



PARAGON GLOBE BERHAD

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194801000095 (1713-A)

CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION POLICY

(VERSION 3.0)

APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY ON 22 MAY 2026

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1. INTRODUCTION

- 1.1 This Conflict of Interest and Related Party Transactions (“Policy”) sets out the framework and guidelines for the identification, disclosure, evaluation, approval and monitoring of Conflict of Interest situations and Related Party Transactions within Paragon Globe Berhad (“PGB” or “the Company”) and its subsidiaries (“the Group”).
- 1.2 This Policy is intended to ensure that Conflict of Interest situations and Related Party Transactions are managed in a transparent, fair and consistent manner and are conducted in the best interest of the Group, in compliance with applicable laws, regulations and the Listing Requirements of Bursa Securities.

2. OBJECTIVE

The objective of this Policy is to provide Directors and Employees of the Group with an understanding of the policies and procedures to be adhered to in identifying and managing Conflicts of Interest and Related Party Transactions, and to serve as a reference for the AC and the Board in exercising effective oversight over such matters within the Group.

3. SCOPE

This Policy applies to all Directors and Employees of the Group, as well as Persons Connected to them as defined under the Listing Requirements. As this Policy is intended to apply broadly to non-exhaustive transactions and situations, Directors and Employees must exercise reasonable judgment and comply with the spirit of this Policy.

4. DEFINITION

- 4.1 Unless the context otherwise requires, the following terms shall have the following meanings:

“Act”	: Means the Companies Act 2016.
“AC”	: Means the Audit Committee of PGB.
“Board”	: Means the Board of Directors of PGB.
“Bursa Securities”	: Means Bursa Malaysia Securities Berhad (Registration No. 200301033577(635998-W)).
“Chief Executive”	: Means the principal executive officer of the Company for the time being, by whatever name called, and whether or not he is a Director.

- “Compliance Function”** : Means the function responsible for overseeing compliance with this Policy, including the identification, monitoring, reporting and management of Conflict of Interest and Related Party Transactions within the Group.
- “Conflict of Interest” (“COI”)** : Means circumstances or relationships where a person’s personal interests influence, have the potential to influence, or are perceived to influence his or her decision-making in relation to the affairs of the Group.
- “Conflict of Interest Declaration Form”** : Means the prescribed form set out in **Appendix 1** for the purpose of disclosing any actual, potential or perceived Conflict of Interest in accordance with this Policy.
- “Director”** : Means a person as defined in Chapter 10.02(c) of the Listing Requirements. It generally refers to any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon:
- (i) a director of the listed issuer, its subsidiary or holding company; and
 - (ii) a chief executive of the listed issuer, its subsidiary or holding company.
- “Employees”** : Means any person who is employed by the Company and/or its subsidiaries, including but not limited to:
- (a) Directors, whether executive or non-executive;
 - (b) senior management; and
 - (c) any individual on direct hire.
- “Family Member”** : Means a person as defined in Chapter 1.01 of the Listing Requirements. It generally refers to a person who falls within any one of the following categories:
- (a) spouse;
 - (b) parent;
 - (c) child including an adopted child and step-child;
 - (d) brother or sister; and
 - (e) spouse of the person referred to in subparagraphs (c) and (d) above.

- “Independent Director”** : Means a director who is independent as defined in Chapter 1.01 of the Listing Requirements. It generally refers to a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company.
- “Listing Requirements”** : Means the Main Market Listing Requirements of Bursa Securities.
- “Major Shareholder”** : Means a person as defined in Chapter 1.01 of the Listing Requirements. It generally refers to a person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is
- (a) 10% or more of the total number of voting shares in the corporation; or
 - (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation.
- “Person Connected”** : Means a person connected as defined in Chapter 1.01 of the Listing Requirements.
- “Related Party”** : Means a related person as defined in Chapter 1.01 of the Listing Requirements. It generally refers to a Director, Major Shareholder or a Person Connected with such Director or Major Shareholder who has an interest in a Related Party Transaction.
- “Related Party Transaction” (“RPT”)** : Means a transaction entered into by the listed issuer or its subsidiaries which involves the direct or indirect interest of a Related Party.
- “Recurrent Related Party Transaction” (“RRPT”)** : Means a related party transaction which is recurrent, of a revenue or trading nature and which is necessary for the day-to-day operations of a listed issuer or its subsidiaries.
- “Transaction”** : Means a transaction as defined in Chapter 10.02(l)(ii) of the Listing Requirements. It generally includes any of the following actions undertaken by the Company or its subsidiaries:
- (a) the acquisition, disposal or leasing of assets;
 - (b) the establishment of joint ventures;
 - (c) the provision of financial assistance;
 - (d) the provision or receipt of services; or
 - (e) any business transaction or arrangement entered into, by a listed issuer or its subsidiaries.

“Significant Transaction” : Means any transaction with an annual transaction value (based on the financial reporting period) exceeding RM1,000,000.

“Substantial Shareholder” : Means the person referred to in Section 136(2) of the Act.

- 4.2 All references to “Company” or “PGB” in this Policy refer to Paragon Globe Berhad and references to the “Group” refer to PGB and its subsidiaries. References to “we”, “us”, “our” and “ourselves” refer to the Company and where the context otherwise requires, its subsidiaries.
- 4.3 Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations, unless otherwise specified.
- 4.4 This Policy shall also be read in conjunction with the definitions and interpretations of the abovementioned terms as set out in the Listing Requirements and the Act, where applicable.

5. CONFLICT OF INTEREST & RELATED PARTY TRANSACTIONS

- 5.1 A Conflict of Interest arises in any situation where a Substantial Shareholder, Director or employee of the Group is in a position to take advantage of his or her position or role within the Group for personal benefit, whether directly or indirectly, including for the benefit of a Person Connected. A Conflict of Interest may undermine the values of good faith, fidelity, diligence and integrity in the performance of duties and obligations. In the event of doubt, Substantial Shareholders and Directors shall seek clarification from the Company Secretary of the Company while Employees shall seek clarification from the Compliance Function.
- 5.2 This Policy must be read in conjunction with PGB’s Code of Conduct Policy, Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy and other related policies which are accessible at www.pgbgroup.com.my.
- 5.3 All Substantial Shareholders, Directors and Employees of the Group (including Persons Connected) must avoid any situation in which their personal interests, whether directly or indirectly, give rise to an actual, potential or perceived Conflict of Interest. They must not use their position or authority, the Group’s resources and assets and/or any information available to them for personal gain or for the benefit of Persons Connected, or in a manner that is detrimental to the Group.

- 5.4 All Substantial Shareholders, Directors and Employees of the Group (including Persons Connected) must not enter into any relationship or transaction with the Company or its subsidiaries or any other person, whether contractual or otherwise and whether in his or her own name or otherwise, which results in an actual, potential or perceived Conflict of Interest, unless such transaction is permitted under applicable laws and regulations and has been approved at the appropriate level of management and/or the board of directors of the relevant subsidiary and/or the Board, as applicable. Such interested Substantial Shareholder, Director or Employee of the Group, and any Persons Connected, shall abstain from all deliberations, discussions and decisions in relation to such transaction or contract.
- 5.5 All Directors and Employees of the Group shall comply with the Group's Code of Conduct as approved by the Board. Directors and Employees must disclose and declare their interest via the Conflict of Interest Declaration Form in any contemplated transaction or contract involving an actual, potential or perceived Conflict of Interest, whether direct or indirect, prior to the establishment of the contractual business relationship or, where this is not practicable, as soon as practicable upon becoming aware of such Conflict of Interest.

The disclosure and declaration of such Conflict of Interest shall be made to the AC, in the case of Directors of the Company and its subsidiaries, or to the Compliance Function, in the case of Employees, for onward submission to the AC.

The interested Director or Employee (including Persons Connected) shall abstain from participating in any review, discussion and decision in relation to the relevant transaction or contract and shall comply with all applicable laws and regulations. A sample of the Conflict of Interest Declaration Form is attached in **Appendix 1**.

- 5.6 Substantial Shareholder of the Company or its subsidiaries must disclose and declare his or her interest via the Conflict of Interest Declaration Form in any contemplated transaction or contract involving an actual, potential or perceived Conflict of Interest, whether directly or indirectly, with the Company or its subsidiaries, to the Company Secretary of the Company or its subsidiaries (as the case may be) for onward submission to the AC. Such interested Substantial Shareholder (including Persons Connected) shall abstain from participating in any review, discussion and decision in relation to the interested transaction or contract and shall comply with all applicable laws and regulations.
- 5.7 At a general meeting convened to obtain shareholders' approval or mandate for an interested transaction or contract, the interested Substantial Shareholder, Director or Person Connected, and where applicable, any Employee involved, shall abstain from voting on the resolution to approve such transaction. The Substantial Shareholder or Director shall also ensure that any Person Connected abstains from voting on the relevant resolution.

6. REVIEW AND APPROVAL OF CONFLICT OF INTEREST, RPT AND RRPT

- 6.1 All Related Parties of the Group are required to declare any potential RPT, RRPT and/or any Conflict of Interest involving him/her or any Person Connected, as soon as practicable upon becoming aware of Conflict of Interest, by submitting the Conflict of Interest Declaration Form to the AC for, together with any additional information relating to the transaction as the AC may reasonably request. The AC shall determine whether the transaction constitutes an RPT, RRPT and/or Conflict of Interest, and may, where necessary, obtain professional or independent third-party advice on the matter.
- 6.2 All Substantial Shareholders, Directors and Employees of the Group are required to complete the Conflict of Interest Declaration Form on an annual basis. This includes disclosing the names of companies in which he/she and/or their Persons Connected hold directorships and/or substantial shareholdings, as well as any potential RPT, RRPT and/or Conflict of Interest, to the Compliance Function.
- 6.3 Personnel from the Sales and Marketing, Project and Purchasing Departments are required to submit the Conflict of Interest Declaration Form, whereby the owner, director and/or shareholder of the prospective customer or newly appointed supplier is required to disclose whether such owner, director and/or shareholder is a Substantial Shareholder, Director or Employee of the Company or its subsidiaries or a Person Connected with such Substantial Shareholder, Director or Employee.

The respective departments shall inform the Compliance Function in the event that such owner, director and/or shareholder of the prospective customer or newly appointed supplier is a Substantial Shareholder, Director or Employee of the Company or its subsidiaries or a Person Connected with such Substantial Shareholder, Director or Employee.

- 6.4 The Compliance Function shall review all RPTs, RRPTs and/or Conflicts of Interest on a monthly basis, and compile a listing of Related Parties, nature of RPTs, RRPTs and/or Conflicts of Interest, estimated annual transaction values and controls put in place, subject to updates from time to time and review by the Head of Compliance Function without the participation of the interested Related Party concerned.

The Head of Compliance Function shall notify the AC of any new RPTs, RRPTs and/or Conflicts of Interest with details in writing or via electronic communication and shall report to the AC for review at least once every quarter during the AC meeting.

In the event the Head of Compliance Function has a direct or indirect interest in any RPT, RRPT and/or Conflict of Interest, a non-interested Director shall review the details of the relevant RPT, RRPT and/or Conflict of Interest and notify the AC.

- 6.5 For the avoidance of doubt, a Significant Transaction involving a Related Party, with an annual transaction value (based on the financial year) exceeding RM1,000,000, shall be subject to a formal review and approval by the AC, supported by the relevant information and documentation as set out in Clause 6.7 and Clause 6.8, prior to the commencement of the transaction. The Head of Compliance Function shall notify the AC for any annual transaction value below RM1,000,000 during the AC meeting.
- 6.6 Any member of the AC who has an actual, potential or perceived Conflict of Interest, whether directly or indirectly in any RPT, RRPT and/or Conflict of Interest shall recuse himself or herself and abstain from deliberation, review, approval or ratification of such RPT, RRPT and/or Conflict of Interest and shall not participate in the AC's discussions thereof. Where such member is an Independent Director, he or she shall be subject to an assessment by the Board to determine his or her independence and objectivity in continuing to hold office as an Independent Director.
- 6.7 In order for the AC to review any RPT, RRPT and/or Conflict of Interest, the Compliance Function shall provide all relevant material information, including but not limited to:
- (a) the terms of the transaction and its commercial reasonableness;
 - (b) the description and business purpose of the transaction;
 - (c) the extent of the Related Party's interest in the RPT, RRPT and/or Conflict of Interest, where applicable;
 - (d) the controls put in place;
 - (e) the benefits to the Company and/or to the Related Party;
 - (f) the materiality of the RPT, RRPT and/or Conflict of Interest to the Company and the applicable percentage ratios pursuant to Chapter 10 of the Listing Requirements;
 - (g) justification as to why the transaction is undertaken with the Related Party; and
 - (h) any other relevant information as the AC deems necessary.

- 6.8 In determining whether to recommend the RPT, RRPT and/or Conflict of Interest to the Board for approval or to shareholders for approval at a general meeting, the AC shall consider the following:
- (a) whether the terms are at arm's length, on terms not more favourable to the Related Party than those generally available to the public and in the best interest of the Company, fair, reasonable and not detrimental to the interests of the Company, its subsidiaries or its minority shareholders;
 - (b) whether quotations from non-Related Parties are available for comparison, and if not, the justification for the absence of such comparison;
 - (c) whether there are compelling business reasons for entering into the RPT, RRPT and/or Conflict of Interest and the nature of alternative transactions, if any;
 - (d) whether the transaction would impair the independence of any Independent Director, Director or Chief Executive;
 - (e) whether the AC was notified prior to commencement of the transaction and, if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company or its subsidiaries;
 - (f) whether the transaction gives rise to an improper Conflict of Interest, taking into account the size, overall financial materiality, nature and duration of the transaction and any other factors the AC deems relevant; and
 - (g) where possible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities shall be used for comparison to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar products/services and/or quantities.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, for instance where there are no unrelated third-party vendors/customers of similar products or services, or where the product/service is proprietary in nature, the transaction price shall be determined based on prevailing commercial terms, supported by Management's justification or such other reasonable basis as may be appropriate, and in all cases on terms which are not detrimental to the Company or the Group.

- 6.9 If the AC decides not to recommend any RPT, RRPT and/or Conflict of Interest to the Board for approval or to shareholders for approval at a general meeting or for ratification, including where such transaction has already commenced without prior approval, the AC may direct appropriate remedial actions, including but not limited to immediate discontinuation, rescission or modification of the transaction. The AC shall also have the authority to modify or waive any procedural requirements under this Policy, where appropriate.

- 6.10 All RPTs, RRPTs and/or Conflicts of Interest reviewed by the AC shall be reported and recommended to the Board for deliberation and approval. The considerations set forth above shall apply to the Board with such modifications as may be necessary or appropriate.
- 6.11 Any member of the Board who has an actual, potential or perceived Conflict of Interest in any RPT, RRPT and/or Conflict of Interest shall recuse himself or herself and abstain from deliberation, approval or ratification of such RPT, RRPT and/or Conflict of Interest, and shall not participate in the Board's discussions thereof.

7. DISCLOSURE OF RPTS, RRPTS AND CONFLICTS OF INTEREST

- 7.1 The Head of Compliance Function is responsible for compiling the percentage ratios of all RPTs, RRPTs and/or Conflicts of Interest in compliance with Chapter 10 of the Listing Requirements in relation to such transactions.

The information compiled shall comply with the requirements of the Act, the Capital Markets and Services Act 2007 and such other applicable securities laws and regulations in relation to the RPTs, RRPTs and/or Conflicts of Interest.

- 7.2 Prior to any announcement of an RPT, RRPT and/or Conflict of Interest, the Company Secretary shall prepare the relevant announcement, circular, and/or any other necessary documentation and seek clearance from the AC prior to submission to the Board.

The AC shall review the terms and conditions of the RPT, RRPT and/or Conflict of Interest and submit its recommendation together with the relevant announcement and/or circular to the Board for deliberation and approval. Upon execution of the relevant agreement by the Company or its subsidiaries, the Company Secretary shall make the necessary announcement to Bursa Securities, where applicable.

8. ROLES AND RESPONSIBILITIES

All Substantial Shareholders, Directors and Employees are responsible for the ongoing identification and management of Conflicts of Interest and are required to:

- i. comply with this Policy and other applicable policies and guidelines relating to the identification, documentation, escalation and management of Conflicts of Interest;
- ii. act with objectivity, integrity and independence, and exercise sound judgement and discretion;
- iii. avoid, wherever possible, situations giving rise to Conflicts of Interest as described in this Policy; and
- iv. immediately declare any Conflict of Interest in accordance with this Policy, recuse themselves from the relevant decision-making process and shall not seek to influence such decisions.

9. COMPLIANCE FUNCTION

- 9.1 The Group shall establish and maintain a Compliance Function responsible for all Conflict of Interest and Related Party Transactions compliance matters. The structure of this Compliance Function is set out in **Appendix 3**.
- 9.2 The Compliance Function shall perform the following responsibilities within the Company's structure and be adequately equipped to act effectively, including but not limited to:
- i. provide advice and guidance to personnel on matters relating to Conflicts of Interest and RPTs;
 - ii. take appropriate steps to ensure that adequate monitoring, measurement, analysis and evaluation of RPTs, RRPTs and Conflicts of Interest are performed;
 - iii. maintain records of activities that may give rise to detrimental Conflicts of Interest and RPTs;
 - iv. ensure that the Conflict of Interest Declaration Form is completed and submitted on an annual basis;
 - v. report on the management of RPTs, RRPTs and Conflicts of Interest involving Substantial Shareholders, Directors and Employees to the AC during scheduled meetings; and
 - vi. conduct regular risk assessments to identify Conflict of Interest risks affecting the business, set objectives, assess the effectiveness of the controls in achieving those objectives and report to the AC during scheduled meetings.
- 9.3 Appropriate resources shall be provided to ensure the effective operation and management of matters relating to Conflict of Interest and Related Party Transactions and the Compliance Function shall be staffed with personnel who possess the appropriate competence, status, authority and independence.
- 9.4 The reporting line of the Compliance Function responsible for overseeing the compliance programme shall be directly to the AC.

10. MAINTENANCE OF RECORDS

The Compliance Function shall maintain complete and up-to-date records of all Conflicts of Interest declarations and related documentation involving Substantial Shareholders, Directors and Employees, in accordance with applicable laws and regulations.

11. BREACH OF POLICY

Failure to disclose a Conflict of Interest, provide complete and accurate information in relation to a Conflict of Interest, or appropriately manage a Conflict of Interest constitutes a breach of this Policy and may result in disciplinary action being taken by the Company.

12. OTHER RELEVANT DOCUMENTS

This Policy shall be read in conjunction with PGB's Anti-Bribery and Anti-Corruption Policy and other related policies.

13. REVIEW AND APPROVAL OF THIS POLICY

13.1 This Policy was reviewed by the AC and approved by the Board on the recommendation of the AC on 22 May 2026.

13.2 This Policy shall be reviewed by the AC at least once every three (3) years, or as and when necessary, and recommended to the Board for approval to ensure continued compliance with applicable laws, regulations and the needs of the Group.

14. MODIFICATION

PGB reserves the right to modify or amend this Policy at any time as deemed necessary to ensure alignment with the Listing Requirements, the Act, the Malaysian Code on Corporate Governance and any other applicable laws in force at the relevant time.

APPENDIX 1

PARAGON GLOBE BERHAD

(REGISTRATION NO: 194801000095 (1713-A))

CONFLICT OF INTEREST DECLARATION FORM

Instruction:

1. Please complete all relevant sections of this form where a Conflict of Interest situation applies to you.
2. This Conflict of Interest Declaration Form shall be submitted by you at any time when an actual, potential or perceived Conflict of Interest arises.

For External Stakeholders <i>(Suppliers/Customers/Agents/Substantial Shareholders/Other Third Parties)</i>			
Name	:	Email Address	:
Phone No.	:	Relationship	:

For Internal Stakeholders <i>(Directors/Employees)</i>			
Name	:	Employee ID	:
Phone No.	:	Email Address	:
Immediate superior	:	Designation/ Department	:

Details of Conflict of Interest

Description of conflict

When did the conflict arise?

Impact / potential impact of conflict:

Actions taken to address conflict:

Disclose of conflict

Disclosure to Compliance Function: Yes / No

Date of disclosure to Compliance Function:

Declaration:

- I have read and understood PGB's COI and RPT Policy and other related policies.
- I hereby declare that the information provided herein is true, complete and accurate to the best of my knowledge.
- I understand that failure to accurately or fully disclose or non-disclosure of, any Conflict of Interest may result in disciplinary action, including dismissal and/or other legal actions being taken against me.
- I undertake to update this declaration promptly should there be any change in status or circumstances.

.....

Name:

Date:

Acknowledge by Compliance Function:

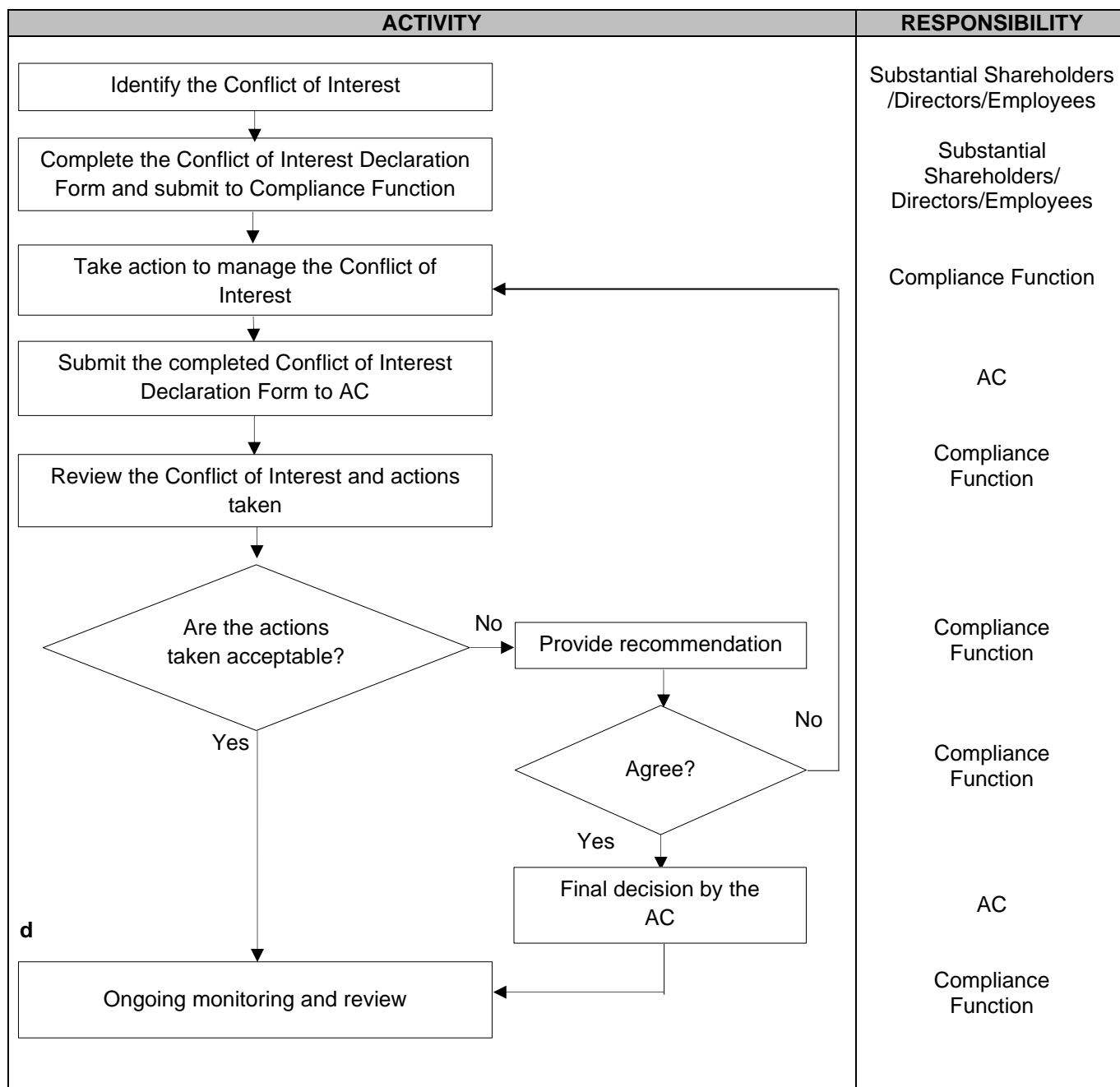
Remarks by Compliance Function:

APPENDIX 2

PARAGON GLOBE BERHAD

(REGISTRATION NO: 194801000095 (1713-A))

CONFLICT OF INTEREST DECLARATION PROCESS FLOW

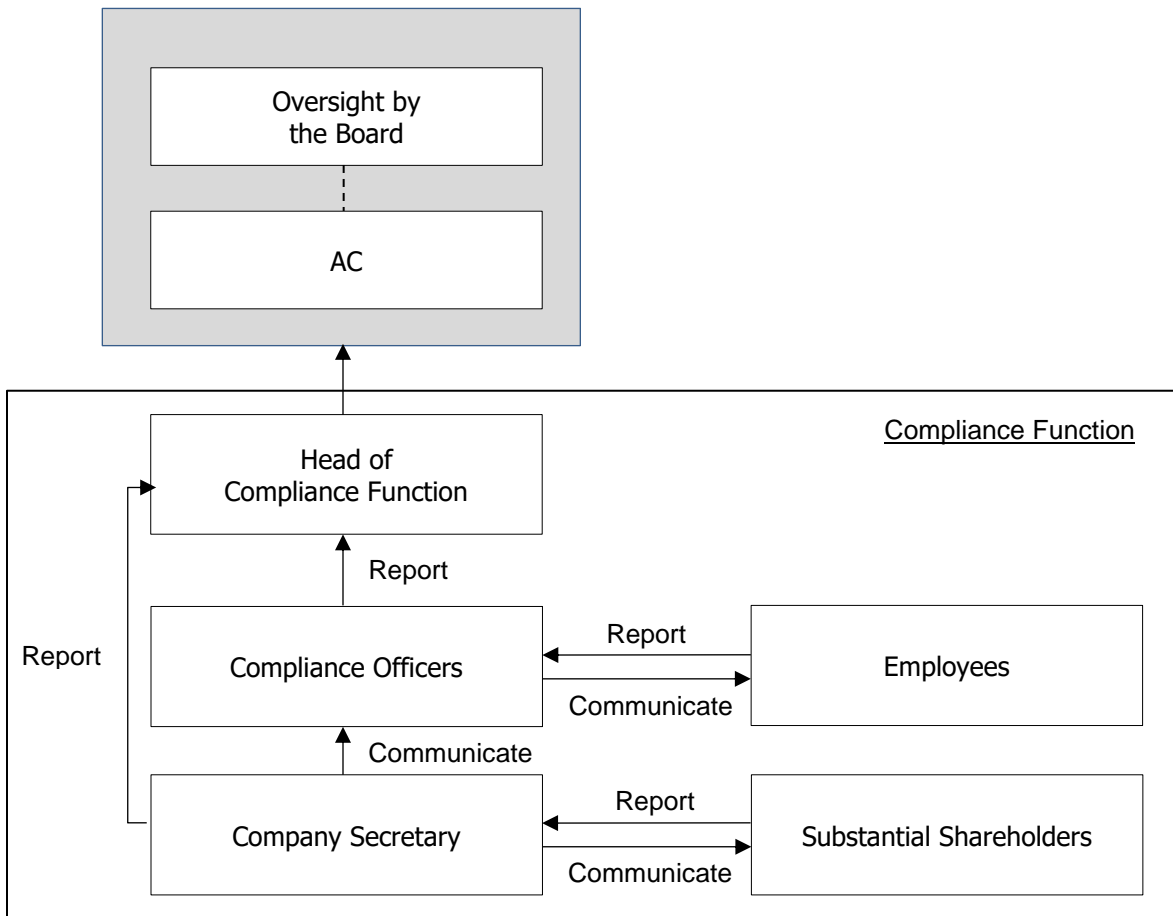


APPENDIX 3

PARAGON GLOBE BERHAD

(REGISTRATION NO: 194801000095 (1713-A))

COMPLIANCE FUNCTION GOVERNANCE STRUCTURE



With the Board as its apex, the Group has established a three-tiered governance structure comprising cross-functional departments that support its business operations. The Board is supported by the AC and the Compliance Function. The Board retains the ultimate responsibility for overseeing Conflict of Interest and Related Party Transactions within the Group.

The AC is responsible for overseeing and reviewing Conflicts of Interest and Related Party Transactions matters within the Group and for making recommendations to the Board where necessary to ensure effective governance and compliance.

The Compliance Function is led by the Corporate Compliance Officer, who serves as the Head of Compliance Function and is responsible for overseeing the management and coordination of Conflict of Interest and Related Party Transactions within the Group. This role is supported by the respective Head of Departments acting as Compliance Officers, who are responsible for monitoring, identifying and reporting such matters within their respective business units.

The Company Secretary also plays a role in facilitating timely updates on any Conflict of Interest and RPTs reported by Substantial Shareholders, and in presenting the register of Conflicts of Interest at scheduled meetings.

The respective personnel shall carry their roles and responsibilities to achieve the objectives set and approved by the Board.



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