Amendments to MFRS 121*** *The Effects of Changes in Foreign Exchange Rates)*	1 January 2027
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	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 2026

7. PROPERTY, PLANT AND EQUIPMENT

Group 2026	Furniture and fittings RM	Office equipments RM	Computers RM	Motor vehicle RM	Capital work-in-progress RM	Total RM
At cost						
At 1 April 2025	134,678	85,453	437,502	5,299	4,630,111	5,293,043
Additions	1,710,025	69,899	83,770	-	60,500	1,924,194
Reclassification (Note 12(b))	-	-	-	-	(4,690,611)	(4,690,611)
At 31 March 2026	1,844,703	155,352	521,272	5,299	-	2,526,626
Accumulated depreciation						
At 1 April 2025	69,078	30,953	282,200	618	-	382,849
Charge for the financial year	201,182	10,104	63,293	1,060	-	275,639
At 31 March 2026	270,260	41,057	345,493	1,678	-	658,488
Net carrying amount						
At 31 March 2026	1,574,443	114,295	175,779	3,621	-	1,868,138
2025						
At cost						
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
Accumulated depreciation						
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
Net carrying amount						
At 31 March 2025	65,600	54,500	155,302	4,681	4,630,111	4,910,194

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2026	Furniture and fittings RM	Office equipments RM	Computers RM	Total RM
At cost				
At 1 April 2025	18,948	61,428	375,370	455,746
Additions	11,500	-	54,696	66,196
At 31 March 2026	30,448	61,428	430,066	521,942
Accumulated depreciation				
At 1 April 2025	8,235	19,594	228,926	256,755
Charge for the financial year	2,661	6,584	52,445	61,690
At 31 March 2026	10,896	26,178	281,371	318,445
Net carrying amount				
At 31 March 2026	19,552	35,250	148,695	203,497
2025				
At cost				
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
Accumulated depreciation				
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
Net carrying amount				
At 31 March 2025	10,713	41,834	146,444	198,991

NOTES TO THE **FINANCIAL STATEMENTS (continued)**
31 March 2026

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(I) Right-of-use assets

Group 2026	Rented building and offices RM	Motor vehicles RM	Total RM
At cost			
At 1 April 2025	8,286,504	1,516,082	9,802,586
Additions	101,632	330,591	432,223
Term expired	(2,062,846)	-	(2,062,846)
At 31 March 2026	6,325,290	1,846,673	8,171,963
Accumulated depreciation			
At 1 April 2025	2,222,554	165,972	2,388,526
Charge for the financial year	1,476,797	341,280	1,818,077
Term expired	(2,062,846)	-	(2,062,846)
At 31 March 2026	1,636,505	507,252	2,143,757
Net carrying amount			
At 31 March 2026	4,688,785	1,339,421	6,028,206
2025			
At cost			
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
Accumulated depreciation			
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
Net carrying amount			
At 31 March 2025	6,063,950	1,350,110	7,414,060

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(I) Right-of-use assets (continued)

Company 2026	Rented offices RM	Motor vehicles RM	Total RM
At cost			
At 1 April 2025	3,944,897	1,347,212	5,292,109
Additions	-	225,436	225,436
Term expired	(1,961,450)	-	(1,961,450)
At 31 March 2026	1,983,447	1,572,648	3,556,095
Accumulated depreciation			
At 1 April 2025	1,915,165	120,940	2,036,105
Charge for the financial year	719,348	288,228	1,007,576
Term expired	(1,961,450)	-	(1,961,450)
At 31 March 2026	673,063	409,168	1,082,231
Net carrying amount			
At 31 March 2026	1,310,384	1,163,480	2,473,864
2025			
At cost			
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
Accumulated depreciation			
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
Net carrying amount			
At 31 March 2025	2,029,732	1,226,272	3,256,004

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(II) Lease liabilities

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
At beginning of financial year	**6,858,388**	1,551,652	**2,659,225**	1,323,086
Additions	**376,832**	6,359,573	**186,000**	2,119,362
Lease payments	**(1,919,916)**	(1,209,160)	**(956,946)**	(839,159)
Interest expense	**390,963**	156,323	**131,271**	55,936
At end of financial year	**5,706,267**	6,858,388	**2,019,550**	2,659,225
Represented by:				
Current liabilities	**1,637,303**	1,479,667	**890,085**	811,697
Non-current liabilities	**4,068,964**	5,378,721	**1,129,465**	1,847,528
	5,706,267	6,858,388	**2,019,550**	2,659,225
Lease liabilities owing to financial institutions	**835,742**	747,432	**669,214**	625,700
Lease liabilities owing to non-financial institutions	**4,870,525**	6,110,956	**1,350,336**	2,033,525
	5,706,267	6,858,388	**2,019,550**	2,659,225

(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	
	2026 RM	2025 RM	2026 RM	2025 RM
Included in administration expenses:				
Depreciation charge of right-of-use assets	**1,818,077**	1,130,603	**1,007,576**	810,564
Expense relating to leases of low-value assets	**12,936**	8,508	**6,078**	5,748
Interest expense on lease liabilities (included in finance costs)	**390,963**	156,323	**131,271**	55,936
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)	**-**	(93,000)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

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	
	2026 RM	2025 RM	2026 RM	2025 RM
Additions of right-of-use assets	**432,223**	1,079,316	**225,436**	1,079,316
Lease liabilities financed by lease arrangement	**(275,200)**	(450,000)	**(186,000)**	(450,000)
Additions via lease liabilities	**(101,632)**	-	**-**	-
Cash payment on purchase of right-of-use assets	**55,391**	629,316	**39,436**	629,316

(d) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Included in net cash from operating activities:				
Payment relating to low value assets leases	**12,936**	8,508	**6,078**	5,748
Included in net cash from financing activities:				
Payment of lease liabilities	**1,919,916**	1,209,160	**956,946**	839,159
Total cash outflow for leases	**1,932,852**	1,217,668	**963,024**	844,907

(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 6.31% and 5.91% (2025: 6.27% and 5.77%) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

9. INVESTMENT PROPERTIES

	Group	
	2026 RM	2025 RM
At fair value		
At beginning of financial year	**217,596,378**	144,931,555
Additions	**62,410,384**	69,964,823
Transfer from land held for property development (Note 12(a))	**36,940,427**	-
Fair value gain	**53,563,259**	2,700,000
At end of financial year	**370,510,448**	217,596,378

Included in the above are:

	Group	
	2026 RM	2025 RM
At fair value - freehold land	**80,220,000**	38,000,000
At fair value - freehold land with buildings	**193,900,000**	13,500,000
At cost - freehold land with building under construction	**96,390,448**	166,096,378
	370,510,448	217,596,378

(a) The lease payments to be received are as follows:

	Group	
	2026 RM	2025 RM
Less than one year	**11,455,345**	3,330,383
One to two years	**16,316,690**	9,785,455
Two to three years	**20,684,888**	13,024,293
Three to four years	**21,951,700**	13,582,243
Four to five years	**25,209,569**	15,907,300
More than five years	**208,023,718**	216,728,124
Total undiscounted lease receivables	**303,641,910**	272,357,798

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

9. INVESTMENT PROPERTIES (continued)

(b) Direct operating expenses arising from investment properties during the financial year are as follows:

	Group	
	2026 RM	2025 RM
Quit rent and assessment		
- generating rental income	**29,125**	-
- not generating rental income	**281**	82,525

(c) During the financial year, the Group made the following cash payments to investment properties:

	Group	
	2026 RM	2025 RM
Purchase of investment properties	**62,410,384**	69,964,823
Deposit paid in prior year	**(1,030,397)**	-
Cash payment on purchase of investment properties	**61,379,987**	69,964,823

(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
2026				
Freehold land	**-**	**-**	**80,220,000**	**80,220,000**
Freehold land with building	**-**	**-**	**193,900,000**	**193,900,000**
2025				
Freehold land	-	-	38,000,000	38,000,000
Freehold land with building	-	-	13,500,000	13,500,000

(i) Freehold land and freehold land with buildings of the Group were revalued on 31 March 2026 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 2026.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

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 RM210 (2025: RM45 to RM161)	Lower/higher price per square foot, lower/ higher fair value
Building	Replacement cost method	Price per square foot	RM493 to RM523 (2025: RM523)	Lower/higher price per square foot, lower/ higher fair value

(e) Certain investment properties of the Group amounting to RM318,610,448 (2025: RM166,096,378) has been pledged to financial institution as security for unutilised credit facilities granted to a subsidiary of the Company.

(f) The Group has entered into a conditional tenancy agreement with a third party for an investment property, and collected advance tenancy deposit as disclosed in Note 20(c) to the financial statements.

(g) Interest expense capitalised during the financial year of investment properties under construction of the Group amounted to RM7,553,868 (2025: RM527,146).

10. INTANGIBLE ASSETS

Computer software	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
At cost				
At beginning of financial year	**286,871**	**234,371**	**272,500**	**220,000**
Additional	**494,856**	**52,500**	**494,856**	**52,500**
Written off	**(14,371)**	**-**	**-**	**-**
At end of financial year	**767,356**	**286,871**	**767,356**	**272,500**
Accumulated amortisation				
At beginning of financial year	**231,735**	**228,861**	**219,999**	**219,999**
Charge for the financial year	**95,610**	**2,874**	**92,976**	**-**
Written off	**(14,370)**	**-**	**-**	**-**
At end of financial year	**312,975**	**231,735**	**312,975**	**219,999**
Net carrying amount	**454,381**	**55,136**	**454,381**	**52,501**

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

11. INVESTMENT IN SUBSIDIARIES

	Note	Company 2026 RM	Company 2025 RM
At cost			
Unquoted equity shares			
At beginning of financial year		**70,400,400**	63,650,400
Acquisitions of subsidiaries		**200**	200
Additional subscription in existing subsidiaries		**2,499,800**	6,749,800
At end of financial year		**72,900,400**	70,400,400
Accumulated impairment loss			
At beginning of financial year		**(102)**	(102)
Reversal of impairment loss		**102**	-
At end of financial year		**-**	(102)
Unquoted equity shares, at cost		**72,900,400**	70,400,298
Equity loans	11(k)	**305,491,425**	61,971,502
		378,391,825	132,371,800

(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 2026 %	Effective interest in equity 2025 %	Principal activities
Paragon Bizhub Sdn. Bhd. ("PBSB")#	**100**	100	Properties development and hostel management services
PGBG Construction Sdn. Bhd. ("PGBG")#	**100**	100	Properties development and building contractors
Paragon Globe Properties Sdn. Bhd. ("PGPSB")#	**100**	100	Properties development
Builtech Acres Sdn. Bhd. ("BASB")#	**99.06**	99.06	Properties investment
Paragon Business Hub Sdn. Bhd. ("PBHSB")#	**100**	100	Properties development
Paragon Platinum Sdn. Bhd. ("PPSB")#	**100**	100	Properties development and properties investment
PGB Innovation Sdn. Bhd. ("PGBISB")#	**100**	100	Properties development
PGB Iconic Sdn. Bhd. ("PISB")#	**100**	100	Properties development
PGB Landmark Sdn. Bhd. ("PLSB")#	**100**	100	Properties development
PGB Desa Heights Sdn. Bhd. ("PDHSB")#	**100**	100	Properties development
PGB Gardens Sdn. Bhd. ("PGSB")#	**100**	100	Dormant
PGB Development Sdn. Bhd. (formerly known as PGB Parkland Sdn. Bhd.) ("PDSB")#	**100**	-	Dormant
PGBG Resources Sdn. Bhd. ("PRSB")#	**100**	-	Dormant

Subsidiaries audited by BDO PLT.

NOTES TO THE **FINANCIAL STATEMENTS (continued)**
31 March 2026

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	
	2026 %	2025 %	2026 RM	2025 RM
Carrying amount of NCI				
BASB	**0.94**	0.94	**866,791**	**515,577**
Profit for the financial year/Total comprehensive income allocated to NCI				
BASB			**351,214**	**17,467**

Summarised financial information before intra-group elimination of subsidiaries that have NCI as at the end of each reporting period are as follows:

BASB	2026 RM	2025 RM
Assets and liabilities		
Non-current assets	**218,012,812**	153,988,933
Non-current liabilities	**(81,830,416)**	(85,075,944)
Current assets	**7,006,826**	3,924,606
Current liabilities	**(12,217,758)**	(11,176,246)
Net assets	**130,971,464**	61,661,349
Results		
Profit for the financial year/Total comprehensive income for the financial year	**37,363,143**	1,637,578
Cash flows used in operating activities	**(2,921,801)**	(4,051,225)
Cash flows used in investing activities	**(18,400,190)**	(46,441,985)
Cash flows from financing activities	**21,438,340**	50,390,238
Net increase/(decrease) in cash and cash equivalents	**116,349**	(102,972)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

11. INVESTMENT IN SUBSIDIARIES (continued)

(c) In the previous financial year, BASB had 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 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.

(e) In the previous 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.

(f) In the previous 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.

(g) In the previous 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.

(h) During the financial year, the Company subscribed additional 2,499,800 ordinary shares in a wholly owned subsidiary, namely PGPSB for the total consideration amounting to RM2,499,800 with no change in the effective equity held by the Company in PGPSB.

(i) During the financial year, the Company subscribed 51 ordinary shares of a newly incorporated company, namely PDSB for total consideration amounting to RM51. Subsequent to the subscription, the Company held 51% equity interest in PDSB. On 3 February 2026, the Company acquired additional 49 ordinary shares in PDSB for total consideration amounting to RM49. Consequently, PDSB became a wholly owned subsidiary of the Company.

(j) During the financial year, the Company incorporated a new subsidiary, namely PRSB for total consideration amounting to RM100. Consequently, PRSB became a wholly owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

11. INVESTMENT IN SUBSIDIARIES (continued)

(k) The Directors of the Company have assessed the nature of the amounts owing by subsidiaries and determined that an outstanding balance amounting to RM305,491,425 (2025: 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	
	2026 RM	2025 RM
At beginning of financial year	**61,971,502**	61,971,502
Additions	**266,009,407**	-
Repayments	**(22,489,484)**	-
At end of financial year	**305,491,425**	61,971,502

12. INVENTORIES

		Group	
	Note	2026 RM	2025 RM
At cost			
Non-current			
Land held for property development	(a)	**119,118,345**	271,725,075
Current			
Completed properties		**17,903,138**	9,136,903
Property development costs	(b)	**527,135,925**	160,038,669
		545,039,063	169,175,572

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

12. INVENTORIES (continued)

(a) Land held for property development

Group	Freehold land RM	Development costs RM	Total RM
Balance as at 1 April 2025	242,728,947	28,996,128	271,725,075
Cost incurred during the financial year	102,903,312	33,746,586	136,649,898
Transfer to investment properties (Note 9)	(25,894,564)	(11,045,863)	(36,940,427)
Transfer to property development costs (Note 12(b))	(205,196,819)	(47,119,382)	(252,316,201)
Balance as at 31 March 2026	114,540,876	4,577,469	119,118,345
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

Certain land held for property development of the Group has been pledged to financial institutions amounted to RM107,247,192 (2025: RM256,555,152) 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 RM1,087,817 (2025: RM8,043,323).

(b) Property development costs

Group	Freehold land RM	Development costs RM	Total RM
Balance as at 1 April 2025	132,596,552	27,442,117	160,038,669
Cost incurred during the financial year	133,469,309	60,622,470	194,091,779
Recognised during the financial year	(34,435,764)	(34,200,422)	(68,636,186)
Transfer from land held for property development (Note 12(a))	205,196,819	47,119,382	252,316,201
Transfer to completed properties	(4,266,213)	(11,098,936)	(15,365,149)
Reclassification from property, plant and equipment (Note 7)	-	4,690,611	4,690,611
Balance as at 31 March 2026	432,560,703	94,575,222	527,135,925
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

NOTES TO THE **FINANCIAL STATEMENTS (continued)**
31 March 2026

12. INVENTORIES (continued)

(b) Property development costs (continued)

Certain freehold land of the Group has been pledged to financial institutions amounted to RM522,405,584 (2025: RM46,897,125) 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 RM9,321,192 (2025: RM897,945).

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Trade receivables				
Third parties	**10,978,562**	-	**-**	-
Amounts owing by subsidiaries	**-**	-	**3,472,904**	-
Amount owing by a related party	**145,378**	145,378	**-**	-
	11,123,940	145,378	**3,472,904**	-
Other receivables				
Amounts owing by subsidiaries	**-**	-	**26,288**	196,064,880
Amounts owing by a related party	**-**	15,677	**-**	15,677
Third parties	**1,281,081**	1,027,890	**12,105**	13,000
Deposits for land acquisition	**8,937,047**	3,442,783	**-**	-
Deposits	**4,321,564**	29,485,498	**204,862**	2,353,244
	14,539,692	33,971,848	**243,255**	198,446,801
Less: Allowance for impairment losses				
- Deposits	**(19,300)**	(19,300)	**(19,300)**	(19,300)
- Amounts owing by subsidiaries	**-**	-	**-**	(72,876)
	(19,300)	(19,300)	**(19,300)**	(92,176)
Total trade and other receivables	**25,644,332**	34,097,926	**3,696,859**	198,354,625
Prepayments	**39,617,371**	18,393,591	**169,613**	80,404
	65,261,703	52,491,517	**3,866,472**	198,435,029

(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 (2025: 14 to 90 days). They are recognised at their original invoiced amounts, which represent their fair value on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

13. TRADE AND OTHER RECEIVABLES (continued)

(b) Trade and other receivables are denominated in Ringgit Malaysia ("RM").

(c) In previous year, included in deposits of the Group are amounts of RM25,528,377 paid in respect of Development Rights Agreement ("DRA") signed with third parties with details disclosed in Note 35 to the financial statements.

(d) Included in prepayments of the Group are amounts of RM38,249,111 (2025: RM18,229,391) paid in respect of keyman insurance.

(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
As at 31 March 2026			
Not past due	10,954,850	-	10,954,850
Past due	169,090	-	169,090
	11,123,940	-	11,123,940
As at 31 March 2025			
Not past due	-	-	-
Past due	145,378	-	145,378
	145,378	-	145,378

NOTES TO THE **FINANCIAL STATEMENTS (continued)**

31 March 2026

13. TRADE AND OTHER RECEIVABLES (continued)

(f) Lifetime expected loss provision for trade receivables of the Group and of the Company are as follows: (continued)

Company	Gross carrying amount RM	Lifetime ECL allowance RM	Net carrying amount RM
As at 31 March 2026			
Not past due	1,962,309	-	1,962,309
Past due	1,510,595	-	1,510,595
	3,472,904	-	3,472,904

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.

(h) The reconciliation of movements in the impairment loss for other receivables is as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Other receivables (credit impaired)				
At beginning of financial year	**19,300**	19,300	**92,176**	111,684
Reversal of impairment loss	**-**	-	**(72,876)**	-
Written off	**-**	-	**-**	(19,508)
At end of financial year	**19,300**	19,300	**19,300**	92,176

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2026

14. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2026 RM	2025 RM
Contract assets	**6,693,133**	5,832,789
Contract liabilities	**-**	(22,124,511)

(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	
	2026 RM	2025 RM
Within 1 year	**8,470,000**	85,453,015
1 to 2 years	**9,061,000**	-
	17,531,000	85,453,015

(b) No expected credit loss is recognised arising from contract assets as it is negligible.

15. OTHER INVESTMENTS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Fair value through profit or loss				
Current asset				
Money market fund	**13**	19,517,314	**13**	876,607
	13	19,517,314	**13**	876,607

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

16. CASH AND BANK BALANCES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash and bank balances	**9,565,626**	**23,189,048**	**545,277**	**6,051,948**
Deposits with licensed banks	**12,797,617**	7,320,551	**-**	-
	22,363,243	30,509,599	**545,277**	6,051,948

(a) Deposits with licensed banks of the Group have maturity period of one (1) month (2025: one (1) month).

(b) Included in fixed deposits with licensed banks of the Group is an amount of RM12,797,617 (2025: RM7,320,551) 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”).

(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	
	2026 RM	2025 RM	2026 RM	2025 RM
Cash and bank balances	**9,565,626**	23,189,048	**545,277**	6,051,948
Deposits with licensed banks	**12,797,617**	7,320,551	**-**	-
	22,363,243	30,509,599	**545,277**	6,051,948
Less:				
Deposits pledged to licensed banks	**(12,797,617)**	(7,320,551)	**-**	-
	9,565,626	23,189,048	**545,277**	6,051,948

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2026

17. SHARE CAPITAL

	Group and Company			
	2026		2025	
	Number of shares	RM	Number of shares	RM
Issued and fully paid up ordinary shares with no par value				
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	
	2026 RM	2025 RM
Non-current liability		
Term loans	**482,195,627**	282,634,943
Current liability		
Term loans	**23,830,680**	12,284,179
	506,026,307	294,919,122

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

19. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group	
	2026 RM	2025 RM
At beginning of financial year	**3,715,268**	5,306,886
Recognised in profit or loss (Note 27)	**7,011,315**	(1,591,618)
At end of financial year	**10,726,583**	3,715,268

(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 RM	Investment properties RM	Other temporary differences RM	Total RM
At 1 April 2025	-	5,620,284	(1,905,016)	**3,715,268**
Recognised in profit or loss	90,000	5,321,661	1,599,654	**7,011,315**
At 31 March 2026	90,000	10,941,945	(305,362)	**10,726,583**
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**

(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	
	2026 RM	2025 RM	2026 RM	2025 RM
Unused tax losses				
- Expires by 31 March 2034	**-**	163,000	**-**	-
- Expires by 31 March 2036	**5,337,000**	-	**2,589,000**	-
Unabsorbed capital allowances				
- No expiry date	**400,000**	-	**327,000**	-
	5,737,000	163,000	**2,916,000**	-

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2026

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Trade payables				
Third parties	**90,896,627**	20,067,428	**-**	-
Other payables				
Other payables	**4,898,871**	601,079	**173,075**	58,919
Amount owing to related parties	**97,986**	10,912	**86,404**	10,912
Amount owing to a subsidiary	**-**	-	**103,088,016**	53,766,335
Accruals	**22,833,555**	12,040,820	**935,946**	918,200
Deposits	**9,500,533**	2,700,009	**-**	-
Earnest deposit from purchasers	**6,677,468**	530,000	**-**	-
	44,008,413	15,882,820	**104,283,441**	54,754,366
	134,905,040	35,950,248	**104,283,441**	54,754,366

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group is 30 days (2025: 30 days).

(b) Included in trade payables of the Group are retention sums of RM11,336,746 (2025: RM12,622,308).

(c) Included in deposits of the Group is an amount of RM5,320,658 (2025: RM1,500,000) advance conditional tenancy deposit received in relation to investment properties of the Group as disclosed in Note 9(f) to the financial statements.

(d) Trade and other payables are denominated in Ringgit Malaysia ("RM").

(e) Information on financial risks of trade and other payables is disclosed in Note 34 to the financial statements.

21. COMMITMENTS

	Group	
	2026 RM	2025 RM
(i) Capital commitment		
Capital expenditure in respect of investment property under construction	**27,895,000**	74,524,061
(ii) Commitment		
Contracted but not provided for land acquisition	**9,180,203**	30,985,051

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

22. CONTINGENT LIABILITIES

	Group	
	2026 RM	2025 RM
Secured		
Bank guarantees for third parties		
- Limit of guarantee	**14,471,000**	271,000
- Amount utilised	**11,330,000**	70,000

23. REVENUE

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Revenue from contracts with customers				
Recognised over time:				
Property development	**123,072,922**	298,289,299	**-**	-
Recognised at point in time:				
Sales of completed properties	**10,707,125**	7,866,566	**-**	-
Sales of land	**19,188,804**	-	**-**	-
	29,895,929	**7,866,566**	**-**	**-**
Others				
Distribution income from other investments	**679**	21,243	**679**	21,243
Interest income	**119,768**	79,814	**119,768**	79,814
Management fees	**-**	-	**14,024,670**	12,708,983
Rental income	**1,759,583**	-	**-**	-
	1,880,030	101,057	**14,145,117**	12,810,040
	154,848,881	306,256,922	**14,145,117**	12,810,040

Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclosed in Note 32 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2026

24. COST OF SALES

	Group	
	2026 RM	2025 RM
Property development	**60,884,248**	145,174,069
Sales of completed properties	**8,086,881**	5,941,432
Sales of land	**9,025,182**	-
	77,996,311	151,115,501

25. FINANCE COSTS

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Interest expenses on:				
- amount owing to a subsidiary (Note 31(b))	**-**	-	**4,495,805**	-
- lease interest expense	**390,963**	156,323	**131,271**	55,936
- term loans	**24,072,623**	12,091,293	**-**	-
- unwinding interest	**6,449,560**	2,877,739	**-**	-
	30,913,146	15,125,355	**4,627,076**	55,936
Less: Amount capitalised in cost of qualifying assets	**(17,962,877)**	(9,468,414)	**-**	-
	12,950,269	5,656,941	**4,627,076**	55,936

26. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is arrived at:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
After charging:				
Auditors' remuneration				
- Statutory audit	**184,000**	150,000	**73,000**	65,000
- Non-statutory audit	**6,000**	65,700	**6,000**	65,700
And crediting:				
Other income inclusive:				
- Fair value gain on other investments	**-**	(1,062,024)	**-**	(7,885)
- Fair value gain on investment properties	**(53,563,259)**	(2,700,000)	**-**	-
- Interest income	**(1,810,586)**	(1,230,263)	**-**	-
- Gain on disposal of other investment	**(77,078)**	(609,501)	**(13,607)**	(132,364)
- Reversal of impairment loss	**-**	-	**(72,978)**	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2026

27. TAX EXPENSE

	Group		Company	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Current tax expense based on profit for the financial year:				
- current year	**13,047,591**	36,432,767	**-**	299,280
- under/(over) provision in prior years	**65,672**	(330,231)	**169,198**	(107,282)
	13,113,263	36,102,536	**169,198**	191,998
Deferred tax (Note 19)				
- relating to origination and reversal of temporary differences	**7,011,315**	(1,591,618)	**-**	-
	20,124,578	34,510,918	**169,198**	191,998

(a) The Malaysian income tax is calculated at the statutory rate of 24% (2025: 24%) of the estimated taxable profit/(loss) for the fiscal year.

(b) The numerical reconciliation between the taxation and the product of accounting profit/(loss) multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Profit/(loss) before tax	**93,825,365**	140,152,120	**(3,878,745)**	677,108
Tax at Malaysian statutory tax rate of 24% (2025: 24%)	**22,518,088**	33,636,509	**(930,899)**	162,506
Tax effects in respect of:				
Non-allowable expenses	**3,965,073**	2,741,296	**292,602**	203,287
Non-taxable income	**(311,691)**	(913,616)	**(61,543)**	(66,513)
Different tax rates arising from fair value gain from investment properties	**(7,450,324)**	-	**-**	-
Deferred tax assets not recognised	**1,337,760**	-	**699,840**	-
Utilisation of previously unrecognised deferred tax assets	**-**	(623,040)	**-**	-
	20,058,906	34,841,149	**-**	299,280
Under/(Over) provision of current tax in prior years	**65,672**	(330,231)	**169,198**	(107,282)
	20,124,578	34,510,918	**169,198**	191,998

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2026

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	
	2026	**2025**
Profit attributable to equity holders of the parent ("RM")	**73,349,573**	105,623,735
Weighted average number of ordinary shares in issue	**746,623,332**	746,623,332
Basic earnings per ordinary share (sen)	**9.82**	14.15

(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	
	2026 RM	**2025 RM**	**2026 RM**	**2025 RM**
Salaries, allowances and bonuses	**9,297,900**	8,066,487	**8,524,871**	7,604,083
Defined contribution plan	**1,081,348**	934,703	**992,601**	885,722
Other employee benefits	**135,916**	176,740	**121,170**	167,254
	10,515,164	9,177,930	**9,638,642**	8,657,059

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration of RM3,245,939 (2025: RM2,985,354).

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

30. DIRECTORS' REMUNERATION

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Executive Directors of the Company:				
- Other emoluments	3,245,939	2,985,354	3,245,939	2,985,354
Estimated money value of benefits-in-kind	38,700	37,268	38,700	37,268
	3,284,639	3,022,622	3,284,639	3,022,622
Executive Directors of the subsidiaries:				
- Fees	48,000	57,000	-	-
Total Executive Directors' remuneration	3,332,639	3,079,622	3,284,639	3,022,622
Non-executive Directors of the Company:				
- Fees	282,000	282,000	282,000	282,000
- Other emoluments	20,000	18,500	20,000	18,500
	302,000	300,500	302,000	300,500
Total Directors' remuneration including benefits-in-kind	3,634,639	3,380,122	3,586,639	3,323,122

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2026

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	
	2026 RM	2025 RM	2026 RM	2025 RM
Management fee income received from subsidiaries				
- PGBG Construction Sdn. Bhd.	-	-	(3,690,615)	(3,276,501)
- Paragon Bizhub Sdn. Bhd.	-	-	(3,231,173)	(1,653,310)
- Builtech Acres Sdn. Bhd.	-	-	(60,000)	(60,000)
- Paragon Business Hub Sdn. Bhd.	-	-	(5,427,737)	(7,394,172)
- Paragon Globe Properties Sdn. Bhd.	-	-	(60,000)	(60,000)
- Paragon Platinum Sdn. Bhd.	-	-	(60,000)	(60,000)
- Sepang Medicity Sdn. Bhd.	-	-	-	(25,000)
- PGB Innovation Sdn. Bhd.	-	-	(60,000)	(60,000)
- PGB Iconic Sdn. Bhd.	-	-	(60,000)	(60,000)
- PGB Landmark Sdn. Bhd.	-	-	(1,255,145)	(60,000)
- PGB Desa Heights Sdn. Bhd.	-	-	(60,000)	-
- PGB Gardens Sdn. Bhd.	-	-	(60,000)	-
Interest expenses on amount owing to a subsidiary (Note 25)	-	-	4,495,805	-
Lease payments paid to related parties				
- Castle Inn Realty Sdn. Bhd.	609,938	600,924	609,938	600,924
- T & T Enterprise Sdn. Bhd.	854,940	284,980	-	-
Lease payments to a Director	184,536	167,760	184,536	167,760
Administration expenses paid to related parties				
- Hotel Grand Paragon Sdn. Bhd.	394,534	110,163	170,298	109,853
- Mandarin Empire Sdn. Bhd.	205,077	227,794	205,077	227,794
- Kazumi Grill & Pot Sdn. Bhd.	5,544	-	5,544	-
Acquisition of land from related party				
- Common Development (M) Sdn. Bhd.	2,295,051	-	-	-

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.

NOTES TO THE **FINANCIAL STATEMENTS (continued)**
31 March 2026

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	
	2026 RM	2025 RM	2026 RM	2025 RM
Directors' remuneration including estimated money value of benefits-in-kind (Note 30)	**3,634,639**	3,380,122	**3,586,639**	3,323,122
Other key management personnel's remuneration	**1,218,014**	1,211,960	**1,218,014**	1,211,960
	4,852,653	4,592,082	**4,804,653**	4,535,082

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 2026

32. OPERATING SEGMENTS (continued)

	Investments RM	Property development RM	Construction RM	Elimination RM	Total RM
2026					
External customers	523,780	154,325,101	-	-	154,848,881
Inter-segment revenue	14,024,670	-	65,075,529	(79,100,199)	-
Total revenue	14,548,450	154,325,101	65,075,529	(79,100,199)	154,848,881
Interest income	-	6,292,770	13,621	(4,495,805)	1,810,586
Finance costs	(5,020,826)	(12,420,703)	(4,545)	4,495,805	(12,950,269)
Net finance expense	(5,020,826)	(6,127,933)	9,076	-	(11,139,683)
Other non-cash items:					
Amortisation of intangible assets	(92,976)	(2,634)	-	-	(95,610)
Depreciation of:					
- property, plant and equipment	(66,306)	(203,803)	(5,530)	-	(275,639)
- right-of-use assets	(1,007,576)	(791,223)	(19,278)	-	(1,818,077)
Fair value gain on investment properties	41,905,089	746,653	-	10,911,517	53,563,259
Gain on disposal of other investment	13,607	63,471	-	-	77,078
Intangible asset written off	-	(1)	-	-	(1)
Segment profit before taxation	**37,670,019**	**41,333,822**	**297,810**	**14,523,714**	**93,825,365**
Additions to non-current assets:					
- intangible assets	494,856	-	-	-	494,856
- investment properties	22,123,406	96,029,982	-	(18,802,577)	99,350,811
- land held for property development	-	136,649,898	-	-	136,649,898
- property, plant and equipment	66,196	1,856,726	4,824	(3,552)	1,924,194
- right-of-use assets	225,436	101,632	105,155	-	432,223
- investment in subsidiaries	2,500,000	-	-	(2,500,000)	-
Segment assets	**611,325,465**	**1,017,828,908**	**36,048,803**	**(527,228,214)**	**1,137,974,962**
Segment liabilities	**200,359,085**	**579,379,291**	**26,760,439**	**(146,454,846)**	**660,043,969**

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

32. OPERATING SEGMENTS (continued)

	Investments RM	Property development RM	Construction RM	Elimination RM	Total RM
2025					
External customers	101,057	306,155,865	-	-	306,256,922
Inter-segment revenue	12,708,983	-	102,292,870	(115,001,853)	-
Total revenue	12,810,040	306,155,865	102,292,870	(115,001,853)	306,256,922
Interest income	994	1,229,269	-	-	1,230,263
Finance costs	(55,936)	(5,601,005)	-	-	(5,656,941)
Net finance expense	(54,942)	(4,371,736)	-	-	(4,426,678)
Other non-cash items:					
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)
Segment profit before taxation	**2,416,135**	**147,956,070**	**2,583,843**	**(12,803,928)**	**140,152,120**
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)	-
Segment assets	**499,377,544**	**669,782,731**	**50,452,235**	**(438,969,435)**	**780,643,075**
Segment liabilities	**154,087,210**	**467,928,061**	**47,128,721**	**(292,731,123)**	**376,412,869**

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2026

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	
		2026 RM	2025 RM	2026 RM	2025 RM
Borrowings (excluding lease liabilities)	18	**506,026,307**	294,919,122	**-**	-
Equity attributable to owners of the Company		**477,064,202**	403,714,629	**280,000,036**	284,047,979
Gearing ratio (times)		**1.06**	0.73	**-**	-

(b) Financial instruments

Categories of financial instruments

Group	2026 RM	2025 RM
Financial assets		
Fair value through profit or loss		
Other investments	**13**	19,517,314
Amortised cost		
Trade and other receivables, net of prepayments	**25,644,332**	34,097,926
Cash and bank balances	**22,363,243**	30,509,599
	48,007,575	64,607,525
	48,007,588	84,124,839
Financial liabilities		
Amortised cost		
Trade and other payables	**134,905,040**	35,950,248
Borrowings	**506,026,307**	294,919,122
	640,931,347	330,869,370

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2026

33. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

Categories of financial instruments (continued)

Company	2026 RM	2025 RM
Financial assets		
Fair value through profit or loss		
Other investments	**13**	876,607
Amortised cost		
Trade and other receivables, net of prepayments	**3,696,859**	198,354,625
Cash and bank balances	**545,277**	6,051,948
	4,242,136	204,406,573
	4,242,149	205,283,180
Financial liabilities		
Amortised cost		
Trade and other payables	**104,283,441**	54,754,366
	104,283,441	54,754,366

(c) Methods and assumptions used to estimate fair value

The fair value of financial assets and financial liabilities are determined as follows:

(i) 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.

(ii) 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.

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

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				
	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
2026					
Group					
Fair value through profit or loss					
Other investments	-	13	-	13	13
Company					
Fair value through profit or loss					
Other investments	-	13	-	13	13
2025					
Group					
Fair value through profit or loss					
Other investments	-	19,517,314	-	19,517,314	19,517,314
Company					
Fair value through profit or loss					
Other investments	-	876,607	-	876,607	876,607

NOTES TO THE **FINANCIAL STATEMENTS (continued)**

31 March 2026

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.

(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.

<u>Exposure to credit risk</u>

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.

<u>Recognition and measurement of impairment loss of financial guarantee contracts</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

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.

(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 RM	One to five years RM	Over five years RM	Total RM
As at 31 March 2026				
Financial liabilities				
Group				
Trade and other payables	134,905,040	-	-	134,905,040
Lease liabilities	1,944,636	4,476,482	-	6,421,118
Financial guarantee*	14,471,000	-	-	14,471,000
Borrowings	51,032,767	387,060,330	206,137,089	644,230,186
Total undiscounted financial liabilities	202,353,443	391,536,812	206,137,089	800,027,344
Company				
Trade and other payables	104,283,441	-	-	104,283,441
Lease liabilities	981,012	1,182,244	-	2,163,256
Financial guarantee*	1,158,393,000	-	-	1,158,393,000
Total undiscounted financial liabilities	1,263,657,453	1,182,244	-	1,264,839,697

NOTES TO THE **FINANCIAL STATEMENTS (continued)**

31 March 2026

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity and cash flow risk (continued)

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. (continued)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
As at 31 March 2025				
Financial liabilities				
Group				
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	196,365,352	472,732,973
Company				
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

* *This disclosure represents the maximum liquidity risk exposure.*

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

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
31 March 2026							
Fixed rates							
Deposits with licensed banks	16	2.10	12,797,617	-	-	-	12,797,617
Floating rate							
Borrowings	18	5.56	23,831,317	23,863,163	278,691,351	179,640,476	506,026,307
31 March 2025							
Fixed rates							
Deposits with licensed banks	16	2.10	7,320,551	-	-	-	7,320,551
Floating rate							
Borrowings	18	6.07	12,284,179	23,899,638	116,099,537	142,635,768	294,919,122

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

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	
	2026 RM	2025 RM
Profit after tax and equity		
- Increase by 1% (2025: 1%)	**(3,846,000)**	**(2,241,385)**
- Decrease by 1% (2025: 1%)	**3,846,000**	**2,241,385**

The sensitivity for the Group is higher in 2026 than in 2025 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.

(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	
	2026 RM	2025 RM	2026 RM	2025 RM
Profit after tax and equity				
- Increase by 1% (2025: 1%)	**-**	(148,332)	**-**	(6,662)
- Decrease by 1% (2025: 1%)	**-**	148,332	**-**	6,662

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 March 2026

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 17 November 2023, PGB Landmark Sdn. Bhd. ("PLSB") had entered into eight (8) Sales and Purchase Agreements ("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 prior 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. On 4 September 2025, the remaining two (2) SPAs have been completed pursuant to the terms of the SPAs and recognised as investment property and property development costs.

(b) On 2 August 2024, Paragon Business Hub Sdn. Bhd. ("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. On 20 January 2026, the SPA has been completed pursuant to the terms of the SPA.

(c) On 14 August 2024, PGB Desa Heights Sdn. Bhd. ("PDHSB") entered into a conditional Development Rights Agreement ("DRA") with a third party. The DRA granted PDHSB an elective option to acquire two (2) parcels of freehold land located in the Township of Johor Bahru, measuring approximately 3.51 acres and 3.61 acres respectively, for a total cash consideration of RM102,458,027. On 4 September 2025, the transaction has been completed.

(d) On 12 November 2024, Paragon Globe Properties Sdn. Bhd. ("PGPSB") had entered into three (3) DRAs with a third party. On 24 April 2025, the condition precedent of DRAs has been fulfilled pursuant to the terms of the DRAs.

(e) 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. On 24 September 2025, the SPA has been completed pursuant to the terms of the SPA.

(f) On 13 October 2025, PGPSB had entered into a SPA with a related party to acquire three (3) pieces of freehold land located in Mukim of Rengam, District of Kluang, Johor for total purchase consideration of RM11,475,254. The amount of RM2,295,051 paid in relation to the SPA has been recognised as deposits as disclosed in Note 13 to the financial statements as the SPA has yet to be completed as at current financial year end. On 8 July 2026, the SPA has been completed pursuant to the terms of the SPA.

(g) On 4 December 2025, PLSB has entered into a SPA with a third party for the proposed disposal of a parcel of freehold land located in Mukim of Tanjung Kupang, Johor Bahru, measuring approximately 5.4451 hectares for a cash consideration of RM64,471,626. On 3 July 2026, the SPA has been completed pursuant to the terms of the SPA.

(h) On 8 July 2026, PGB Gardens Sdn. Bhd. ("PGSB") entered into three (3) unconditional SPAs with three (3) beneficial owners to acquire an aggregate undivided share of 88/1,000 in the beneficial interests in the freehold land held under Mukim of Sedenak, District of Kulai, State of Johor, measuring approximately 11,184,030 square feet ("Master Land"). The interests acquired represent an aggregate land area of approximately 980,100 square feet, for a total cash consideration of RM13,859,808. On 8 July 2026, the SPAs have been completed pursuant to the terms of the SPA.

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2026

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

(j) On 23 June 2026, PLSB has entered into a SPA with a third party for the proposed disposal of two (2) parcels of freehold lands in the Mukim of Tanjung Kupang, Johor Bahru, measuring approximately 65.281 acres for a total cash consideration of RM398,107,091. The SPA is yet to be completed as at the reporting date.

(k) On 14 July 2026, PGSB entered into twenty-nine (29) conditional SPAs with thirty-five (35) beneficial owners to acquire an aggregate undivided share of 753/1,000 in the beneficial interests in the Master Land, representing an aggregate land area of approximately 8,521,697 square feet for a total cash consideration of RM127,276,013. The amount of RM6,641,996 paid in relation to the conditional SPAs has been recognised as deposits as disclosed in Note 13 to the financial statements as the conditional SPAs has yet to be completed as at reporting date.

ADDITIONAL INFORMATION

ANALYSIS OF SHAREHOLDINGS

As at 1 July 2026

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	98	7.723	1,728	0.000
100 to 1,000	315	24.823	166,608	0.023
1,001 to 10,000	464	36.564	2,036,171	0.273
10,001 to 100,000	260	20.489	9,083,625	1.217
100,001 to less than 5% of issued shares	130	10.244	311,287,100	41.693
5% and above of issued shares	2	0.157	424,048,100	56.794
Total	**1,269**	**100.000**	**746,623,332**	**100.000**

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.	Tan Eng Boon	18,151,800	2.431
7.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Private Wealth Management for Tan Wei Lun	16,000,000	2.142
8.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for JT Conglomerate Sdn. Bhd.	13,010,300	1.742
9.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Han Weng	12,885,300	1.725
10.	Tai Hao Man	9,284,600	1.243
11.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Tan Kak Seng	7,508,000	1.005

ANALYSIS OF SHAREHOLDINGS

As at 1 July 2026

No.	Name of Shareholders	No. of Issued Shares	%
12.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - Ambank (M) Berhad for Tan Kak Seng	7,500,000	1.004
13.	Tan Eng Choon	7,254,400	0.971
14.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Norangkasa Enterprise Sdn. Bhd.	6,706,200	0.898
15.	CitiGroup Nominees (Tempatan) Sdn. Bhd. Exempt AN for OCBC Securities Private Limited	6,000,000	0.803
16.	HSBC Nominees (Asing) Sdn. Bhd. J.P. Morgan Securities PLC	5,858,900	0.784
17.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sim Keng Chor	5,785,100	0.774
18.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kak Seng	5,389,900	0.721
19.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Simson Sim Xian Zhi	5,017,000	0.671
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Private Wealth Management for Tan Sing Chia	2,996,100	0.401
21.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tang & Co Sdn. Bhd.	2,852,300	0.382
22.	Lee Chiew	2,805,200	0.375
23.	Law Wei Hong	2,700,000	0.361
24.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Cheen Yau	2,639,200	0.353
25.	Lim Yong Hiang	2,494,800	0.334
26.	Lim Pei Yin	2,238,800	0.299
27.	Sham Ju Heng	2,204,900	0.295
28.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - Ambank (M) Berhad for Gan Yee Hin	2,185,800	0.292
29.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Sim Keng Chor	2,164,400	0.289
30.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sena Holdings Sdn. Bhd.	2,084,500	0.279
	Total	**678,859,900**	**90.924**

ANALYSIS OF SHAREHOLDINGS

As at 1 July 2026

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^	175,200	0.023	424,048,100	56.794
3.	Dato' Sri Godwin Tan Pei Poh^	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 Directors	No. of Issued Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Dato' Sri Edwin Tan Pei Seng^	175,200	0.023	424,048,100	56.794
2.	Dato' Sri Godwin Tan Pei Poh^	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:

^ *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 2026

No.	Company	Address	Description	Existing Use	Tenure / Approximate Age of Building	Net Book Value as at 31.03.2026 RM '000	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)
1.	Paragon Bizhub Sdn. Bhd.	HSD 616107 PTD 70164 Mukim Jeram Batu, District Pontian, Johor	Approx. 1.0 acres of land approved for a petrol station	Petrol Station	Freehold / Approx. 2 years	13,900	2017 (A) / 2018 (C) / 2026 (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	38,917	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	11,871	2022 (A) & (C)
4.	Paragon Bizhub Sdn. Bhd.	HSD 17089 PTD 17316 HSD 17090 PTD 17317 Mukim Jeram Batu, District Pontian, Johor	Approx. 2.5 acres of land approved for detached factories	Development in progress	Freehold	5,431	2017 (A) / 2018 (C)
5.	Builtech Acres Sdn. Bhd.	GRN 340258 Lot 41361 Mukim Labu, District Sepang, Selangor	Approx. 6.0 acres of land approved for a medical centre	Private Hospital	Freehold / Less than 1 year	180,000	2026 (R)
6.	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	2026 (R)
7.	Paragon Globe Properties Sdn. Bhd.	HSD 609015 - HSD 609017 PTD 217872 - PTD 217874 Mukim Pulai, District Johor Bahru, Johor	Approx. 32.4 acres of vacant land	Vacant land	Freehold	78,307	2019 & 2023 (A) / 2022 & 2023 (C)
8.	Paragon Globe Properties Sdn. Bhd.	HSD 609000 PTB 217844 Mukim Pulai, District Johor Bahru, Johor	Approx. 4.1 acres of vacant land	Vacant land	Freehold	10,316	2025 (A)

LIST OF GROUP PROPERTIES

As at 31 March 2026

No.	Company	Address	Description	Existing Use	Tenure / Approximate Age of Building	Net Book Value as at 31.03.2026 RM '000	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)
9.	Paragon Globe Properties Sdn. Bhd.	HSD 609004 PTB 217850 Mukim Pulai, District Johor Bahru, Johor	Approx. 11.5 acres of vacant land	Vacant land	Freehold	26,086	2025 (A)
10.	Paragon Globe Properties Sdn. Bhd.	HSD 609024 PTB 217881 Mukim Pulai, District Johor Bahru, Johor	Approx. 48.0 acres of vacant land	Vacant land	Freehold	67,371	2025 (A)
11.	Paragon Platinum Sdn. Bhd.	GM 950 Lot 282 Mukim Plentong, District Johor Bahru, Johor	Approx. 8.3 acres of vacant land	Vacant land	Freehold	21,560	2022 (A) / 2023 (C) / 2026 (R)
12.	Paragon Platinum Sdn. Bhd.	HSM 12167 PTD 255739 Mukim Plentong, District Johor Bahru, Johor	Approx. 2.3 acres of land approved for detached factories	Development in progress	Freehold	16,138	2022 (A) / 2023 (C)
13.	Paragon Platinum Sdn. Bhd.	HSM 12166 PTD 255738 Mukim Plentong, District Johor Bahru, Johor	Approx. 4.6 acres of land approved for detached factories	Development in progress	Freehold	29,878	2022 (A) / 2023 (C)
14.	Paragon Platinum Sdn. Bhd.	GM 880 Lot 85 Mukim Plentong, District Johor Bahru, Johor	Approx. 8.6 acres of vacant land	Vacant land	Freehold	20,660	2022 (A) / 2023 (C) / 2026 (R)
15.	Paragon Business Hub Sdn. Bhd.	HSD 639254 PTD 255323 Mukim Plentong, District Johor Bahru, Johor	Approx. 9.8 acres of industrial land	Development in progress	Freehold	21,826	2022 (A) / 2023 (C)
16.	Paragon Business Hub Sdn. Bhd.	HSM 12152 PTD 255374 Mukim Plentong, District Johor Bahru, Johor	Approx. 7.6 acres of vacant land	Vacant land	Freehold	13,819	2024 (A) & (C)

LIST OF GROUP PROPERTIES

As at 31 March 2026

No.	Company	Address	Description	Existing Use	Tenure / Approximate Age of Building	Net Book Value as at 31.03.2026 RM '000	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)
17.	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	29,972	2024 (A) & (C)
18.	Paragon Business Hub Sdn. Bhd.	GM 757 Lot 90 and HSM 12149 PTD 255587 Mukim Plentong, District Johor Bahru, Johor	Approx. 19.1 acres of vacant land	Vacant land	Freehold	37,978	2024 (A) / 2025 (C)
19.	PGB Iconic Sdn. Bhd.	HSD 640888 PTB 25022 Township of Johor Bahru, District Johor Bahru, Johor	Approx. 2.7 acres of vacant land	Vacant land	Freehold	52,055	2023 (A) / 2024 (C)
20.	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	12,232	2023 (A) / 2024 (C)
21.	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	14,130	2023 (A) / 2024 (C)
22.	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	11,353	2023 (A) / 2024 (C)
23.	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	61,720	2023 (A) / 2024 (C)
24.	PGB Landmark Sdn. Bhd.	HSD 640886 PTD 11500 Mukim of Tanjung Kupang, District Johor Bahru, Johor	Approx. 8.5 acres of vacant land	Vacant land	Freehold	20,928	2023 (A) / 2024 (C)

LIST OF **GROUP PROPERTIES**

As at 31 March 2026

No.	Company	Address	Description	Existing Use	Tenure / Approximate Age of Building	Net Book Value as at 31.03.2026 RM '000	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)
25.	PGB Landmark Sdn. Bhd.	HSD 306837 PTD 3003 Mukim of Tanjung Kupang, District Johor Bahru, Johor	Approx. 13.4 acres of vacant land	Vacant land	Freehold	26,700	2023 (A) / 2025 (C)
26.	PGB Landmark Sdn. Bhd.	HSD 306838 PTD 3004 Mukim of Tanjung Kupang, District Johor Bahru, Johor	Approx. 5.7 acres of vacant land	Vacant land	Freehold	11,457	2023 (A) / 2025 (C)
27.	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	3,198	2023 (A) / 2024 (C)
28.	PGB Desa Heights Sdn. Bhd.	HSD 577114 PTB 24234 Township of Johor Bahru, District Johor Bahru, Johor	Approx. 3.5 acres of vacant land	Vacant land	Freehold	59,784	2024 (A) / 2025 (C)
29.	PGB Desa Heights Sdn. Bhd.	HSD 577113 PTB 24233 Township of Johor Bahru, District Johor Bahru, Johor	Approx. 3.6 acres of vacant land	Development in progress	Freehold	81,177	2024 (A) / 2025 (C)
					Total	**1,016,764**	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventy-Ninth Annual General Meeting ("79th 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 Friday, 28 August 2026 at 9.00 a.m. for the purpose of considering and, if thought fit, passing the following 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 2026 together with the Reports of the Directors and Auditors thereon.	**Please refer to Note 8**
2. To re-elect the following Directors who retire in accordance with the Company's Constitution:	
(a) Dato' Sri Edwin Tan Pei Seng - Article 106	**RESOLUTION 1**
(b) Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar - Article 106	**RESOLUTION 2**
3. To approve the payment of Non-Executive Directors' fees amounting to RM433,500 for the period from 1 April 2026 to the next AGM of the Company in the following manner:	
(a) RM110,500 to Mr. Tee Boon Hin	**RESOLUTION 3**
(b) RM110,500 to Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	**RESOLUTION 4**
(c) RM110,500 to Dato' Haji Ismail Bin Karim	**RESOLUTION 5**
(d) RM102,000 to Dato' Jeffrey Lai Jiun Jye	**RESOLUTION 6**
4. To approve the payment of Non-Executive Directors' allowances up to an amount of RM100,000 for the period from 28 August 2026 to the next AGM of the Company.	**RESOLUTION 7**
5. To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	**RESOLUTION 8**

NOTICE OF **ANNUAL GENERAL MEETING**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions: -

6. **PROPOSED CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY**

(i) "**THAT** authority be and is hereby given to Dato' Haji Ismail Bin Karim, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM." **RESOLUTION 9**

(ii) "**THAT** authority be and is hereby given to Mr. Tee Boon Hin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM." **RESOLUTION 10**

(iii) "**THAT** subject to the passing of Ordinary Resolution 2, authority be and is hereby given to Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar, who has served as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years, to continue to act as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM." **RESOLUTION 11**

7. **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 12**

"**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."

NOTICE OF ANNUAL GENERAL MEETING

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")** **RESOLUTION 13**

   "**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 2026 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 Renewal of Shareholders' Mandate is passed, at which time it 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 must 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."

9. To transact any other business for which due notice 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 2026

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend, participate, speak and vote at the 79th AGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote at the 79th 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 an omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. 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 the proxy appointment electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") at **https://srmy.vistra.com** 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 79th 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 18 August 2026 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

8. Members' approval for the audited financial statements for the financial year ended 31 March 2026 ("FY2026") is not required pursuant to Section 340(1)(a) of the Act and hence, the matter will not be put forward for voting.

9. On Resolutions 1 and 2, premised on the annual assessment results, the individual Directors, including the retiring Directors, met the performance criteria required of the Company. Profiles of the retiring Directors are set out on pages 7 to 13 of the Company's Annual Report for FY2026.

10. On Resolutions 3 to 7, please refer to pages 147 to 148 of the Annual Report for further information on the Remuneration Committee's review and recommendation on Directors' fees and allowances. On Resolution 7, the Non-Executive Directors' allowances are payable based on, among others, the number of meetings to be held during the relevant period.

11. On Resolution 8, Messrs BDO PLT have indicated their willingness to continue in office until the conclusion of the next AGM. Please refer to pages 149 to 150 of the Annual Report for further information on the Audit Committee's assessment of the External Auditors.

NOTICE OF **ANNUAL GENERAL MEETING**

SPECIAL BUSINESS

12. On Resolutions 9 to 11, the relevant Independent Directors have served the Company for a cumulative period of more than nine (9) years. In line with the Malaysian Code on Corporate Governance, the Nomination Committee has assessed their independence as defined in Main Market Listing Requirements of Bursa Securities. Based on the assessment, the Nomination Committee is of the view that the Independent Directors remain independent and their retention as Independent Directors will be tabled for two-tier voting at the forthcoming 79th AGM.

    During their term, they have exercised their judgment in an independent and unfettered manner, discharged their duties with reasonable care, skill and diligence whilst bringing independent thought and experience to enhance administrative efficiency and ensure compliance with the relevant statutory and regulatory requirements in accordance with the latest development.

13. On Resolution 12, shareholders' approval is sought to renew the General Mandate for the issuance of shares by the Company pursuant to Sections 75(1) and 76(1) of the Act.

    If passed, Resolution 12 will provide flexibility to the Board of Directors of the Company, from the date of the 79th AGM, to allot and issue shares or to make or grant offers, agreements, rights or options in respect of shares, including those which would or might require shares in the Company to be issued after the expiration of the approval, without having to convene a separate 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"). This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM.

    The General Mandate will enable the Company to undertake possible fund-raising exercises, including but not limited to placement of shares for the purpose of funding working capital, capital expenditures, general corporate purposes, settlement of trade and non-trade creditors, repayment of banking facilities or as consideration for strategic investments.

    As at the date of this Notice, the Directors have not utilised the General Mandate granted at the 78th AGM and hence, no proceeds were raised therefrom.

14. On Resolution 13, further information on the Proposed Renewal of Shareholders' Mandate is set out in the Circular to Shareholders dated 30 July 2026, which is published on the Company's 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 Annual General Meeting 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (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.

PARAGON GLOBE BERHAD
百丽环球
194801000095 (1713-A)
(Incorporated in Malaysia)

	%
First Proxy	%
Second Proxy	%
TOTAL	**100 %**

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-Ninth Annual General Meeting ("79th AGM") of the Company at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor, Malaysia on Friday, 28 August 2026 at 9.00 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' Sri Edwin Tan Pei Seng.	1		
Re-election of Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar.	2		
Approval of the payment of RM110,500 for the Non-Executive Directors' fees to Mr. Tee Boon Hin for the period from 1 April 2026 to the next AGM of the Company.	3		
Approval of the payment of RM110,500 for the Non-Executive Directors' fees to Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar for the period from 1 April 2026 to the next AGM of the Company.	4		
Approval of the payment of RM110,500 for the Non-Executive Directors' fees to Dato' Haji Ismail Bin Karim for the period from 1 April 2026 to the next AGM of the Company.	5		
Approval of the payment of RM102,000 for the Non-Executive Directors' fees to Dato' Jeffrey Lai Jiun Jye for the period from 1 April 2026 to the next AGM of the Company.	6		
Approval of the payment of Non-Executive Directors' allowances up to an amount of RM100,000 for the period from 28 August 2026 to the next AGM of the Company.	7		
Re-appointment of Messrs BDO PLT as Auditors of the Company and authorisation for the Directors to fix their remuneration.	8		
Approval of the proposed continuation in office as Independent Non-Executive Director for Dato' Haji Ismail Bin Karim.	9		
Approval of the proposed continuation in office as Independent Non-Executive Director for Mr. Tee Boon Hin.	10		
Approval of the proposed continuation in office as Independent Non-Executive Director for Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar.	11		
Approval of the renewal of the authority to allot and issue shares pursuant to Sections 75(1) and 76(1) of the Companies Act 2016.	12		
Approval of the proposed renewal of the shareholders' mandate for recurrent related party transactions of a revenue or trading nature.	13		

(Please indicate with an "X" in the spaces provided as to how you wish your votes 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.

Signed this ______________day of ______________ 2026

____
Signature

Fold this flap for sealing

Notes:

(1) A member entitled to attend, participate, speak and vote at the 79th AGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote at the 79th 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 an omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. 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 the proxy appointment electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") at **https://srmy.vistra.com** 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 79th 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 18 August 2026 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 2026.

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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

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PARAGON GLOBE BERHAD
百丽环球
194801000095 (1713-A)

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