ANNUAL REPORT 2022

- PROPERTY DEVELOPMENT
- CONSTRUCTION
- INVESTMENTS

PGB

PARAGON GLOBE BERHAD

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194801000095 (1713-A)

CONTENTS OF REPORT

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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' Jeffrey Lai Jiun Jye
- Dato' Haji Ismail Bin Karim

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 SECRETARIES

- Leong Siew Foong (MAICSA 7007572)
- Santhi A/P Saminathan (MAICSA 7069709)

PRINCIPAL BANKERS

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

PRINCIPAL PLACE OF BUSINESS

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

AUDITORS

BDO PLT (LLP0018825-LCA & AF0206)
(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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad Main Market
Stock Name: PGLOBE
Stock Code: 3611

REGISTERED OFFICE

Suite 9D, Level 9, Menara Ansar,
65, Jalan Trus, 80000 Johor Bahru, Johor
Tel: (07) 224 1035
Fax: (07) 221 0891
Email: BCS.JB@boardroomlimited.com

SHARE REGISTRARS

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

Office:
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel: (03) 2783 9299
Fax: (03) 2783 9222

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

WEBSITE

www.pgbgroup.com.my

CORPORATE **STRUCTURE**

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

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)
99.06%	BUILTECH ACRES SDN BHD 199501034667 (363869-X)
└ 100%	Sepang Medicity Sdn Bhd 201601042863 (1213805-X)

Dormant Companies

REVIEW & OUTLOOK

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors ("The Board") of Paragon Globe Berhad ("Paragon Globe" or "the Company"), I am pleased to present the Annual Report and the Audited Financial Statements of the Company and its subsidiaries (collectively known as "Paragon Globe Group" or "the Group") for the financial year ended 31 March 2022 ("FY2022").

Dato' Sri Edwin Tan Pei Seng
Executive Chairman

ECONOMIC REVIEW

In FY2022, the Coronavirus ("COVID-19") pandemic continued to affect countries and communities around the world. Lessons learned in the face of disruption, business adopting cutting-cost strategies and reinforce business continuity plans to stay sustain in the many years to come. Various safety measures being taken by the Malaysia Government in view of the speed and scale of its transmission locally and globally. These measures bring a direct consequence on the business operation and financial performance of the Group.

As at 1 June 2021, the Malaysia Government announced the implementation of the nationwide Full Movement Control Order ("FMCO") which almost all of the Group's construction work sites were shut down, as only critical projects were allowed to operate, subject to the Government's approval. With the economy reopening at the end of year 2021, the COVID-19 serves out to the supply chain disruptions and supply constrictions, rising cost of raw materials, freight and logistics costs, shortage of labour supply which in turn has resulted in higher cost of operation. In view of this, the Group is cautiously optimistic of the Group's financial performance for the FY2022.

In addition to the recent press release issued by the Ministry of Health ("MOH") dated 24 March 2022, the Government have announced the reopening of Malaysia's International borders for travellers from all countries, effective from 1 April 2022. In view of this, the Group forecasts the property market environment remains challenging but sees momentum to improve on the back of the transition to the endemic phase of COVID-19, with border reopening and the lifting of restrictions expected to further improve international and domestic economic activities.

We took cognisance of uncertain external environment brings to our business, however, the Group has devoted great effort to turning these risks into opportunities and are committed towards building a sustainable future with creation of long-term value for our stakeholders as well as environment and society at large.

CHAIRMAN'S STATEMENT (continued)

CORPORATE DEVELOPMENT

Despite the unfavourable prevailing market conditions, the Group was supported by the modern commercial development of Pekan Nenas Business Park project in the established townships of Johor. Located strategically beside Skudai-Pontian Highway and highly accessible via the North-South Expressway and Coastal Highway, Pekan Nenas Business Park development aims to create commercial property with unlimited business potential for investors and business owners. During the FY2022, the project of Pekan Sentral Phase 2 Shop Office and Detached Factories have achieved its practical completion by end 2021. Although there

had been slight delays in completion of the project owing to the pandemic, however there was no financial impact to the Group. Throughout the year, the Group still actively promoting the sale of the properties and is progressing well with the rise in consumer spending after the movement control and safety measures were lifted. The project has contributed primarily for the revenue of the property division for the FY2022. The Group will also continue to leverage on the steady demand of its existing development to roll out new phases in the near future.

Amid the slowdown in the property market, going forward, the Group plans to develop an affordable price workers' hostel at the Pekan Nenas Industrial Park, where all the foreign workers can be centralised in one location, as subpar accommodation for foreign workers remains an issue despite the industrial sector's dependence on them. The proposed development will consist of four blocks four storey of hostel that can accommodate up to 2,900 workers and the construction of the project is expected to commence in the next financial year.

The Group has on 5 December 2019, entered into a conditional sale and purchase agreement ("SPA") with Iskandar Capital Sdn Bhd ("Vendor") to acquire part of the freehold land located in Mukim of Pulai, District of Johor Bahru, State of Johor, measuring approximately 31.1 acres for a total purchase consideration of RM60.96 million. The Group and the Vendor have entered into several Supplemental Agreements to further extend the completion date to allow completion the Conditions Precedents. The Group is expected to complete the transaction by the next financial year. Taking into consideration the outlook of the property sector in Malaysia, the Group will exercise extreme caution when determine the development components to ensure the development projects' success without compromising on quality while improving operational efficiency.

The Group is currently active involve in the development of the Sepang Medical Centre for Selgate Healthcare Sdn Bhd. ("Selgate Healthcare"). The Sepang Medical Centre, with 121-bed, to be built on 7.07 acres of land, operated and leased by Selgate Healthcare for 15 years, with an option to extend for another 15 years. The construction of earthwork and piling work for the hospital has been completed during the financial year. Recent increased spending in the healthcare and wellness sector, as well as the growing demand for healthcare services, has encouraged the Group venture into this industry. The Group aspires to become a significant player in the healthcare and wellness segment, as it intends to leverage Selgate Healthcare's experience and expertise in healthcare management, hospital operation as well as offering home nursing services. Thus, on 2 September 2021, the Group has entered into a Memorandum of Understanding ("MOU") with Selgate Properties Sdn Bhd ("Selgate Properties") to lookout for opportunities to develop more private specialist hospital in Malaysia.

CORPORATE DEVELOPMENT (continued)

Furthermore, the Group has on 24 June 2022, entered into three (3) Sale and Purchase Agreements (collectively known as "SPAs") with Lim Thiam Seng and Lim Yok Sing, Eng Foo (Lim) Enterprise Sdn Bhd and Heng Foo Lim Enterprise Sdn Bhd (collectively known as "the Vendors") to acquire three pieces of freehold agriculture land located in Mukim of Plentong, District of Johor Bahru, State of Johor, measuring approximately 26.84 acres for a total purchase consideration of RM38.08 million. This would enable the Group to increase its existing land bank to include lands in state of Johor and would provide the Group with opportunity to create greater economic value and enlarge earnings base which is expected to contribute positively to the Company's future revenue stream and profitability.

New opportunities are still aplenty in these changing markets and the Group will continue to enhance its value proposition to growth-centric company and exercise caution for its existing and future development projects to ensure the development projects' success without compromising on quality while improving operational efficiency as well as devote more effort to increase and rise to greater shareholder value.

FINANCIAL REVIEW

For FY2022, the Group recorded a net profit of RM1.16 million, from a net loss of RM1.85 million in FY2021. Revenue grew by 142.57% to RM54.83 million, from RM22.61 million in the previous financial year, primarily attributed from the sales of properties for both Pekan Sentral Shop Offices project and Detached Factories project.

The financial position of the Group remained healthy with total assets of RM311.79 million in FY2022, compared to RM271.60 million in FY2021. Net assets per share for FY2022 is at RM0.40 per share, compared to RM1.28 per share for FY2021. The decrease in net assets per share mainly due to the Group has undertaken a renounceable rights issue to raise proceeds to support the expansion of capital expenditure.

A more detailed review of the Group's performance is covered under the section on "Management Discussion and Analysis" in this Annual Report.

PROSPECTS AND OUTLOOK

In the recent media release by the Bank Negara Malaysia ("BNM"), BNM expected the pace of economic recovery in Malaysia for the year 2022 is projected to gather further momentum, with growth at 5.3% to 6.3%. In addition, with the reopening of international borders and higher vaccination rates, the market continued expand and further improvement in the labour market, impact positively on the prospect of the economy. The Group is cautiously optimistic that global and domestic economic outlook is expected to continue to remain uncertain in the near term due to the ongoing geopolitical conflict which has already triggered inflationary pressures, weakening of domestic currency, supply shock and labour shortages.

Latest indicator shows that Malaysia's inflation rate is projected to average between 2.2% to 3.2% in year 2022. Price adjustments amid the higher input costs and commodity prices, will continue to weigh on our business operation and financial performance. Underlying inflation, BNM adjusted its monetary policy settings at a faster pace to reduce inflationary pressures by increasing the Overnight Policy Rate ("OPR") by 25 basis points to 2.00 percent. This has adversely increased the barriers to access financing by the potential purchases, reduce the consumer spending sentiment. In addition, the outbreak across the globe as well as the Russia-Ukraine crisis have also sparked more uncertainties and instability to the global economy, in which it is expected that property market to remain challenging in the year 2022/2023.

On the other hand, with the labour shortages and the fluctuation of the raw material cost, the property market sentiment remains in very cautious mood that may be resulting a weak and volatile market trend. Moving forward, the Group will continue adopting a prudent approach as the raw material costs are expected to be unstable throughout the year, formulate the necessary plans to minimise the impact to the financial performance of the Group.

CHAIRMAN'S STATEMENT (continued)

PROSPECTS AND OUTLOOK (continued)

Coupled with the COVID-19 outbreak, increased spending and growing demand in the healthcare and wellness sector, have spur the Group to penetrate into healthcare and wellness sector. The Group aims to develop more private hospital which could aid in taking sufficient measures for any new diseases or viruses which may happen in near future. The Group will also continue to focus on commercial and industrial properties as there is a potential in this market sector where commercial segment remains the pull factor for investment while the industrial segment is expected to play a significant role in generating investments.

On top of that, there are numerous development opportunities that are being pursued by the Management. Management will work closely with the Board to evaluate all potential new businesses or investments to optimise the interest of the Group as well as the shareholders and stakeholders. The Group will also explore and evaluate favourable land deals or viable joint venture opportunities for our property development division.

CHANGES IN THE BOARDROOM AND KEY MANAGEMENT

I would like to take this opportunity to thank Mr. Gary Goh Soo Liang for his contribution as Chief Executive Officer.

I would also like to welcome Mdm. Leong Siew Foong, who joined us as Executive Director on 16 June 2022. I look forward to your contributions towards making our business a success.

DIVIDEND POLICY

Amid the present economic uncertainties, the Board is taking a conservative stance to maintain a strong effective cash flow in order to ensure the Group remains resilient during this difficult period. We shall re-invest the earnings to grow our business, to create and enhance shareholders' value in the long run. In view of this, the Company has not formalised any dividend distribution policy in rewarding the shareholders.

APPRECIATION AND ACKNOWLEDGMENT

On behalf of the Board of Directors, I would like to express my utmost gratitude to our valued customers, shareholders, business partners, suppliers, bankers and the respective government authorities for the continuous trust and unwavering support in Paragon Globe Group.

My special thanks to the management team and staff for their loyalty, hard work and contributions to the Group as we continue to evolve and adapt to the ever-changing market landscape. I also wish to convey my appreciation to my fellow Directors for their wise counsel and invaluable contributions.

Working hand in hand with all our stakeholders, we will continue to explore new business opportunities and will proceed cautiously to enhance our existing businesses to deliver greater stakeholders' value for everyone in the many more generations to come.

Thank you.

Dato' Sri Edwin Tan Pei Seng
Executive Chairman

MANAGEMENT **DISCUSSION & ANALYSIS**

This Management Discussion and Analysis elaborates on the financial and operational performance of Paragon Globe Berhad ("the Group") for financial year ended 31 March 2022 ("FY2022") as well as provides the risk exposure on the Group's future performance.

I am pleased to report that the Group has achieved its Net Profit of RM1.16 million for FY2022.

DATO' SRI GODWIN TAN PEI POH
Group Executive Director

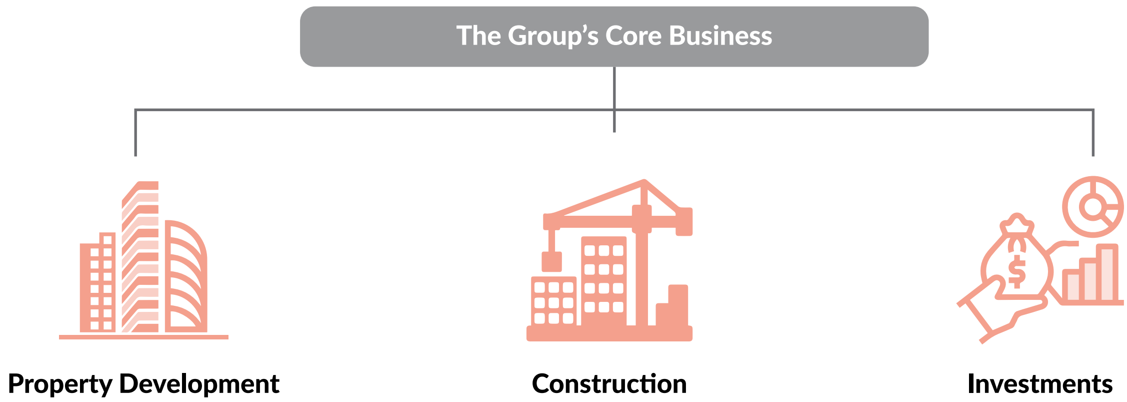
FORWARD-LOOKING STATEMENT

The Group remains cautiously optimistic of its prospects going forward in FY2023. We will continue assess the market condition, invest our capitals in customers, products and businesses to create the most value for our shareholders. Simultaneously, we will also actively identifying and pursuing new business opportunities within our core areas of business, understanding the changing market trends and customer demand, and commit to the path of sustainable growth and profitability.

The Group has a healthy financial position and a very prudent and disciplined financial management practice that holds us in good stead for FY2023 and beyond. We will underpin our ability to deliver innovative, excellence and quality products and services which in line with the Group's vision and mission, while enhancing economic, environmental and social ("EES") practices to generate greater sustainable impact benefitting our community and environment.

MANAGEMENT DISCUSSION & ANALYSIS (continued)

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS



Paragon Globe Berhad is an investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") with diversified interest in property development, property construction, property investment and other property related businesses. The Group' operating segment are as follows:

Property Development:

During the current financial year, building construction work for both developments, Pekan Sentral Phase 2 Shop Offices and Detached Factories have been completed against a multitude of disruptions to construction works and have obtained its practical completion. Despite the recession and disruption to businesses brought by COVID-19 pandemic, the Group's revenue is well supported by its sales of Pekan Sentral Shop Office and the Detached Factories. Property development remains as the main contributor of the Group's business, contributing approximately 99% of the Group's revenue in FY2022.

The Group will continue to focus on promoting the sale of these projects while continue to build on the brand name follow up with launches in small parcels ensuring marketability and sustainability of earnings. The Group believes that property with right concept, products, pricing and location will still maintain favourable response from the owner occupiers. The Group's strategy is to provide the Group with opportunity to create greater economic value and increase the earnings potential of the Group over the medium to long term as the project has promising development potential.

The Management will perform feasibility study and market survey for new acquisition and investment before any new launching to ensure the Group is able to maximise the earnings. The Group is also evaluating potential joint-ventures so that we will not be limited by our own capital constraints, whilst returning value to our shareholders. The Management will present such opportunity to the Board for their consideration and decision.

Construction:

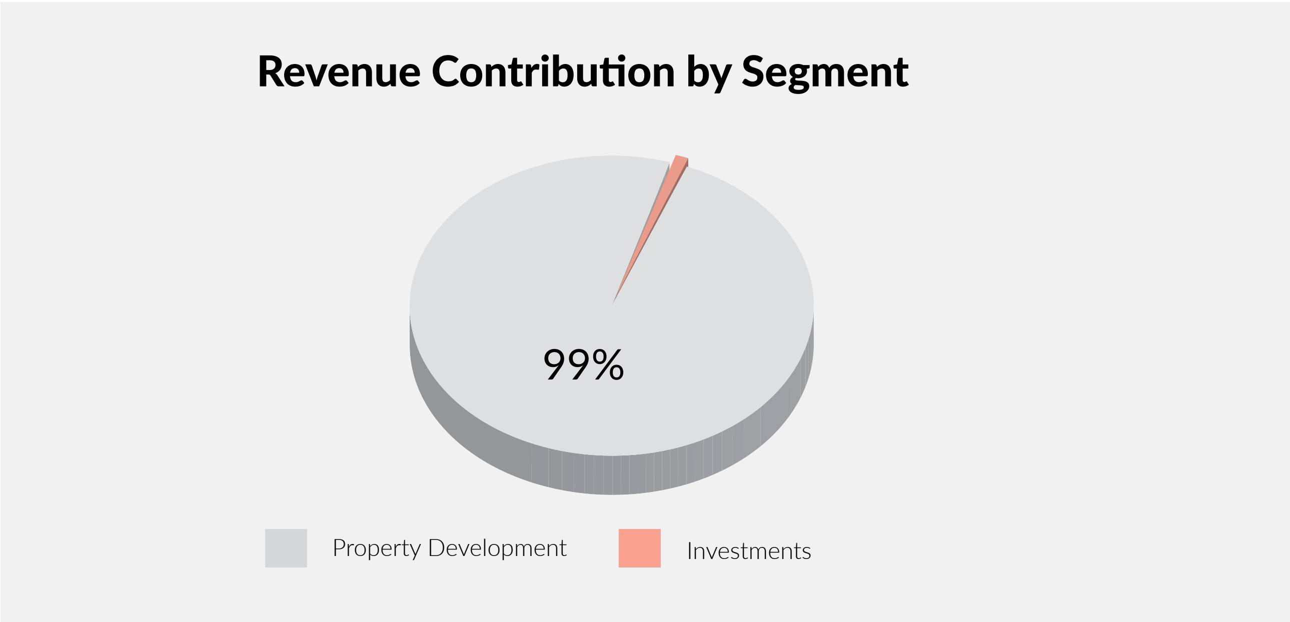
The Group has successfully completed its construction project of Pekan Sentral Shop Office Phase 2 and Detached Factories project during the current financial year. For the new financial year, the Construction Division will continue exploring the opportunity to secure new external construction contracts whilst supporting the Group's existing and new projects to contribute positively to the Group's results.

Investments:

The Group's investment segment revenue was mainly generated from the dividend income derived from the short-term money market fund as well as interest income from fixed deposit placed with financial institutions. For the new financial year, the investment division will continue to lookout for new opportunities to enhance the Group's financial performance.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

FINANCIAL HIGHLIGHTS



143% **RM54.83** MILLION
Revenue

24% **RM295.38** MILLION
Total Shareholders' Equity

163% **RM1.16** MILLION
Net Profit

15% **RM311.79** MILLION
Total Assets

MANAGEMENT DISCUSSION & ANALYSIS (continued)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (continued)

Group Financial Performance Review

The Group's key financial information for the financial year ended 31 March 2022 ("FY2022") and 31 March 2021 ("FY2021") are summarised as below:

	FY2021 RM'000	FY2022 RM'000
Group turnover	22,605	54,831
Group (loss)/profit before taxation	(2,149)	1,958
Taxation	298	(798)
Group (loss)/profit after taxation	(1,851)	1,160
Total comprehensive (loss)/ income attributable to owners of the parent	(1,832)	1,175
(Loss)/earnings per share (sen) - basic	(0.99)	0.25
Shareholders' fund	238,206	295,378

Despite the challenging business environment that persisted throughout the year, the Group managed to navigate the tough business landscape to produce a satisfactory performance and maintained a relatively stable financial position for the current financial year. During the FY2022, the Group reported a turnover of RM54.83 million, which is showing a growth of 142.57% from RM22.61 million in the previous FY2021, in tandem with the recovery of national economy and improvement in demand. The Group's profit before tax and profit after tax were RM1.96 million and RM1.16 million respectively, turning around from loss before tax of RM2.15 million and loss after tax of RM1.85 million in the preceding financial year.

The Group's financial performance by segments for FY2022 as compared to FY2021 is tabulated below.

	FY2021 RM'000	FY2022 RM'000
Property Development	20,833	54,250
Construction	864	-
Investments	908	581
Total Revenue	**22,605**	**54,831**

Positive revenue growth was achieved during the financial year under review, mainly attributable to the increase in sales of properties from both shop offices and detached factories. The property development segment reported revenue of RM54.25 million, an increase of 160.41% compared to its preceding financial year of RM20.83 million. This segment remains the main contributor, accounted for 98.94% of the Group's total revenue, followed by the investment segment with 1.06%.

The investment segment posted a revenue of RM0.58 million in FY2022, a decrease of 36.05% compared to its preceding financial year of RM0.91 million. The decrease in FY2022 was mainly due to the decrease in the dividend earned from money market. The Group's construction arm largely provides intercompany construction services to the Group's property development companies. Thus, revenue generated from the intercompany services is eliminated at consolidation and resulted no revenue generated during the current financial year.

Overall, the Group's positive achievements are attributable to the teamwork shown by all levels of employees that enabled the Group to seize the opportunity to growth as well as the all the support from the customers. The Group will continue to monitor our key performance and maintain cost measures, adapt and respond well to the diverse market trends.

Significant Changes in Financial Position and Liquidity

Key financial statistics:

	FY2021 RM'000	FY2022 RM'000
Total assets	271,600	311,794
Total equity attributable to Owners of the Company	238,206	295,379
Total borrowings	14,721	-
Cash and cash equivalents	2,775	50,376
Net gearing (times)	0.06	-
Net assets per share (per sen)	128	40

The Group's total assets position remains on the uptrend, increased to RM311.79 million in FY2022 from RM271.60 million in FY2021, which is showing a 14.80% increased as compared to the previous financial year. The Group continued to maintain a healthy cashflow from its business operation with cash and cash equivalent of RM50.38 million in FY2022, an increase of 1,715.32% compared to RM2.78 million in FY2021, mainly due to the fund raising from the corporate exercise of renounceable right issue as well as the income from the sale of properties during FY2022.

The Group has fully settled the total outstanding borrowings via redemption from the sale of Pekan Nenas Shop Offices project and detached factories during the current financial year. The commitment of the Group maintains at approximately RM144.53 million which is for the acquisition of land from Iskandar Capital Sdn Bhd and the construction of the Sepang Medical Centre. The Group has expected to incur significant fund on expanding for the continuing growth.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (continued)

Significant Changes in Financial Position and Liquidity (continued)

As at 31 March 2022, the Group's financial position remained with a net asset position bringing the Group's net asset per share to RM0.40 (FY2021: RM1.28). This is mainly due to the Group has undertaken a renounceable rights issue to raise proceeds to support the expansion of capital expenditure. The Group will continuously strive to improve its financial performance and position in order to create value for shareholders.

ANTICIPATED OR KNOWN RISKS

Anticipated or Known Risks and Plans/Strategies to Mitigate Such Risks

The Group's business, results of operations and growth prospect together with financial performance are subject to risks and uncertainties such as disruption in supply of materials, fire, flood, pandemic, some of which are beyond the control of the Group, directly or indirectly in the environment it operates. While the Group has not experienced any incidents which had led to major interruptions in the business operations, there can be no assurance that such incidents will not happen in the future.

COVID-19 is a prime example of event that is beyond the control of our Group. As the country continues to battle the pandemic and control the outbreak, we are not able to reliably estimate the magnitude of the shock to the economic environment and its associated impacts to the Group. The Group will remain prudent in its expansion, adopted standard operating procedures and continue to actively monitor both global and local developments closely and manage its funds and operations proactively in mitigating any potential impacts to the businesses of the Group.

Beyond these, the Group has identified several known risks and wishes to report in greater details.

Business Risk:

The Group is subject to risks inherent in the property development industry which may include but not limited to changes in general economic conditions, government regulations, adverse changes in real estate market prices, changes in demand for types of properties, competition from other property developers, risks of purchaser default, and other statutory charges. Any adverse change in such conditions may have an adverse material effect on our Group.

The Group continues to mitigate these risks through implementation of prudent business strategies, continuous review of operation and marketing strategies, efficiency improve and closely monitoring the development of projects undertaken.

Delays in Commencement and Completion:

Timely completion of property development and construction projects are dependent on many external factors, including obtain necessary approvals from relevant authorities, securing construction materials in adequate amounts and the satisfactory performance by appointed contractors.

Ability to execute projects in a timely and cost-effective manner is essential for the Management as the external factors that may affect the projects might be beyond the Group's control. Any delays in completing the property development projects or construction projects within the timeframe agreed with customers may expose the Group to additional cost and potential claims, which may have an adverse impact on our business operations and financial results. Such delays may also affect the Group's reputation and its ability to attract purchasers in the future.

The Group will closely monitor the performance and work-in-progress of the sub-contractors in order to mitigate the risk of delayed project completion and delivery.

Property Overhang Risk:

The Group faces the risk of property overhang, commonly caused by oversupply and low demand for similar properties and other factors such as economic downturns and unfavourable financial conditions. Property overhang may occur at the time of completion of our property development projects in the future. This would affect the sale of our Group's properties and in turn affect our Group's financial performance.

Keeping abreast with the ever-changing market sentiments, the Group will closely monitor the developments in the property market, undertake market studies and offer promotional incentives when appropriate, the occurrence of property overhang in the future is inevitable and there can be no assurance that the occurrence of property overhang will not materially and adversely impact our Group's financial performance.

Emerging Risk:

Against the backdrop of challenging economic and operating environment, the Group will continue to improve and strengthen its efficiency to achieve better operational efficiency and financial prudence while focusing its efforts in meeting market's demand.

CONCLUSION

Looking ahead, the Group will continue to place a high emphasis on the areas where opportunities lie for our business growth to intersect with optimal environmental and social impact while allows us to attain sustainable growth and generates the long-term shareholder value.

OUR COMMITMENT TO SUSTAINABILITY

SUSTAINABILITY STATEMENT

Building and strengthening stakeholder trust lies at the heart of our sustainability agenda. This is the underlying principle that underpins every aspect of our business, strategy, products and corporate culture, and recognise the importance of incorporating the economic, environmental and social ("EES") aspect throughout our business operations.

Paragon Globe Berhad ("the Group" or "PGB") recognises that business is judged not solely on our financial performance but also on our sustainable business practices in respect of achieving good governance, economically positive, environmentally friendly and socially responsible to sustain our business and maintain its profitability in this challenging environment so as to unlocks long-term value for our stakeholders and communities around us.

We perceive sustainability as a never-ending process which require the participation of all stakeholders, internally and externally. In identifying the sustainability matters relevant to the Group, we reviewed and took into consideration both internal and external factors affecting the social, economic and environment in which we operate. Furthermore, we also evaluated our sustainability context, stakeholder issues and the associated risks or opportunities for the Group to streamline our actions to benefit all stakeholders.

This report provides an overview of the Group's approach to sustainability and our endeavours to embed EES sustainability into our business operations with aims of bringing more value to its business, society and stakeholders.

OUR COMMITMENT TO SUSTAINABILITY (continued)

SUSTAINABILITY STATEMENT (continued)

REPORTING PERIOD

This report covers the Group's sustainability performance of its business operations for the financial year from 1 April 2021 to 31 March 2022, unless otherwise stated.

REPORTING SCOPE

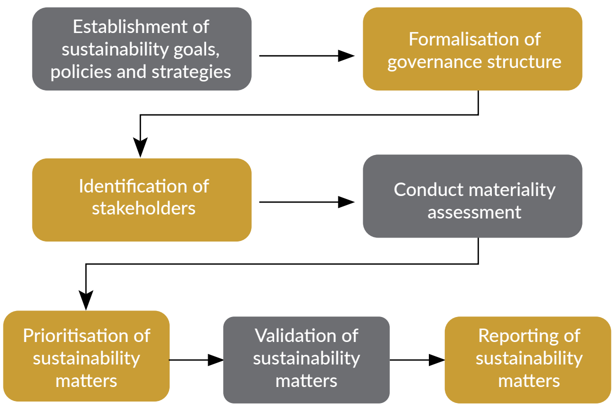
This report is prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and with reference to the Bursa Sustainability Reporting Guide (2nd Edition). It is our first Sustainability Report to be written in reference to the United Nations Sustainability Goals ("SDGs"). We have not sought any external assurance for the current statement and will consider to seek assurance for our key sustainability indicators as our reporting matters.

FEEDBACK

We value the feedback of our stakeholders and welcome suggestions on our sustainability initiatives, practices and disclosure. Please share with us your questions and/or suggestions pertaining to this report, which can be sent to **enquiry@pgbgroup.com.my**.

SUSTAINABILITY JOURNEY

The Group manages sustainability matters through our established implementation process as summarised below:



During the financial year, we are emphasis on strengthening the Group's sustainability governance which include alignment of sustainability objectives with business goals and strategy, formalisation of reporting structure, roles and responsibilities to ensure effective accountability, oversight and monitoring the sustainability matters within the Group. A materiality assessment exercise is conducted with colleagues within the Group to determine the economic, environmental and social matters that are key and relevant to our stakeholders and the Group which enabling more efficient way in sustainability management.

The Group acknowledges that sustainability management never has a dull moment and having the opportunities to change mindsets, embedding sustainability into business strategies for sustainable business growth and serving as a catalyst to influence the lifestyle of its network of employees, and customers, enhancing society well-being and advocating environmental ethics.

SUSTAINABILITY GOVERNANCE

Sustainability Goals

The Group committed that sustainability is an integral component for our business on all fronts and contributing to the Group's longevity and ability to stay competitive. More recently, society has grown to realise that we cannot live in a healthy society or economy with so much poverty and environmental degradation. Economic growth will remain the basis for human development, but it must change and become less environmentally destructive.

Sustainable development aims to balance our economic, environmental and social needs, allowing prosperity for now and future generations. It consists of a long-term, integrated approach to developing and achieving a healthy community, whilst avoiding the over consumption of natural resources. The Group's vision and mission enable a platform to cultivate sustainability which encapsulates our goals in creating sustainable developments with positive economic, environmental and social impact to safeguard the interests of all stakeholders.

Strengthening our Economic Outlook
Drive sustainable growth and goes beyond compliance and regulations in all business dealings to drive good corporate governance as well as delivering products of exceptional quality for safeguarding stakeholder's interests.

Valuing our People and Community
Respecting human rights while emphasis on employees' safety, personal growth and promoting the development of a diverse and inclusive workforce to drive the success and sustainability.

Minimising our Environmental Footprint
Priorities to reduce environmental footprint through efficient and optimisation use of resources and minimising wastage in the course of conducting business towards sustainability for future generations.

OUR COMMITMENT TO SUSTAINABILITY (continued)

SUSTAINABILITY GOVERNANCE (continued)

Sustainability Policy

We strive for excellence in all aspects of our operations. To propel us forward in our sustainability journey we are committed to integrating sustainability and corporate responsibility into our business strategy that contributes to the economic, environment and the social in which we operate and in the communities we serve. We pledge to continuously work towards enhancing our efforts both short and long term to grow our business sustainably and creating value for our stakeholders while minimising the impact to the environment.

The Group's Sustainability Policy was formalised and forms a tool to foster an organisational culture that embraces sustainable development and aligned to the vision and mission of the Group. It has been endorsed by the Board of Directors ("the Board") and Senior Management will be instrumental in ensuring business strategies, plans and procedures are aligned with our aspirations of sustainable development.

It is our policy:

Sustainable Economic Policy

- To grow our business in a sustainable manner to ensure sustainable interest of our shareholders are preserved in all significant business operations and strategic business decisions;
- To build on brand name through delivering the products and services that are innovative and of high quality and excellence in order to achieve the marketability and sustainability of returns for stakeholders' long-term values;
- To promote the economic development of the communities by integrating and embedding sustainability management into the culture, business activities and decision-making processes;
- To continuously strive towards strengthening the sustainability management practices through continuous learning and improvement;
- To continuously identify needs of the customers, internal and external risks, challenges and opportunities that are relevant to the business operations; and
- To uphold integrity and comply with applicable legislations, standards and codes of practices including work ethics, health and safety, and labour practices as well as adopt a zero-tolerance approach to all forms of bribery and corruption.

Sustainable Environment Policy

- To identify and assess the environmental impacts of our operations, continuously seeking to reduce and improving our resources efficiency in our developments; assess and monitor external value chain partners direction are consistent with the Group's environment objectives and procedures;
- To uphold environmental ethics through green efforts that focus on resources management, environmental conservation, waste minimisation and reduction, conserve the consumption of water, electricity and other natural resources as well as care for the environment towards sustainability for future generations;
- To achieve a sustainable long-term balance between meeting preserving nature and business goals by minimising negative impacts towards biodiversity and climate change;
- To comply with all guidelines and regulations relating to the preservation of environmental aspects in relevant jurisdiction where the Group is operating; and
- To educate and enhance employees' environmental awareness and implement "Reuse, Reduce and Recycle" policy across the Group and along the value chain.

Sustainable Social Policy

- To cultivate a conducive work environment that focuses on building relations with our employees, ensuring a safe workplace and a healthy workforce as well as encouraging the growth of our employees through training, learning and development;
- To promote diversity and inclusive culture in the workplace, premised on mutual trust and respect, fair treatment and opportunity, and that we avoid practices and policies that discriminates against gender, marital status, race, nationality, ethnicity or age;
- To create awareness amongst our employees, customers and business partners on commitment towards sustainability and encouraging them to support and participate in responsible environmental and social-economic practices;
- To improve the quality of life and enrich communities that we conduct our business through monetary contribution and humanitarian efforts;
- To prepare annual sustainability reports in accordance with the principles of comparability, clarity, accuracy and reliability for public disclosure; and
- To engage in two-way communication with employees, and when the need arises, we resolve complaints and grievances through an open, transparent and consultative process.

This Policy shall be reviewed at least once for every three (3) years, as and when necessary to ensure its relevance and effectiveness in keeping the Group's sustainability practices is in line with the Group's vision and mission and complies with best practices prescribed. Any changes to the Policy, if any, shall be submitted to the Risk Management Committee for review and be recommended to the Board of Directors for approval in writing.

Reporting and disclosures of the Group's Sustainability Policy will be made in the "Sustainability Statement" section of the Annual Report. In addition, it is also made available at https://pgbgroup.com.my/.

OUR COMMITMENT TO SUSTAINABILITY (continued)

SUSTAINABILITY GOVERNANCE (continued)

Sustainability Framework

Sustainability Strategic Framework

Our Business	• Property Development	• Construction	• Investments
Vision	To be a renowned property developer that deliver innovative, excellence and quality products with positive economic, social and environmental impact through responsible actions and sustainable management to safeguard the interests of all stakeholders.		
Mission	• We are committed to be the leading developer across the industrial and commercial sector by providing innovative, excellence and quality development that strive to exceed the expectation and meet the evolving needs of our customers, and thereby achieve the sustainability of returns which creating the long-term values for all stakeholders. • We perform our best to safeguard and build a sustainable environment by continuously seeking improvement and implement solution to the environmental concern. • We aim to cultivate an energetic, positive, motivating and results-driven working environment for our employees to best unleash their individual potential ability, growth and enhancing overall organisational capability to drive successful execution of corporate strategy over the long term.		
Sustainability Pillars	• Economic	• Environmental	• Social
Policy	Sustainability Policy		
Focus Area	• Sustainable Product and Service	• Green Efforts	• Work Environment
Goals	Strengthening Economic Outlook	Minimising Environmental Footprint	Valuing People and Community
Material Matters	• Anti-Bribery and Anti-Corruption • Compliance With Regulatory • Product and Service Quality • Economic and Financial Performance	• Waste Management	• Employee Engagement and Development • Occupational Safety and Health • Diversity and Inclusion
Communications	• Annual General Meetings • Corporate Website • Announcements	• Annual Sustainability Report • Annual Report • Social Media	
Stakeholders	• Shareholders • Employees • Customers	• Suppliers and Contractors • Government and Regulators • Communities and Non-Government Organisation	

Building the ethos of sustainability in our organisation is a challenge matter. As one of the responsible players in the property development industry, we aim to deliver financial value and societal benefits by balancing the commercial objectives with the environment and social needs of our stakeholders, underpinned by solid governance and ethical business practices.

We achieved this by forming a Sustainability Strategic Framework which builds upon the Group's vision and mission. It outlines the key elements of sustainability administration and management, delineating the synergy between the material sustainability matters that fall within 3 key focus areas which contribute towards achieving the Group's 3 sustainability goals to address the 3 pillars of sustainability: Economic, Environment and Social ("EES") within the Group's business segments.

OUR COMMITMENT TO SUSTAINABILITY (continued)

SUSTAINABILITY GOVERNANCE (continued)

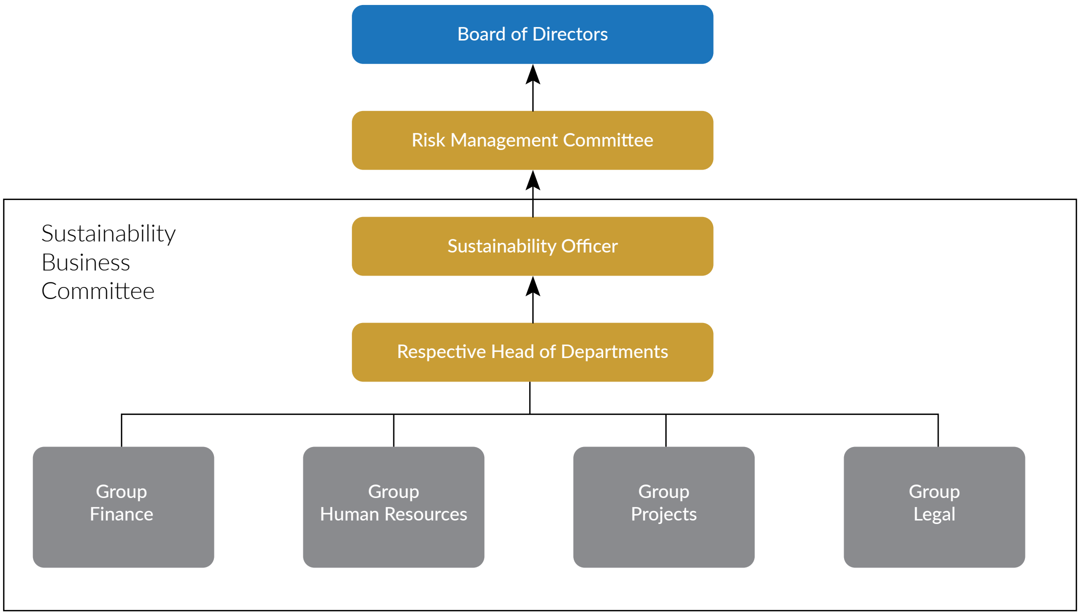
Sustainability Framework (continued)

In gearing up towards a stronger and comprehensive sustainability approach, we have developed and are guided by a Sustainability Policy that is adhered to by the Group's 3 main core business segments of property development, construction and investments. Sustainability policy serves as a business operating guideline with the aim to embed sustainability principles into business strategies for long term sustainable business growth; driving value creation for our stakeholders and crafting a future that is sustainable for many generations to come.

The Group's Sustainability Strategic Framework is reviewed periodically with considerations from stakeholder expectations as well as local and global issues. We will also ensure the sustainability initiatives are materialised across all business segments to effectively manage prioritised material sustainability matters, so as to bridge gaps and resolve issues through carefully planned strategic coordination.

Building the ethos of sustainability in our organisation is a challenge matter. We strive to achieve each of the sustainability goals as well as enhance business operations and minimise detrimental impacts towards the economic, environment and society with the involvement of all our stakeholders to understand their specific needs and requirements. By understanding their expectations and responding to their concerns, we can enhance value creation and strengthen stakeholders' confidence in us. This is further elaborated in the following "Stakeholder Engagement" section.

Governance Structure



We have dedicated towards bridging the gap between our business practices and sustainable concepts to ensure that Group's sustainability goals can be achieved to its fullest extent. We believe that best practices in good governance, ethics and transparency paves the way towards strong business growth and long-term value to our stakeholders. As such, we have established a sound governing structure that can effectively monitor and manage our sustainability efforts.

With the Board of Directors ("the Board") as its apex, we initiated a three-tiered governing structure that includes cross-functional departments that best represent our business operations during the current financial year. The Board are supported by both Risk Management Committee ("RMC") and Sustainability Business Committee ("SBC"). The RMC oversees the sustainability practices in the Group while the Board remains to have the ultimate responsibility. The newly set up SBC with the newly appointed Executive Director playing the role as the sustainability officer which supported by the respective head of departments. Sustainability officer will report the Group's sustainability initiatives and efforts to the RMC while the remaining members of the SBC will hold key roles and responsibilities to achieve the sustainability goals set and approved by the Board.

OUR COMMITMENT TO SUSTAINABILITY (continued)

SUSTAINABILITY GOVERNANCE (continued)

Governance Structure (continued)

Details roles and responsibilities are shown in table below.

Board of Directors	Risk Management Committee
• Supervises and is ultimately responsible for sustainability direction of the Group • Directs the overall sustainability strategy and other related matters for the Group presented by the RMC • Ensures business strategy considers sustainability related material matters • Endorses the Group's Sustainability Statement as part of the annual reporting initiative	• Reports the overall sustainability progress of carried out by SBC • Provides recommendation on sustainability strategy, initiatives and development related matters • Engages leadership across the Group and provides oversight and strategic guidance • Reviews and approves policies, targets and market disclosures on sustainability matters
Sustainability Officer	**SBC Members**
• Monitors overall sustainability progress and efforts carried out by members of the SBC • Provides regular reports to the RMC on the overall sustainability progress of the SBC • Leads and oversees the implementation of approved sustainability measures in the business strategy across the operations • Reviews the changes or new sustainability matters reported by respective head of departments • Leads the sustainability education programmes and regularly sharing insights into sustainability trends with different group of departments	• Facilitates the sustainability management processes such as data collection to generate a Sustainability Statement as part of our annual disclosure • Identifies material sustainability matters relevant to the Group and its stakeholders • Recommends sustainability strategies for implementation across the Group • Supports sustainability related strategy and goals implementation • Tracks and reports to sustainability officer on the overall progress of the sustainability initiatives

As a continuous effort to enhance the sustainability management within the Group, sustainability matters will be discussed as an agenda during the RMC meetings and Board meetings twice a year starting from next financial year to ensure the matters are communicated and managed timely. The SBC deliberates on material sustainability matters relating to economic, environment and social risks as well as new opportunities on a quarterly basis and keeps the RMC and Board updated on these issues. As the Group grows and develops, the Board will ensure allocation of adequate resources to manage sustainability related risks and opportunities while upholding good corporate governance across the Group's operation to achieve our corporate objectives.

STAKEHOLDERS ENGAGEMENT

We are stronger when we work together and engage with key stakeholders to align our sustainability strategy and approach with theirs. We recognises that our decisions have an impact on not only the Group as a corporate entity but also on stakeholders who it comes in contact with directly and indirectly. It has always been the practice for the Group to engage stakeholders in making inclusive decisions, managing perceptions and addressing varied requirements as well as satisfying needs in business development and the management of business operations.

We engage with our stakeholders through multifaceted platforms. Through engaging our stakeholder, we are able to gather a wider perspective relating to their interests, needs, concern and expectation is of paramount importance to the Group for continual improvement as well as assist the Group to focus and prioritise matters efficiently and appropriately. Internal stakeholders are also continuously engaged on sustainability matters to embed sustainability into all areas of our business. To this end, we are committed to constantly improving our engagement processes as this can help us to understand the material issues that affect our stakeholders in a clearer manner and drive change on the ground. Our approach in engaging and responding to our key stakeholder groups includes, but are not limited to the following:

OUR COMMITMENT TO SUSTAINABILITY (continued)

STAKEHOLDERS ENGAGEMENT (continued)

Stakeholders	Channel of Engagement	Frequency of Engagement	Area of Interest
Shareholders and Investors	• Annual general meetings • Annual reports • Corporate website • Corporate announcements • Media announcements • Meetings • Quarterly financial results announcements	• Annually • Annually • As and when needed • As and when needed • As and when needed • As and when needed • Quarterly	• Business strategies and operational efficiency • Economic and financial performance • Economic, environment and social ("EES") practices and commitment • Governance and risk management • Sustainable financial returns • Transparency and accountability
Employees	• Corporate activities • Engagement contract • Employee handbook • Learning and development trainings and workshops • Meetings • Performance appraisals	• Periodic • As and when needed • Periodic • Periodic • Monthly and periodic • Annually	• Career developments and enhancement • Corporate direction and growth plan • COVID-19 safety measures • Diversity and inclusion • Employee compensation, benefits and welfare • Job security and retention • Labour and human rights • Occupational health and safety • Work-life balance
Customers	• Corporate and product brochures • Corporate website • Corporate announcements • Customer feedback and service platforms • Public events • Project launches • Social media	• As and when needed • As and when needed • As and when needed • As and when needed • As and when needed • As and when needed • As and when needed	• Customers support services • EES practices and commitment • Product and service affordability and quality • Product and service's safety and security • Sustainable design • Social contributions • Timely projects delivery
Suppliers and Contractors	• Contract and legal discussions • Emails and letters • Letter of awards • Project briefings, updates and meetings • Sites visiting and inspection • Tender sessions	• As and when needed • As and when needed • As and when needed • As and when needed • As and when needed • As and when needed	• Business ethics and compliance • Business opportunities • Contractual terms and selection process • Procurement practices • Product and service quality • Pricing and timely payment • Supply chain management • Sustainable building practices and methods
Government and Regulators	• Audit and inspection • Compliance reporting • Emails and letters • Industry associations and consultants • Meetings • Regulatory requirements reporting	• Annually • As and when needed • As and when needed • As and when needed • As and when needed • As and when needed	• Adherence to COVID-19 preventive measures • EES practices and commitment • Governance compliance • Government policies • Public and community engagement • Regulatory compliance • Transparency and accountability

OUR COMMITMENT TO SUSTAINABILITY (continued)

STAKEHOLDERS ENGAGEMENT (continued)

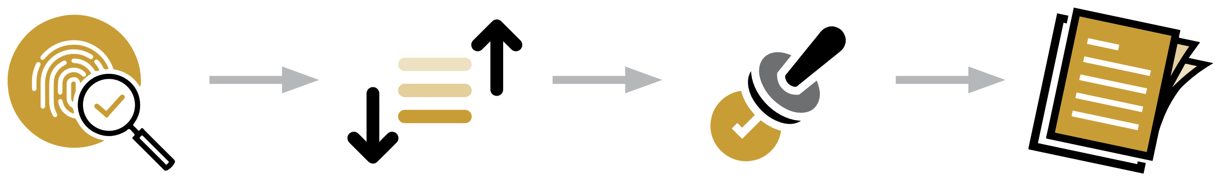
Stakeholders	Channel of Engagement	Frequency of Engagement	Area of Interest
Local communities and non-governmental organisations	• Corporate website • Community development programmes • Contribution • Corporate announcements • Public events • Social media	• As and when needed • As and when needed • As and when needed • As and when needed • As and when needed • As and when needed	• Branding and reputation • Community programmes • Corporate social responsibility • EES practices and commitments • Environmental impacts • Job and business opportunities

We diligently consider feedback and comments gathered and through these encounters gain valuable input on our economic, environmental and social performance. Based on this information, we continuously improve our business processes and create products that our customers appreciate.

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS

Material sustainability matters are economic, environmental and social ("EES") related risks and opportunities that are key and relevant to our stakeholders and the Group. During the year, we have conducted a materiality assessment which involve employees from all business segments, to determine the EES material sustainability matters.

Materiality Assessment



Phase 1

Identification of relevant EES matters

Relevant EES matters are identified through internal discussion with SBC to establish a pre-defined list of sustainability matters that they are important to Group's business operations.

Phase 2

Prioritisation of EES matters

Materiality assessment survey circulated internally to the employees. The results are then consolidated and prioritised based on the significance to the Group's business operations and importance to stakeholders.

Phase 3

Validation of EES matters

EES matters are validated and approved by the Board of Directors to ensure relevance and significance to the Group.

Phase 4

Reporting of EES matters

The materiality matrix and EES matters are presented to our stakeholders through annual Sustainability Statement.

The materiality assessment begins with an internal discussion within the Sustainability Business Committee ("SBC") to identify a pre-defined list of sustainability matters, a survey was subsequently circulated internally to the Group's key personnel for each division and department. The respondents were asked to rate on the pre-defined list of sustainability matters on a five-point Likert scale, with 1 being not a significant matter and 5 being the most significant matter.

OUR COMMITMENT TO SUSTAINABILITY (continued)

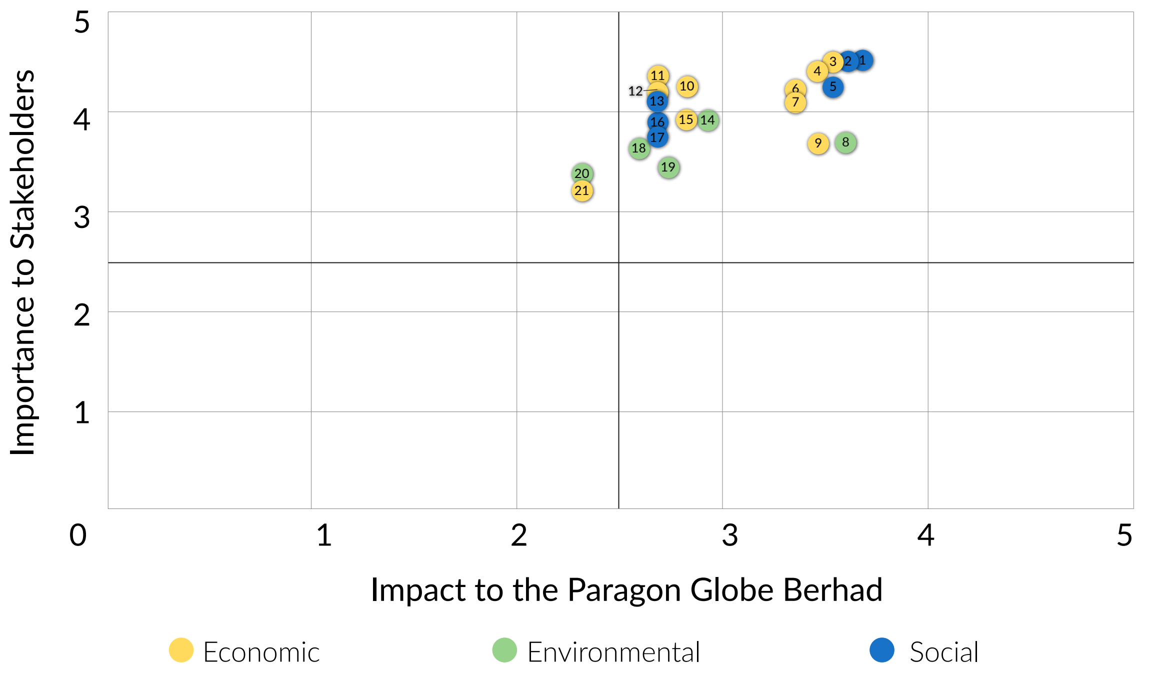
MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (continued)

Based on the inputs from internal surveys, SBC will analyse the outcomes to determine the significance of those sustainability matters to the Group and prioritise using the weighted ranking method by assigning weightage to each of the sustainability matter based on their level of impacts to the Group's business operation.

A materiality matrix of sustainability matters was constructed based on the data collected for the above mentioned two dimensions: significant of the EES impacts to the Group and the importance of the matters to our stakeholders. Lastly, RMC will review and validate the materiality matrix and subject the approval from Board of Directors.

As a result of the weighted raking method, we have achieved a more accurate representation of the sustainability related risks and opportunities that are embedded throughout our operations and make informed decisions and plan our strategy to ensure that sustainability areas of interest highlighted by stakeholders are addressed.

Based on the materiality assessment, we have identified 21 material matters and plotted on the materiality matrix denoting the importance to stakeholders and the Group, where the top right quadrant of the matrix contains sustainability topics that are most material. The materiality profile of the Group was plotted as shown in the table below:



1. Employee Engagement and Development	2. Occupational Safety and Health	3. Anti-Bribery and Anti-Corruption
4. Compliance With Regulatory	5. Diversity and Inclusion	6. Product and Service Quality
7. Economic and Financial Performance	8. Waste Management	9. Supply Chain Management
10. Corporate Governance	11. Customer Satisfaction	12. Branding and Reputation
13. Labour Human Rights	14. Product and Service Quality (Environment)	15. Innovation
16. Community Development	17. Product and Service Quality (Social)	18. Energy and Water Management
19. Environmental Compliance	20. Biodiversity	21. Indirect Economic Impacts

OUR COMMITMENT TO SUSTAINABILITY (continued)

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (continued)

As part of our effort to build capacity on sustainability, we conducted a joint training for both our Management and Board of Directors to increase their knowledge on sustainability management pertinent to property development sector. The Group will continuously monitor and address the material sustainability matters and encoded a set of management approaches to serve as a guide for actions moving forward. Moving forward, we will continue to review and refine our materiality assessment process to cater the changes in our operations and optimise the quality and breadth of stakeholder inputs.

Contribution to the United Nations Sustainable Development Goals ("UN SDGs")

As a new roadmap to achieve sustainable development, in September 2015, the United Nations ("UN") approved the 2030 Agenda for Sustainable Development that sets out the Sustainable Development Goals ("SDGs"), a collection of 17 global goals which designated to be a blueprint to achieve a better and more sustainable future for all global citizens.

In March 2021, the UN Global Compact Council adopted a new three-year strategy (UN Global Compact Strategy 2021-2023) to broaden business ambition. The plan calls on businesses globally to increase their contributions and work towards achieving the SDGs, the Paris Agreement on Climate Change and the Ten Principles of the UN Global Compact.

As a responsible property developer in Malaysia, we recognise our role in nation building through our business activities. In support of the Malaysian government's commitment to the UN SDGs, we endeavour to begin aligning our business practices with the UN SDGs to serve as a stepping stone towards enhancing our awareness to sustainability practices on a global scale.

Illustration of the 17 United Nations Sustainable Development Goals

The Group's Focus Area

For this exercise, we have identified eight (8) out of 17 UN SDGs that are relevant to the Group's value chain and nature of business. We maintain a strong focus on integrating sustainability related practices into our daily operations and developments in the years to come, thereby taking into account the targets outlined by each SDGs we commit to.

OUR COMMITMENT TO SUSTAINABILITY (continued)

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (continued)

Contribution to the United Nations Sustainable Development Goals ("UN SDGs") (continued)

ECONOMIC

Anti-Bribery and Anti-Corruption

Why it is Important
Conflict of interest, bribery and corruption remain as threats to business development. We believe that full commitment to high standards of integrity and strong business ethics are essential to ensure the sustainability of the Group, as well as to safeguard shareholders' interests, upholding trusts in our stakeholders and maximise long term shareholder value.

Risks/Opportunities
Bribery and corruption directly correlates to the branding and reputation of an organisation. Potential to be the foundation for further market growth in terms of brand value.

Our Responses
We are committed to conducting business with integrity and fostering a culture of responsibility and ethical behaviour to all of our employees.

The Group shall be provided with assurance by requiring documented acknowledgement by all Directors and employees on their understanding of, and agreement to adhere, to the Group's policy.

UN SDGs Linkage

Compliance With Regulatory

Why it is Important
Compliance is essential in building trust within the community, maintaining stakeholder confidence, and maximising our positive brand reputation. Furthers, we are empowers to meet the business objectives and continue to deliver top tier products that exceed the customer expectation.

Risks/Opportunities
Potential exposure to legal penalties, monetary fines, reputation damages and material loss, caused by a failure to act in accordance with government laws, industry regulations, or prescribed best practices.

Our Responses
We emphasis in improving compliance awareness and staying on top of industry's specific legislation to ensure full compliance in all our business operations.

In addition, we support the government initiatives, comply strictly with related regulations and adopt transparent reporting and communications process across the business operation of the Group.

UN SDGs Linkage

Product and Service Quality

Why it is Important
Develop quality, reliable and sustainable products are crucial in our capability as a reliable developer, building trust with our clients, and ensuring the sustainability of our business.

Risks/Opportunities
Quality of the products and services will directly affects business's reputation, operation, performance and customer satisfaction.

Our Responses
We continuously strive to uphold the highest standards to deliver quality products and services to guarantee the wellbeing of our customers.

We continue to be guided by rigorous internal audit process and aim to inculcate a culture of continuous improvement toward our processes and quality management.

UN SDGs Linkage

OUR COMMITMENT TO SUSTAINABILITY (continued)

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (continued)

Contribution to the United Nations Sustainable Development Goals ("UN SDGs") (continued)

Economic and Financial Performance

Why it is Important
In order to deliver value and maintain the trust of stakeholders, it is crucial to achieving long term business growth and higher levels of economic productivity.

Risks/Opportunities
Market and government driven risk, evolving in customer needs, intense competitive landscapes, disruptive technology and increasing regulatory requirements has made the business and operations challenging.

Our Responses
We strive to find a balance between creating value for our customers and achieving financial results to meet the needs of our stakeholders, especially shareholders and investors by implementing strategic initiatives that generate long term value.

UN SDGs Linkage

ENVIRONMENTAL

Waste Management

Why it is Important
To minimise the adverse environmental impacts of our business operations on the existing localities where we develop our properties and drive the sustainability.

Risks/Opportunities
Property development are resources intensive operations that can result in significant waste generation and unfavourable environmental pollution including public health issues, land and water pollution and increase in greenhouse gas emission if handled inappropriately.

Our Responses
We recognise the need to mitigate the impacts through responsible resources management at very stage of our property development journey and operation.

We consistently communicate with employees to create environmental awareness and ensure various stakeholders are working towards the same objectives.

UN SDGs Linkage

SOCIAL

Employee Engagement and Development

Why it is Important
To develop a healthy and productive workforce as well as promote a continuous learning environment that enhances the employability of our workforce and provide value-added service to our stakeholders.

Risks/Opportunities
Non-compliance with labour welfare practices and socioeconomic laws and regulations may lead to loss of investors' trust and negative impact on reputation. The outflow of talent will affect the operational efficiency and sustained growth.

Our Responses
We aim to provide a harmonious and fair working environment for employees as well as put emphasis in employee benefits, and various engagement activities.

We provide equal access for all employees to quality trainings for personal developments and drive innovation.

UN SDGs Linkage

OUR COMMITMENT TO SUSTAINABILITY (continued)

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS (continued)

Contribution to the United Nations Sustainable Development Goals ("UN SDGs") (continued)

Occupational Safety and Health

Why it is Important
Maintaining a high level of safety and health standards is of paramount importance across the Group, gives security to our people, establishing their trust while also achieve universal health coverage, including financial risk protection, and access to quality healthcare services and medication.

Risks/Opportunities
The safety, health and wellness of employees and contractors' workers may affect work performance and productivity.

Our Responses
The safety and well-being of our people is our priority. We place great emphasis on ensuring strong health and safety standards are maintained across the Group. Series of preventive measures are in placed which aim to minimising any potential risk of exposure faced by the employees.

Training and awareness campaigns are organised regularly to ensure that employees abide strictly by the safety and health measures at our workplaces.

UN SDGs Linkage

Diversity and Inclusion

Why it is Important
We believe that embracing diversity and inclusion is vital in creating a positive and motivating work environment. Providing decent work for all women and men, including for young people and persons with disabilities stimulate equal opportunities, equal pay for work of equal value, reduce inequalities of discrimination and promote appropriate legislation and policies.

Risks/Opportunities
The differences in background and experiences among our employees stimulate innovative thinking, encourage creative ideas, increase competitiveness and development of our business.

Our Responses
We treat everyone with respect and adopt a consistent, equitable and fair labour practices when hiring, developing and rewarding.

We provide fair remuneration to our employees and strive to provide a workplace where equal opportunities are given regardless of gender.

UN SDGs Linkage

OUR COMMITMENT TO SUSTAINABILITY (continued)

ECONOMIC SUSTAINABILITY – STRENGTHENING OUR ECONOMIC OUTLOOK

It has been two years as our business and general livelihood were challenged by the outbreak of COVID-19. This pandemic has resulted in a softer property market and no industry was spared. As a responsible business organisation, we committed to drive for sustainable growth by creating and enhancing economic value from all our developments and maintaining a track record of delivering products of exceptional quality. Various measures and management approach adopted to ensure that we remain agile in navigating the turbulent economic conditions.

On the need to futureproof our operations, the Group endeavors to build value in developments and embracing sustainability that aims to adapt climate, market and consumer uncertainties in the years to come. As we believe that it will take us forward in the industry, live up to the reputation we have established and generate breakthrough outcomes that exceed the expectations of our stakeholders. In this section, we review the Group's approach and contribution as a responsible business Group for Financial Year 2022 ("FY2022").

a) Anti-Bribery and Anti-Corruption

Why It Matters

The Group is committed to fighting corruption and unethical practices in all our businesses. We believe that it is essential to ensure the sustainability of the Group, as well as to safeguard shareholders' interests, upholding trusts in our stakeholders and maximise long term shareholder value. Thus, we are mindful the importance of conducting businesses in responsible and transparent manner and is committed to behaving professionally and with integrity in our business dealings. We adopted a strict zero-tolerance for all forms of bribery and corruption while ensure that we are well equipped in managing and mitigating the potential risk with the relevant safeguards within our business operations.

How We Approach It

Apart from prudent financial management, the Board of Directors ("the Board") leads the organisation in upholding the highest levels of good corporate governance with uncompromised accountability. As the stewards of the Group's sustainable growth and value creation, the Board holds ultimate responsibility to oversees the ethical and integrity culture within the Group and provides insight and guidance on the initiatives against all forms of bribery and corruption. In demonstrating the Group's commitment in leading this, we have embarked on an exercise to implement adequate safeguards and procedures in line with the introduction of stringent anti-corruption laws such as the latest enforcement of Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and any of its amendments or re-enactments.

As a start, inhouse training on the MACC Act Section 17A was conducted for our employees to ensure an initial approach towards building awareness of the Act and its associated requirements. Since then, we have developed an Anti-Bribery and Anti-Corruption Policy ("ABC Policy"), which has been duly reviewed and approved by the Board. It is a meant to provide information and guidance for the Group to refer to when dealing with acts of receiving and/ or giving gifts, hospitality and entertainment, sponsorship and donation contribution and among others. The policy has been communicated to all Directors and employees of the Group and is made available through our corporate website at **www.pgbgroup.com.my**.

In complementing the aforesaid policy, we have also updated the Group's Whistle Blowing Policy, which has been duly reviewed and approved by the Board. The effort was to ensure that our stipulated guidelines remained adaptable and adequate for its intended purpose. The policy which clearly outlines the general process flow of managing whistle-blower's report, the investigation process, details on reporting channels, as well as confidentiality and protection clauses, provides an avenue to ensure that all sources of feedbacks find its way to our attention for timely and prompt action when needed. Whistle-blowers will be protected against any retaliations in response to their disclosures. Similarly, the updated version of this policy is published onto our website at **www.pgbgroup.com.my** for the perusal of our stakeholders.

To further demonstrate our commitment, all our new employees are briefed on the key policies and procedures of the Group, including but not limited to the Code of Conduct and ABC Policy. This is to ensure that our new employees understand our stance and procedures on certain important matters such as bribery and corruption, acceptance of gift, safeguarding of confidential information and more. Every employee is strictly required to comply and responsible for upholding ethical behaviour and integrity as well as preventing and reporting instances for bribery, suspicious activity or wrongdoing which may lead to bribery using the channel provided.

Our anti-bribery and anti-corruption commitment is also communicated to our vendors including suppliers, contractors, consultants, agents and other business partners. An Anti-Bribery and Anti-Corruption Personnel Declaration Form need to be signed by all employees, business partners as well as board members before on boarding to ensure they are received, read, understood

OUR COMMITMENT TO SUSTAINABILITY (continued)

ECONOMIC SUSTAINABILITY – STRENGTHENING OUR ECONOMIC OUTLOOK (continued)

a) Anti-Bribery and Anti-Corruption (continued)

the details of policy. Such declaration forms shall be signed annually to reinforce our commitment and strengthen the defence under Section 17A (4) of MACC. The Group continues to take all necessary measures to promote a culture of integrity through awareness campaigns and regular communication.

Our Performance

In FY2022, we are proud to announce that there were zero confirmed cases of corruption across our business operations and zero monetary losses as a result of legal proceedings associated with charges of bribery or corruption. This demonstrates the effectiveness of our stringent anti-corruption policies, practices and initiatives for the period under review.

There have been no major disciplinary cases reported on corruption practices that resulted in the dismissal of employees.

We received zero fines and penalties in relation to corruption from the authorities during the reporting period.

We aim to maintain this record by driving a positive culture of compliance. No employees were disciplined or dismissed due to non-compliance with the ABC policy. In addition, we managed to achieve a 100% annual anti-bribery and corruption declaration from our Board and we are currently pursuing such annual accomplishment with the rest of our employees and business partners.

During the current financial year, an internal audit was carried out to assess the adequacy and effectiveness of the Group' systems of internal control regard the Anti-Bribery and Corruption Management and its compliance with Group policies and procedures. The review procedures were designed to understand, document, evaluate risks and related controls and to identify areas for improvement in process efficiency as well as the effectiveness of the controls and formulate recommendations for improvement thereon. The Management has updated the ABC Policy and Whistle Blowing Policy after taking into consideration of the findings highlighted by internal auditors, which have been duly approved by the Board on 26 May 2022. Both policies and procedures relating to anti-bribery and anti-corruption and whistle blowing are to be reviewed periodically to assess its adequacy and effectiveness in keeping in line with the latest regulatory requirements.

b) Compliance With Regulatory

Why It Matters

Regulatory compliance remains one of the central pillars in our corporate culture and forms the basis of the way we conduct our businesses. We maintain strict compliance with relevant laws and regulations at all time. Compliance is essential in building trust within the community, maintaining stakeholder confidence, and maximising our positive brand reputation.

The Group's operations are subject to requirements through sector-specific laws, regulations and national license. By ensuring compliance with the regulatory requirements in these areas, we are able to operate smoothly and without disruption. Our ongoing capacity to maintain compliance bolsters our integrity as a responsible organisation and empowers us to meet our business objectives. We further recognise our obligation by adherence to the highest standards and best practices that benchmark for our property development industry. Therefore, we remain vigilant of the changes and updates made to regulations, while implementing the necessary actions to meet and surpass the expectations of both regulatory authorities as well as our valued stakeholders.

How We Approach It

As continue to grow our businesses, monitoring and meeting regulatory compliance across all aspects of our business operations to ensure we continue to deliver top tier products and services that exceed customer expectation. Our commitment towards meeting all legal and regulatory obligations is well established within the organisation with various internal controls and processes in place to identify, assess and respond to compliance requirements as they evolve within our dynamic business environment.

We are guided by the Malaysian Code on Corporate Governance in ensuring the principles and best practices of good corporate governance is applied throughout the Group. Details of our corporate governance framework and practices are elaborated in Corporate Governance Overview Statement on pages 52 to 70 of the Annual Report. The Board is responsible for ensuring that the Group has the structure, strategy and people to deliver long term value to our shareholders.

Regular audits, inspections and reporting are performed as it sets the foundation of a healthy and transparent business operation and in effect, reduces incidents of non-compliance. We ensure our employees are up-to-date with the latest changes in business practices and relevant regulations through regular meetings and trainings. Our

OUR COMMITMENT TO SUSTAINABILITY (continued)

ECONOMIC SUSTAINABILITY – STRENGTHENING OUR ECONOMIC OUTLOOK (continued)

b) Compliance With Regulatory (continued)

internal auditor conducts periodic assessment on the Group's standard operating procedures and internal control measures for its effectiveness. A report is sent to the Board on a quarterly basis while internal and external audits are conducted on quarterly basis and annual basis respectively.

The primary regulations we adhere to include, but are not limited to:

- Companies Act 2016
- Bursa Malaysia Main Listing Requirements
- Malaysian Code of Corporate Governance 2021
- Malaysia Anti-Corruption Commission Act 2009
- Personal Data Protection Act 2010
- Employment Act 1955
- Employee Social Security Act 1969
- Minimum Wages Order 2020
- National Land Code 1965
- Malaysian Construction Industry Development Board Act 1994
- Occupational Safety and Health Act 1994
- Employee Provident Fund Act 1991
- Industrial Relation Act 1967
- Environmental Quality Act 1974

Our Performance

In FY2022, PGB maintained its unrelenting commitment in ensuring that all business operations within the Group meet the necessary related regulations, undertake strict compliance monitoring and continue to adopt relevant and beneficial best practices within the industry.

We are pleased to report that there were no significant fines or penalties had been incurred for non-compliance with the applicable laws or regulations. In addition, there were no incidences of non-compliance concerning the health and safety impact from our operations, product and service quality, marketing communication reported during this reporting period. There were also no breaches of customer privacy or losses of customer data during the year.

There were no instances of non-compliance that resulted in significant fines or penalties in FY2022.

Non-compliance to laws and regulations could result in the Group being reprimanded or penalised by the relevant authority or regulatory body. Therefore, we will continue to be in regular consultation with relevant authorities, contractors, and consultants to ensure that we clearly understand our compliance obligation and regulatory requirements. We will also continue to review our policies and procedures to identify areas for improvement with the aim of maintaining the current status of zero legal notices with regards to non-compliance.

c) Product and Service Quality

Why It Matters

In PGB, we take product and service quality as the core focus of the business and treated as an integral aspect of the Group's sustainability journey. We believe that it is directly associated with our capability as a reliable developer as well as bolster the Group's reputation and sustainable revenue. Delivery of quality standards is a continuous process that involves building long-standing, meaningful relationships with our stakeholders, building trust with our customers, allowing us to understand and access their changing needs and lifestyle aspirations.

How We Approach It

We continuously seek ways to keep abreast of latest industry trends in the areas we operate, in addition to adopt with industry best practices and building technologies that allow us to enhance our capabilities, quality work practices and market competitiveness. We also practise an open communication with stakeholders across the delivery value chain to understand the experience of our customers, and to incorporate measures to improve and build our brand and reputation in the industry.

As the quality of construction work and materials used are amongst the main concerns of property buyers, Construction Industry Development Board's ("CIDB") established a system called Quality Assessment System in Construction ("QLASSIC") in 2001. QLASSIC is a scoring system or method to measure and evaluate the workmanship quality of a building construction work based on Construction Industry Standard (CIS 7:2006). Marks are awarded if the workmanship complies with the standard and summed up to calculate the QLASSIC Score (%) for a building construction project. The Group uses the CIDB's QLASSIC as a benchmark for our property development and construction projects. The adoption of the QLASSIC shows that the importance we place in providing workmanship quality of the highest standards.

High quality building projects ensure future marketability and improve customer confidence. Our project department will ensure our projects are developed in accordance with regulatory compliance, contract specifications and guidelines. Multiple inspections including material receiving inspection, in-process inspection as well as completion inspection to the construction works are conducted to ensure the building material quality conforms to the

OUR COMMITMENT TO SUSTAINABILITY (continued)

ECONOMIC SUSTAINABILITY – STRENGTHENING OUR ECONOMIC OUTLOOK (continued)

c) Product and Service Quality (continued)

requirements. We also periodically and proactively conduct internal audits on our construction and development activities to identify potential risk areas and opportunities for improvements.

Further, our employees were also given opportunity to refine their skills and workmanship by continuously attending technical training and awareness sessions as to achieve a higher-than-average QLASSIC score year-on-year.

Our Performance

We have shown an average performance in the QLASSIC scores through the implementation of the QLASSIC assessment. In FY2022, there are two projects were completed and assessed by CIDB. We are proud to disclose our success in achieving QLASSIC Certification with the score of 72% for Pekan Sentral Shop Office Phase 2 and 74% for Detached Factories.

72%
Pekan Sentral Shop Office Phase 2

74%
Detached Factories

The results received by the Group are testimonies of the collective effort, dedication and hard work put in by our people as well as the continuous support from our business associates. Going forward, we shall continuously enhance our skills and capabilities throughout business operation to improve the quality of products and drive innovation.

d) Economic and Financial Performance

Why It Matters

Sustained economic performance is essential towards driving the Group's EES agenda. Growth in revenues and earnings supports the EES strategies and action plans. At PGB, we believe that the role of corporate goes beyond merely generating profits. In order to deliver value to our stakeholders and maintain their trust, we are committed to achieving long-term economic growth and contribute towards building the nation. Our ability to achieve sustainable economic growth is underpinned by our determination to conduct ourselves responsibly whilst continually reinvesting into our business and our people. Through this approach, we are able to capture new business opportunities, enhance stakeholder confidence, maintain a highly motivated workforce and ensure full compliance with all applicable legislation; which ultimately accelerates our growth, garner stakeholder support and ensures the viability of our business.

How We Approach It

PGB endeavours to deliver and achieve our economic goals and targets whilst staying committed to sustainable business operations and the highest professional standards within the industry. Supported by a strong governance structure, we ensure that our business operations fully comply with all applicable regulations in areas where we operate, which include upholding compliant disclosures and ethical business conduct.

A strong balance sheet and net cash position allow the Group to embrace opportunities and address unforeseen market challenges, maintaining a good balance between growth and stability. With the support from our Board, the Finance Director, the Finance Department to our executive-level managers, our governance structure enables the Group to effectively coordinate and monitor its business activities. Our financial performance is monitored through a multi-layered process. The finance department will prepare the 3 years financial forecast annually and submit to the Board for approval on the Board Meeting. Monthly management meetings we carried out to discuss the financial performance, and does a forecast review each quarter during the Board Meeting. This allow the Group to quick react to any potential adverse situations, adjust our activity levels and ensure that we are remain financially health and stable. The management team will also perform ongoing review of the process throughout the year, to monitor effectiveness and evaluate whether expenses are proceeding as forecast in the budget.

With the rapid rise of climate change, we must be able to foresee the risks that will impose to our business operations. Our main business operations are directly involved in working with the environment on a daily basis. As such we must be well prepared and anticipate risks and changes regarding the environment in the current climate. Work progress will be impeded, additional resources are required to meet the expected completion deadline as well as operational revenue will be affected as more expenditure will be incurred in implementing the necessary corrective actions if there are any unforeseen circumstances happened. Our team will be assessing the risk and opportunities involves by conducting client-consultant meetings to identify preventative measures to implement throughout the project period.

Further, PGB conducts its business based on the principles of fairness, honesty, integrity and respect. Through measures such as our Code of Conduct and Anti-Bribery

OUR COMMITMENT TO SUSTAINABILITY (continued)

ECONOMIC SUSTAINABILITY – STRENGTHENING OUR ECONOMIC OUTLOOK (continued)

d) Economic and Financial Performance (continued)

and Anti-Corruption Policy ("ABC Policy"), our Group is capable of promoting integrity throughout its business operations, thus ensuring the sustainability of our core business activities. The ABC Policy is reviewed periodically by Risk Management Committee and subject the approval from Board of Directors. It is updated as and when necessary to ensure that it remains relevant and addresses any ethical issues that may arise within the business operation.

Our Performance

In 2022, the Group remained resilient despite the challenges and impact of COVID-19 on our business. We are proud of our performance in 2022 and are pleased with the positive economic outlook of our business moving forward. Currently, the Group's landbank is strategically located in Southern and Central regions of Malaysia which presently approximately 50.63 acres with a total estimated net book value of RM118.08 million.

During the financial year ended, the Group recorded a revenue of RM54.83 million and Profit After Tax ("PAT") of RM1.16 million compared to RM22.61 million revenue and Loss After Tax ("LAT") of RM1.85 million in the previous financial year.

		Total amount RM'000
Economic value generated	Revenue	54,831
Economic value distributed	Operating expenses	(3,595)
	Employee wages	(4,796)
	Tax expense	(798)
Economic value retained	Net profit	1,160

We will continue to focus on enhancing our strategy and goals in the property development segment in order to deliver long-term sustainable growth and shareholders' value. For further details, kindly refer to the economic performance of the Group in the "Five-Year Financial Highlights" section of this report.

ENVIRONMENTAL SUSTAINABILITY – MINIMISING OUR ENVIRONMENTAL FOOTPRINT

The World Economic Forum's Global Risk Report 2022 highlighted that for the next five years environmental risks perceived as the most concerning threats to the world as well as most potentially damaging to the people and planet. This issue has paid greater attention today than ever before, with both mandatory and voluntary efforts in reducing environment impacts being observed. The protection and preservation of the environment is an integral part to the Group's philosophy. The Group seeks to prevent negative impacts on the environment or at least, manage or reduce said impacts by adopting best practice environmental standards and implementing more environmentally friendly business strategies and processes. This section describes our environmental performance and actions taken in fostering greater awareness of environmental sustainability in society during this reporting period.

a) Waste Management

Why It Matters

It is inevitable that our operations generate by-products and waste. We play a fundamental role in our sustainability as a responsible organisation. The Group remains committed in managing our waste according to local waste regulations to minimise the negative impacts on the environment and the communities where we operate. Driven by our underlying objective, we have established practices and sustainable waste management process across the entire operations of the Group.

How We Approach It

Responsible management of waste is an essential aspect for sustainable management of resources and is key to reducing waste generation. We strive to reduce the amounts of natural resources consumed through the use of sustainable materials, reusing and recycling materials whenever possible, and to dispose our waste responsibly in order to minimise any potential negative environmental impact.

An integral part of our sustainability journey is making any new development as sustainable as possible. We practice in line with requirements of the law and uphold the Green Building Index ("GBI") standards spanning all aspects of the development, where we integrate efficient use of resources, environment quality and compliant material and sourcing while still providing our customers the quality finish they expect from our developments. Our developments are designed to use GBI certified materials which is energy and resources savings and minimise the emission of toxic substances throughout the lifecycle.

Our approach to reduce paper consumption and waste generation across our operations through the progressive adoption of digitalisation. Usage of electronic platforms such as WhatsApp, social media, SMS and email as efficient alternative modes of communication with our suppliers

OUR COMMITMENT TO SUSTAINABILITY (continued)

ENVIRONMENTAL SUSTAINABILITY – MINIMISING OUR ENVIRONMENTAL FOOTPRINT (continued)

a) Waste Management (continued)

and customers and for our day-to-day internal operations, leading to an overall decrease in paper consumption. Our team also moved away from promoting properties via traditional print channels, and instead have begun to rely more on digital media for their marketing needs. We will continue to drive the digitalisation journey towards reducing paper consumption and also in yielding increased work productivity, faster and more convenient communication within the Group as well as with external stakeholders and to derive continued operational efficiency.

Next, the Group adopts the philosophy of Reduce, Reuse and Recycle ("3R") as part of our environmental conservation. We are encouraged to reduce waste generation and to ensure the proper handling of unavoidable waste. The waste is segregated based on its individual categories and material which can be reused and recycled will be converted into items of various functions. The key to prevention is awareness and knowledge. We promoted awareness among our employees by educating them to adopt and to instill habits of environment friendly approach towards daily operations. There are the practices that implemented within the Group:

- Employees are encouraged to segregate recyclable waste;
- Employees are encouraged to use recycle papers, envelopes and boxes to reduce the usage of papers, envelopes and boxes;
- Minimise the usage of paper through practices such as favouring double-sided printing, favouring the use of soft copies and print physical copies only when necessary;
- Printing usage will be monitored on ad hoc basis and investigation would be conducted when there is unusual high-volume usage of printing; and
- Engage qualified waste disposal companies to dispose our waste responsibly through regulated channel.

Our Performance

At the very minimum, we collect paper, plastic, bottles and cans, which are collected every month by a dedicated vendor.

In addition, there were no incidences of non-compliance and penalties or fines taken against the Group in relation to waste and effluent and environmental related aspects during the financial year under review. Actions and steps were taken to ensure relevant environmental factors remained within the regulatory requirements of our operations.

We continue to leverage on digitalisation to minimise waste and conserve resources. Our digital transformation initiatives which contribute to reducing paper usage include the Group's annual report will be distributed in soft copies and are published on our corporate website at www.pgbgroup.com.my. Physical copies of the annual report will only be provided upon request by shareholders. We will continue to evaluate our operations to identify new opportunities where we can incorporate practical sustainability initiatives and enhance our performance in waste management.

SOCIAL SUSTAINABILITY – VALUING OUR PEOPLE AND COMMUNITY

PGB's social and governance commitment goes beyond regulatory compliance as the Group continues to look into managing its social footprint in our journey of sustainable value creation. Human capital is the backbone of our business. The success and sustainability of an organisation largely depend on the cultivation of a shared organisational culture that empowers and inspires employees to perform at optimum potential. We appreciate the performance of our people, and by providing a safe and innovative working environment where talents are groomed and achieve their full potential. We promote an inclusive and diverse work culture while providing employees with fair remuneration and competitive benefits, supports our ambition to be an employer of choice.

a) Employee Engagement and Development

Why It Matters

Valuing our people are of utmost importance to the Group as we believe that employees are the most valuable asset that would drive the long-term business growth and expansion into new markets and business segments. Their collective knowledge of industry trends and deep understanding of our processes drives a culture of innovation and continual improvement within the Group, forming the basis for business sustainability in the long run.

We create joy and happiness by helping our people grow, explore new opportunities, build expertise, create long term careers, work with talented people and succeed through inclusion. Through investing in our employees, we aim to develop their capabilities, which will in turn, contribute to build a high-performing and diverse workforce that drives the competitiveness and resilience of the organisation in the property development sector. Ultimately, our reputation as a progressive and equitable employer will allow us to attract and retain talent that can maximise the potential of the opportunities our presence offers.

How We Approach It

We firmly believe that fair employment practices lead to favourable business outcomes. We recognise and appreciates the significance of our employees' contribution

OUR COMMITMENT TO SUSTAINABILITY (continued)

SOCIAL SUSTAINABILITY – VALUING OUR PEOPLE AND COMMUNITY (continued)

a) Employee Engagement and Development (continued)

and we are committed to ensure that our employees are properly and fairly rewarded. Remuneration structure is reviewed annually based on qualifications, experience and performance to ensure our remuneration package remains competitive. In PGB, all staff are paid wages exceeding the minimum wages.

An array of employee benefits which are above the minimum legal requirement and at par with best practices standards are provided to our employees. This includes various types of paid leave, universal health and medical care and many other benefits. Benefits commensurate with tenure and positions in the Group and are constantly reviewed against industry best practices.

Type of Benefit	Details
Leaves	Annual Leave, Sick or Hospitalisation Leave, Marriage Leave, Maternity Leave, Paternity Leave, Study Leave and Compassionate Leave
Flexi-Wellness	Pre-Employment Medical Check-up
Allowance and Subsidy	Car Allowance, Petrol Reimbursement, Outstation Meal Allowance, Mobile Phone Allowance, Outpatient Medical Benefits, Business Travel Expenses Reimbursement and Professional Membership Subsidy
Insurance	Group Hospitalisation and Surgical, Group Personal Accident

We are committed to respecting human rights and guided by the Malaysian Government's Employment Laws. These principles and laws cover the following:

- Prohibiting child and forced labour
- Ensuring non-discrimination and equal opportunity
- Supporting a harassment free and violence-free workplace
- Ensuring compliance with laws governing working hours and wages

Our Human Resource Department ("HRD") is responsible to govern all employer-employee dealings across the Group and applying procedures that ensure decisions are made objectively and without any element of discrimination. The HRD manage the talent acquisition strategies and organises recruitment process, ensuring that we promptly fill the vacancies and reduce any disruptions arising from employee turnover. In addition, they also monitor and report on key employment-related performance such as employee turnover rate and employment status in monthly meetings.

The Group's employment policies practices and procedures are strictly adhered to the Employment Act and other legal statutory provisions of the country which including the contribution of Employees' Provident Fund, Social Security Organisation and Employee Insurance Scheme. Recognising that the relationship between employer and employee is two-way in nature, the Group's Employee Handbook and Code of Conduct outlines the principal guidelines that employees must adhere and practice in any circumstances. Our HRD plays a key role by ensuring that awareness, guidance and updates are regularly disseminated across to the employees through refresher courses and suitable training programmes.

Employee surveys offer a valuable opportunity for employees to give their feedback and share their opinions and experiences. This survey allows Management to gain a better insight about employee perceptions which can use to improve their experience and workplace. We are committed to conduct employee's surveys on an annual basis. We believe that prioritising employee satisfaction, evaluating the needs and desires of the employees are critical to boosting employee engagement while leads to increase retention rates, lower absenteeism, improved productivity and higher employee morale. In addition, managers can also gain insights into issues affecting their departments that allow them to manage more effectively and improve overall performance.

We review, monitor and track employees' performance through performance appraisal and shall be conducted annually with compulsory. Regular and effective

OUR COMMITMENT TO SUSTAINABILITY (continued)

SOCIAL SUSTAINABILITY – VALUING OUR PEOPLE AND COMMUNITY (continued)

a) Employee Engagement and Development (continued)

performance reviews are one of the essential tools employed by the Group to engage employees on their performance and serves as a two-way communication platform to receive employees' feedback on work-related issues and we chart the career progress of each of our talents. Respective head of department, managers, superiors are encouraged to conduct regular reviews with employees under their supervision who can then provide valuable feedback and coaching, when required.

We strive to develop a diverse pipeline of talents and offer all employees with an equal opportunity to learn and grow, overcome challenges, take on new roles and adopt greater responsibilities. As a result, we use multiple approaches to support the different developmental needs of our workforce, which leads to greater job satisfaction and motivation. They are encouraged to engage with various learning and development opportunities that are relevant to their professional aspirations, ranging from role-specific training to technical skills and leadership development. Our employees have also been given the flexibility to select the programmes they wish to attend after discussion with their department head and in accordance with their skill requirements. We also provide with different inhouse training programmes that help our employees develop the necessary competencies for their personal and professional development.

Our Performance

During current financial year, in recognising on the complexities that have arisen as a result of the COVID-19 pandemic, special measures were adopted across the Group to safeguard our employees and their interests. Employees were provided with an allocation of free meals in individual packaging to reduce the social contact and minimise the risk.

Prior to pandemic, various activities being conducted including monthly birthday gathering party, Chinese New Year, Hari Raya and Christmas celebration were organised for our employees. This year, to prevent the spread of contagion in Malaysia, there were restriction on movement and gathering. Engagement activities that we regularly conducted was unable to carry out and prohibited. Cognisant of this, frequent and continuous engagement with employees were still remain essential. Various employee engagement activities such as weekly meetings and continuous communication via digital platform such as email and WhatsApp were conducted. Apart from this, articles and information relating to updates relevant to the employees as well as latest news pertaining to the Group were posted on this digital platform.

During the current financial year, an employee opinion and satisfaction survey was conducted to gain employee insights into their views, attitudes and perceptions towards their engagement with the superior and organisation. The survey results have been reviewed by the management and converted into action plans in areas of performance management, career development, operational efficiency, leadership as well as workplace conditions. There are about 67% of the participation rate and the key statistics and insights from the feedback gathering exercise are as below:

Question:
Whether you are satisfied with your current salary?
90% of employees are happy with their remuneration.

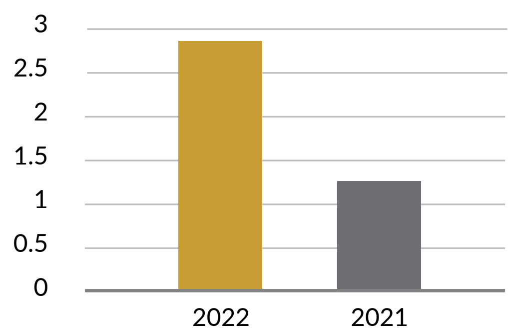
Question:
Whether you are well communicated with top management and staffs?
75% of employees are well communicated.

Question:
Whether you are overloaded?

60% of employees are happy with their current workload.

The feedback obtained from the survey allows the Group to track and measure the progress of our engagement with employees year by year. Investigation and interview will be carried out by the Management to identify improvement areas and address accordingly to close the gaps of the results.

In this reporting period, no employee is taking maternity leave while there are two employees took paternity leave, with 100% of them returning back to work when their leave had completed. Our turnover has been showing a steady and healthy rate over the past two years. We will continue to improve the employees' engagement and connection as well as provide a happy workplace to our employees.



Annual Turnover Rate (%)

OUR COMMITMENT TO SUSTAINABILITY (continued)

SOCIAL SUSTAINABILITY – VALUING OUR PEOPLE AND COMMUNITY (continued)

a) Employee Engagement and Development (continued)

COVID-19 further accelerated the adoption of online learning platform and prompted to shift from physical classroom training to online webinars with vast coverage of topics by global subject matter experts at much lower cost. In turns, our employees can continuously to learn anywhere and anytime and close their competency gaps. This year, staff training sessions were largely being conducted online covering a broad range of topics. We have invested close to RM11,990 in internal and external training programmes which tabled as below:

Programme	Provider	Department
Internal		
Updates on MCCG 2021, Latest Amendments to MMLR and Sustainability Management	NeedsBridge Advisory Sdn. Bhd.	Management and All Departments
External		
Common Pitfalls in Transaction and Related Party Transaction Rules	CKM Advisory Sdn Bhd	Finance Department
Key Disclosure Obligations of a Listed Company	CKM Advisory Sdn Bhd	Finance Department
Tax and Business Submit 2021	KPMG Tax Services Sdn Bhd	Finance Department
2022 Budget Seminar	Chartered Tax Institute of Malaysia	Finance Department
CFO Conference 2021	Malaysian Institute of Accountants	Finance Department
Budget 2022 Review	REHDA Institute	Finance Department
TCFD 101: Getting Started With Climate Related Financial Reporting	Bursa Malaysia	Finance Department
TCFD 102: Building Experience in Climate Related Financial Reporting	Bursa Malaysia	Finance Department
Crowe Malaysia Tax Budget Conference 2022	Crowe CPE Sdn Bhd	Finance Department
Procurement System and Tendering Process in Construction Project	ICM Training and Consultant	Project Department
Mixed-Use Strata Development	Royal Institution of Surveyors Malaysia	Project Department
Practical Construction Contract Administration / Management	Pusat Teknologi Pam Sdn Bhd	Project Department
Pengurusan Projek Pengubahsuaian Dan Pembinaan Hospital Dan Pusat Perubatan	WH Skill Training Sdn Bhd	Project Department
QLASSIC Awareness Course	ICM Training and Consultant	Project Department
Mastering Extension of Time Claims	Charlton Martin Construction Contracts Consultants	Project Department
Property Management Induction Course	Board of Valuers, Appraisers, Estate Agents & Property Managers	Project Department
Occupational Safety & Health (OSH) Management in Construction Industry	ICM Training & Consultant	Project Department
Construction Claims & Adr Conference 2021	L2 Icon Sdn Bhd	Legal Department

OUR COMMITMENT TO SUSTAINABILITY (continued)

SOCIAL SUSTAINABILITY – VALUING OUR PEOPLE AND COMMUNITY (continued)

a) Employee Engagement and Development (continued)

Moving forward, the Group will be better equipped in improving our performance on training and development from the lessons learned and skills adapted from what we have encountered during the year.

b) Occupational Safety and Health

Why It Matters

We acknowledge that the health and safety of everyone present at our premises is important. A safe and healthy working environment gives security to our people, established trust and plays a central role in ensuring the sustainability of our business. It is therefore our obligation and responsibility to implement comprehensive practices and measures to prevent accidental injuries and occupational related illnesses from occurring to our employees, customers and the general public. We focus on maintaining the health and wellbeing of our employees, both in our offices and sites under our management as well as those along our value chain. As such, we are committed to going beyond the requirements of regulations alone and strive to stand as an example of best practices in health and safety within our industry as a whole.

How We Approach It

During current financial year, the Group is still exposing to the impacts brought by the pandemic and recognise the importance of being resilient in facing the challenges of occupational safety and health. It is imperative for us to move beyond regulatory compliance to ensure that any potential risks to our businesses are prevented or reduced to acceptance level. In response to this pandemic, the Group has establishing series of preventive measures that are aimed at minimising any potential risk of exposure faced by employees. The procedures include regular temperature checks, social distancing, changes to workplace arrangements, compulsory use of face masks, the provision of sanitisers and the implementation of cross-premise disinfection exercises whenever necessary. In addition, we provided a continuous supply of Rapid Test Kit ("RTK") to all employees which they are required to conduct the antigen test on weekly basis as a proactive measure to curb the potential spread of virus among the workspace. This pandemic has provided us with a wealth of insights that we can apply in future, giving us additional impetus to improve our health and safety procedures in all aspects while maintaining close consultation with our key stakeholders.

For our property and construction segment, health and safety requirements are included in the tender and contract documents for all the projects. The contract department will coordinate with every contractor to ensure health and safety are always at the forefront of their minds. Contractors are responsible for the safety of their workers on all sites and ensure various measures. The buildings' occupants and the public must not be exposed to any health, safety and security risk when performing any works. The permit to work stipulates that every contractor must comply with all relevant laws and regulations. All the workers are expected to conform with necessary safety and health measures to minimise risk at sites. They are also kept informed of upcoming changes to regulations and standards regard the health and safety issues as well as our standard of practices.

We are committed to continuously improving our safety standards and we work diligently to reduce the risk of accidents at our workplace. Our focus to achieve zero work-related fatalities and incidents through our enforcement, monitoring and awareness activities amongst our employees and contractors, strengthening the accountability of management for ensuring safe working environment and promoting a safety culture in our everyday activities. Training and awareness campaigns are organised regularly to ensure that employees abide strictly by the safety and health measures at our workplaces. All our offices and sales galleries are equipped with emergency response equipment such as first aid kits, fire extinguishers and fire alarm systems. In addition, all employees are also granted adequate insurance for personal accidents, in addition to medical insurance in the event of hospitalisation and surgical requirements.

Our Performance

The Group is committed to achieving a zero work-related fatality target every year with strict compliance to the regulatory requirements imposed by the relevant authority bodies. With the above controls put in place, there were no major incidents occurred and reported as well as no major legal action taken against the Group nor any fine or monetary sanction imposed related to occupational safety and health aspects during the financial year under review.

c) Diversity and Inclusion

Why It Matters

Diversity and inclusion form the essence of the Group's culture and environment. We believe that embracing diversity and inclusion is vital in creating a positive and motivating work environment. Having a diverse team of employees, across age, gender, ethnicity and industry experience, encourages open-minded dialogues, bring a wealth of valuable insights, stimulate innovative thinking, helps bridge gaps, business growth and drive sustainability. We have adopted zero tolerance approach

OUR COMMITMENT TO SUSTAINABILITY (continued)

SOCIAL SUSTAINABILITY – VALUING OUR PEOPLE AND COMMUNITY (continued)

c) Diversity and Inclusion (continued)

for all forms of discrimination, victimisation, intimidation, bullying or harassment in the workplace, and promote fair opportunities for those who wish to grow the career with us.

How We Approach It

As a progressive and socially responsible organisation, we believe that we are able contribute towards reducing and eliminating workplace discrimination by taking a clear stance against all sort of workplace discrimination. The scope of adoption of diversity and inclusion by the Group covers talent management, compensation and benefits, learning and development, as well as employee engagement.

We provide fair and equal employment opportunities manifested through a structured and unbiased recruitment process that serves to eliminate any form of discrimination. All employees shall be entitled to equal access to opportunities regardless of their background, race, religion, age, gender, ethnicity, national origin, disability, or any other relevant characteristics at all levels of the organisation. To attract talents and retain the existing workforce, the Group offers comprehensive workforce benefits and competitive remuneration to all employees. Fair and equal learning opportunities are provided to employees at all job levels to help them advance in their career paths and realise their personal goals.

At all times, we treat our employees with mutual trust and respect. We embrace a philosophy of openness in acknowledging differences of opinions, thoughts, experiences and contributions among all team members as this serves to make us stronger. Everyone should be able to enjoy happy healthy lives in vibrant, inclusive communities and workplaces.

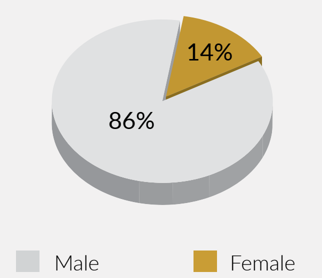
Our Performance

Despite the challenging year, we were fortunate to be able to maintain a strong team of employees, continue offering employment opportunities with the Group, to ensure our business operations continue to grow and society are provided with the opportunity to work. Our workforce comprises a diverse group of individuals from various ethnic backgrounds and demographics. The Group also has a healthy balance of staff in key age groups towards ensuring a sustainable talent pipeline for succession planning as well as to meet other requirements. We support local talent and prefer to local employment, 100% of our employees are local. All of below measures are to ensure that the Group constantly maintains the awareness on matters relating to diversity and fair treatment as we pursue our overall objectives.

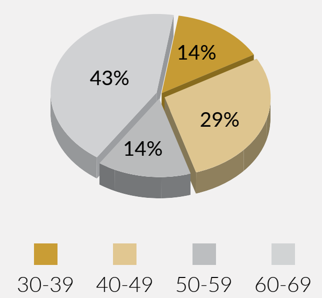
Board of Directors Profile

As of to date, in terms of diversity at the Board level, the Group currently achieve the minimum requirement of Listing Requirements to have at least female director on Boards. We are working towards achieving 30% women Directors as recommended by the Malaysia Code of Corporate Governance.

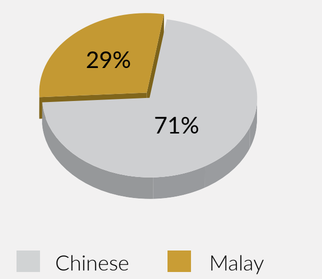
Board of Directors (By Gender)



Board of Directors (By Age Group)



Board of Directors (By Ethnicity)



OUR COMMITMENT TO SUSTAINABILITY (continued)

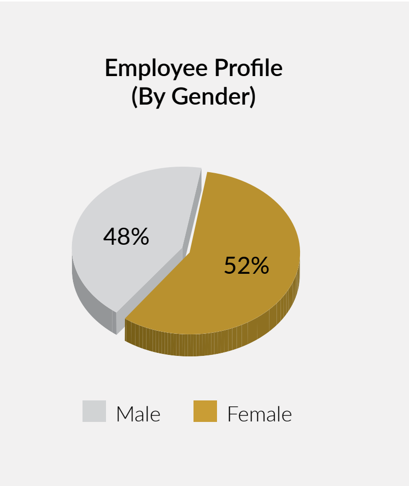
SOCIAL SUSTAINABILITY – VALUING OUR PEOPLE AND COMMUNITY (continued)

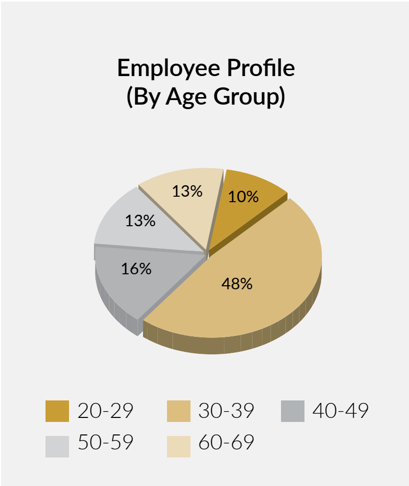
c) Diversity and Inclusion (continued)

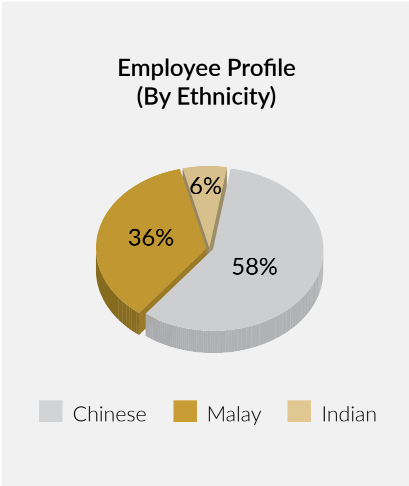
Employee Profile

As of to date, we have total workforce of 31 employees, of which 52% (2021: 61%) are female and 48% (2021: 39%) are male.

Breaking down our employees by age, 10% (2021: 15%) are below 30 years old, 64% (2021: 70%) are between 30-50 years old, 26% (2021: 15%) are over 50 years old. Furthermore, breaking down our employees by ethnicity, 58% (2021: 36%) for Chinese, 36% (2021: 61%) for Malay and 6% (2021: 3%) for Indian.



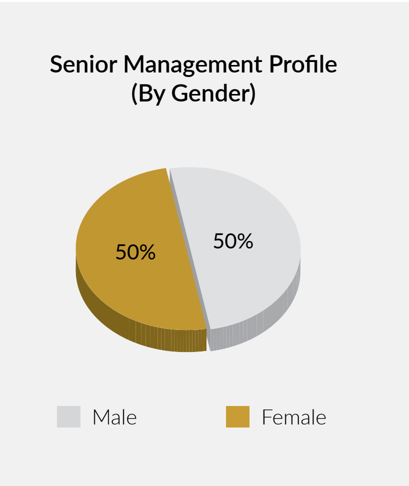


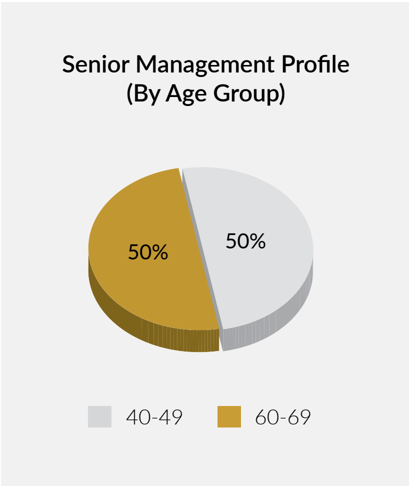


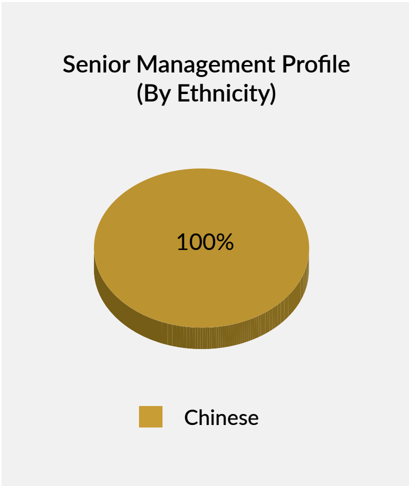
Senior Management

In line with the Group's stance on diversity, we give equal opportunities for women to participate in management of the Group. Women in management may face unique organisational, societal, structural, and cultural hurdles. To mitigate this, the Group takes effort to identify talent and nurture the personal and professional development of women in the new business world.

As of to date, we have 2 senior management, of which 50% (2021: 33%) are female and 50% (2021: 67%) are male.







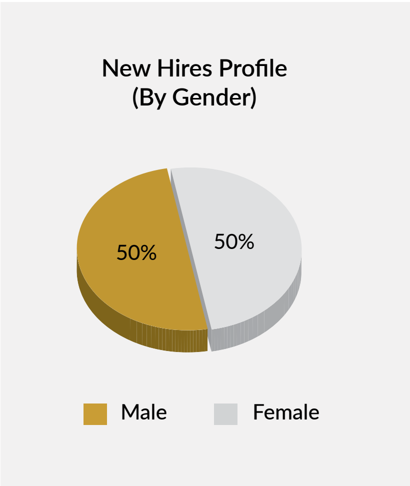
OUR COMMITMENT TO SUSTAINABILITY (continued)

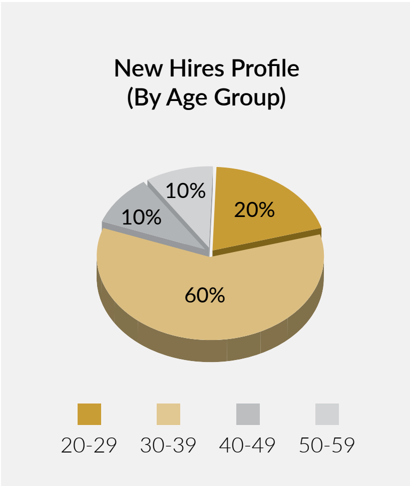
SOCIAL SUSTAINABILITY – VALUING OUR PEOPLE AND COMMUNITY (continued)

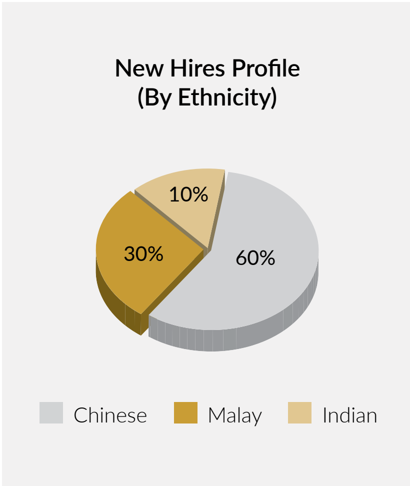
c) Diversity and Inclusion (continued)

New Hires Profile

The Group welcomed all of the new hired employees and recorded an average turnover rate at 2.83% as of to date. The female to male new hires ratio remained at 50% (2021: 53%). In terms of the ethnicity of new hires, it comprised of 60% for Chinese (2021: 26%), 30% for Malay (2021: 60%), 10% for Indian (2021: 7%) and 0% (2021: 7%) for others. We are committed to the restoration and improvement in the Malaysia labour market, especially in the current challenging pandemic situation.







OUR COMMITMENT TO SUSTAINABILITY (continued)

SUPPORTING COMMUNITIES

Corporate Social Responsibility

Past two years were challenging time for many. Economic instability, public health threats, job insecurity and more have led to drastic livelihood changes for most of society. The Group strongly believes that in playing our role as a socially responsible corporate citizen, creates business sustainability and enhances value for all our stakeholders. We are dedicated to balancing our economic ambitions with socially-responsible initiatives that have positive impacts upon communities in the areas where we operate.

During the financial year under review, the Group made various contributions and donations to worthy causes and organisations, including governmental and non-governmental organisations, to support their charitable causes in sports, social and welfare activities.

AUGUST

5 August 2021

Paragon Globe Berhad has contributed 1,000 pax of groceries supplies to the patients and frontliners to support the needs in managing the COVID-19 cases at Quarantine and Treatment Center Pasir Gudang.

This included mineral water, instant drinks, packed drinks, cup noodles and biscuits.

NOVEMBER

15 to 17 November 2021

Paragon Globe Berhad are collaborated with Hospital Sultanah Aminah Johor Bahru and Hospital Sultan Ismail to organise a Blood Donation Campaign for a duration of three days. The event was held at public area of Paragon Market Place.

A total of 66 packets of blood were collected during the campaign. Each successful donor received a cash voucher worth of RM10, as a token of appreciation.

Meanwhile, Paragon Globe Berhad and Paragon Market Place contributed 44 packets of lunch to the employees of hospital, by way of thanks for their efforts.

OUR COMMITMENT TO SUSTAINABILITY *(continued)*

Corporate Social Responsibility (continued)

FEBRUARY

16 February 2022

Paragon Globe Berhad shares the joy of the Chinese New Year celebration by giving financial aid and "ang pows" to two selected old folks and orphanage home.

The beneficiary of the non-profit organisations includes Long Hua Home Johor Bahru and Amitabha Buddhist Orphanage with RM2,000 each, benefiting 75 people in need.

MARCH

29 March 2022

Paragon Globe Berhad sponsored a total amount of RM11,700 to Mr. Ng Tze Chian, a 19-year-old Malaysian badminton player, to participate in the Slovenia International Series (18 to 21 May 2022) and Austria International Series (26 to 29 May 2022), with the aim to nurture Malaysian young sporting talent.

APRIL

22 April 2022

Paragon Globe Berhad together with Paragon Market Place have collaborated to organise a corporate social responsibility ("CSR") programme, namely "Ramadan Prihatin" in conjunction with the holy month of Ramadan. The programme was held at Concourse area of Paragon Market Place.

Paragon Globe Berhad and Paragon Market Place continue with its humanitarian efforts by contributed the essential items, "duit-raya" and "bubur lambuk" to two charity homes in Johor Bahru, for their Ramadan and Hari Raya Preparation. The two charity homes include Pusat Jagaan Kasih Setanggi and Rumah Perlindungan Fitrah Qaseh, benefiting 140 children in need.

OUR COMMITMENT TO SUSTAINABILITY (continued)

SUPPORTING COMMUNITIES (continued)

In the News

支援巴西古當方艙醫院
百麗環球集團捐物資

（新山9日讯）百丽环球集团获悉巴西古当方舱医院急缺物资后，立即捐赠1000份应急物资给病人与前线医护人员，希望能协助医院一解燃眉之急。

巴西古当室内体育馆被卫生部暂为方舱医院，做为隔离与低风险治疗中心（PKRC）及冠病评估中心（CAC）低风险新冠病毒隔离及治疗中心。随着疫情加剧，多家医院陆续面对抗疫医疗物资吃紧的现象，百丽环球特别捐出包括矿泉水、即溶麦片、包装饮料、杯面与饼干的物资到医院送暖。

百丽环球集团执行主席拿督斯里陈炳威表示，这项捐助是该集团的企业社会责任计划的一部分，希望这个小小的贡献，可以在这个艰难的时期，为病人和前线医护人员提供支援。

“在此新冠疫情严峻时刻，百丽环球积极开展各项公益项目，协助前线医护人员对抗疫情。我们也要向那些冒着生命危险，不辞劳苦地救治病人的前线医护人员，表示最深切的敬意和感谢。”

百丽环球也是柔营地集团的一分子，自我国于2020年3月实施“行动管制令”以来，此次捐赠应急物资予巴西古当方舱医院是该公司举办的第8项企业社会责任活动。

该集团早前也有捐出各种医疗物资、派发救济品或捐款给医院、有需要帮助的家庭和慈善机构组织。

百麗環球集團
15至17日辦捐血運動

2慈善團體受惠
百麗環球集團新春布施

THE ISKANDARIAN

Paragon Globe Berhad and Paragon Market Place Sharing Holy Month's Blessing with Children In Need

CONCLUSION

The Board recognises that embedding sustainability into the Group's business is a continuous and evolving practice which demand commitment, patience, investment and constant action. As we progress on our sustainability journey, we pledge to continue enhance our initiatives towards achieving greater business sustainability and financial performance, in addition in bringing positive impact and strengthen our ability to create meaningful change in society.

HOW WE ARE GOVERNED
BOARD OF **DIRECTORS**

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' Sri Edwin Tan Pei Seng
Executive Chairman

Dato' Sri Godwin Tan Pei Poh
Group 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	NATIONALITY	GENDER	DATE OF APPOINTMENT
41	Malaysia	MALE	27 OCTOBER 2017

Dato' Sri Edwin Tan Pei Seng was appointed to the Board of Paragon Globe Berhad on 27 October 2017. He holds a Bachelor of Commerce in Finance and E-Commerce Management from Deakin University, Melbourne, Australia. He started his career as Financial Executive, upon his graduation and was soon promoted to the position Financial Controller and was appointed as Executive Director in various private companies involved in hospitality, investment holding, property development and others.

He is involved in diverse development projects in Johor Bahru including the development of industrial project comprising 32 units of semi-detached factories known as Bizhub Skudai 8, development of residential projects such as Paragon Residences and Paragon Suites, luxurious serviced apartment in Johor Bahru; and Paragon Private and International School which was established in 2014 and fully commenced in January 2017.

He was awarded one of the 100 most influential Young Entrepreneurs of 2016.

He has been promoted to Executive Chairman in Paragon Globe Berhad, formulating and implementing company policy. He also held the responsibility to direct the strategy of the company towards a profitable growth by putting in place adequate operational planning and closely monitor the operating and financial results.

He does not hold any Directorship in other public companies.

Dato' Sri Edwin Tan is the brother to Dato' Sri Godwin Tan, Group Executive Director. He and Dato' Sri Godwin Tan are the directors and shareholders of the ultimate holding company Paragon Adventure Sdn Bhd. Save as above, he has no family relationship with other Directors and major/substantial shareholders of Paragon Globe Berhad.

He does not have any conflict of interest with the Company other than, if any, set out in the Statement on Additional Compliance Information and/or the Financial Statement for the year ended 31 March 2022. He has no convictions for offences within the past five years other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all of the Board Meetings held during the financial year ended 31 March 2022.

BOARD OF DIRECTORS' PROFILE (continued)

AGE	NATIONALITY	GENDER	DATE OF APPOINTMENT
38		MALE	27 OCTOBER 2017

Dato' Sri Godwin Tan Pei Poh

Group Executive Director

Dato' Sri Godwin Tan Pei Poh was appointed to the Board of Paragon Globe Berhad on 27 October 2017. He holds a Bachelor of Science in Business Administration from Alliant International University, San Diego, California. He started his career as Management Trainee upon his graduation and was eventually promoted to the position Executive Director of various private companies. Alongside his brother, Dato' Sri Edwin Tan, he also ventures in residential development Paragon Residences and Paragon Suites, luxurious serviced apartment in Johor Bahru; and Paragon Private and International school which established in 2014 and fully commenced by January 2017.

Dato' Sri Godwin Tan also actively participated in the management of Paragon Market Place, a retail mall located in Johor Bahru. He has also concluded collaboration with Selgate Healthcare Sdn Bhd for the development of healthcare business.

As the Group Executive Director, he is responsible for overseeing the administration and strategic plan that guides the direction of the organisation including marketing management, operational planning, financial planning and management.

He does not hold any Directorship in other public companies.

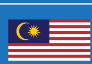
Dato' Sri Godwin Tan is the brother to Dato' Sri Edwin Tan, Executive Chairman. He and Dato' Sri Edwin Tan are the directors and shareholders of the ultimate holding company Paragon Adventure Sdn Bhd. Save as above, he has no family relationship with other Directors and major/substantial shareholders of Paragon Globe Berhad.

He does not have any conflict of interest with the Company other than, if any, set out in the Statement on Additional Compliance Information and/or the Financial Statement for the year ended 31 March 2022. He has no convictions for offences within the past five years other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all of the Board Meetings held during the financial year ended 31 March 2022.

BOARD OF DIRECTORS' PROFILE (continued)

Dato' Haji Ismail Bin Karim

Independent Non-Executive Director

AGE	NATIONALITY	GENDER	DATE OF APPOINTMENT
67		**MALE**	**27 NOVEMBER 2017**

Dato' Haji Ismail Bin Karim was appointed as an Independent Non-Executive Director of the Company on 27 November 2017. He was also appointed as Chairman of the Nomination Committee and a member of the Audit Committee, Risk Management Committee and Remuneration Committee.

Dato' Ismail graduated from Universiti Kebangsaan Malaysia with a Diploma in Education and Bachelor of Arts with Honours (History). He has held many key positions in governmental agencies and has many years of experience in various aspects including Johor Land Office, Johor State Economic Planning Unit, Johor State Secretary Office and Johor State Islamic Religious Department. He had served Johor Civil Service for over 35 years prior to his retirement as Johor State Secretary on 31 December 2016.

He is a President of the Johor State Football Association and Treasurer of Football Association Malaysia. He also sits on the Board of Tunku Laksamana Johor Cancer Foundation.

Currently he sits on the Board of Directors of Dialog Group Berhad as an Independent Non-Executive Director.

He does not have any conflict of interest with the Company other than, if any, set out in the Statement on Additional Compliance Information and/or the Financial Statement for the year ended 31 March 2022. He has no convictions for offences within the past five years other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all of the Board Meetings held during the financial year ended 31 March 2022.

BOARD OF DIRECTORS' PROFILE (continued)

AGE	NATIONALITY	GENDER	DATE OF APPOINTMENT
60	Malaysian	MALE	27 OCTOBER 2017

Mr. Tee Boon Hin

Senior Independent Non-Executive Director

Mr. Tee Boon Hin was appointed to the Board of Paragon Globe Berhad on 27 October 2017. He was also appointed as the Chairman of the Audit Committee and Remuneration Committee on 27 November 2017. He is also a member of Risk Management Committee and Nomination Committee of the Company.

Mr. Tee is an Approved Tax Agent and Approved Company Auditor. He graduated with a Bachelor of Commerce Degree from the University of Canterbury, New Zealand. Trained and qualified as a Chartered Accountant with international firm, KMG Kendons in New Zealand, he received extensive experience in audit of Trusts and retail industry. His professional journey continued in an international firm, BDO Hogg Young Cathie in New Zealand which he gained substantial exposure to hospitality industry. Subsequently he joined Price Waterhouse Malaysia where he gained further experience in corporate advisory services.

In 1993, he commenced public practice under the name of Tee & Partners providing audit, tax and corporate advisory services. He also specialises in financial modelling and managing tax risk for small and medium sized-enterprises in property development, construction and retail sectors.

Currently Mr. Tee sits on the Board of Directors of Ge-Shen Corporation Berhad as a Senior Independent Non-Executive Director and various private companies. He has previously served as an Independent Non-Executive Director on the Board of Directors of Focal Aims Holdings Berhad (now known as Eco World Development Group Berhad) from 9 November 1999 to 23 November 2013 and former alternate Director of Al-Ikhsan Sports Sdn Bhd.

He does not have any conflict of interest with the Company other than, if any, set out in the Statement on Additional Compliance Information and/or the Financial Statement for the year ended 31 March 2022. He has no convictions for offences within the past five years other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all of the Board Meetings held during the financial year ended 31 March 2022.

BOARD OF DIRECTORS' PROFILE (continued)

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

Independent Non-Executive Director

AGE	NATIONALITY	GENDER	DATE OF APPOINTMENT
67		MALE	27 NOVEMBER 2017

Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar was appointed as an Independent Non-Executive Director of the Company on 27 November 2017. He was also appointed as Chairman of the Risk Management Committee and a member of the Audit Committee.

He holds a Bachelor of Economics with University Malaya, a Postgraduate Diploma in Computer Science with Malaysia University of Technology, and Master of Taxation and Doctor of Public Administration at the Golden Gate University, United State America. He also received an Honorary Doctor of Management from UNITEN and Asia Metropolitan University; appointed the Adjunct Professor of various universities.

He started his career as a Bank Officer in 1978; a year later he took a leap to work with the Inland Revenue Board of Malaysia (IRBM) as Assessment Officer. He was then rose through the ranks in IRBM, being appointed Deputy CEO of Compliance, Deputy CEO of Operations, and CEO in January 2011 until his retirement in December 2016.

Throughout the years, he received many accolades and awards, he was elected President of the Malaysian Association of Statutory Bodies and Chairman of The Commonwealth Association of Tax Administrations (CATA); and was awarded the CEO of the Year 2015 by The European Emerging Markets Awards and received the 2015 Lifetime Achievement Award-Outstanding Contribution in Shaping People by the Asia HRD Award.

Equipped with 36 years of vast experience both in taxation and management throughout his tenureship with IRBM, he now leads his own Tax and Management firm known as MSM Management Advisory. With his continuous engagement in the tax related field, he was subsequently appointed as the Chairman of McMillan Woods National Tax Firm, Chairman of the Board of Directors of Universiti Utara Malaysia, and Chairman of Uniutama Education and Consultancy (up to December 2018). He also sits on the Board of Directors of Uniutama Management Holdings (up to December 2018), and Prokhas, a private limited company wholly-owned by Minister of Finance (up to September 2019), a Partner of YYC Advisors, an Advisor to Century Software (Malaysia) Sdn Bhd. He is also a Board of Trustee at Yayasan Tenaga Nasional, a Partner of YYC Advisors (up to August 2019), and an Advisor to Century Software (Malaysia) Sdn Bhd. He has also been appointed as board of director of Inland Revenue Board of Malaysia with effective from 1 August 2021.

Currently he sits on the Board of Directors of Censof Holdings Berhad and Minda Global Berhad as an Independent Non-Executive Director.

He does not have any conflict of interest with the Company other than, if any, set out in the Statement on Additional Compliance Information and/or the Financial Statement for the year ended 31 March 2022. He has no convictions for offences within the past five years other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended all of the Board Meetings held during the financial year ended 31 March 2022.

BOARD OF DIRECTORS' PROFILE (continued)

AGE	NATIONALITY	GENDER	DATE OF APPOINTMENT
42	Malaysian flag	MALE	1 FEBRUARY 2019

Dato' Jeffrey Lai Jiun Jye

Non-Independent Non-Executive Director

Dato' Jeffrey Lai Jiun Jye was appointed as a Non-Independent Non-Executive Director of the Company on 1 February 2019. He is also a member of the Nomination Committee and Remuneration Committee.

Dato' Jeffrey Lai graduated from Lincoln University, New Zealand with a Bachelor of Commerce and Management. He assumed the position as the Director in JB Paper Carton Sdn. Bhd. and JBP Packaging and Hardware Enterprise upon his graduation in year 2000.

From 2014 onwards, Dato' Jeffrey Lai has been appointed as the Executive Director of Kuopacific Malaysia Sdn Bhd. Kuopacific Malaysia Sdn Bhd is mainly involved in M&E Engineering, ELV Solutions, ICT Solutions, Data Center Solution, Education, Property Investment and Development, Retail Mall Management, Medical, F&B, Waste Management and Agriculture.

He is also Director and Chief Executive Officer ("CEO") of Paragon Private and International School located in Johor Bahru, Malaysia. Paragon Private and International School was awarded for The Best Performance in newly set-up school by Lang International Corporate Titan Awards in 2018. He was also awarded for Best Intelligent Figures Brands Award 2021 (Top15) by China Press and National Consumer Action Council (MTPN).

Dato' Jeffrey was appointed as an Executive Director of Cabnet Holdings Berhad ("CHB") on 3 September 2019. Subsequently, he was appointed as CEO of CHB on 1 June 2022.

Dato Jeffrey is actively involved with the Association Chinese Chamber of Commerce and Industry of Malaysia and held the following positions:

1. Vice Chairman of Young Entrepreneurs Committee, The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM), 2021-2024

2. Chairman of Young Entrepreneurs Committee, Johor Associated Chinese Chambers of Commerce and Industry (JACCCI), 2021-2024

3. 3rd Vice President cum Chairman, Youth Committee, Johor Bahru Chinese Chamber of Commerce and Industry (JBCCCI), 2021-2023

He does not have any conflict of interest with the Company other than, if any, set out in the Statement on Additional Compliance Information and/or the Financial Statement for the year ended 31 March 2022. He has no convictions for offences within the past five years other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He attended 5 out of 6 of the Board Meetings held during the financial year ended 31 March 2022.

BOARD OF DIRECTORS' PROFILE (continued)

Mdm. Leong Siew Foong

Executive Director

AGE	NATIONALITY	GENDER	DATE OF APPOINTMENT
55		FEMALE	16 JUNE 2022

Mdm. Leong Siew Foong was appointed as an Executive Director of the Company on 16 June 2022. She graduated from TAR UC with a Diploma In Commerce (Business Management) and graduated from The Institute of Chartered Secretaries & Administrators, U.K. in 1990 and 1992 respectively. She is a Chartered Secretary with the Institute of Chartered Secretaries & Administrators, U.K. (A.C.I.S.) and a Member of MAICSA since 1994.

She has garnered more than 31 years of working experience in secretarial industry. She started her career in a renowned corporate secretarial firm and has extensive experience in corporate secretarial and operational management. She is responsible to developing and implementing the Group's policies and strategies in terms of corporate governance and securities regulatory compliance.

She does not hold any Directorship in other public companies.

She does not have any conflict of interest with the Company other than, if any, set out in the Statement on Additional Compliance Information and/or the Financial Statement for the year ended 31 March 2022. She has no convictions for offences within the past five years other than traffic offences, if any and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. She attended one of the Board Meetings held after her appointment to the Board.

PROFILE OF **KEY SENIOR MANAGEMENT**

Eileen Tey Yee Lin

Finance Director

AGE	NATIONALITY	GENDER
40		FEMALE

Ms. Eileen Tey Yee Lin joined the Company as Finance Director since 1 November 2017. She is responsible for overseeing the Accounting & Financing Department of the Group and she is involved in various corporate exercises including group restructuring, funds raising and joint ventures.

She is a member of the Malaysian Institute of Accountants ("MIA") and a Fellow member of the Association of Chartered Certified Accountants ("FCCA"), United Kingdom. She graduated from Multimedia University, obtaining a Bachelor of Accounting (Honours).

Ms. Eileen has extensive experience in auditing, tax and financial related work. She started her career as an audit assistant at Ernst & Young and her last position at Ernst & Young was Audit Senior Manager. Her portfolio includes both public listed and private companies of various industries.

Prior to joining the Group, she held the position as Group Assistant Financial Controller of Joland Group of Companies for 3 years and was responsible for the financial management and management reporting of this affairs.

Tan Hui Boon

Senior General Manager & Director of PGBG Construction Sdn Bhd

AGE	NATIONALITY	GENDER
65		MALE

Mr. Tan Hui Boon joined the Company as Senior General Manager on 1 December 2017 and has been appointed as Executive Director of PGBG Construction Sdn. Bhd., a subsidiary of Paragon Globe Berhad on 1 December 2020.

His involvement in the construction industry started soon after he completed his High School Certificate at the English College, Johor Bahru in 1978. In July 1991, he was awarded the National Certificate in Construction Supervision conducted by Singapore Polytechnic.

He gained valuable industry experience as Senior Site Superior during his employment period in IJM Corporation Berhad from May 1981 to July 1993. In October 1993, he joined Joland Group as General Manager.

He has over 40 years of experience in the construction and management of project. He has managed landed and high-rise residential development, hospitality, healthcare, industrial, education and infrastructure projects in Malaysia and Singapore. In addition, he was registered with Lembaga Penilai, Pentaksir, Ejen Harta Tanah & Pengurus Harta Malaysia as a Property Manager on 20 August 2019.

Directorship in Public Companies and Listed Issuers

None of the Key Senior Management Personnel holds any Directorship in other public companies.

Family relationship with any Director and/or substantial shareholders

Mr. Tan Hui Boon is the relative to Dato' Sri Edwin Tan and Dato' Sri Godwin Tan. Save as disclosure above, none of the Key Senior Management Personnel has any family relationship with the Directors and/or substantial shareholders of the Group.

Conflict of Interest

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

Convictions for Offences

None of the Key Senior Management Personnel has been convicted of any offence within the past five years other than traffic offences and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 March 2022.

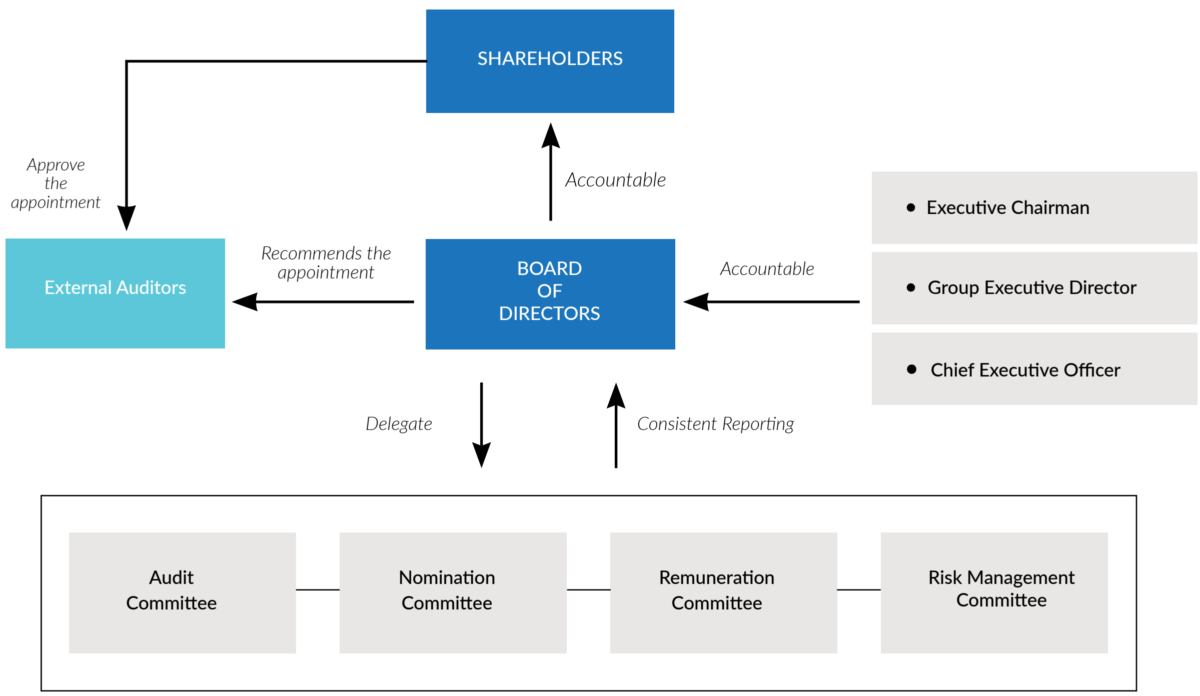
CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Paragon Globe Berhad ("the Company") takes cognisance of the importance of maintaining high standards of corporate governance within the Company and its subsidiaries (collectively, "the Group") to ensure that the Group's business is conducted in a transparent, ethical, fair and responsible manner, in compliance with all relevant laws and regulations with the ultimate objective of realising long-term shareholder value while taking into account the interest of all stakeholders.

The Board has been guided by the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission in implementing the corporate governance practices, while ensuring compliance with the Main Market Listing Requirements ("MMLR") and Corporate Governance Guide of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Companies Act 2016.

Corporate Governance Framework

The Board believes that good corporate governance adds value to the business of the Group. The Corporate Governance Framework of the Group as illustrated below demonstrates how the Company manages its Group's businesses in contributing towards the Group's growth and long-term sustainability. The Board has delegated specific responsibilities to four sub-committees, namely Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee to oversee, manage and review specific aspects of the Company's business operations and corporate matters. The Board Committees operate within their respective approved terms of reference which responsibility is to examine particular issues and reporting back to the Board with their recommendations.



The Board is pleased to present our Corporate Governance Overview Statement ("CG Statement"), which outline our approach to governance in practice and activities throughout the financial year ended 31 March 2022. The CG Statement focuses on the following three (3) key Principles of MCCG:

Principle A : Board Leadership and Effectiveness
Principle B : Effective Audit and Risk Management
Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Corporate Governance Framework (continued)

As this is our first year under which the revised MCCG 2021 has applied to the Group, we have taken the opportunity to present some of our governance initiatives under the key themes of the new governance and reporting rules. In general, the Group has complied with all material aspects of the principles set out in the MCCG except for the following 5 recommended practices which the Group has departed from and the explanation for departure is provided in the Corporate Governance Report:

Practice 4.4	Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.
Practice 5.4	The board has a policy which limits the tenure of its independent directors to nine years without further extension.
Practice 5.9	The board comprises at least 30% women directors.
Practice 5.10	The board discloses in its annual report the company's policy on gender diversity for the board and senior management.
Practice 8.3	Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

This CG Statement illustrated how the Group has applied and complied with the principles of best practices of the MCCG and it should be read in tandem with the Corporate Governance Report, set out in the format prescribed by Paragraph 15.25 of the MMLR of Bursa Malaysia, which is available on the Company's website at **www.pgbgroup.com.my**. The Corporate Governance Report provides the details on how the Group applied each practice as well as explanations for the departures from the abovementioned practices.

Application of corporate governance principles and practices are reviewed regularly and revised as appropriate to reflect changes in the law and developments in corporate governance, as well as the changing needs of the Group in the business environment.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Intended Outcome 1.0
Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

The Board is collectively responsible for the long-term success of the Group. It has overall responsibility in the stewardship of the Group's strategic direction while playing an oversight role in the conduct and management of the Group's businesses and operations.

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. Details of the principal functions and responsibilities of the Board are set out in the Board Charter published in the Company's website. The summary of key responsibilities of the Board are as follows:

- Reviewing and adopting a strategic business plan for the Company, aligned to ensure obligations to shareholders and stakeholders are met;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed, the Board should therefore provide entrepreneurial leadership;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks – the Board should appraise the Company's major risks and oversee that appropriate risk management and internal control procedures are in place;
- Reviewing the adequacy and the integrity of the Company's internal control systems; and
- Reviewing the responsibilities of each Board Committee as and when required.

To ensure the effective discharge of its function and responsibilities, the Board would communicate the decisions made by the Board to Executive Director which they would subsequently delegate day-to-day management of the Group's affairs to a team of Senior Management made up of personnel trained in various professions namely finance, human resources, project management, control and procurement, sales and marketing and legal and compliance. The Senior Management is responsible for the implementation and execution of the decisions and policies made by the Board, managing manpower and resources for the running of day-to-day business operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

Intended Outcome 1.0 (continued)

Roles of Executive Chairman and Chief Executive Officer ("CEO")

The duties and responsibilities of Executive Chairman and the CEO are clearly defined and separated in the Board Charter, to ensure a balance of power and authority. Currently, the Chairman of the Board was being held by Dato' Sri Edwin Tan Pei Seng while the position of CEO was remained vacant after the resignation of Mr. Gary Goh Soon Liang on 1 August 2021. The Chairman of the Board, plays a leadership and management role in the conduct of the Board and its relationship with shareholder and other stakeholders. He ensures the integrity and effectiveness of the governance process of the Board and Board Committees function effectively. In addition, he oversees and evaluates the conduct and performance of the Group and undertakes to ensure efficient functioning of the Board and that procedural rules are followed and quality information to facilitate decision-making is delivered to Board members on a timely basis. Furthermore, he holds the primary executive responsibility for the Group's business performance and manages the Group in accordance with the strategies and policies approved by the Board. He leads the Executive Director in making and implementing the day-to-day decisions on the business operation, managing resources and risks in pursuing the corporate objectives of the Group.

In compliance with the enhanced MCCG updates introduced in April 2021, the Chairman of the Board is neither a member of Audit Committee, Nomination Committee nor Remuneration Committee. These Committees are chaired by Independent Non-Executive Directors and comprise a majority of Independent Non-Executive Directors except for Audit Committee, which comprise wholly Independent Non-Executive Directors. The Chairman of the Board was also not invited to any meeting of Audit Committee, Nomination Committee nor Remuneration Committee. This is to mitigate the risk of self-review and not to impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.

Dato' Sri Godwin Tan Pei Poh holds the role of Group Executive Director. He is responsible for overseeing the administration and strategic plan that guides the direction of the organisation including marketing management, operational planning, financial planning and management. For the time being, Dato' Sri Godwin Tan Pei Poh, the Group Executive Director is also responsible to lead the management team on day-to-day operations within his area of expertise and responsible to drive the Group forward.

The Board is of the opinion that there is no issue with regards to the balance of power and authority on the Board as the roles of Executive Chairman and the Executive Director are clearly set out and established while the decision-making process of the Board is based on collective decisions without any individual exercising any considerable concentration of power or influence and well balanced by the presence of strong elements of independence in the Board.

Roles of the Company Secretaries

The responsibility of the Company Secretaries has evolved from merely advising on administrative matters to advising boards on governance matters. The Board recognises that the Company Secretaries must be suitably qualified and competent to carry out the duties required of the post. The Board currently is supported by qualified Company Secretaries who are members of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretaries under Section 235(2)(a) of the Companies Act 2016.

The Company Secretaries play an advisory role to the Board, as and when the need arises, to enhance the effective functioning of the Board and to ensure procedural and regulatory compliance. The Company Secretaries also highlight all issues which they feel ought to be brought to the Board's attention. In addition, the other primary responsibilities of the Company Secretaries shall include:

- Maintaining the required statutory registers and records;
- Monitoring regulatory changes, corporate governance developments and assisting the Board and Management in applying governance practices;
- Ensuring that Board policies and procedures are observed; and
- Preparing precise minutes to document Board and Board Committees proceedings and ensuring conclusions are accurately recorded.

The Company Secretaries attends all Board and Board Committee meetings and ensures that accurate and adequate records of the proceedings of the meetings and decisions made are well documented. Minutes of various Board and Board Committees meetings that duly confirmed as the correct proceedings are circulated to all Board members from time to time for their notation.

The Company Secretaries also keep the Board abreast with the latest regulatory updates and the resultant implications of any changes in new legislation, rules and regulations. In addition, all Directors have direct access to the advice and services of the Company Secretaries whether as a full Board or in their individual capacity, in discharging their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

Intended Outcome 1.0 (continued)

The appointment and removal of the Company Secretaries is a matter for the Board as a whole. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of their functions.

Meeting Materials and Supply of Information

All the Directors are provided with a set of comprehensive Board papers consisting of the agenda and all other relevant materials prior to each Board Meetings or Board Committees Meetings to be convened. Board papers are required given in advance prior to the meeting(s) or any other time frame agreed with the Board, when necessary, to ensure the Directors receive sufficient relevant information and to allow sufficient time for their detailed review and consideration so as to enable them to participate effectively in the Board's decisions.

The Board has access to all information within the Group and is supplied in a timely basis with information and reports through Board papers for informed decision making. Board papers are comprehensively prepared covering aspects such as Group financial performance, quarterly result announcements, proposed policies and procedures, operational issues and updates on statutory regulations and requirements affecting the Group if any. Other matters highlighted for the Board's decision include the approval of corporate exercise, budgets, acquisitions and disposal of assets. Meeting agendas are scheduled according to the complexity of the agenda items and purpose. This could enhance the effectiveness of the meetings and enable in-depth deliberation for each matter.

To enable the Board to discharge their duties and responsibilities effectively, the Board members have complete and unhindered access to the Senior Management and Company Secretaries to seek clarification and understanding of the Group's business affairs. Whenever necessary, external auditors and external advisers are invited to attend Board meetings on specific items on the agenda to provide additional insights and professional views, advice and explanations within their competencies in order for the Board to make informed decisions. Senior management team from different departments will also be invited to participate in the Board meetings to enable all Board members have equal access to the latest updates and developments of business operations of the Group.

Intended Outcome 2.0

- **There is demarcation of responsibilities between the board, board committees and management.**
- **There is clarity in the authority of the board, its committees and individual directors.**

Board Charter

The Board understands the importance of the roles and responsibilities between the Board and Management. As part of good corporate governance, the Board has clearly set outs and documented the functions, roles and responsibilities of the Executive Chairman, Executive Directors, Chief Executive Officer, Non-Executive Directors and Senior Independent Non-Executive Director in Board Charter to act as a source reference and primary guidance to the Board members in the performance of their roles, duties and responsibilities.

The Board Charter further defines the responsibility of the Board, the formal schedule of matters that are reserved for the Board's deliberation and decision making, board remuneration and evaluation, directors' training and development, financial reporting responsibilities and code of ethics. It helps to ensure all Board members are aware of their fiduciary duties and responsibilities, various legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders and other stakeholders and that the highest standards of corporate governance are applied in all their dealings in respect and on behalf of the Company.

The Board will review the Board Charter periodically and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices. The Board Charter is publicly made available on the Company's website at **www.pgbgroup.com.my** with last review performed on 22 July 2020.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

I. Board Responsibilities (continued)

Intended Outcome 3.0

- **The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.**
- **The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.**

Code of Conduct and Ethics

The Board has formalised and adopted a Code of Conduct to serve as a formal and explicit guide to uphold a high standard of ethical values and conducts within the Group. The Code of Conduct describes the standards of business conduct and ethical behavior for Directors and employees of the Group in the performance and exercise of their duties and responsibilities. The Board reviews the Code of Conduct as and when necessary, to ensure that it continues to be effective. The Code of Conduct can be found at the Company's website at https://pgbgroup.com.my/code-of-conduct/.

The Board of Directors and the Company Secretaries subscribe to the ethical values described in the Code of Ethics for Company Directors and Company Secretaries issued by the Companies Commission of Malaysia, which aimed to establish standards of ethical conduct for Directors based on acceptable belief and values; to uphold the spirit of social responsibility and accountability in line with the applicable legislations, regulations and guidelines; and to instill professionalism amongst the Company Secretaries within the tenets of morality, efficiency and administrative effectiveness.

Anti-Bribery and Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption Policy ("ABC Policy") guides employees to conduct business ethically and transparently while avoiding practices of bribery and corruption of all forms in the Group's daily operations. The Group has encouraged business partners and other relevant parties commit to the same high standards. The Group has adopted zero-tolerance approach against all forms of bribery and corruption and all personnel is required to report to the Group's dedicated channel of reporting where there are reasonable grounds to suspect there is a violation of the policy. The ABC Policy has been updated and approved by the Board of Directors in its meeting held on 26 May 2022. The details of the Group' ABC Policy are available on the Company's website at https://pgbgroup.com.my/corporate-governance/.

Whistle Blowing Policy

To commit to the highest standard of integrity, openness and accountability in the conduct of business activities and operations, the Group has implemented Whistle Blowing Policy to provide an avenue for all employees and members of the public to disclose any improper conduct within the Group in an effective and secured manner. This policy would also provide protection to the person who report such allegations. The Whistle blowing Policy was updated and approved by the Board of Directors in its meeting held on 26 May 2022. Any allegations of improprieties which have been reported via the whistle blowing channel are appropriately followed up upon and the outcome(s) reported at the Risk Management Committee meetings. The details of the Group' Whistle Blowing Policy are available on the Company's website at https://pgbgroup.com.my/corporate-governance/.

Intended Outcome 4.0

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

The Board, together with the Management, recognises the importance of ensuring sustainability risks and opportunities are considered when developing and implementing company strategies, business plans, major plans of action and risk management.

The sustainability management of the Group is governed by the Sustainability Policy which was first adopted during the current financial year. Objectives and strategies with regards to sustainability matters, including the governance structure, commitments and focus areas were sets out and approved by the Board. The Board is responsible for the governance of sustainability in the Group and is supported by the Risk Management Committee and Sustainability Business Committee, the details of governance structure, roles and responsibilities can be found in the "Sustainability Statement" section in this Annual Report.

The Board ensures that it constantly stays abreast with sustainability issues relevant to the Company and its business and that sustainability initiatives undertaken by the Group are effectively communicated to stakeholders through multifaceted platforms. Assessing the issues that are most material to us and our stakeholders in the economic, environmental and social contexts will enable us to continue to operate effectively and sustainably. The details pertaining to how the Group engages its stakeholders are available in the "Stakeholders Engagement" section in this Annual Report.

With amendments to the MCCG taking effect in April 2021, the Board has reviewed the recommendation to include a review of the performance of the Board in addressing the Company's material sustainability risks and opportunities. Moving forward, more alignment with sustainability related issues will be incorporated into Senior Management performance evaluation.

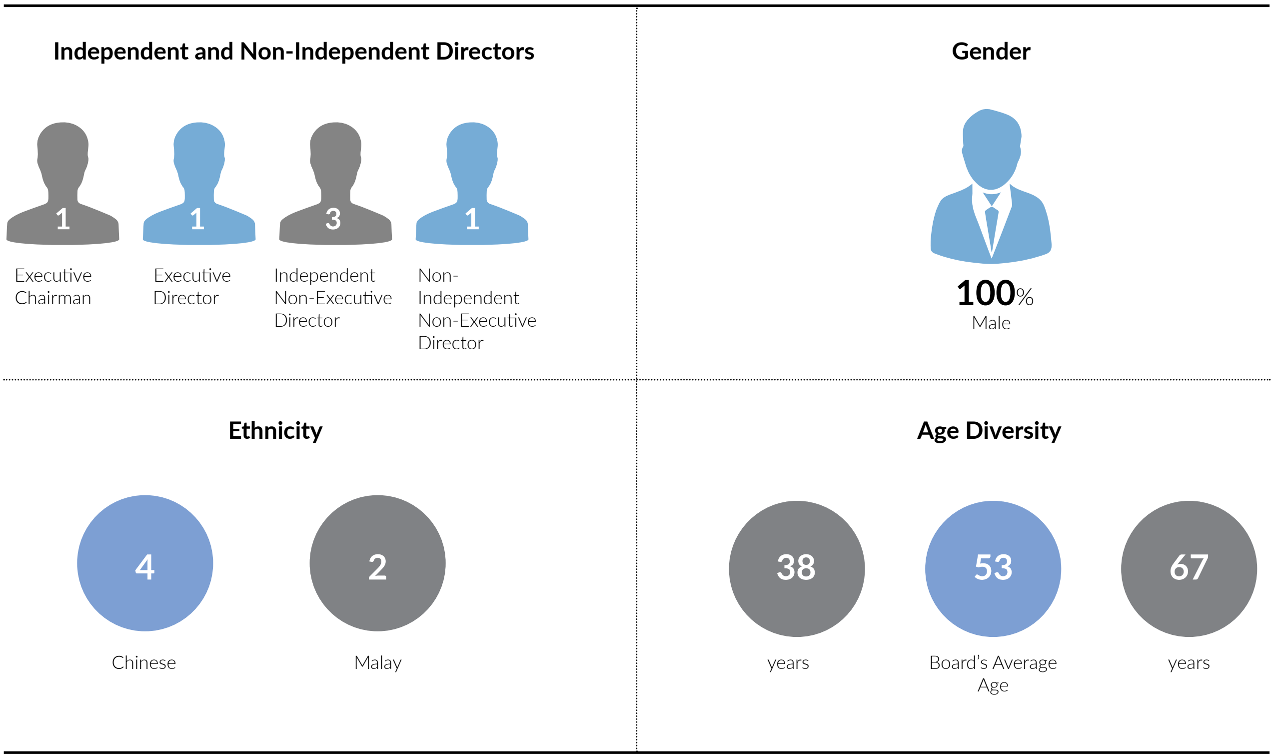
CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition

Intended Outcome 5.0
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Composition of the Board



The Board through the Nomination Committee oversees the overall composition of the Board in terms of size, mix of skills, experience, competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors to ensure that the composition of the Board is refreshed periodically for it to operate in an effective manner. The tenure of each Director is reviewed by the Nomination Committee and annual re-election of a Director is contingent on satisfactory evaluation of the Director's performance and contribution to the Board.

The Board comprises of six (6) members, which made up of one (1) Executive Chairman, one (1) Executive Director, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The Board's composition complies with Paragraph 15.02(1) of the MMLR of Bursa Malaysia Securities which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent. It also complied with Practice 5.2 of MCCG that calls for at least 50% of the Board to comprise Independent Directors. Subsequent to the financial year ended, the Board has appointed a female Director as an Executive Director on 16 June 2022. Hence, this Statement does not reflect her appointment.

The current Board has a well-balanced composition with an effective mix of members with various professions and specialisation in various fields such as property development, accounting and audit and taxation which ensure that there is a fair representation and also a balance of power and authority on the Board. It is also appropriately structured to provide the required leadership and governance to realise the Company's mission, objectives and business strategies for the benefit of all stakeholders, in particular shareholders' interest. The profile of each Director is set out in the "Board of Directors' Profile" section in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Intended Outcome 5.0 (continued)

Board Independence

The presence of Independent Non-Executive Directors provides a pivotal role in corporate accountability. The role of Independent Non-Executive Directors is particularly important as they provide independent and objective views, advice and judgment in the formulation of strategies, deliberation of issues and implementation of major undertakings to ensure the long-term interests of stakeholders are considered.

During the financial year, the Board, through Nomination Committee ("NC"), had conducted annual evaluation of all Directors including the Independent Directors and was satisfied that the Independent Directors have the ability to act independently of management and their independent views will not be compromised. The Board affirms that each of the Independent Directors had exercised due care in discharging their responsibilities and had demonstrated independent judgement and brought objective and constructive views to Board deliberations and decision making.

Tenure of Independent Directors

The Board is aware of the latest changes to the MCCG 2021, whereby upon completion of the nine (9) years, an Independent Director may continue to serve the Board subject to such Director re-designated as a Non-Independent Director. In addition, the Board is also aware of latest the Enhance Director Amendments issued by Bursa Securities, whereby the tenure of an Independent Director on the Board will be limited to twelve (12) years.

The NC took note on the new Practice 5.3 of the MCCG whereby in the event the Board intends to retain the Director as an Independent Director after the latter has served a cumulative term of nine (9) years, the Board shall justify the decision and seek annual shareholders' approval through a two (2)-tier voting process. In justifying the decision, the NC is entrusted to assess the Director's suitability to continue as an Independent Director based on the criteria of independence.

The Board is in the midst of reviewing the relevant governance related policies and procedures, including Board Charter, to incorporate the required changes, to the practicable extent, in upholding the best corporate governance practices while ensuring that the Board Charter and other governance related policies and procedures remain consistent with the Board's objectives, current law and practices.

Currently, none of the Independent Directors of the Group has served for more than term of nine (9) years.

Board Diversity Policy

Diversity is integrated across our Board Diversity Policy adopted by the Company by taking into consideration a range of different professional experience, qualifications, business experience, skills, knowledge, age, ethnicity and educational background as the Board acknowledges the importance of diversity to ensure robust decision-making processes with a diversified viewpoint and the effective governance of the Company.

The Board always support the policy of non-discrimination on the basis of race, religion and gender. In order to pursue the objective of diversity, Management of the Company will ensure that the recruitment and selection practices at all levels are appropriately structured by nurturing suitable and potential candidates equipped with the competency, skill, experience, character, time commitment, integrity and other qualities in meeting the future need of the Company.

The Board recognises the benefit for having gender diversity and values the different perspectives from women Director as an important element of a well-functioning board. The Board endeavours to appoint female director with due regard to the candidate's background, experience, and competency so that an appointment could be value added to the Board and the Company. The Board through the NC will review, from time to time, the proportion of the female to male board members, its composition and size during the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience and characteristics required in the context of the needs of the Group to ensure it fairly reflects the investments of the shareholders of the Company.

The details pertaining to the board diversity in terms of gender, age and ethnicity are available in the "Sustainability Statement" section in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Intended Outcome 5.0 (continued)

Recruitment and Appointments of Directors

The appointment of Directors is undertaken by the Board as a whole but will first be considered and evaluated by the NC, after which appropriate recommendations will be put forward to the Board for its consideration and approval in accordance with the nomination and selection processes practiced by NC and the Board. The final decision on the appointment of Director in respect of a candidate recommended by the NC rests with the Board. The Company Secretaries have to ensure all appointments are properly made upon obtaining all necessary information from the Director.

The NC in recommending new appointments to the Board will assess the suitability of an individual to be appointed to the Board. It is always the practice of the NC that highly qualified candidates by giving due consideration to the individual's skills, industry experience and knowledge, character, integrity and time to effectively discharge his or her role and responsibilities are sought to serve as members of the Board and contribute to the Group while at the same time gender and ethic balance are being upheld within the Board.

In respect of Independent Directors, the NC will assess whether the individual is able to exercise independent judgement and to demonstrate the values and principles associated with independence. Criteria as set out in the Code and the MMLR with regard to the definition of independence will also be considered in the case of appointment of Independent Directors.

The selection of candidates to be considered for appointment as Directors is facilitated through recommendations from the existing Board members, Management and major shareholders as well as the referrals from external source, such as independent search firm, industry data base and professional association. The Committee ensures that shareholders have the information they require to make an informed decision on the appointment of the Directors.

Re-election of Directors

In accordance with the Company's Constitution, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third shall retire from office and be eligible for re-election. An election of Directors shall take place each year provided always that all Directors including the Executive Chairman shall retire from office at least once in each three years but shall be eligible for re-election. A retiring Director shall retain office until the close of the annual general meeting at which he retires.

The Constitution also stated that the Directors shall have power at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy or as an addition to the Existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. Any Director so appointed shall hold office only until the next annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

During the financial year ended 31 March 2022, the Board has not recommended any appointment of new director and re-appointment of director for retention as Independent Non-Executive Director to the shareholders for approval besides the re-election of Directors.

Board of Directors' Meetings

The Board is mindful of the importance of devoting sufficient time to carry out their responsibilities and regularly updating their knowledge and enhancing their skills. The Board meets at least once every quarter on a scheduled basis and additional meetings will be convened as and when deemed necessary by the Board. The quarterly Board meetings are scheduled in advance to allow the Directors to plan their appointments ahead and endeavour to commit sufficient time as and when required to discharge their responsibilities. To enable the Board to effectively discharge its duties and responsibilities, none of the Board members holds more than five (5) directorships in public listed companies.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Intended Outcome 5.0 (continued)

All Directors have attended the Board meetings held during the financial year ended 31 March 2022 and have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in the MMLR of Bursa Securities. Details of Directors' attendance at Board and Board Committee meetings are summarised as follows:

Name of Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee
Executive Directors					
Dato' Sri Edwin Tan Pei Seng	6/6	-	-	-	-
Dato' Sri Godwin Tan Pei Poh	6/6	-	-	-	-
Non-Executive Directors					
Mr. Tee Boon Hin	6/6	5/5	2/2	1/1	1/1
Dato' Haji Ismail Bin Karim	6/6	5/5	2/2	1/1	1/1
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	6/6	5/5	-	-	1/1
Dato' Jeffrey Lai Jiun Jye	5/6	-	2/2	1/1	-

In the intervals between Board meetings, for any matters requiring Board's decisions, Board's approvals have been obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the next Board meeting. All proceedings, deliberations and conclusions of the Board meetings are minuted by the Company Secretaries and are confirmed by the Board members at the subsequent Board meeting which would be signed by the Chairman as correct record.

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme ("MAP") for Directors of Public Listed Companies as required by Bursa Securities. The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge and to enable them to discharge their duties effectively.

The Company Secretaries have regularly updated the Directors on the latest updates of the MMLR issued by Bursa Securities during Board Meeting to enable them to keep abreast with such developments and amendments. In addition, the external auditors also briefed the Directors on any changes to the Malaysian Financial Reporting Standards ("MFRS") that would affect the Group's financial statements during the financial year under review.

The Directors have also continued to undergo education programmes and seminars in order to keep themselves abreast with the current developments in the market place industries as well as the current changes in laws and regulatory requirements. The seminars and conferences attended by the Directors during the year are as follows:

Directors	Briefing/Conference/Forum/Seminar/Training attend
Dato' Sri Edwin Tan Pei Seng	• Johor Bahru Chinese Chamber of Commerce & Industry (JBCCCI) Seminar • Updates on MCCG 2021, Latest Amendments to MMLR and Sustainability Management • H2 Market Outlook: Navigate Your Investment Through Uncertainties
Dato' Sri Godwin Tan Pei Poh	• Real Estate Demand from Healthcare and Wellness Related Services • Updates on MCCG 2021, Latest Amendments to MMLR and Sustainability Management

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Intended Outcome 5.0 (continued)

Directors	Briefing/Conference/Forum/Seminar/Training attend
Mr. Tee Boon Hin	• Sustainability Finance and Impact Investing • Asset Accounting Under MPERS – Covering Property, Plant & Equipment, Investment Property and Biological Assets • COSO: Blockchain and Cyber Risk • How Digital Transformation Enables SMPs to Deliver Better Value • Latest Tax Cases • Seminar Percukaian Kebangsaan 2021 • SC's Audit Oversight Board Conversation With Audit Committees • Case Study - Based MFRS Webinar - Key Learning Points from Review of MIA's Illustration MPERS (Application by Reference to Various Related MFRSs) • Managing Income Tax Audit Challenges Effectively - A Practical Approach With Case Studies • Transfer Pricing: Documentation and Compliance • TCFD Climate Disclosure Training Programme • Updates on MCCG 2021, Latest Amendments to MMLR and Sustainability Management
Dato' Ismail Bin Karim	• What's New in Malaysia Governance Code 2021 and Key Highlights • Updates on MCCG 2021, Latest Amendments to MMLR and Sustainability Management • Audit Committee Conference 2022
Tan Sri Datuk Wira Dr. Hj. Mohd. Shukor Bin Hj. Mahfar	• Strategic Leadership, Strategic Planning & People Management • Practice of Mediation in Malaysia, Indonesia and Thailand: Sharing of Experience • National Tax Conference 2021 • Diplomacy in The Age of Disruption: Chane or Status Quo • Evidence in Public Policy • Leading at The Peak: Negotiation & Conflict Resolution • Seminar Percukaian Kebangsaan 2021 • Leadership Energy, Resilience and Agility • Conversation With Audit Committees • Budget Talk 2021 • Task Force on Climate-related Financial Disclosures (TCFD): TCFD 101 • Task Force on Climate-related Financial Disclosures (TCFD): TCFD 102 • Updates on MCCG 2021, Latest Amendments to MMLR and Sustainability Management • Good Governance & Leadership: Pathway to Sustainable of UUM
Dato' Jeffrey Lai Jiun Jye	• MIA Webinar Series: Budget 2022: Key Updates and Changes for Corporate Accountants • Updates on MCCG 2021, Latest Amendments to MMLR and Sustainability Management

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Intended Outcome 6.0
Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Nomination Committee ("NC")

As at the date of this Statement, the NC consists of three (3) Non-Executive Directors, with a majority of whom are Independent. The composition of the NC is as follows:

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

In discharging its roles and responsibilities, the NC operates and guides under its terms of reference, which has been approved by the Board and is available on the Company's corporate website. The NC shall meet at least once a year or as and when deem fit and necessary. During the current financial year, two meetings were held and the full attendance of the members as shown in the "Board of Directors' Meetings" section of this statement.

The key roles and responsibilities carried out by the NC are as follows:

(i) oversee the process of identification and selection of Directors to ensure Board composition and diversity in respect of the desired mix of skills, experience and core competencies that meet the requirements of the Group;
(ii) assist the Board in reviewing and evaluating annually the effectiveness and performance of the Board, Board Committees and individual Directors and make recommendations to the Board with regard to any adjustments to the structure, size and composition that are deemed necessary in accordance to Practice 6.1 of the MCCG; and
(iii) assess the training needs of the Directors from time to time to ensure Directors have access to continuing education programmes.

The NC had carried out and discharged its main duties during the financial year are as follows:

(i) to discuss the policy on mix of skills, independence and diversity;
(ii) to assess the overall performance of the Board of Directors, its sub-committees as well as its members and the independence of Independent Directors;
(iii) to assess the performance of external auditors, internal auditors and company secretary;
(iv) to discuss and recommend the training needs of Directors; and
(v) to review the revised draft assessment form for the Board of Directors, its sub-committees as well as its members; and the independence of Independent Directors.

Annual Assessment of the Board, Board Committee and Directors

The NC also reviews the evaluation process and evaluation forms for all Board members in respect of the annual evaluations of the effectiveness of the Board as a whole, Board Committees, the contribution of each Director and independence assessment of Independent Directors. The NC sets out all the criteria of assessment in the prescribed forms designed to fulfill the respective objectives of the evaluation.

The objective of the assessment is to track the Directors' discharge of their roles and responsibilities, areas for improvement, areas that need more attention, and to overall assess the effectiveness of the Board, Committee and Directors. The Chairman of the NC oversees this process and results are reported the Board. The NC reviewed the results and reported the outcome of the Assessment to the Board.

During the year, the Board through the NC conducted annual evaluation exercise internally, consisted of the following:

(i) Board and Board Committees Evaluation;
(ii) Board Skills Matrix Self-Assessment; and
(iii) Independent Non-Executive Director Self Evaluation.

The above assessments and evaluations were conducted by the NC during the financial year under review without engaging the services of independent third party.

The criteria of the evaluation for the Board and Board Committee, is based on its size and structure, mix of skills, experience and qualities, effectiveness of Board meetings, frequency of Board meetings and other considerations. In addition to the criteria above, other criteria such as nature and extent of function performed as well as quality of information and decision making are also taken into consideration in assessing the effectiveness of the Board Committees.

The criteria on the evaluation of the performance of individual directors is assessed based on their character, experience, level of integrity, core competencies, contributions towards Board deliberations and various meetings held and whether they have contributed sufficient time to effectively discharge their duties and responsibilities. The Executive Directors, particularly, are assessed further on their contribution towards the Group's business development and growth, their leadership and management skills, and results on any specific areas which the Executive Directors are expected to achieve.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

II. Board Composition (continued)

Intended Outcome 6.0 (continued)

With regards to the assessment on the independence of the Independent Non-Executive Director, self-evaluation had been performed by each Independent Non-Executive Director based on the criteria of independence as defined under paragraph 1.01 of the MMLR of Bursa Securities. In addition, each Independent Non-Executive Director performed self-assessment on their ability to advise the Board on matters relating to any existing transactions where conflict of interests exist and on matters requiring deliberation by Directors such as related party transactions. Each Independent Non-Executive Director also verified their tenure of service as Independent Non-Executive Director in the Company.

Each Director is given sufficient time to complete in advance the evaluations and assessments forms before the meeting of the NC and the Board in order for the Company to collate the evaluations and assessments results for the NC to review and report to the Board.

Based on the above assessments of the Board and Board Committee, the overall average ratings for the areas of assessments were above 3, based on a 4-scale rating. The results of the assessment indicated that the performance of the Board, the Board Committees, the individual Directors and members of the Board Committees during the assessment period had been satisfactory (3.00 < average rating ≤ 4.00) on a 4-scale rating, and therefore, they had been effective in their overall discharge of functions, roles and duties. The Board was satisfied with each of the Directors' level of performance, and that they had also met the performance criteria in the prescribed areas of assessments. The results of these assessments form the basis of the NC's recommendations to the Board for the re-election of Directors at the 75th Annual General Meeting.

In addition, the NC also highlighted the observations which include key strengths of the Board and Board Committee in accordance with Guidance 6.1 of the MCCG. The Board works functionally as a team a mutually and dynamic working relationship that foster trust and esteem. The Board meetings were carried out in an "open communication" setting with Directors contributing in a timely and positive manner for each resolution of concerns.
In line with Guidance 5.8 of the MCCG and the terms of reference of the NC, the NC Chairman led the annual review of Board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board are independently assessed. The NC deliberated at length on each comment/feedback given through the assessment and noted that there was no item with the rating of 2 [Needs Improvement] or below, and therefore there was no key weakness area which required any specific step/enhancement to be undertaken in relation to the functioning of the Board and its Committees.

With the view to raise the bar on the Board's governance practices and overall effectiveness, the enhancement areas were considered based on items with rating below 3.5 and the Board members' comments/feedback. In this respect, the NC had derived from the assessment results, the areas requiring ongoing attention for continuous improvement which were categorised as below: -

(a) Board mix and composition;
(b) Succession plan for Executive Directors and Senior Management;
(c) Time commitment of Directors serve on multiple Board Committees;
(d) Preparation of the Board to deal with unforeseen corporate crisis; and
(e) Retirement and replacement of Board Members.

In addition to the Board Skills Matrix Self-Assessment, each Director have completed assessment and will look into the areas that required further enhancement.

Based on the Independence Directors' Performance assessment, all the Directors have complied with the MCCG requirements where none of them have held more than five (5) directorships in listed issuers companies. They have exercised their independent judgment during the financial year under review and have properly carried out their duties as Independent Director. They also do not hold any shares in the Group and do not act as director for more than nine (9) years.

The collective view based on ratings given by the members of NC together with the minutes of the NC were properly documented. The outcome and summary results evaluating the effectiveness of the Board as a whole, the effectiveness of the Board Committees, the contributions of each individual Director and the independence of the Independent Non-Executive Directors were tabled to the NC for recommendation before reporting the same to the Board for notation and further consideration. The Board viewed that its current composition is sufficient to meet the needs, objectives and aspirations of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

III. Remuneration

Intended Outcome 7.0

- **The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.**
- **Remuneration policies and decisions are made through a transparent and independent process.**

Directors' remuneration procedures and policies

The Company has established Remuneration Committee ("RC") to review and recommend to the Board a formal and transparent policy on Executive Remuneration and for fixing the remuneration packages of individual directors, including management development and succession plans.

The Board has established and implemented an effective remuneration policy to determine the remuneration of Directors and Senior Management taking into account the demands, complexities and performance of the Director and Senior Management as well as skills and experience as required. Directors' remuneration is generally benchmarked against the market average of comparable companies to attract talent and retain the Directors to run the Company. During the Board Meeting held on 26 May 2022, RC has performed a review on the Directors' remuneration and proposed a revision on the remuneration paid to each Director and submitted to the Board for approval. The remuneration policy for Executive Directors and Key Senior Management is available on the Company's corporate website. The policy is reviewed from time to time to ensure the remuneration of Directors and Senior Management is on par with other publicly listed companies.

Remuneration Committee ("RC")

As at the date of this Statement, the RC consists of three (3) Non-Executive Directors, with a majority of whom are Independent. The composition of the RC 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

In discharging its roles and responsibilities, the RC operates and guides under its terms of reference, which has been approved by the Board and is available on the Company's corporate website. The RC shall meet at least once a year or as and when deem fit and necessary.

The key roles and responsibilities carried out by the RC are as follows:

(i) to establish transparent remuneration policy; and
(ii) review the remuneration packages and benefits accorded to the Executive Directors as well as the Non-Executive Directors' remunerations on an annual basis.

The compensation and benefits shall be aligned with the business strategy and long-term objectives of the Group, and shall reflect the competency, experience, skills, expertise, responsibilities and commitment of the Directors as well as the complexity of the Group's activities. For Executive Directors, the component parts of remuneration are structured to link rewards to corporate and individual performance whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, expertise and the level of responsibilities assumed. All Directors had abstained from discussion and decision on their own remuneration. Fees payable to all Non-Executive Directors are proposed at the Annual General Meeting for the shareholders' approval.

During the current financial year, meeting was held once with full attendance of its members to review the remuneration and benefits for the Non-Executive Directors. The proposed remuneration packages and recommended Non-Executive Directors' Fees were submitted to the Board for approval and/or recommendation to the shareholders for approval, as applicable.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

III. Remuneration (continued)

Intended Outcome 8.0
Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Details of Directors' Remuneration

The details of Directors' remuneration payable to the Directors of the Company for the financial year ended 31 March 2022 are as follows:

		Company (RM)					
Name	**Directorate**	**Fee[1]**	**Allowance[2]**	**Salary**	**Benefit-in-kinds**	**Other emoluments**	**Total**
Dato' Sri Edwin Tan Pei Seng	Executive Director	-	-	900,000	35,200	108,923	1,044,123
Dato' Sri Godwin Tan Pei Poh	Executive Director	-	18,000	480,000	7,200	60,684	565,884
Mr. Tee Boon Hin	Independent Director	60,000	3,000	-	-	-	63,000
Dato' Haji Ismail Bin Karim	Independent Director	60,000	3,000	-	-	-	63,000
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Independent Director	60,000	3,000	-	-	-	63,000
Dato' Jeffrey Lai Jiun Jye	Non-Executive Non-Independent Director	60,000	2,500	-	-	-	62,500

Note:

1 The remuneration of Independent and Non-Executive Non-Independent Directors were approved by the shareholders at the 74th AGM of the Company.
2 Allowances refer to the meeting allowances for attendance of meetings of the Board and Board Committees.
3 No Directors received any remuneration from the subsidiaries of the Company.

Top Senior Management Remuneration

The Company has only three (3) Senior Management for the financial year ended 31 March 2022. The aggregate remuneration for the top Senior Management during the financial year ended 31 March 2022 are disclosed in the band of RM50,000 on a named basis as follows:

Name of Key Senior Management	Range of Remuneration (RM)
Mr. Tan Hui Boon	200,001 to 250,000
Ms. Eileen Tey Yee Lin	200,001 to 250,000
Mr. Gary Goh Soo Liang (Resigned as Chief Executive Officer w.e.f 31 October 2021)	450,001 to 500,000

PRINCIPLE B:
EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

Intended Outcome 9.0

- **There is an effective and independent Audit Committee.**
- **The board is able to objectively review the Audit Committee's findings and recommendations.**
- **The company's financial statement is a reliable source of information.**

The Board ensures that shareholders are provided with a balanced and clear assessment of the Group's financial position and performance through the issuance of Annual Audited Financial Statements and quarterly financial reports. The Audit Committee ("AC") assists and supports the Board in fulfilling its fiduciary responsibilities in terms of the Group's financial reporting processes and quality of its financial reporting by reviewing the quarterly financial reports and Annual Audited Financial Statements to ensure they are drawn up in accordance with the Companies Act 2016 and all applicable accounting standards prior to recommending them for approval by the Board and issuance to shareholders.

As at the date of this Statement, the AC consists of three (3) members, comprises wholly of Independent Non-Executive Directors. The composition, attendance record, roles and responsibilities carried out by the AC are set out in the Audit Committee Report on pages 76 to 79 of this Annual Report.

The Company complied with the Practice 9.1 of the MCCG which stipulates that the Chairman of the AC is not the Chairman of the Board as the Board acknowledges that the AC should function as an independent and objective body to ensure the integrity of financial reporting process and accounting records of the Group. The Chairman of the AC is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA") and complies with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities.

In line with the recent MCCG updates on 28 April 2021, the Company had revised and approved the terms of reference of the AC on 26 May 2022 to include that no former audit partner could be appointed as a Director before observing a cooling-off period of at least three (3) years after the date of his engagement. As at 31 March 2022, none of the members of the Board, including the members of the AC, are former key audit partners of the external auditors appointed by the Group.

External Auditor

The Board, through the establishment of the AC, has maintained a transparent and professional relationship with the Group's external auditors in seeking their professional advice towards ensuring compliance with the accounting standards as well as the relevant regulations in Malaysia. BDO PLT, acts as the external auditor of the Group, reports to the shareholders of the Company on their opinion which are included as part of the Group's Annual Report with respect to their audit on each year's statutory financial statements.

The AC assesses the effectiveness of external audit as well as the suitability, independence and objectivity of BDO PLT. The AC was satisfied with the suitability and independence of BDO PLT based on the competence, audit quality resource capacity provided. In addition, the external auditors have confirmed that their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.

During the financial year under review, the external auditors had been invited to attend the AC meetings to discuss the external audit planning memorandum, brief on their audit findings and key significant audit matters. The AC had also engaged in two private sessions with external auditors without the presence of the Executive Directors and Management to exchange independent views on matters which require AC's attention.

The AC was also satisfied in its review that the provision of the non-audit services provided to the Company for the financial year did not in any way impair their objectivity and independence as external auditors of the Company. Additional disclosures on non-statutory audit fees and the detailed work carried out by the AC for the financial year are set out separately in the "Audit Committee Report" of this Annual Report.

Being satisfied with the external auditors, the AC recommends the appointment of the BDO PLT as external auditors and their remuneration to the Board for approval. Nevertheless, the appointment of external auditors is subject to the approval of the shareholders at the Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

II. Risk Management and Internal Control Framework

Intended Outcome 10.0

- **Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.**
- **The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.**

Risk Management Committee ("RMC")

As at the date of this Statement, the RMC consists of three (3) Independent and Non-Executive Directors. The composition of the RMC 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

In discharging its roles and responsibilities, the RMC operates and guides under its terms of reference, which has been approved by the Board and is available on the Company's corporate website.

The key roles and responsibilities carried out by the RMC are as follows:

(i) to oversee the overall risk management of the Group;
(ii) to review the effectiveness of risk management framework in identifying and managing risks and internal processes; and
(iii) to facilitate the implementation of actions plans for risk management.

During the financial year under review, the RMC met once with full attendance of its members to review the proposed Group's Risk Management Framework and to review the results of the risk assessment exercise and reported to the Board on the results of its review.

Risk Management and Internal Control

The Board acknowledges its overall responsibility of continuously maintaining a sound system of internal controls covering not only on financial aspect but also operational and compliance controls as well as risk management. The Board recognises that risks are inherent in all business activities and cannot be totally eliminated. The system of internal controls instituted is to provide structural means to minimise and manage risks whilst providing some assurance that the assets of the Group are safeguard against material loss and unauthorised use, and the financial statement are not materially misstated.

The Group's Risk Management Framework specifies the structured risk management process, where each step of the risk and opportunity identification, evaluation, control identification, treatment and control activities are laid down for application by the Senior management and risk owners. The Enterprise Risk Report which consists of key risk profile and likehood and impact rating used during risk management process was compiled and tabled to the RMC and the Board for review and deliberation.

As an ongoing process, significant business risks faced by the Group are identified and evaluated and consideration is given on the potential impact of achieving the business objectives. Senior Management and Heads of Department are responsible for managing the identified risks within defined parameters and standards.

Further disclosure on the risk management activities during the financial year can be found in Practices 10.1 and 10.2 of Corporate Governance Report and the "Statement on Risk Management and Internal Control" which set out on pages 80 to 86 of this Annual Report.

Intended Outcome 11.0

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Internal Audit

The Group has outsourced its internal audit function to an external independent professional service firm which reports to the Board and the Audit Committee on timely basis regarding the adequacy, efficiency and effectiveness of the Group's internal control system. The internal auditors report directly to the Audit Committee on its activities based on approved internal audit plan.

The principal responsibility of the internal audit function is to undertake regular and systematic review of the systems of internal control, risk management process and compliance with the Group's established policies and procedures so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group.

Before the commencement of audit reviews for the financial year, an audit plan is produced and presented to the Audit Committee for review and approval. This ensures that the audit direction is in line with the Audit Committee's expectations. The internal audit reports are presented to Audit Committee during schedule meetings to report on the outcome of the audits conducted and highlighting the effectiveness

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (continued)

II. Risk Management and Internal Control Framework (continued)

Intended Outcome 11.0 (continued)

of the system of internal controls and significant risks. Any significant control deficiencies noted from the reviews will be documented and communicated to management for review and corrective actions.

The state of internal control system and internal audit function of the Group are explained in greater detail in the "Statement on Risk Management and Internal Control" which set out on pages 80 to 86 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Engagement with Stakeholders

Intended Outcome 12.0

- **There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.**
- **Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.**

The Board of Directors acknowledges the importance for shareholders and other stakeholders to be informed of all material business matters affecting the Group via a direct and effective line of communication. In this regard, the Board is committed in ensuring that any public disclosures regarding the business, operations and financial performance of the Group are accurate, timely, factual, informative, consistent and broadly disseminated. The Board is observing all disclosure requirements as laid down by MMLR and Capital Markets and Services Act 2007 in order to have all material event and information to be disseminated publicly and transparently to ensure fair and equitable access by all stakeholders without selective disclosure.

The core communication channel with the stakeholders employed by the Company is via the announcements made in Bursa Securities and all announcements to be made in Bursa Securities are to be approved by the Board, prior to its release. The Board has ensured timely release of quarterly financial results and corporate proposal announcements to the public via the Bursa Link, annual reports and circulars to shareholders which are dispatched on a timely basis to ensure that shareholders and investing public are kept informed of the Group's performance and prospect throughout the year.

The Company's annual report provides comprehensive information on the business performance and financial results, including Management Discussion and Analysis disclosure which provides information on performance, financial condition, risk exposure and future prospect of the Group, through the Management's eye and viewpoint. The Company's annual report also provides full disclosure of its compliance with the MMLR, the Code and financial reporting requirements.

The Group also endeavors to provide additional disclosures of information on a voluntary basis, when necessary. The Management believes that consistently maintaining a high level of disclosure and extensive communication is vital to shareholders and investors in making informed investment decisions.

The communication channels used by the Group to ensure timely dissemination of information to the shareholders and investors including the following:

(a) Announcements to Bursa Securities including quarterly financial results;
(b) The Company's Annual Report;
(c) Press release to the media;
(d) Dialogues and presentations at general meetings to provide overview and clear rationales with regards to the proposals tabled for approval by shareholders; and
(e) Investor section on the Company's website at **www.pgbgroup.com.my.**

II. Conduct of General Meetings

Intended Outcome 13.0

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including minority shareholders, are protected. The Annual General Meeting ("AGM") of the shareholders of the Company represents the principal forum for dialogue and interaction between the Board and Senior Management to engage with shareholders, during which the shareholders are annually informed and updated on current developments of the Group.

Extraordinary General Meeting ("EGM") is held as and when shareholders' approvals are required on specific matters. When an EGM is held to obtain shareholders' approval on certain business or corporate proposals, comprehensive circulars to shareholders will be sent within prescribed deadlines in accordance with regulatory and statutory provisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (continued)

II. Conduct of General Meetings (continued)

Intended Outcome 13.0 (continued)

The Board will ensure that all Board members, particularly the Chairman will make their endeavors to attend general meeting to facilitate engagement with shareholders and to address any relevant questions and concerns raised by shareholders. The shareholders are encouraged to raise questions pertaining to the resolutions tabled thereat or business activities of the Group as well as to communicate their expectations and concerns of the Group. The Chairman would also provide ample time for Questions and Answers sessions during the general meetings. The Senior Management and external auditors as well as advisors, if applicable, will be present at the general meeting to respond to shareholders' questions during the meeting. Suggestions and comments communicated by shareholders were taken into careful consideration and well noted by the Board and Management.

The Board took cognisance of Practice 13.1 of the MCCG and has given at least 28 days' notice for the forthcoming AGM together with the proxy form to allow shareholders additional time to go through this Annual Report and make necessary attendance and voting arrangements. Each item of special businesses included in the notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of issues involved.

Announcement on poll results and outcome of the general meetings will be made to Bursa Securities after the close of business on the same day after the conclusion of the general meeting(s). Pursuant to Guidance 13.6 of the MCCG, the minutes of the general meetings was also available on the Company's website at **www.pgbgroup.com.my** with thirty (30) business days after the general meetings for the information of the public.

Poll Voting

In line with the Paragraph 8.29A of the MMLR, any resolution sets out in the notice of any general meeting of the Company which is intended to be moved, will be voted by poll. The Board is cognisant of the advantages of poll voting at general meetings to ensure accurate, transparency and efficiency of the voting process and outcomes at general meetings. The Company advocates poll voting to remain consistent with the principle of "one share one vote". In addition, an independent scrutineer will be appointed to validate the votes cast at the general meetings.

Leverage on Information Technology for General Meetings

With the outbreak of COVID-19 and as part of the safety measures to curb its spread, the 74th AGM of the Company held on 29 September 2021 were convened on fully virtual basis in line with the Securities Commission's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers. The AGM has conducted through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities. All shareholders able to attend, speak and vote remotely at the AGM via the RPV facilities provided by Tricor Investor & Issuing House Service Sdn Bhd ("Tricor"). The shareholders were required to register via Tricor's TIIH Online website at **https://tiih.online**. As for voting in absentia and remote shareholders' participation, the existing proxy form has been made available through online so that the shareholders are able to authorise proxies or Chairman of the meeting to participate, speak and vote in his/her stead at the general meeting. Shareholders able to register for remote participation with TIIH Online prior to the meeting day to join the live streaming of the AGM proceedings and post questions to the Chair and cast their votes online.

However, the cost to facilitate remote participation and voting in absentia by shareholders is higher than holding physical general meetings. Accordingly, the Company will continue to explore the use of technology available in the market for more cost effective technology to provide meaningful interactions with shareholders during general meetings.

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is committed to ensuring good corporate governance and practices are implemented and maintained throughout the Group. During the financial year under review, the key focus areas of the Board is to enhance the Group's communication with shareholders and other stakeholders through transparent and timely communication. To achieve this objective, the Group has leveraged on technology to facilitate voting in absentia and remote shareholders' participation at General Meetings.

The future focus area of the Board in relation to the corporate governance is to further strengthen the Company's corporate governance practices in line with MCCG and MMLR. The Board will put an emphasis on the area of increasing the effectiveness of the board oversight function. The Company has determined the Group's vision and mission to ensure Management would able to implement strategic plan that drive results align with the business direction of the Group.

The Board will continue to review the Board's composition, taking into consideration board gender diversity and independence, on an annual basis. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. In the medium term, the Board will consider to set target for boardroom diversity and to increase female representation on the Board to 30% subject to meritocracy of the candidate as well as the participation of women on the Senior Management to ensure there is a healthy talent pipeline. The Board will also seek to improve transparency in disclosing the remuneration of the Senior Management (after taking into consideration the impact of such disclosure on the risk of losing of key management personnel and the existing acute shortage manpower in Malaysia).

Moving forward, the Board will continue to improve and strive for achieving high standard of corporate governance practices by taking steps to address the current departures from the practices stipulated in the MCGG and instill a risk and governance awareness culture and mindset throughout the organisation in the best interests of all stakeholders.

This Statement together with the CG Report were approved by the Board on 19 July 2022.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the MMLR of Bursa Securities:

1. Utilisation of Proceeds Raised From Corporate Proposal

(i) On 21 October 2020, the Company proposed to undertake the private placement of up to 20% of the enlarged number of issued shares of Paragon Globe to third-party investors. As at the date of the Annual Report, the Company has not placed out any new Paragon Globe Shares. Further, pursuant to the below proposed rights issue, the Board has undertaken not to place out any new Paragon Globe Shares pursuant to the private placement until the completion of the proposed rights issue. The Company had on 4 May 2021 obtained approval from Bursa Securities on for the extension of time until 9 November 2021 to complete the implementation of the private placement. Furthermore, the Company had on 22 October 2021 submitted an application to seek for further extension. However, the Company, after taking into consideration the uncertainty of current market condition, had on 28 October 2021 withdraw the extension application and the implementation of the Private Placement lapsed on 9 November 2021.

(ii) On 7 April 2021, the Company has proposed to undertake a renounceable rights issue of up to 559,967,499 new ordinary shares in Paragon Globe Berhad ("PGB Share") ("Rights Shares") on the basis of 3 Rights Shares for every 1 existing PGB Share held at an issue price of RM0.10 per Rights Share on an entitlement date to be determined and announced later to raise proceeds of up to RM55,996,750. The proposed rights issue has obtained shareholder approval on 15 June 2021.

The Company announced that as at the close of acceptance, excess application and payment for the Rights Issue on 14 September 2021, the total acceptances and excess applications for the Rights Issue were 727,536,885 Rights Shares, which represents an over-subscription of 129.92% over the total number of 559,967,499 Rights Shares available for subscription under the Rights Issue, the details of which are set out below:

	Number of Rights Shares	Percentage (%)
Acceptances	553,703,235	98.88
Excess applications	173,833,650	31.04
Total acceptance and excess applications	**727,536,885**	**129.92**
Total Rights Shares available for subscription	559,967,499	100.00
Over-subscription	**167,569,386**	**29.92**

The Company had allotted the excess Right Shares on a fair and equitable basis. On 28 September 2021, total 559,967,499 Rights Shares issued were listed and quoted on the Main Market of Bursa Malaysia Securities, marking the completion of the Rights Issue.

ADDITIONAL COMPLIANCE INFORMATION (continued)

1. Utilisation of Proceeds Raised From Corporate Proposal (continued)

During the financial year ended 31 March 2022, the utilisation of the proceeds raised is as follows:

Purpose	Intended timeframe for utilisation	Proposed utilisation RM	Actual utilisation RM	Reallocation RM	Unutilised proceeds RM
Partial settlement of the consideration for acquisition of freehold land	Within 9 months	25,450,000	-	-	25,450,000
Construction of medical centre	Within 12 months	25,000,000	-	-	25,000,000
Working capital	Within 12 months	4,997,000	-	163,000	5,160,000
Estimated expenses in relation to the Rights Issue	Upon completion	550,000	(387,000)	(163,000)	-
	Total	**55,997,000**	**(387,000)**	**-**	**55,610,000**

2. Audit Fees and Non-Audit Fees

The fees incurred for the services rendered to the Company and its subsidiaries by the Company's external auditors and firm affiliated to the external auditors for the financial year ended 31 March 2022 were as follows:

	Group RM	Company RM
Audit Fees	85,000	50,000
Non-Audit Fees	23,700	2,200

Non-audit fee payable to the external auditors and their affiliated companies for the financial year ended 31 March 2022 by the Group comprising tax agent fees, and fees for review Statement on Risk Management & Internal Control.

3. Material Contracts involving the Interests of the Directors, Chief Executive or Major Shareholders

There were no material contracts entered into by the Group involving Directors, Chief Executive and major shareholders' interest which were still subsisting as at the end of the financial year or which were entered into since the end of the previous financial year.

4. Contract Relating to Loan

There were no contracts relating to a loan entered by the Group involving the Directors, Chief Executive and major shareholders' interests during the financial year.

ADDITIONAL COMPLIANCE INFORMATION (continued)

5. Related Party Transactions and Recurrent Related Party Transactions

An internal compliance framework exists to ensure that the Group meets its obligations under Bursa Malaysia Securities Berhad Main Market Listing Requirements and other applicable guidelines in connection with related party transactions ("RPT").

The Company had obtained approval from shareholders through shareholders' mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature with regards to transactions that may occur in the ordinary course of business of the Group at the Seventy-Fourth (74th) Annual General Meeting. The shareholders' mandate shall continue to be in force until the conclusion of the forthcoming AGM and is subject to renewal by the shareholders at the said AGM. The Company will be seeking for new shareholders' mandate for recurrent related party transactions at the coming annual general meeting to be convened on 12 September 2022.

The details of the transactions with related parties undertaken by the Group during the financial year ended 31 March 2022 are disclosed in Note 31 to the audited financial statements on pages 148 to 149 of this Annual Report.

6. Employee Share Scheme

There was no employee share scheme implemented by the Company during the financial year under review.

FIVE-YEAR **FINANCIAL HIGHLIGHTS**

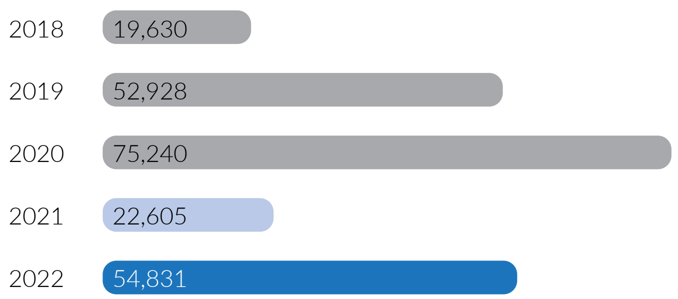
FOR THE PERIOD ENDED 31 MARCH 2018 TO 31 MARCH 2022

IN RM ('000)	2018	2019	2020*	2021	2022
Group Revenue	19,630	52,928	75,240	22,605	54,831
Group (Loss)/Profit Before Tax	(587)	(1,966)	9,834	(2,149)	1,958
Taxation	(240)	(1,042)	(2,936)	298	(798)
Group (Loss)/Profit After Tax	(827)	(3,008)	6,898	(1,851)	1,160
Non-Controling Interests	-	-	-	(5)	(15)
Total Comprehensive Income/(Loss) Attributable to Owners of the Parent	565	(2,649)	1,381	(1,832)	1,175
(Loss)/Earning Per Share (Sen) - Basic	(0.44)	(1.61)	3.70	(0.99)	0.25
Net Assets Per Share (Sen)	129	128	129	128	40
Shareholders' Fund	241,760	238,950	240,036	238,206	295,378

IN RM ('000)

54,831

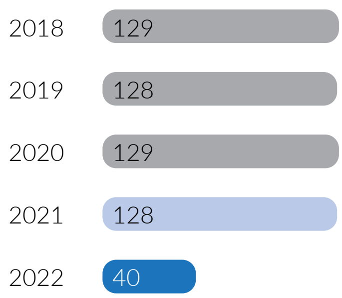
Group Revenue



IN RM (Sen)

40

Net Assets Per Share



IN RM ('000)

295,378

Shareholders' fund

* The amount for the financial year ended 2020 is excluding amount from discontinued operations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is required under Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are required by the Companies Act 2016 to prepare financial statements which will give a true and fair view of the financial position of the Company and the Group as at the end of the financial year and of the financial performance and cash flows of the Company and the Group for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made reasonable and prudent judgments and estimates;
- ensured all applicable accounting standards have been complied with; and
- prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group have adequate resources to continue in operational existence for the foreseeable future.

The Directors are also responsible for ensuring that the Group keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Company and the Group as to ensure that the financial statements comply with regulatory requirements. The Directors have also ensured timely release of quarterly and annual financial results of the Group to Bursa Securities that enable the public and investors to be well informed of the Group's constant development.

The Directors are satisfied that, in preparing the financial statements of the Company and the Group for the year ended 31 March 2022, the Company and the Group have applied the appropriate and relevant accounting policies consistently; made judgments and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

In addition, the Directors have taken reasonable steps to preserve the interests of stakeholders, to safeguard the assets of the Company and the Group, to prevent and detect fraud and other irregularities.

This statement on Directors' responsibility is made in accordance with the resolution of the Board of Directors dated 19 July 2022.

AUDIT COMMITTEE REPORT

The Board of Directors ("The Board") of Paragon Globe Berhad ("the Company") (collectively with the subsidiaries, "the Group") is pleased to present the Audit Committee Report for the financial year ended 31 March 2022 in compliance with Paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) as follows: -

Composition of the Audit Committee

As at the date of this Report, the Audit Committee ("AC") consists of three (3) members, all of whom are Independent Non-Executive Directors. The composition of the AC are as follows:

Name	Position	Designation
Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director
Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Member	Independent Non-Executive Director

All the AC members satisfy the test of independence under the MMLR and none of the Independent Non-Executive Directors has appointed an Alternate Director. There is also no former key audit partner has been appointed as a member of the AC unless the said former key audit partner has observed a cooling-off period of at least three (3) years. The current composition of the AC is in compliance with Paragraph 15.09(1)(a), (b) and 15.09(2) of MMLR and the Step-up Practice 9.4 of thex Malaysian Code on Corporate Governance.

The AC Chairman, Mr. Tee Boon Hin, who is not the Chairman of the Board of the Company, is a fellow member of the Malaysian Institute of Accountants ("MIA"). Therefore, the Company complies with the requirement of Paragraph 15.09(c)(i) of the MMLR. He possesses the necessary skills, capabilities and attributes to ensure that all AC meetings are efficiently conducted by fostering open discussions with all members of the audit committee during meetings so as to facilitate thorough considerations of all subject matters presented to the committee. All members of the AC are financially literate and appropriately qualified with sound knowledge and experience in accounting, business and financial management.

Terms of Reference

In discharging its roles and responsibilities, the AC operated and guided under its terms of reference ("TOR"), which is approved by the Board and is available on the Company's corporate website at **https://pgbgroup.com.my/audit-committee/**. The AC has reviewed its TOR on 26 May 2022 and upon recommendation by AC, the Board approved the revised TOR on the same date.

Meetings and Attendance

During the financial year ended 31 March 2022, the AC convened a total of five (5) meetings, which the details of attendance of each AC Members were as follows: -

Name	Position	Meeting Attendance (1st April 2021 to 31st March 2022)	
Mr. Tee Boon Hin	Chairman	5/5	100%
Dato' Haji Ismail Bin Karim	Member	5/5	100%
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Member	5/5	100%

As per TOR, the AC shall meet at least four (4) times in each financial year and additional meeting may be called at any time at the discretion of the Chairman. In fact, the AC has met five (5) times during the current financial year. The AC members were served with the notice, meeting agenda and relevant Board papers which were distributed, with adequate notice, prior to each meeting to facilitate effective deliberation and decision making at the respective meetings.

Meetings and Attendance (continued)

The executive board member, including the Executive Chairman, Group Executive Director, Chief Executive Officer, Senior Management and management team attended the AC meetings held during the financial year upon invitation by the Chairman of the AC. The representative of the outsourced Internal Audit Function also attended the AC meeting held during the financial year to table respective Internal Audit reports.

The AC also meets with the External Auditors as and when there are matters concerning audit and financial reporting of the Group for review and discussions. The External Auditors had also presented their audit plan and audit findings to the AC. Two (2) separate sessions with the External Auditors to discuss on any others matters without the presence of the executive board members and management team is held on the same day of AC Meeting.

The AC has direct access to the External Auditors and Internal Auditors, or vice versa. The AC reported to and updated the Board on significant issues and matters discussed during the Committee's meetings and where appropriate, made the necessary recommendations to the Board.

The Company Secretary was present in all meetings where the records of proceedings of the AC Meetings are documented and maintained in the Minutes book. The Minutes of the AC Meetings were recorded and tabled for confirmation at the following AC Meeting and subsequently presented to the Board for notation.

The External Auditors presented the Annual Transparency Report to the Board pursuant to the requirement of the Audit Oversight Board.

During the financial year, the Board was satisfied that the AC and its members have been able to discharge its functions, duties and responsibilities in accordance with the TOR of the AC.

Summary of Work and Activities

During the financial year under review, the AC has carried out the following works and activities in accordance with the TOR which are in line with its responsibilities:

1. Financial Reporting

a. Reviewed the unaudited quarterly financial results of the Group and year-end financial statements focusing particularly on any change in the accounting policies and its implementation, significant and unusual events highlighted, going concern assumption and compliance with accounting standards and other legal requirements for making suitable recommendations to the Board for approval before releasing the results to Bursa Securities and the Securities Commission.

b. Reviewed the significant matters/key audit matters highlighted by auditors in the financial statements and significant judgements made by Management.

c. Discussed with Management the financial reporting standards applied during the financial year including the judgements exercised and the critical accounting estimates and assumptions used.

   In respect to the above, matters discussed included the impacts of COVID-19 and the control measures taken by the Malaysia Government to contain COVID-19 on the operations of the Group, significant and unusual events or transactions and how these matters are addressed by the Company.

2. External Audit

a. Reviewed the External Auditors' scope of work and Audit Planning Memorandum which set out the auditor's responsibilities and deliverables, audit approach, scope, audit and non-audit fees in respect of the audit of the Group's financial statements for the financial year ended 31 March 2022.

b. Reviewed the financial statements of the Group with the External Auditors to ensure adequacy of disclosure of information essential to a fair and full presentation of the financial affairs of the Group for recommendation to the Board for approval of submission to Bursa Securities and the Securities Commission and for the presentation to the Shareholders.

c. Reviewed together with the Management and the External Auditors, the significant audit findings in respect of the audit of the financial statements of the Group.

d. Reviewed for any provisions, write-offs and capital expenditures required to be made for the financial year.

e. Reviewed the reasonableness of the audit fees charged against the size and complexity of the Group.

AUDIT COMMITTEE REPORT (continued)

Summary of Work and Activities (continued)

f. Met with External Auditors twice without the presence of the Management on 5 May 2021 and 22 February 2022 to ensure the External Auditors able to carry out the work without limitation and interference and to exchange independent views on any issues arising from audit or any other matters which the External Auditor wished to raise. The External Auditors do not have any areas of concern to highlight to the AC and they have received full co-operation from the management.

g. Reviewed and evaluated the performance of External Auditors and their independence, objectivity and effectiveness as well as their ability to serve the Group through assessment questionnaires and make recommendations to the Board. The External Auditors have provided assurance that they were independent throughout the conduct of audit engagement in accordance with the terms of all relevant professional and regulatory requirements. Premised on satisfactory assessment and upon recommendation of AC, the Board is satisfied the performance of External Auditors and recommended the re-appointment of External Auditors to shareholders for approval at forthcoming Annual General Meeting.

3. Internal Audit

a. Reviewed and approved the Group's internal audit plan to ensure adequate scope and coverage of the Group's activities based on identified key internal control risk areas.

b. Reviewed the internal audit reports, audit findings, recommendations for improvement issued by internal auditors and management's responses thereto, and agreed actions in rectifying identified weaknesses.

c. Evaluated the performance and competency of the Internal Audit teams to ensure that they maintained professional knowledge and expertise. Premised on satisfactory assessment and upon recommendation of AC, the Board is satisfied the performance of Internal Auditors and approved the re-appointment of Internal Auditors at the audit fee to be determined later subject to the agreed audit area and audit period.

d. Reviewed any amendments to the internal audit charter to ensure that the internal audits' activity, purpose, authority and responsibility is adequate to enable the Internal Auditors to accomplish its objectives.

4. Related Party Transactions which include Recurrent Related Party Transactions ("RRPT")

a. Reviewed on quarterly basis the related party transactions entered into by the Company and the Group to ensure such transactions are undertaken at arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company.

b. Reviewed the adequacy of the review procedures in place by the Group for related party transactions to ensure that related parties are appropriately identified and the transactions with related parties are in compliance with Approved Accounting Standards, Listing Requirements of Bursa Securities and requirements of other relevant authorities.

c. Reviewed and monitored recurrent related party transactions for which shareholders' mandate have been granted to ensure that:

(i) transactions were undertaken on arm's length basis and normal commercial terms;
(ii) terms entered are not more favourable to the related parties than those generally available to the public;
(iii) not to the detriment of minority shareholders and in the best interest of the Group; and
(iv) transactions are transacted within the limits prescribed.

d. Reviewed the estimated recurrent related party transaction mandate for the year and recommended to the Board to seek renewal of shareholders' mandate at the forthcoming Annual General Meeting.

5. Risk Management and Internal Control

Reviewed risk management process and internal control procedures to ensure a sound system has been implemented to manage identified risks.

6. Compliance

a. Reviewed related compliance issues arising from changes to the Bursa Securities, Securities Commission, Malaysian Accounting Standards Board and other legal and regulatory bodies.

b. Reviewed the AC Report before recommending to the Board for approval and inclusion into the Annual Report 2022.

c. Reviewed any other reports issued by the Company that relate to the Committee's responsibilities.

AUDIT COMMITTEE REPORT (continued)

Summary of Work and Activities (continued)

7. Others

a. Reviewed the Group's Budget for the financial year ended 31 March 2022 and made suitable recommendations to the Board for approval and adoption.

b. Reviewed the Annual Report (which includes the Corporate Governance Statement, Corporate Governance Report, Audit Committee Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis as well as the Additional Compliance Information) and the Audited Financial Statement of the Group and recommended their adoption to the Board, deliberated the disclosure requirements for sustainability statement and noted the management action plan.

Internal Audit Function

The AC is supported by Needsbridge Advisory Sdn Bhd, an independent professional firm as the Internal Audit Function of the Group, in discharging its duties and responsibilities in maintaining a sound framework of system of internal controls and risks management. The principal objective of the Internal Audit Function is to provide independent assessment on the adequacy and effectiveness of the Group's internal control system and evaluate the processes of compliance with Group policies and procedures.

The function of internal audit is guided by its Internal Audit Charter which defines the authority, independence and objectivity as well as its duties and responsibilities. The outsourced Internal Audit Function reports directly to AC and has direct access to the members of the AC as deemed necessary.

The engagement director of the outsourced Internal Audit Function is a Certified Internal Auditor and Certification in Risk Management Assurance. He is also a chartered member of the Institute of Internal Auditors Malaysia. The internal audits have been carried out in accordance with the International Professional Practices Framework ("IPPF"). The audit engagement of the outsourced Internal Audit Functions is governed by the engagement letter with key terms including purpose and scope of work, accountability, independence, the outsourced internal audit function's responsibilities, management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review and approval by the AC for its reporting to the Board for ultimate approval.

During the financial year, the internal audit function has carried out the following key activities:

a. Prepared the annual audit plan for deliberation and approval by the AC.

b. Performed scheduled internal audits based on the audit plan presented to and approved by the AC. During the financial year under review, the internal audits carried out included reviewing the adequacy and effectiveness of the systems of internal control for claim processing, cost management, sales and marketing management and treasury management as well as anti-bribery and corruption management. The findings of reviews, potential risk implications, recommendations including the recommended management action plan and person-in-charge together with date of implementation were presented directly to the AC. Thus, the AC is able to provide assurance to the Board on the effectiveness of the system of internal controls and risk management practices of the Group in order to safeguard the shareholders' investment and the Group's assets.

c. Performed follow up procedures on the implementation of agreed upon action plans to ensure that necessary actions have been taken/are being taken as recommended.

d. Reviewed on ad-hoc basis, areas where there were concerns that affected financial reporting, internal controls and governance.

The total cost incurred for the Group's Internal Audit Function in respect of the financial year ended 31 March 2022 was RM38,000 (2021: RM44,000).

The Audit Committee Report is made in accordance with a resolution of the Board dated 19 July 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

In compliance with Paragraph 15.26(b) and Practice Note 9 of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") and the Malaysian Code on Corporate Governance ("MCCG"), the Board of Directors ("the Board") of Paragon Globe Berhad ("the Company") (collectively with the subsidiaries, "the Group") is pleased to provide the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 March 2022. This statement was prepared in accordance with the "Statement on Risk Management & Internal Control - Guidelines for Directors of Public Listed Issuers" ("the Guidelines") issued by the Institute of Internal Auditors Malaysia. The scope of this Statement includes the Company and its operating subsidiaries.

The Board's Responsibilities

The Board affirms its overall responsibility for maintaining a sound governance, risk management and internal control system and for reviewing their adequacy and effectiveness so as to provide assurance on the achievement of the Group's strategies and business objectives as well as to safeguard all its stakeholders' interests and protecting the Group's assets. The Risk Management is an ongoing process of identifying, evaluating, responding, managing and monitoring significant risks that may affect the Group's business performance, ensuring that optimum operational function is maintained at an acceptable risk appetite while striving to achieve the Group's overall strategic objectives.

The Board is to establish risk appetite of the Group based on the strategies, business objectives, internal and external business context, business nature and corporate lifecycle. The Board is committed to the establishment and maintenance of an appropriate control environment and governance framework that is embedded into the corporate culture, processes and strategies of the Group as well as to articulate and implement risk management and internal control system. It covers not only financial controls but operational and compliance controls, and risk management.

The Board has entrusted the Risk Management Committee ("RMC") to act as governance oversight function in relation to risk management matters of the Group and to review the effectiveness of the risk management framework in identifying, assessing, and managing risks. On the other hand, the Audit Committee ("AC") is entrusted to review the adequacy and effectiveness of the risk management and internal control system via its oversight role in relation to the internal audits conducted by an independent assurance provider. For implementation of the risk management system required by the Board in order to minimise risks faced by the Group and optimise opportunities for exploitation by the Group in line with the risk appetite, the Management, led by Executive Chairman, is entrusted with the duty to identity, assess and manage key business risks and opportunities as well as the continuous review and monitoring of existing risks and emerging risks and opportunities.

Through RMC and AC, the Board is kept informed on all significant risk events and control issues brought to the attention of RMC and AC by the Management, the internal audit function and the external auditors, and the Board is provided with reasonable assurance that any impact arising from foreseeable future events or situations are properly managed and/or mitigated.

The system of internal controls covers, inter-alia, control environment, risk assessment, control activities, information and communication and monitoring activities. However, the Board is equally aware that such systems and processes are designed to manage, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. In this regard, the risk management framework and internal control system can only provide reasonable assurance, and not absolute assurance against material misstatement of financial information and records or against material financial losses or fraud.

Risk Management

The Board maintains an on-going commitment for identifying, evaluating and managing significant risks faced by the Group during the financial year under review. The Board has put in place a structured Group Risk Management Framework, as the governance structure and processes for the risk management on enterprise wide, in order to embed the risk management practice into all level of the Group and to manage key business risks faced by the Group as well as to optimise key business opportunities available to the Group adequately and effectively. The principles, practices and process of the Group Risk Management Framework established by the Board are, in material aspects, guided by the ISO 31000:2018 - Risk Management - Guidelines.

The Group strives to inculcate an organisational culture of risk awareness and management across all business processes and strategic planning. The risk appetite has been set by the Board and expects Management to operate and ensure the risk management framework is established to provide a strong foundation for proactive risk considerations to be applied throughout business processes and decision making.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Risk Management (continued)

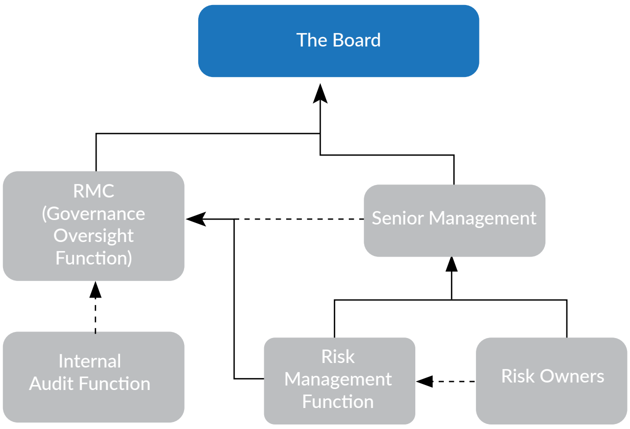
Objectives of the Risk Management Framework include, but are not exclusive to:

a) Provide guidance for identifying, managing, reporting and monitoring risks;

b) Provide guidance for risk consideration within the tolerable threshold throughout business processes and decision making; and

c) Clearly defined the roles and responsibilities and reporting structure.

The Group Risk Management Framework established lays down the risk management's objectives and processes established by the Board with formalised governance structure of the risk management activities of the Group established as follow:



The duties for the identification, evaluation and management of the key risks are delegated by the Board to the Senior Management led by the Executive Chairman with governance oversight function delegated to RMC. Risk Management Function ("RMF"), as the second-line role, acts as the management oversight and monitoring function for risk management activities within the Group. The detailed roles and responsibilities of the Board, RMC, Senior Management, Risk Owners, RMF and Internal Audit Function are defined in the Group Risk Management Framework. In particular the composition, roles and responsibilities of the RMC and RMF are listed below.

The RMC is made up exclusively Independent Non-Executive Directors and the roles and responsibilities as follow:

a) To oversee the risk management matters, including but not limited to, framework, policies, and procedures;

b) To review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management (including risk appetite to the Board);

c) To ensure implementation and compliance with approved Group Risk Management Framework (including policies and processes) and to ensure that key risks, risk events and trigger/intermediate risk identified are being identified and responded to appropriately;

d) To review the trends in the Key Risk Indicators and its implications on risks and risk events, Performance Indicators, changes to the Key Risk Profile and Risk Incident Reported on periodical basis (at least on annual basis) or when appropriate (due to significant change to the internal and external business context), the course of action to be taken by management in managing the changes and incidents reported;

e) To review and assess the adequacy and effectiveness of the Group Risk Management Framework (including policies and processes), risk appetite and support systems and to recommend continuous improvements as may be deemed necessary to the Board based on the results of its review and results of performance assessment and recommendations from RMF;

f) To review and assess the risks associated with all proposed strategic transactions of the Group and report the same to the Board of Directors for its deliberation of the transaction; and

g) To review the adequacy and effectiveness of the Group's system of internal controls established by the Management to manage key business risks through internal audit reports from Internal Audit Function and other assurance functions (if any).

RMF is led by Group Executive Director and assisted by the members from the senior management personnel of Company. The roles and responsibilities of RMF as the management oversight and monitoring functions are as follow:

a) Acting as central reference and guide for all risk management issues within the Group;

b) Facilitating, supervising and monitoring the implementation and compliance of Group Risk Management Framework, risk management policy and process (post implementation) of the Group and to report any non-compliance to Senior Management and RMC;

c) Facilitating and coordinating all risk management processes and activities (for example, continuous monitoring of risks and risk events identified, identification and incorporation of new or emerging risks and risk events into Risk Register, update (including analysis and evaluation) of risks and risk events, project leader in dealing with new or changes

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Risk Management (continued)

in material risks and risk events , progress of mitigation plans implementation, risk reporting and continuous improvement in risk management process) in the Group;

d) Documenting all risk management activities in the Group;

e) Planning or coordinating internal assurance activities in relation to the risk management process and its components and report to Senior Management and RMC on the results of internal assurance activities (with mitigation plans);

f) Reporting of compliance performance of Group Risk Management Framework, the trends in Key Risk Indicators, changes in the Key Risk Profile due to new or emerging risks and risk events or changes in the existing risks and risk events, the mitigation plans (and its progress), Risk Incidents (including its mitigation plans and incidents of material risks not mitigated);

g) Ensuring the emergence of new business risks or change in the existing risks and risk events (and mitigation plans) is properly recorded by Risk Owners via the use of Risk Register with such risks or risk events are properly identified, analysed and evaluated on a timely manner and escalate to Senior Management (as permitted by the significance of the key risks or risk events) and/or RMC (as permitted by the significance of the key risks or risk events);

h) Reviewing the trends in the Key Risk Indicators and its implications on risks and risk events as reported by Risk Owners and escalate to Senior Management (as permitted by the significance of the key risks or risk events) and/or RMC (as permitted by the significance of the key risks or risk events);

i) Reviewing on the Performance Indicators for risk performance reported by Risk Owners and escalate to Senior Management (as permitted by the significance of the key risks or risk events) and/or RMC (as permitted by the significance of the key risks or risk events);

j) Reviewing the occurrence of the Risk Incidents and its mitigation plans (as to its adequacy) as reported by the Risk Owners and escalate to RMC (as permitted by the significance of the key risks or risk events);

k) Together with the above monitoring and review functions, reviewing and assessing the adequacy and effectiveness of the Group Risk Management Framework (including policies and processes) and to recommend continuous improvements as may be deemed necessary to the Senior Management and RMC based on the results of its review;

l) Ensuring proper reporting and communication of all risk matters at appropriate level, including but not limited to, the use of the Risk Register or meetings or other electronic platforms to facilitate the risk management process and reporting are embedded into daily operations to decision making at highest governance body of the Group; and

m) Ensuring adequacy of appropriate trainings at appropriate level of staffs on risk management process and reporting so that risk awareness is maintained or improved and risk management process and reporting are embedded into daily operations to decision making at highest governance body of the Group.

The Group Risk Management Framework specifies the structured risk management process, where each step of the risk and opportunity identification, evaluation, control identification, treatment and control activities are laid down for application by the Senior Management and Risk Owners.

Risk assessment, at gross and residual level, are guided by the likelihood rating and impact rating that was established based on the risk appetite acceptable by the Board. Risk identified includes sustainability matters identified during sustainability assessment process. Based on the risk management process stipulated in Group Risk Management Framework, Risk Registers are compiled or updated by the Senior Management and Risk Owners, on a yearly basis or there are changes in internal and/or external business context require such update. RMF coordinates the updates of Risk Register with the assistance and feedback from the Risk Owners and also through the results of the assurance activities.

Key Risk Report and Key Risk Profile are compiled by RMF based on updated Risk Registers and submitted to the Senior Management for their review. Subsequent to the review by the Senior Management, Key Risk Report with Key Risk Profile compiled therefrom are made available by the RMF to the RMC for review. The RMC subsequently reports the result of such review to the Board for their final review and decision.

During the financial year under review, Senior Management and risk owners conducted an assessment exercise, facilitated by the outsourced consultant, whereby existing strategic, governance, sustainability, fraud and operational risks were reviewed, and any new emerging risks identified, assessed and incorporated into Risks Registers for on-going risk monitoring and assessment. To align the Group's anti-bribery activities to the Adequate Procedures Principle II - Risk Assessment per Guidelines on Adequate Procedures Pursuant to Subsection 5 of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 and compliance with Paragraph 15.29(c) of Main Market Listing Requirements, bribery risk assessment was performed by Senior Management and Risk Owners concurrently with the risk assessment activities performed during the financial year under review.

Risk Management (continued)

The above risk events are identified and assessed by the Risk Owners from strategic, governance, financial, sustainability, bribery, fraud and operational perspective to give the comprehensive coverage of the risk events applicable to the Group in view of the businesses undertaken by the Group. The risk events identified and assessed by the Risk Owners are the building blocks of the Key Risk Profile of the Group, where the constituents (i.e. the risk events) of the Key Risks with their relationship (including triggering/intermediate events) are considered and consolidated in order to provide an overview, yet not overwhelming, of the overall risk profile of the Group so that the RMC and the Board of Director can review, form an opinion on its adequacy and effectiveness and respond to.

The Enterprise Risk Report, which consists of key risk profile (comprising of strategic, governance, financial, sustainability, bribery, fraud and key operational risks) and likelihood and impact rating used during risk management process by RMF, was compiled and tabled to the RMC and the Board for review and deliberation.

During the financial year under review, the RMC met once to review the Enterprise Risk Report and key risk profile and reported to the Board on the results of its review.

The monitoring of the risk management by the Group is enhanced by the internal audits carried out by the outsourced internal audit function with specific audit objectives and key risks/risk events identified for each internal audit cycles based on the internal audit plan approved by the AC.

The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

Integrating Risk Management with Sustainability

The Board and members of Management recognises the importance of sustainable practices to ensure long-term value creation for the organization and stakeholders. The Group, with approval from the Board, continues to report material sustainability matters in line with regulatory requirements as disclosed in the section of Sustainability Statement of this Annual Report.

Internal Controls System

The key features of the Group's internal control system are made up of five core components, i.e. Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities with principles representing the fundamental concepts associated with each component as follows:

Board of Directors and Board Committees

The role, functions, composition, operation and processes of the Board are guided by formal Board Charter whereby roles and responsibilities of the Board, the Executive Chairman, Executive Directors and Non-Executive Directors are specified to preserve the independence of the Board from the Management. Board Committees (i.e. Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee) are established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference.

Meetings of the Board and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective, and to carry out its fiduciary duties and responsibilities. Potential business strategies proposed by the Executive Directors for the Board's review and approval, after taking risk into consideration and responses thereto.

Integrity and Ethical Value

The tone from the top on integrity and ethical value are enshrined in formal Code of Conduct established and approved by the Board. The formal code forms the foundation of integrity and ethical value of the Group. Integrity and ethical value expected from the employees are also incorporated in the Employee Handbook whereby the ethical behaviours expected from them are stated.

To further enhance the ethical value throughout the Group, formal Anti-Bribery and Anti-Corruption Policy and Conflict of Interest and Related Party Transactions Policy had been put in place by the Management to prevent the risk of bribery and conflict of interest within the Group. The details of the Group' Anti-Bribery and Anti-Corruption Policy and Conflict of Interest and Related Party Transactions Policy are available on the Company's website at **https://pgbgroup.com.my/corporate-governance/**.

Formal Whistleblowing Policy is implemented for all stakeholders to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices to competent governance body with the Group. The Policy is available for download from the Company's website at **https://pgbgroup.com.my/corporate-governance/** for ease of access.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Internal Controls System (continued)

Organisation Structure and Accountability

The Group has a well-defined organisational structure with proper delegation of responsibilities and accountability, including authorisation levels for all aspects of business operations. Various Board, Management and operational committees are in place to facilitate the decision-making process.

Board Committees have been established to assist the Board in discharging its duties which includes Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee. These Committee have been given specific authority and responsibilities, which are stipulated in their respective terms of reference. The structure, terms of reference of these committees are periodically reviewed to ensure that they remain effective and aligned to the Group's needs.

Risk Assessment and Control Activities

Risk assessment (including fraud and bribery risk) is performed by risk owners at scheduled interval or when there is change in internal and/or business context in accordance with Group Risk Management Framework. Internal controls, as risk responses, are formulated and put in place to mitigate risks identified to a level acceptable by the Board, i.e. the risk appetite.

Operational Policies and Procedures

Standard Operating Procedures ("SOP") have been formalised and documented for the key business processes to manage risks identified and to ensure the uniformity and consistency of practices and controls within the Group. The policies and procedures are regularly updated to ensure that they remain current, relevant and aligned with evolving business environment and operational needs. The SOPs are subjected to review and improvement alongside the internal audit review of the selected area of operations.

An annual budget is prepared and presented to the Board for approval. Any variances of actual performance against budget are monitored and reported on a quarterly basis to Management and to the Board. Appropriate actions are devised to address any areas of concerns arising from the regular review.

Capital expenditures and investment options are referred to the Board for review and approval.

Information and Communication

At operational level, clear reporting lines established across the Group and operation and management reports are prepared for dissemination to relevant personnel for effective communication of critical information (including risk information) throughout the Group for timely decision making and execution in pursuit of the business objectives. Matters that require the Board and Executive Directors' attention are highlighted for review, deliberation and decision on a timely basis.

The Group puts in place effective and efficient information and communication infrastructures and channels, i.e. computerised systems, secured intranet, electronic mail system and modern telecommunication, so that operation data (including risk information) and management information can be communicated timely and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection. Apart from that, relevant financial and management reports are generated for different level of the organization structure for review and decision making. The management and board meetings are held for effective two-way communication of information at different level of management and the Board.

Monitoring and Review

Regular risk-based internal audit, i.e. focusing on key risk areas are carried out to provide independent assurance on the effectiveness and efficiency of the Company's system of internal controls and advising management on areas for improvements are carried out by the internal audit function and reports directly to the AC. In addition to the internal audits, significant control issues highlighted by the External Auditors as part of their statutory audits and the surveillance audit by regulators, the external assurance providers.

Corrective actions are formulated and implemented for incidents of non-compliance and exceptions reported by with its implementation monitored.

The AC meets at least four times a year. The Committee meets with the internal auditors and external auditors to review their reports. The AC reviews the significant audit observations and/ or area of improvement and ascertains those appropriate remedial actions or improvements are taken by the management. The Committee also evaluates the adequacy, effectiveness and efficiency of the Group's internal control systems.

Human Resource Management

Recruitment procedures are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently.

Performance evaluations are carried out for all levels of staff to identify performance gaps, for training needs identification and talent development.

Internal Audit Function

The Group relies on internal audit function as the third-line roles to provide the Board and the Management with the required level of assurance that the governance, risk management, internal control system is operating adequately and effectively in mitigating organisational risks to achieve the Group's business objectives and in line with the risk appetite.

The Group's internal audit function is outsourced to an independent professional firm, namely, NeedsBridge Advisory Sdn Bhd, which is reporting directly to the AC. The engagement director of the outsourced internal audit function, namely, Mr. Pang Nam Ming, is accredited by the Institute of Internal Auditors Global as Certified Internal Auditor and for Certification in Risk Management Assurance. He is also a professional member of the Institute of Internal Auditors Malaysia. As a Certified Internal Auditor accredited by Institute of Internal Auditors, the engagement director is required to declare the compliance of the Standards to Institute of Internal Auditors during his annual renewal as Certified Internal Auditor.

The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global. The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter, with key terms include purpose and scope of works, accountability, independence, the outsourced internal audit function's responsibilities, the management's responsibilities, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team. The appointment and resignation of the outsourced internal audit function as well as the proposed audit fees are subject to review and approval by the AC for its reporting to the Board for ultimate approval.

During the financial year under review, sufficient resources were allocated to the fieldworks of the internal audit by the outsourced internal audit function based on the scope of internal audit work approved by the AC. The internal audit function was manned by one (1) manager, assisted by at least one (1) senior consultant and at least one (1) consultant per one (1) audit engagement with oversight performed by the engagement director.

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee. The risk-based internal audit plan in respect of the financial year ended 31 March 2022 was prepared by the outsourced internal audit function after taken into consideration of the existing and emergent key business risks identified by the Group, management's input and the assessment of the previous internal audits performed. Such internal audit plan was presented to AC for review before recommending to the Board for approval. Scheduled internal audits were performed by the outsourced internal audit function based on the approved internal audit plan with any subsequent change to the approved plan and scope was referred to AC for review and its recommendation to the Board for approval prior to the commencement of the audit.

During the financial year ended 31 March 2022, in accordance with the internal audit plan (and any amendments thereof) approved by AC, the outsourced internal audit function conducted internal audit on the topics related to the "Claim Processing, Cost Management, Sales and Marketing Management and Treasury Management" and the "Anti-Bribery and Corruption Management" of the Group.

As third-line roles, the internal control review procedures performed by the outsourced internal audit function are designed to understand, document and evaluate risks and related controls in order to determine the adequacy and effectiveness of governance, risk and control structures and processes. The root causes of the internal audit observations are included as part of "Findings" or "Recommendations", the recommendations from the outsourced internal audit function are formulated for improvement based on the root cause(s) of the internal audit observations. The internal audit procedures applied principally consist of process evaluations through interviews with relevant personnel involved in the process under review, review of the standard operating procedures and/or process flows provided and observations of the functioning of processes against the results of interviews, documented standard operating procedures and/or process flows. Thereafter, testing of controls for the respective audit areas through the review of the samples selected based on sample sizes calculated in accordance to predetermined formulation, subject to the nature of testing and verification of the samples.

Upon the completion of the internal audit field work during the financial year, the internal audit report was presented to the AC during its scheduled meetings. During the presentation, the internal audit findings, priority level, risk/potential implication and, recommendations as well as management response/ and action plans and person-in-charge together with date of implementation were presented and deliberated with the members of the AC in order for the AC to form an opinion on the adequacy and/or effectiveness of the governance, risk and control of the business process under review. In addition, during the scheduled AC meetings, the outsourced internal function reported reports its staff strength, qualification and experience as well as continuous professional education for

Internal Audit Function (continued)

the AC's review.

Based on the evaluation of performance of internal audit function and review of the works performed as well as deliverables by the outsourced internal audit function during the financial year, the AC and the Board are satisfied:

- that the outsourced internal audit function is free from any relationships or conflicts of interest which could impair their objectivity and independence;
- with the scope of the outsourced internal audit function;
- that the outsourced internal audit function possesses relevant experience, knowledge, competency and authority to discharge its functions effectively, possesses sufficient resources and has unrestricted access to employees and information for the internal audit activities; and
- with the internal audit plan, processes, the results of the internal audit and/or investigation undertaken (if any).

The total costs incurred for the outsourced internal audit function for the financial year ended 31 March 2022 amounted to RM38,000 (2021: RM44,000).

Assurance Provided by Executive Chairman and Finance Director

In accordance with the Guidelines, the Executive Chairman, being highest ranking executive in the Company and the Finance Director, being the person primarily responsible for the management of the financial affairs of the Company have provided assurance to the Board that to the best of their knowledge the risk management and internal control system of the Group are operating effectively and adequately, in all material aspects, to meet the Group's objectives during the financial year under review based on the risk management and system of internal controls described above.

Opinion and Conclusion

During the meetings of the Board and Board Committees, held during the financial year under review, the performances of the Group were reviewed and deliberated, including, but not limited to, the adequacy and effectiveness of specific risk management and internal audit activities of the Group put in place to address potential business risks identified during such reviews and deliberation. Through such reviews by the Board Committees and the Board as well as the monitoring and review mechanism stipulated above coupled with the assurance provided by Executive Chairman and Finance Director and internal audits conducted by outsourced internal audit function, other professionals and regulatory bodies and reported to the Board Committees and the Board, the Board is of the opinion that the governance, risk management and internal control system are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

The Board is committed towards maintaining an effective risk management and internal control systems throughout the Group and where necessary put in place appropriate plans to further enhance the Group's internal control systems and improve the risk maturity in the Group. Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to meet its business objectives in the current and challenging business environment.

Review of Statement on Risk Management and Internal Control by External Auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in the annual report of the Group for the year ended 31 March 2022. Their review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control in Annual Report issued by the Malaysian Institute of Accountants. The External Auditors' procedures conducted to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and that it is an appropriate reflection of the process adopted by the Directors in reviewing the adequacy and integrity of the system of internal control for the Group.

AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is neither prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor factually incorrect.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 19 July 2022.

FINANCIAL STATEMENTS
DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and the details of the subsidiaries are disclosed 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	1,160,368	(1,842,751)
Attributable to:		
Owners of the parent	1,175,836	(1,842,751)
Non-controlling interests	(15,468)	-
	1,160,368	(1,842,751)

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 2022.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 186,655,833 ordinary shares to 746,623,332 ordinary shares by way of issuance of 559,967,499 new ordinary shares pursuant to renounceable right issue on the basis of three (3) new ordinary shares for every one (1) existing ordinary share held at an issue price of RM0.10 each for a total cash consideration of RM55,996,750.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (continued)

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
Dato' Sri Edwin Tan Pei Seng
Dato' Sri Godwin Tan Pei Poh
Tee Boon Hin
Dato' Haji Ismail Bin Karim
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar
Dato' Jeffrey Lai Jiun Jye
Leong Siew Foong (f) (Appointed on 16 June 2022)

Subsidiaries of Paragon Globe Berhad
Dato' Sri Edwin Tan Pei Seng
Dato' Sri Godwin Tan Pei Poh
Mohammed Khafidz Bin Mohamad Ishak
Tan Hui Boon

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 2022 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 1.4.2021	Rights issue	Sold	Balance as at 31.3.2022
Shares in the Company				
Direct interests:				
Dato' Sri Edwin Tan Pei Seng	43,800	131,400	-	175,200
Dato' Sri Godwin Tan Pei Poh	2,000	6,000	-	8,000
Indirect interests:				
Dato' Sri Edwin Tan Pei Seng*	95,196,405	291,613,595	-	386,810,000
Dato' Sri Godwin Tan Pei Poh*	95,196,405	291,613,595	-	386,810,000
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 subsidiary, Builtech Acres Sdn. Bhd.				
Direct interests:				
Dato' Sri Edwin Tan Pei Seng	500,003	-	-	500,003

* Deemed interest held through Paragon Adventure Sdn. Bhd..

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 and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (continued)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) 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 by virtue of transactions entered into in the ordinary course of business as disclosed in Note 31(b) to the financial statements.

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

Remuneration of the Directors who held office during the financial years ended 31 March 2022 and 31 March 2021 are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fees	306,000	271,000	240,000	240,000
Other emoluments	1,579,107	1,274,290	1,579,107	1,274,290
Estimated money value of benefits-in-kind	42,400	28,000	42,400	28,000
	1,927,507	1,573,290	1,861,507	1,542,290

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 by the Company for the financial year 2022 was RM17,500.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (continued)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (continued)

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

Significant events during the financial year and subsequent event between the end of the reporting period and the date when the financial statements are authorised for issue are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 March 2022 were as follows:

	Group RM	Company RM
Statutory audit	85,000	50,000
Non-statutory audit	2,200	2,200
	87,200	52,200

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
19 July 2022

STATEMENT BY **DIRECTORS**

In the opinion of the Directors, the financial statements set out on pages 96 to 159 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 2022 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
19 July 2022

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 96 to 159 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.

……………………………………………

Eileen Tey Yee Lin

Subscribed and solemnly declared by the abovenamed at Johor Bahru, Johor this 19 July 2022.

Before me:

Serena Kaur A/P Gubachen Singh (J252)
Commissioner for Oaths

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 2022 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 a summary of significant accounting policies, as set out on pages 96 to 159.

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 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter of the Group

(a) Revenue recognition for property development

Revenue from property development activities of the Group for the financial year ended 31 March 2022 amounted to RM14,730,442 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 and development costs up to the reporting date.

Audit response

Our audit procedures included the following:

(i) Reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;

(ii) Recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs; and

(iii) Compared estimated total cost to actual outcomes to assess the reliability of management's budgeting process.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PARAGON GLOBE BERHAD (continued)
194801000095(1713-A) (Incorporated in Malaysia)

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 or conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 International Standards on Auditing 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 International Standards on Auditing, 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PARAGON GLOBE BERHAD (continued)
194801000095(1713-A) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

(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.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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
LLP0018825-LCA & AF 0206
Chartered Accountants

Johor Bahru
19 July 2022

Sia Yeak Hong
03413/02/2023 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
ASSETS					
Non-current assets					
Plant and equipment	7	210,683	236,049	71,554	96,208
Right-of-use assets	8	1,360,589	1,876,140	605,346	970,811
Investment properties	9	66,149,572	63,272,997	-	-
Intangible assets	10	88,257	135,131	77,000	121,000
Investment in subsidiaries	11	-	-	187,640,950	193,064,055
Inventories	12	27,274,862	36,636,637	-	-
		95,083,963	102,156,954	188,394,850	194,252,074
Current assets					
Inventories	12	78,586,051	97,208,714	-	-
Trade and other receivables	13	22,719,965	23,574,049	872,559	183,920
Contract assets	14	-	5,657,006	-	-
Current tax assets		1,337,842	1,571,593	176,220	409,970
Other investments	15	63,690,854	38,656,642	47,323,434	31,510,075
Cash and bank balances	16	50,375,616	2,775,033	43,850,279	332,568
		216,710,328	169,443,037	92,222,492	32,436,533
TOTAL ASSETS		311,794,291	271,599,991	280,617,342	226,688,607
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	17	259,224,659	203,227,909	259,224,659	203,227,909
Retained earnings		33,896,998	32,721,162	18,376,771	20,219,522
Other reserves		2,257,088	2,257,088	2,257,088	2,257,088
		295,378,745	238,206,159	279,858,518	225,704,519
Non-controlling interests	11(e)	496,745	512,213	-	-
TOTAL EQUITY		295,875,490	238,718,372	279,858,518	225,704,519
LIABILITIES					
Non-current liabilities					
Borrowing	18	-	14,720,548	-	-
Lease liabilities	8	809,544	1,281,221	242,641	564,754
Deferred tax liabilities	19	4,638,892	4,841,332	-	-
		5,448,436	20,843,101	242,641	564,754
Current liabilities					
Trade and other payables	20	9,921,919	11,526,549	194,069	115,059
Lease liabilities	8	548,446	511,969	322,114	304,275
		10,470,365	12,038,518	516,183	419,334
TOTAL LIABILITIES		15,918,801	32,881,619	758,824	984,088
TOTAL EQUITY AND LIABILITIES		311,794,291	271,599,991	280,617,342	226,688,607

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 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Revenue	23	54,831,030	22,604,568	2,320,660	2,729,048
Cost of sales	24	(41,175,041)	(16,724,544)	-	-
Gross profit		13,655,989	5,880,024	2,320,660	2,729,048
Other income		1,751,459	3,558,478	533,671	2,160,274
Distribution costs		(4,745,307)	(2,937,467)	-	-
Administration expenses		(8,390,578)	(7,285,537)	(4,656,729)	(3,948,340)
Other expenses		-	(281,856)	-	(755)
Finance costs	25	(313,635)	(1,082,975)	(40,353)	(55,555)
Profit/(Loss) before tax	26	1,957,928	(2,149,333)	(1,842,751)	884,672
Taxation	27	(797,560)	298,000	-	32,000
Profit/(Loss) for the financial year		1,160,368	(1,851,333)	(1,842,751)	916,672
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Other investments					
- reclassification to profit or loss	27(c)	-	13,826	-	27,393
Total other comprehensive income, net of tax		-	13,826	-	27,393
Total comprehensive income/(loss) for the financial year		1,160,368	(1,837,507)	(1,842,751)	944,065
Profit/(Loss) for the financial year attributable to:					
Owners of the parent		1,175,836	(1,846,202)	(1,842,751)	916,672
Non-controlling interests	11(e)	(15,468)	(5,131)	-	-
		1,160,368	(1,851,333)	(1,842,751)	916,672
Total comprehensive income/(loss) attributable to:					
Owners of the parent		1,175,836	(1,832,376)	(1,842,751)	944,065
Non-controlling interests	11(e)	(15,468)	(5,131)	-	-
		1,160,368	(1,837,507)	(1,842,751)	944,065
Earnings/ (Loss) per ordinary share attributable to owners of the parent (sen):					
- Basic	28	0.25	(0.99)		
- Diluted	28	0.25	(0.99)		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

		← Non-distributable	→	Distributable			
	Note	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 2021		203,227,909	2,257,088	32,721,162	238,206,159	512,213	238,718,372
Profit for the financial year		-	-	1,175,836	1,175,836	(15,468)	1,160,368
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	1,175,836	1,175,836	(15,468)	1,160,368
Transaction with owners							
Issuance of ordinary shares pursuant to renounceable rights issue	17	55,996,750	-	-	55,996,750	-	55,996,750
Balance as at 31 March 2022		259,224,659	2,257,088	33,896,998	295,378,745	496,745	295,875,490

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (continued)

	Note	Non-distributable: Share capital RM	Non-distributable: Capital reserve RM	Non-distributable: Warrant reserve RM	Non-distributable: Fair value reserve RM	Distributable: Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Group									
Balance as at 1 April 2020		203,224,196	2,257,088	14,485,511	(13,826)	20,082,566	240,035,535	-	240,035,535
Loss for the financial year		-	-	-	-	(1,846,202)	(1,846,202)	(5,131)	(1,851,333)
Other comprehensive income, net of tax									
Other investments									
- reclassification to profit or loss	27(c)	-	-	-	13,826	-	13,826	-	13,826
Total comprehensive income/(loss)		-	-	-	13,826	(1,846,202)	(1,832,376)	(5,131)	(1,837,507)
Transactions with owners									
Issuance of ordinary shares pursuant to warrants exercised	17	3,713	-	(713)	-	-	3,000	-	3,000
Acquisition of subsidiaries		-	-	-	-	-	-	517,344	517,344
Transfer of warrant reserve to retained earnings upon expiry		-	-	(14,484,798)	-	14,484,798	-	-	-
Total transactions with owners		3,713	-	(14,485,511)	-	14,484,798	3,000	517,344	520,344
Balance as at 31 March 2021		203,227,909	2,257,088	-	-	32,721,162	238,206,159	512,213	238,718,372

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	← Non-distributable → Share capital RM	Capital reserve RM	Warrant reserve RM	Fair value reserve RM	Distributable Retained earnings RM	Total equity RM
Company							
Balance as at 1 April 2020		203,224,196	2,257,088	14,485,511	(27,393)	4,818,052	224,757,454
Profit for the financial year		-	-	-	-	916,672	916,672
Other comprehensive income, net of tax							
Other investments							
- reclassification to profit or loss	27(c)	-	-	-	27,393	-	27,393
Total comprehensive income		-	-	-	27,393	916,672	944,065
Transactions with owners							
Issuance of ordinary shares pursuant to warrants exercised	17	3,713	-	(713)	-	-	3,000
Transfer of warrant reserve to retained earnings upon expiry		-	-	(14,484,798)	-	14,484,798	-
Total transactions with owners		3,713	-	(14,485,511)	-	14,484,798	3,000
Balance as at 31 March 2021/1 April 2021		203,227,909	2,257,088	-	-	20,219,522	225,704,519
Loss for the financial year		-	-	-	-	(1,842,751)	(1,842,751)
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive loss		-	-	-	-	(1,842,751)	(1,842,751)
Transaction with owners							
Issuance of ordinary shares pursuant to renounceable rights issue	17	55,996,750	-	-	-	-	55,996,750
Balance as at 31 March 2022		259,224,659	2,257,088	-	-	18,376,771	279,858,518

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		1,957,928	(2,149,333)	(1,842,751)	884,672
Adjustments for:					
Amortisation of intangible assets	10	46,874	44,240	44,000	44,000
Bad debt written off		381	-	381	-
Depreciation of:					
-plant and equipment	7	64,619	55,275	39,634	37,710
-right-of-use assets	8	618,079	469,889	365,465	356,627
Fair value gain on other investments		(289,571)	(87,405)	(243,274)	(96,467)
(Gain)/Loss on disposals of:					
-money market funds		(293,201)	78,258	(290,397)	98,440
-non-current asset held for sale		-	(866,000)	-	(866,000)
-quoted shares		-	(989)	-	(989)
-subsidiaries	11(d)	-	500,567	-	(1,196,818)
Impairment losses on:					
-other receivables		-	40,000	-	93,384
-investment in subsidiaries	11	-	-	-	102
Interest expense	25	313,635	1,082,975	40,353	55,555
Interest income		(62,254)	(51,546)	(30,233)	(41,352)
Rent concessions	8	-	(1,350)	-	-
Negative goodwill	11(c)	-	(1,619,274)	-	-
Plant and equipment written off	7	-	331	-	331
Operating profit/(loss) before changes in working capital		2,356,490	(2,504,362)	(1,916,822)	(630,805)
Changes in working capital:					
Contract assets		5,657,006	25,806,368	-	-
Inventories		27,984,438	2,019,154	-	-
Trade and other receivables		853,438	1,199,611	56,198	(7,432)
Trade and other payables		(1,601,811)	311,484	76,281	(404,536)
Cash generated from/(used in) operations		35,249,561	26,832,255	(1,784,343)	(1,042,773)
Tax paid		(1,046,039)	(1,759,749)	(46,040)	(130,180)
Tax refunded		279,790	-	279,790	-
Net cash from/(used in) operating activities		34,483,312	25,072,506	(1,550,593)	(1,172,953)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (continued)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions/Addition of:					
- investment in subsidiaries		-	-	-	(52,900,000)
- subsidiaries, net of cash and cash equivalents acquired	11(c)	-	(52,896,477)	-	-
Interest received		62,254	51,546	30,233	41,352
Net cash inflows from disposals of subsidiaries	11(d)	-	131,874	-	1,696,818
Net (placement)/withdrawal of:					
- deposits pledged with licensed banks		(97,251)	(2,349)	-	-
- money market funds		(24,451,440)	38,558,252	(15,279,688)	32,764,072
Proceeds from disposals of:					
- quoted shares		-	2,209	-	2,209
- non-current asset held for sale		-	1,200,000	-	1,200,000
Purchases/Addition of:					
- intangible assets	10	-	(14,371)	-	-
- investment properties	9	(2,876,575)	(1,663,830)	-	-
- plant and equipment	7	(39,253)	(56,870)	(14,980)	(9,250)
(Advances to)/Repayments from:					
- subsidiaries		-	-	4,677,887	16,649,421
- related parties		(2,554)	(19,300)	2,729	(12,638)
Net cash used in investing activities		(27,404,819)	(14,709,316)	(10,583,819)	(568,016)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(226,566)	(1,017,963)	-	-
Proceeds from issuance of ordinary shares		55,996,750	3,000	55,996,750	3,000
Repayments of term loan		(14,720,548)	(11,376,670)	-	-
Repayments of lease liabilities		(624,797)	(433,109)	(344,627)	(335,009)
Net cash from/(used in) financing activities		40,424,839	(12,824,742)	55,652,123	(332,009)
Net increase/(decrease) in cash and cash equivalents		47,503,332	(2,461,552)	43,517,711	(2,072,978)
Cash and cash equivalents at beginning of financial year		2,646,606	5,108,158	332,568	2,405,546
Cash and cash equivalents at end of financial year	16(d)	50,149,938	2,646,606	43,850,279	332,568

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 8)		Term loan (Note 18)
	Group RM	Company RM	Group RM
At 1 April 2021	1,793,190	869,029	14,720,548
Cash flows	(624,797)	(344,627)	(14,720,548)
Non-cash flows:			
- Addition of lease liabilities	102,528	-	-
- Unwinding of interest	87,069	40,353	-
At 31 March 2022	1,357,990	564,755	-
At 1 April 2020	1,395,212	1,113,128	26,097,218
Cash flows	(433,109)	(335,009)	(11,376,670)
Non-cash flows:			
- Additions of lease liabilities	767,425	35,355	-
- Unwinding of interest	65,012	55,555	-
- Rent concessions	(1,350)	-	-
At 31 March 2021	1,793,190	869,029	14,720,548

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022

1. CORPORATE INFORMATION

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 of the Company is located at Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim.

The principal place of business of the Company is 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 2022 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 19 July 2022.

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 96 to 159 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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. SIGNIFICANT 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.

The preparation of financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgement, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

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.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

(a) The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights;

(b) Substantive potential voting rights held by the company and by other parties;

(c) Other contractual arrangements; and

(d) Historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacements by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Business combinations (continued)

(b) Other contingent consideration that:

(i) is within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9; and

(ii) is not within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value, or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair value, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the consolidated statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4.4 Plant and equipment and depreciation

All items of plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of 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, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the costs of the assets to their estimated residual values on a straight-line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Furniture and fittings	10%
Office equipment	10%
Computers	20%

At the end of each reporting period, the carrying amount of an item of 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 (see Note 4.11 to the financial statements on impairment of non-financial assets).

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Plant and equipment and depreciation (continued)

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.5 Leases

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
(b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease terms of right-of-use assets are as follows:

Buildings and offices	2 to 5 years
Motor vehicles	20%

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

4.5 *Leases (continued)*

Lease liability

The lease liability is initially measured at the present value of the contractual lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group as lessor

Leases in which the Group do not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and are recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4.6 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.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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.

Property development costs not recognised as an expense are recognised as an asset and are measured at the lower of cost and net realisable value. The asset is subsequently credited over to profit or loss and recognised as an expense when the control of the asset is transferred to the customer.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

4.7 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.

4.8 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, including transaction costs, less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the carrying amount of the investment properties or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of investment properties are recognised in profit or loss as incurred.

After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Freehold land has unlimited useful life and is not depreciated. Construction-in-progress represents buildings-in-progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is ready for use.

At the end of each reporting period, the carrying amount of an item of the investment properties 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 (see Note 4.11 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment properties. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

4.9 Investments in subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less impairment loss, if any. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4.10 Intangible assets

Other intangible assets

Other intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination. In-process research and development projects acquired in such combinations are recognised as an asset even if subsequent expenditure is written off because the criteria specified in the policy for research and development is not met.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and are assessed for any indication that the asset could be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the administration expenses line item.

Expenditure on an intangible item that is initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

Software

Acquired software with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the cost of software over its estimated useful lives of five (5) years.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries), inventories and contract assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in the profit or loss when the carrying amount of the asset or the CGU exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to reduce the carrying amount of the assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately, if any.

An impairment loss for assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

4.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Financial instruments (continued)

(a) Financial assets

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.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses, if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income (FVTOCI), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

4.12 Financial instruments (continued)

(a) Financial assets (continued)

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and meet the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group 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.

(i) Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group that does not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for the Group's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

(ii) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For financial liabilities measured at amortised cost, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Financial instruments (continued)

(c) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

4.13 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantee are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation.

4.14 Impairment of financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost and contract assets.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the original effective interest rate of the asset.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions of the Group's industry to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for other receivables, equity loans and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Impairment of financial assets (continued)

The probability of non-payment other receivables, equity loans and amounts owing by subsidiaries is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables, equity loans and amounts owing by subsidiaries.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

4.15 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plan

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

4.16 Income taxes

Income taxes include all taxes on taxable profit. Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profits and real property gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 Income taxes (continued)

(b) Deferred tax (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profit would be available, such reductions would be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.17 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a goods or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Revenue recognition (continued)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(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.

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.

Significant 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 customers 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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

4.17 *Revenue recognition (continued)*

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) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(c) Distribution income

Distribution income is recognised when the right to receive payment is established.

(d) Management fee

Management fee from rendering of services is recognised when the services are rendered.

4.18 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.19 Operating segments

Operating segments are defined as components of the Group that:

(a) engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

4. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

4.19 Operating segments (continued)

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.20 Earnings per 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.

(b) Diluted

Diluted 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 adjusted for the effects of dilutive potential ordinary shares.

4.21 Fair value measurement

The fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement method adopted assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

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 Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year.

Title	Effective Date
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Amendment to MFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and the Company.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2023
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 – Comparative Information (Amendment to MFRS 17 *Insurance Contracts)*	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements)*	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors)*	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 *Income Taxes)*	1 January 2023
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, since the effects would only be observable in future financial years.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

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 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:

Revenue recognition for 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.

7. PLANT AND EQUIPMENT

Group	Furniture and fittings RM	Office equipment RM	Computers RM	Total RM
2022				
At cost				
At 1 April 2021	119,468	29,991	220,879	370,338
Additions	8,170	4,408	26,675	39,253
At 31 March 2022	127,638	34,399	247,554	409,591
Accumulated depreciation				
At 1 April 2021	18,054	9,252	106,983	134,289
Charge for the financial year	12,015	3,840	48,764	64,619
At 31 March 2022	30,069	13,092	155,747	198,908
Net carrying amount				
At 31 March 2022	97,569	21,307	91,807	210,683

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

7. PLANT AND EQUIPMENT (continued)

Group	**Furniture and fittings RM**	**Office equipment RM**	**Computers RM**	**Motor vehicles RM**	**Renovation RM**	**Total RM**
2021						
At cost						
At 1 April 2020	110,717	196,387	190,909	39,546	196,340	733,899
Additions	25,000	1,900	29,970	-	-	56,870
Disposal of subsidiaries (Note 11(d))	(16,249)	(167,313)	-	(39,546)	-	(223,108)
Written off	-	(983)	-	-	(196,340)	(197,323)
At 31 March 2021	119,468	29,991	220,879	-	-	370,338
Accumulated depreciation						
At 1 April 2020	22,385	164,974	65,976	39,540	196,339	489,214
Charge for the financial year	10,349	3,919	41,007	-	-	55,275
Disposal of subsidiaries (Note 11(d))	(14,680)	(158,988)	-	(39,540)	-	(213,208)
Written off	-	(653)	-	-	(196,339)	(196,992)
At 31 March 2021	18,054	9,252	106,983	-	-	134,289
Net carrying amount						
At 31 March 2021	101,414	20,739	113,896	-	-	236,049

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

7. PLANT AND EQUIPMENT (continued)

Company	**Furniture and fittings RM**	**Office equipment RM**	**Computers RM**	**Renovation RM**	**Total RM**
2022					
At cost					
At 1 April 2021	7,998	16,784	177,964	-	202,746
Additions	8,170	-	6,810	-	14,980
At 31 March 2022	16,168	16,784	184,774	-	217,726
Accumulated depreciation					
At 1 April 2021	1,799	6,415	98,324	-	106,538
Charge for the financial year	868	2,152	36,614	-	39,634
At 31 March 2022	2,667	8,567	134,938	-	146,172
Net carrying amount					
At 31 March 2022	13,501	8,217	49,836	-	71,554
2021					
At cost					
At 1 April 2020	7,998	17,767	168,714	196,340	390,819
Additions	-	-	9,250	-	9,250
Written off	-	(983)	-	(196,340)	(197,323)
At 31 March 2021	7,998	16,784	177,964	-	202,746
Accumulated depreciation					
At 1 April 2020	999	4,851	63,631	196,339	265,820
Charge for the financial year	800	2,217	34,693	-	37,710
Written off	-	(653)	-	(196,339)	(196,992)
At 31 March 2021	1,799	6,415	98,324	-	106,538
Net carrying amount					
At 31 March 2021	6,199	10,369	79,640	-	96,208

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(I) Right-of-use assets

Group	**Rented buildings and offices RM**	**Motor vehicles RM**	**Total RM**
2022			
At cost			
At 1 April 2021	2,096,229	708,011	2,804,240
Addition	102,528	-	102,528
Terms expired	(136,423)	-	(136,423)
At 31 March 2022	2,062,334	708,011	2,770,345
Accumulated depreciation			
At 1 April 2021	607,736	320,364	928,100
Charge for the financial year	476,477	141,602	618,079
Terms expired	(136,423)	-	(136,423)
At 31 March 2022	947,790	461,966	1,409,756
Net carrying amount			
At 31 March 2022	1,114,544	246,045	1,360,589
2021			
At cost			
At 1 April 2020	1,328,804	708,011	2,036,815
Additions	767,425	-	767,425
At 31 March 2021	2,096,229	708,011	2,804,240
Accumulated depreciation			
At 1 April 2020	279,449	178,762	458,211
Charge for the financial year	328,287	141,602	469,889
At 31 March 2021	607,736	320,364	928,100
Net carrying amount			
At 31 March 2021	1,488,493	387,647	1,876,140

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(I) Right-of-use assets (continued)

Company	Rented office RM	Motor vehicle RM	Total RM
2022			
At cost			
At 1 April 2021/31 March 2022	1,227,736	513,263	1,740,999
Accumulated depreciation			
At 1 April 2021	505,002	265,186	770,188
Charge for the financial year	262,812	102,653	365,465
At 31 March 2022	767,814	367,839	1,135,653
Net carrying amount			
At 31 March 2022	459,922	145,424	605,346
2021			
At cost			
At 1 April 2020	1,192,381	513,263	1,705,644
Additions	35,355	-	35,355
At 31 March 2021	1,227,736	513,263	1,740,999
Accumulated depreciation			
At 1 April 2020	251,028	162,533	413,561
Charge for the financial year	253,974	102,653	356,627
At 31 March 2021	505,002	265,186	770,188
Net carrying amount			
At 31 March 2021	722,734	248,077	970,811

(II) Lease liabilities

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
At beginning of financial year	1,793,190	1,395,212	869,029	1,113,128
Additions	102,528	767,425	-	35,355
Lease payments	(624,797)	(433,109)	(344,627)	(335,009)
Rent concessions	-	(1,350)	-	-
Interest expense	87,069	65,012	40,353	55,555
At end of financial year	1,357,990	1,793,190	564,755	869,029

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(II) Lease liabilities (continued)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Represented by:				
Current liabilities	548,446	511,969	322,114	304,275
Non-current liabilities	809,544	1,281,221	242,641	564,754
	1,357,990	1,793,190	564,755	869,029
Lease liabilities owing to financial institutions	185,884	261,659	64,744	105,660
Lease liabilities owing to non-financial institutions	1,172,106	1,531,531	500,011	763,369
	1,357,990	1,793,190	564,755	869,029

(a) The Group has certain leases of buildings with lease term of twelve (12) months or less, and low value leases of office equipment of RM5,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(b) The following are the amounts recognised in profit or loss:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Included in administration expenses:				
- Depreciation charge of right-of-use assets	618,079	469,889	365,465	356,627
- Expense relating to short-term leases	-	3,800	-	3,800
- Expense relating to leases of low-value assets	12,360	12,030	7,560	7,560
Interest expense on lease liabilities (included in finance costs)	87,069	65,012	40,353	55,555
Rental reduction arising from COVID-19 related rent concessions (included in other income)	-	(1,350)	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(c) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Included in net cash from operating activities:				
Payment relating to short-term and low value assets leases	12,360	15,830	7,560	11,360
Included in net cash from financing activities:				
Payment of lease liabilities	624,797	433,109	344,627	335,009
Total cash outflow for leases	637,157	448,939	352,187	346,369

(d) 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.

As at 31 March 2022, there are no undiscounted potential future rental payments that are not included in the lease term.

(e) 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 5.49% and 5.73% (2021: 5.51% and 5.73%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

9. INVESTMENT PROPERTIES

	Group	
	2022 RM	**2021 RM**
Carrying amount		
At beginning of financial year	63,272,997	-
Acquisition of subsidiaries (Note 11(c))	-	61,609,167
Additions	2,876,575	1,663,830
At end of financial year	66,149,572	63,272,997

(a) The investment properties consist of the following:

	Group	
	2022 RM	**2021 RM**
Freehold land, at cost	58,000,000	58,000,000
Construction-in-progress	8,149,572	5,272,997
	66,149,572	63,272,997

(b) Direct operating expenses arising from investment properties during the financial year are as follows:

	Group	
	2022 RM	**2021 RM**
Quit rent and assessment		
- not generating rental income	352	352

(c) The fair value of the freehold land of approximately RM58,000,000 (2021: RM58,000,000) at Level 3 was recommended by the Directors as at the end of reporting year based on comparison method that makes reference to recent market value of a similar property in the vicinity on a price per square feet basis. Any changes in the price per square feet will result in a reasonable change in the fair value of the investment property.

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.

(d) The Group has entered into a conditional tenancy agreement with a third party for investment property under construction, and collected advance tenancy deposit as disclosed in Note 20(d) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

10. INTANGIBLE ASSETS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Computer software				
At cost				
At beginning of financial year	234,371	754,842	220,000	220,000
Additions	-	14,371	-	-
Disposal of subsidiaries (Note 11(d))	-	(534,842)	-	-
	234,371	234,371	220,000	220,000
Accumulated amortisation				
At beginning of financial year	99,240	589,841	99,000	55,000
Charge for the financial year	46,874	44,240	44,000	44,000
Disposal of subsidiaries (Note 11(d))	-	(534,841)	-	-
	146,114	99,240	143,000	99,000
Net carrying amount	88,257	135,131	77,000	121,000

11. INVESTMENT IN SUBSIDIARIES

	Note	Company	
		2022 RM	2021 RM
At cost			
Unquoted equity shares			
At beginning of financial year		56,150,202	55,943,311
Acquisition of subsidiaries	11(c)	-	52,900,000
Disposal of subsidiaries	11(d)	-	(52,693,109)
At end of financial year		56,150,202	56,150,202
Accumulated impairment loss			
At beginning of financial year		102	52,193,109
Charge for the financial year		-	102
Disposal of subsidiaries	11(d)	-	(52,193,109)
At end of financial year		(102)	(102)
Unquoted equity shares, at cost		56,150,100	56,150,100
Equity loans	11(f)	131,490,850	136,913,955
		187,640,950	193,064,055

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

11. INVESTMENT IN SUBSIDIARIES (continued)

(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 2022 %	2021 %	Principal activities
Paragon Bizhub Sdn. Bhd. ("PBSB")#	100	100	Property development
PGBG Construction Sdn. Bhd. ("PGBG") #	100	100	Property development and building contractors
Paragon Globe Properties Sdn. Bhd. ("PGPSB") #	100	100	Property development (yet to commence operations)
Builtech Acres Sdn. Bhd. ("BASB") #	99.06	99.06	Property holding
Paragon Business Hub Sdn. Bhd. ("PBHSB")#	100	100	Dormant
Paragon Platinum Sdn. Bhd. ("PPSB")#	100	100	Dormant
(i) Subsidiary of BASB			
Sepang Medicity Sdn. Bhd. ("SMSB")#	99.06	99.06	Providing medical centre services (yet to commence operations)

Subsidiaries audited by BDO PLT.

(b) Costs of investment in PBHSB and PPSB amounted to RM102 had been fully impaired in previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

11. INVESTMENT IN SUBSIDIARIES (continued)

(c) Acquisition of subsidiaries

In previous financial years, the Company had entered into a conditional subscription agreement on even date with a Director of the Company, Dato' Sri Edwin Tan Pei Seng and BASB to subscribe 52,900,000 new shares representing approximately 99.06% of the enlarged issued share capital of BASB for a total cash consideration of RM52,900,000. The acquisition had been completed in previous financial year.

BASB has 100% equity interest in SMSB. Arising from the acquisition, these companies had become 99.06% owned subsidiaries of the Company.

The fair value of the identifiable assets and liabilities acquired and the effects on cash flows arising from the acquisitions in financial year 2021 were as follows:

	Note	At date of acquisition RM
Investment properties	9	61,609,167
Other receivables		50,000
Cash and bank balances		3,523
Other payables		(1,541,542)
Deferred tax liabilities	19	(5,084,530)
Total identified net assets		55,036,618
Non-controlling interests		(517,344)
Total deemed purchase consideration		54,519,274
Negative goodwill		(1,619,274)
Purchase consideration		52,900,000
Cash and cash equivalents of the subsidiaries acquired		(3,523)
Net cash outflow of the Group on acquisition		(52,896,477)

The acquisition of BASB Group did not materially affect the revenue and loss after tax of the Group for the financial year ended 31 March 2021 as BASB Group is in the midst of constructing its investment property and yet to commence any revenue generating activities.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

11. INVESTMENT IN SUBSIDIARIES (continued)

(d) Disposal of subsidiaries

In previous financial year, the Company has entered into a Share Sale Agreement with Marex Corporation Sdn. Bhd. to dispose 100% equity interest in Zone Nine Sdn. Bhd. ("ZNSB"), Bright Moore Sdn. Bhd. ("BMSB") and Capital Leap Sdn. Bhd. ("CLSB") for a total cash consideration of RM1,696,818. Upon the completion on 10 June 2020, ZNSB, BMSB and CLSB are no longer subsidiaries of the Company.

The financial effects of the disposals at the date of disposal in financial year ended 2021 were summarised below:

	Note	Group RM	Company RM
Investment in subsidiaries:			
- cost		-	52,693,109
- accumulated impairment loss		-	(52,193,109)
Investment in subsidiaries		-	500,000
Intangible assets	10	1	-
Plant and equipment	7	9,900	-
Other investments		52,719	-
Trade and other receivables		564,155	-
Cash and bank balances		1,564,944	-
Current tax assets		21,147	-
Trade and other payables		(15,481)	-
Carrying amount of net assets disposed of		2,197,385	500,000
(Loss)/Gain on disposals of subsidiaries		(500,567)	1,196,818
Total consideration from disposal		1,696,818	1,696,818
Less: Cash and bank balances of subsidiaries disposed of		(1,564,944)	-
Net cash inflows from disposal of subsidiaries		131,874	1,696,818

(e) Subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	NCI percentage of ownership interest and voting interest		Group	
	2022 %	2021 %	2022 RM	2021 RM
Carrying amount of NCI				
BASB Group	0.94	0.94	496,745	512,213
Loss for the financial year/ Total comprehensive loss allocated to NCI				
BASB Group			(15,468)	(5,131)

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

11. *INVESTMENT IN SUBSIDIARIES (continued)*

(e) *Subsidiaries of the Group that have non-controlling interests ("NCI") are as follows: (continued)*

Summarised financial information before intra-group elimination of subsidiaries that have NCI as at the end of each reporting period are as follows:

BASB Group	**2022 RM**	**2021 RM**
Assets and liabilities		
Non-current assets	66,754,836	64,035,470
Non-current liabilities	(5,535,714)	(5,679,858)
Current assets	806,185	254,619
Current liabilities	(9,180,084)	(4,119,515)
Net assets	52,845,223	54,490,716
Results		
Loss for the financial year/Total comprehensive loss for the financial year	(1,645,494)	(545,801)
Cash flows used in operating activities	(1,293,162)	(61,129)
Cash flows used in investing activities	(3,006,265)	(1,729,992)
Cash flows from financing activities	4,754,386	1,861,747
Net increase in cash and cash equivalents	454,959	70,626

(f) The Directors of the Company has assessed the nature of the amounts owing by subsidiaries and determined that an outstanding balance amounting to RM131,490,850 (2021: RM136,913,955) 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	
	2022 RM	**2021 RM**
At beginning of financial year	136,913,955	-
Additions	4,900,010	136,913,955
Repayments	(10,323,115)	-
At end of financial year	131,490,850	136,913,955

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

12. INVENTORIES

	Note	Group 2022 RM	Group 2021 RM
At cost			
Non-current			
Land held for property development	(a)	27,274,862	36,636,637
Current			
Completed properties		53,928,432	54,403,919
Property development costs	(b)	14,460,699	42,804,795
Land held for sales	(c)	10,196,920	-
		78,586,051	97,208,714

Land held for property development, property development costs and completed properties of the Group have been pledged to financial institutions as security for credit facilities granted to a subsidiary of the Company as disclosed in Note 18 to the financial statements.

(a) Land held for property development

Group	Freehold land RM	Development costs RM	Total RM
Balance as at 1 April 2021	36,400,000	236,637	36,636,637
Cost incurred during the financial year	-	835,145	835,145
Transfer to land held for sales (Note 12(c))	(9,846,000)	(350,920)	(10,196,920)
Balance as at 31 March 2022	26,554,000	720,862	27,274,862
Balance as at 1 April 2020	45,333,000	269,218	45,602,218
Cost incurred during the financial year	123,600	260,435	384,035
Transfer to property development costs (Note 12(b))	(9,056,600)	(293,016)	(9,349,616)
Balance as at 31 March 2021	36,400,000	236,637	36,636,637

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

12. INVENTORIES (continued)

(b) Property development costs

Group	Freehold land RM	Development costs RM	Total RM
Balance as at 1 April 2021	28,018,191	14,786,604	42,804,795
Cost incurred during the financial year	-	10,469,899	10,469,899
Recognised during the year	(4,274,703)	(6,802,498)	(11,077,201)
Transfer to completed properties held for sale	(10,698,621)	(17,038,173)	(27,736,794)
Balance as at 31 March 2022	13,044,867	1,415,832	14,460,699
Balance as at 1 April 2020	19,912,950	5,461,049	25,373,999
Cost incurred during the financial year	180,478	10,821,829	11,002,307
Recognised during the year	(1,131,837)	(1,789,290)	(2,921,127)
Transfer from land held for property development (Note 12(a))	9,056,600	293,016	9,349,616
Balance as at 31 March 2021	28,018,191	14,786,604	42,804,795

(c) Land held for sales

Group	Freehold land RM	Development costs RM	Total RM
Balance as at 1 April 2021	-	-	-
Transfer from land held for property development (Note 12(a))	9,846,000	350,920	10,196,920
Balance as at 31 March 2022	9,846,000	350,920	10,196,920
Balance as at 1 April 2020/31 March 2021	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade receivables				
Third parties	9,175,643	10,621,115	-	381
Other receivables				
Amounts owing by subsidiaries	-	-	837,602	92,384
Amounts owing by related parties	7,235	7,500	-	-
Other receivables	159,868	124,815	948	22,730
Deposits	13,308,093	12,495,246	98,800	105,800
	13,475,196	12,627,561	937,350	220,914
Less: Allowance for impairment losses				
- Other receivables	(39,000)	(39,000)	-	-
- Deposits	(19,300)	(19,300)	(19,300)	(19,300)
- Amounts owing by subsidiaries	-	-	(92,384)	(92,384)
	(58,300)	(58,300)	(111,684)	(111,684)
Total trade and other receivables	22,592,539	23,190,376	825,666	109,611
Prepayments	127,426	383,673	46,893	74,309
	22,719,965	23,574,049	872,559	183,920

(a) Trade receivables are non-interest bearing and the normal credit terms of the trade receivables granted by the Group and the Company range from 14 to 90 days (2021: 30 to 90 days). They are recognised at their original invoiced amounts, which represent their fair value on initial recognition.

(b) Amounts owing by subsidiaries and related parties are unsecured, interest-free and receivable within the next twelve (12) months.

(c) Trade and other receivables are denominated in Ringgit Malaysia ("RM").

(d) Included in deposits of the Group is an amount of RM12,192,444 (2021: RM12,192,444) and RM701,589 (2021: nil) paid in respect of freehold land acquisitions with details disclosed in Note 35(a) and 35(b) to the financial statements respectively.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

13. TRADE AND OTHER RECEIVABLES (continued)

(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 2022			
Not past due	8,532,240	-	8,532,240
Past due	643,403	-	643,403
	9,175,643	-	9,175,643
As at 31 March 2021			
Not past due	10,210,634	-	10,210,634
Past due	410,481	-	410,481
	10,621,115	-	10,621,115
Company			
As at 31 March 2021			
Past due	381	-	381

The Group assessed the risk of loss of trade receivables individually. No expected credit loss is recognised arising from trade receivables as it is negligible.

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.

(h) The reconciliation of movements in the impairment loss for other receivables is as follows:

	Group		**Company**	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Other receivables (credit impaired)				
At beginning of financial year	58,300	18,300	111,684	18,300
Charge				
- Other receivables	-	39,000	-	-
- Deposits	-	1,000	-	1,000
- Amount owing by subsidiaries	-	-	-	92,384
At end of financial year	58,300	58,300	111,684	111,684

Other receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. 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
31 MARCH 2022 (continued)

14. CONTRACT ASSETS

	Group 2022 RM	Group 2021 RM
Contract assets		
Construction contracts (Note a)	-	3,500,000
Property development contracts (Note b)	-	2,157,006
	-	5,657,006

(a) Contract assets from construction contracts

	Group 2022 RM	Group 2021 RM
At beginning of financial year	3,500,000	31,135,939
Revenue recognised during the year	-	864,061
Progress billings	(3,500,000)	(28,500,000)
At end of financial year	-	3,500,000

There are no revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of each reporting period.

(b) Contract assets from property development contracts

	Group 2022 RM	Group 2021 RM
At beginning of financial year	2,157,006	327,435
Revenue recognised during the year	14,730,442	3,287,558
Progress billings	(16,887,448)	(1,457,987)
At end of financial year	-	2,157,006

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 2022 RM	Group 2021 RM
Within 1 year	-	2,440,443

(c) No expected credit loss is recognised arising from contract assets as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

15. OTHER INVESTMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fair value through profit or loss				
Money market funds	63,690,854	38,656,642	47,323,434	31,510,075

(a) Other investments are denominated in Ringgit Malaysia ("RM").

(b) Information on the fair value hierarchy is disclosed in Note 33(d) to the financial statements.

(c) Information on financial risks of other investments is disclosed in Note 34 to the financial statements.

16. CASH AND BANK BALANCES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	50,149,938	2,646,606	43,850,279	332,568
Deposits with licensed banks	225,678	128,427	-	-
	50,375,616	2,775,033	43,850,279	332,568

(a) Deposits with licensed banks of the Group have maturity period of one (1) month (2021: one (1) month).

(b) As at the end of the reporting period, the deposits placed with licensed banks of the Group amounting to RM225,678 (2021: RM128,427) has been charged to financial institution 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	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	50,149,938	2,646,606	43,850,279	332,568
Deposits with licensed banks	225,678	128,427	-	-
	50,375,616	2,775,033	43,850,279	332,568
Less: Deposits pledged to licensed banks	(225,678)	(128,427)	-	-
	50,149,938	2,646,606	43,850,279	332,568

(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
31 MARCH 2022 (continued)

17. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares	RM	Number of shares	RM
Issued and fully paid up ordinary shares				
At beginning of financial year	186,655,833	203,227,909	186,652,833	203,224,196
Issuance of ordinary shares	559,967,499	55,996,750	3,000	3,713
At end of financial year	746,623,332	259,224,659	186,655,833	203,227,909

(a) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 186,655,833 ordinary shares to 746,623,332 ordinary shares by way of issuance of 559,967,499 new ordinary shares pursuant to renounceable right issue on the basis of three (3) new ordinary shares for every one (1) existing ordinary share held at an issue price of RM0.10 each for a total cash consideration of RM55,996,750.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(b) In the previous financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 186,652,833 ordinary shares to 186,655,833 ordinary shares by way of issuance of 3,000 new ordinary shares pursuant to 3,000 warrants exercised at an exercise price of RM1.00 each for cash.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(c) 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. BORROWING

	Group	
	2022 RM	2021 RM
Non-current liability		
Term loan		
- later than one (1) year	-	14,720,548

(a) Borrowing is denominated in Ringgit Malaysia ("RM").

(b) In previous financial year, term loan of the Group has 18 months grace period for repayment of principal sums from the first drawdown. The Group has early settled the term loan via redemption of titles due to inventories sold during the financial year.

(c) Term loan of the Group are secured by:

(i) Legal charges over inventories of the Group (Note 12);

(ii) Assignment of rental proceeds;

(iii) Specific debentures over the project; and

(iv) Corporate guarantee by the Company.

(d) Information on financial risks of borrowing and its remaining maturity is disclosed in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

19. DEFERRED TAX LIABILITIES

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
At beginning of financial year	4,841,332	48,000	-	32,000
Acquisition of subsidiaries (Note 11(c))	-	5,084,530	-	-
Recognised in profit or loss (Note 27)	(202,440)	(291,198)	-	(32,000)
At end of financial year (presented after appropriate offsetting)	4,638,892	4,841,332	-	-

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group	**Plant and equipment and investment properties RM**	**Other temporary differences RM**	**Total RM**
At 1 April 2021	5,084,530	(243,198)	4,841,332
Recognised in profit or loss	-	(202,440)	(202,440)
At 31 March 2022	5,084,530	(445,638)	4,638,892
At 1 April 2020	48,000	-	48,000
Recognised in profit or loss	(48,000)	(243,198)	(291,198)
Acquisition of subsidiaries (Note 11(c))	5,084,530	-	5,084,530
At 31 March 2021	5,084,530	(243,198)	4,841,332

Company	**Plant and equipment RM**
At 1 April 2021/31 March 2022	-
At 1 April 2020	32,000
Recognised in profit or loss	(32,000)
At 31 March 2021	-

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

19. DEFERRED TAX LIABILITIES (continued)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unused tax losses				
- Expires by 31 March 2027	-	1,033,000	-	1,033,000
- Expires by 31 March 2028	-	1,854,000	-	418,000
- Expires by 31 March 2030	1,033,000	-	1,033,000	-
- Expires by 31 March 2031	407,000	-	407,000	-
- Expires by 31 March 2032	1,153,000	-	1,153,000	-
Unabsorbed capital allowances				
- No expiry date	73,000	1,000	73,000	-
	2,666,000	2,888,000	2,666,000	1,451,000

Deferred tax assets of the Company and certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits would be available against which the deductible temporary differences could be utilised in near future.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the tax authority.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables				
Third parties	3,041,225	4,671,724	-	-
Other payables				
Other payables	242,315	514,355	85,868	83,912
Amount owing to related parties	4,236	7,055	4,236	1,507
Accruals	2,949,885	3,335,044	103,965	29,640
Deposits	1,898,204	1,766,204	-	-
Earnest deposit from purchasers	1,786,054	1,232,167	-	-
	6,880,694	6,854,825	194,069	115,059
	9,921,919	11,526,549	194,069	115,059

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group is 30 days (2021: 30 days).

(b) Amounts owing to related parties are unsecured, interest-free and payable upon demand.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

20. TRADE AND OTHER PAYABLES (continued)

(c) Included in trade payables of the Group are retention sums of RM1,979,364 (2021: RM2,700,846).

(d) Included in deposits of the Group is an amount of RM1,500,000 (2021: RM1,500,000) advance conditional tenancy deposit received in relation to investment property under construction of Group as disclosed in Note 9 to the financial statements.

(e) Trade and other payables are denominated in Ringgit Malaysia ("RM").

(f) Information on financial risks of trade and other payables is disclosed in Note 34 to the financial statements.

21. COMMITMENTS

		Group	
		2022 RM	**2021 RM**
(i)	**Capital commitment**		
	Capital expenditure in respect of investment property under construction:		
	Approved but not contracted for	91,478,000	93,913,000
	Contracted but not provided for	4,286,000	4,762,000
		95,764,000	98,675,000
(ii)	**Commitment**		
	Commitment in respect of purchase of land held for property development		
	Contracted but not provided for (Note 35(a))	48,769,776	48,769,776

22. CONTINGENT LIABILITIES

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Secured				
Bank guarantees given to third parties				
- Limit of guarantee	271,000	146,700	-	-
- Amount utilised	195,000	146,700	-	-
Corporate guarantees given to a licensed bank for banking facilities granted to subsidiaries				
- Limit of guarantee	-	-	61,190,000	61,190,000
- Amount utilised	-	-	-	14,720,548

Bank guarantees given to third parties are secured by deposits placed with licensed bank.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

23. REVENUE

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue from contracts with customers				
Recognised over time:				
Property development	14,730,442	3,287,558	-	-
Construction contracts	-	864,061	-	-
	14,730,442	4,151,619	-	-
Recognised at point in time:				
Sales of completed properties	39,492,000	17,344,000	-	-
Others				
Distribution income from other investments	578,355	1,062,797	550,427	861,896
Interest income	30,233	41,352	30,233	41,352
Rental income from non-current asset held for sale	-	4,800	-	4,800
Management fees	-	-	1,740,000	1,821,000
	608,588	1,108,949	2,320,660	2,729,048
	54,831,030	22,604,568	2,320,660	2,729,048

24. COST OF SALES

	Group 2022 RM	Group 2021 RM
Construction contracts costs	-	1,551,121
Property development costs	11,077,201	2,921,127
Sales of completed properties	30,097,840	12,252,296
	41,175,041	16,724,544

25. FINANCE COSTS

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Interest expenses on:				
- bank overdrafts	60,000	74,904	-	-
- lease interest expense	87,069	65,012	40,353	55,555
- term loans	166,566	943,059	-	-
	313,635	1,082,975	40,353	55,555

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

26. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is arrived at:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
After charging:				
Auditors' remuneration				
- Statutory audit	85,000	84,050	50,000	47,800
- Under provision in prior year	-	1,000	-	-
- Non-statutory audit	2,200	2,200	2,200	2,200
Bad debt written off	381	-	381	-
Loss on disposal of money market funds	-	78,258	-	98,440
And crediting:				
Fair value gain on other investments	(289,571)	(87,405)	(243,274)	(96,467)
Gain on disposal of:				
- non-current asset held for sale	-	(866,000)	-	(866,000)
- money market funds	(293,201)	-	(290,397)	-
- quoted shares	-	(989)	-	(989)
Interest income (included in other income)	(32,021)	(10,194)	-	-

27. TAXATION

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Current tax expense based on profit for the financial year:				
- current year	1,000,000	-	-	-
- over provision in prior years	-	(6,802)	-	-
	1,000,000	(6,802)	-	-
Deferred tax (Note 19)				
- relating to origination and reversal of temporary differences	(202,440)	(258,549)	-	-
- over provision in prior years	-	(32,649)	-	(32,000)
	(202,440)	(291,198)	-	(32,000)
	797,560	(298,000)	-	(32,000)

(a) The Malaysian income tax is calculated at the statutory rate of 24% (2021: 24%) of the estimated taxable profits for the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

27. TAXATION (continued)

(b) The numerical reconciliation between the tax expense 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	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Profit/(Loss) before tax	1,957,928	(2,149,333)	(1,842,751)	884,672
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	469,903	(515,840)	(442,260)	212,321
Tax effects in respect of:				
Non-allowable expenses	589,781	461,702	278,585	182,533
Non-taxable income	(209,184)	(649,565)	(128,081)	(495,116)
Utilisation of previous unrecognised deferred tax assets	(52,940)	-	-	-
Deferred tax assets not recognised	-	445,154	291,756	100,262
	797,560	(258,549)	-	-
Over provision in prior years				
- current tax	-	(6,802)	-	-
- deferred tax	-	(32,649)	-	(32,000)
	797,560	(298,000)	-	(32,000)

(c) Tax on each component of other comprehensive income was as follows:

Group	**Before tax RM**	**Tax effect RM**	**After tax RM**
Items that may be reclassified subsequently to profit or loss			
2021			
Other investments			
- reclassification to profit or loss	13,826	-	13,826
Company			
Items that may be reclassified subsequently to profit or loss			
2021			
Other investments			
- reclassification to profit or loss	27,393	-	27,393

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

28. EARNINGS/(LOSS) PER ORDINARY SHARE

(a) Basic

Basic earnings/(loss) per ordinary share for the financial year is calculated by dividing the profit/ (loss) 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	
	2022 RM	**2021 RM**
Profit/(Loss) attributable to equity holders of the parent ("RM")	1,175,836	(1,846,202)
Weighted average number of ordinary shares in issue	478,145,764	186,655,751
Basic earnings/(loss) per ordinary share (sen)	0.25	(0.99)

(b) Diluted

Diluted earnings/(loss) per ordinary share for the current and previous financial years is equal to the basic earnings/(loss) 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	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Salaries, allowances and bonuses	4,253,744	3,498,928	2,597,199	2,151,293
Defined contribution plan	497,434	408,740	291,626	242,708
Other employee benefits	45,275	33,439	23,039	16,803
	4,796,453	3,941,107	2,911,864	2,410,804

Included in the employee benefits of the Group and of the Company are Directors' remuneration of RM1,567,607 (2021: RM1,255,780).

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

30. DIRECTORS' REMUNERATION

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Executive Directors of the Company:				
- Other emoluments	1,567,607	1,255,780	1,567,607	1,255,780
Estimated money value of benefits-in-kind	42,400	28,000	42,400	28,000
	1,610,007	1,283,780	1,610,007	1,283,780
Executive Directors of the subsidiaries:				
- Fees	66,000	31,000	-	-
Total Executive Directors' remuneration	1,676,007	1,314,780	1,610,007	1,283,780
Non-executive Directors of the Company:				
- Fees	240,000	240,000	240,000	240,000
- Other emoluments	11,500	18,510	11,500	18,510
	251,500	258,510	251,500	258,510
Total Directors' remuneration including benefits-in-kind	1,927,507	1,573,290	1,861,507	1,542,290

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 related party relationship with its direct and indirect subsidiaries and ultimate holding company. In addition, the Company also has related party relationships with the following parties whereby the Directors of the Company, Dato' Sri Edwin Tan Pei Seng and Dato' Sri Godwin Tan Pei Poh have interests:

(i) Amprojek Construction Sdn. Bhd.;

(ii) Castle Inn Realty Sdn. Bhd.;

(iii) Flagship Builders Sdn. Bhd.;

(iv) Chempaka Logistik Sdn. Bhd. and Dato' Jeffrey Lai Jiun Jye is a Director; and

(v) Hotel Grand Paragon Sdn. Bhd..

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

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	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Transaction with subsidiaries				
- Management fee income	-	-	(1,740,000)	(1,821,000)
Transaction with related parties				
- Lease payments	310,500	308,381	300,000	290,381
- Construction revenue	-	(864,061)	-	-
- Administration expenses	6,671	10,427	5,108	7,540
Transaction with Director				
- Acquisition of subsidiaries	-	-	-	52,900,000
- Lease payments	174,750	6,991	-	-

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.

(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	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Directors' remuneration including estimated money value of benefits-in-kind (Note 30)	1,927,507	1,573,290	1,861,507	1,542,290
Other key management personnel's remuneration	980,321	1,144,652	532,902	505,764
	2,907,828	2,717,942	2,394,409	2,048,054

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

32. OPERATING SEGMENTS (continued)

	Investments RM	Property development RM	Construction RM	Elimination RM	Total RM
2022					
External customers	580,660	54,250,370	-	-	54,831,030
Inter-segment revenue	1,740,000	-	9,903,307	(11,643,307)	-
Total revenue	2,320,660	54,250,370	9,903,307	(11,643,307)	54,831,030
Interest income	121	31,900	-	-	32,021
Finance costs	(78,360)	(235,275)	-	-	(313,635)
Net finance expense	(78,239)	(203,375)	-	-	(281,614)
Other non-cash items:					
Amortisation of intangible assets	(44,000)	(2,874)	-	-	(46,874)
Depreciation of:					
- plant and equipment	(44,428)	(16,624)	(3,567)	-	(64,619)
- right-of-use assets	(517,980)	(100,099)	-	-	(618,079)
Fair value gain on other investments	243,274	46,297	-	-	289,571
Gain on disposals on money market funds	290,397	2,804	-	-	293,201
Bad debt written off	381	-	-	-	381
Segment (loss)/profit before tax	(3,530,239)	4,980,976	884,089	(376,898)	1,957,928
Additions to non-current assets:					
- investment properties	2,876,575	-	-	-	2,876,575
- land held for property development	-	835,145	-	-	835,145
- plant and equipment	14,980	4,408	19,865	-	39,253
- right-of-use assets	-	102,528	-	-	102,528
Segment assets	310,251,396	139,704,976	4,688,718	(142,850,799)	311,794,291
Segment liabilities	4,494,474	8,296,782	2,908,680	218,865	15,918,801

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

32. OPERATING SEGMENTS (continued)

	Investments RM	Property development RM	Construction RM	Elimination RM	Total RM
2021					
External customers	908,048	20,832,459	864,061	-	22,604,568
Inter-segment revenue	1,821,000	-	10,516,489	(12,337,489)	-
Total revenue	2,729,048	20,832,459	11,380,550	(12,337,489)	22,604,568
Interest income	2,992	7,202	-	-	10,194
Finance costs	(57,230)	(1,025,745)	-	-	(1,082,975)
Net finance expense	(54,238)	(1,018,543)	-	-	(1,072,781)
Other non-cash items:					
Amortisation of intangible assets	(44,000)	(240)	-	-	(44,240)
Depreciation of:					
- plant and equipment	(39,358)	(15,917)	-	-	(55,275)
- right-of-use assets	(362,728)	(107,161)	-	-	(469,889)
Fair value gain/(loss) on other investments	96,467	(9,062)	-	-	87,405
(Loss)/Gain on disposals of:					
- money market funds	(98,440)	20,182	-	-	(78,258)
- non-current asset held for sale	866,000	-	-	-	866,000
- quoted shares	989	-	-	-	989
Impairment losses on other receivables and deposit	(1,000)	(39,000)	-	-	(40,000)
Negative goodwill	1,619,274	-	-	-	1,619,274
Plant and equipment written off	(331)	-	-	-	(331)
Segment profit/(loss) before tax	283,569	(1,531,278)	(58,239)	(843,385)	(2,149,333)
Additions to non-current assets:					
- intangible assets	-	14,371	-	-	14,371
- investment properties	1,663,830	-	-	-	1,663,830
- land held for property development	-	384,035	-	-	384,035
- plant and equipment	46,670	10,200	-	-	56,870
- right-of-use assets	767,425	-	-	-	767,425
- investment in subsidiaries	52,900,000	-	-	(52,900,000)	-
Segment assets	252,348,721	158,235,237	14,552,415	(153,536,382)	271,599,991
Segment liabilities	3,958,320	30,743,897	3,397,473	(5,218,071)	32,881,619

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

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:

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Borrowings (excluding lease liabilities owing to financial institutions)	18	-	14,720,548	-	-
Equity attributable to owners of the Company		295,378,745	238,206,159	279,858,518	225,704,519
Gearing ratio		-	6%	-	-

(b) Financial instruments

<u>Categories of financial instruments</u>

Group	2022 RM	2021 RM
Financial assets		
Fair value through profit or loss		
Other investments	63,690,854	38,656,642
Amortised cost		
Trade and other receivables, net of prepayments	22,592,539	23,190,376
Cash and bank balances	50,375,616	2,775,033
	72,968,155	25,965,409
	136,659,009	64,622,051
Financial liabilities		
Amortised cost		
Trade and other payables	9,921,919	11,526,549
Borrowing	-	14,720,548
	9,921,919	26,247,097

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

33. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

Categories of financial instruments (continued)

Company	2022 RM	2021 RM
Financial assets		
Fair value through profit or loss		
Other investments	47,323,434	31,510,075
Amortised cost		
Trade and other receivables, net of prepayments	825,666	109,611
Cash and bank balances	43,850,279	332,568
	44,675,945	442,179
	91,999,379	31,952,254
Financial liabilities		
Amortised cost		
Trade and other payables	194,069	115,059

(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 funds

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 bank for banking facilities granted to a subsidiary and financial guarantees to third parties for supply of services to a subsidiary. The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary borrowing in view of the securities pledged by the subsidiary as disclosed in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

33. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table set out the financial instruments carried at fair value, together with their fair value and carrying amount shown in the statements of financial position:

	Fair value of financial instruments carried at fair value			Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
2022					
Group					
Fair value through profit or loss					
Other investments	-	63,690,854	-	63,690,854	63,690,854
Company					
Fair value through profit or loss					
Other investments	-	47,323,434	-	47,323,434	47,323,434
2021					
Group					
Fair value through profit or loss					
Other investments	-	38,656,642	-	38,656,642	38,656,642
Company					
Fair value through profit or loss					
Other investments	-	31,510,075	-	31,510,075	31,510,075

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

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 trade 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 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.

Information regarding credit exposure for trade and other receivables is disclosed in Note 13 to the financial statements.

<u>Credit risk concentration profile</u>

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 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in the future. To mitigate this risk, the management measures and forecasts its cash commitments, monitors and maintain a level of cash and cash equivalents and credit facilities deemed adequate to finance the Group's operations and development activities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
As at 31 March 2022				
Financial liabilities				
Group				
Trade and other payables	9,921,919	-	-	9,921,919
Lease liabilities	607,308	856,703	-	1,464,011
Financial guarantee*	271,000	-	-	271,000
Total undiscounted financial liabilities	10,800,227	856,703	-	11,656,930
Company				
Trade and other payables	194,069	-	-	194,069
Lease liabilities	344,628	247,274	-	591,902
Financial guarantee*	61,190,000	-	-	61,190,000
Total undiscounted financial liabilities	61,728,697	247,274	-	61,975,971
As at 31 March 2021				
Financial liabilities				
Group				
Trade and other payables	11,526,549	-	-	11,526,549
Borrowing	656,311	15,678,263	-	16,334,574
Lease liabilities	595,308	1,385,502	-	1,980,810
Financial guarantee*	146,700	-	-	146,700
Total undiscounted financial liabilities	12,924,868	17,063,765	-	29,988,633
Company				
Trade and other payables	115,059	-	-	115,059
Lease liabilities	344,628	591,902	-	936,530
Financial guarantee*	61,190,000	-	-	61,190,000
Total undiscounted financial liabilities	61,649,687	591,902	-	62,241,589

* This disclosure represents the maximum liquidity risk exposure.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

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 %	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total RM
31 March 2022							
Fixed rates							
Deposits with licensed banks	16	1.50	225,678	-	-	-	225,678
31 March 2021							
Fixed rates							
Deposits with licensed banks	16	1.50	128,427	-	-	-	128,427
Floating rate							
Borrowing	18	4.46	-	-	14,720,548	-	14,720,548

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	
	2022 RM	**2021 RM**
Profit/(Loss) after tax		
-Increase by 1% (2021: 1%)	-	(111,876)
-Decrease by 1% (2021: 1%)	-	111,876

The sensitivity for the Group is lower in 2022 than in 2021 because of settlement of borrowing during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022 (continued)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Market price risk

Market price risk is the risk that the fair value of future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market prices.

The Group and the Company is exposed to market price risks arising from other investments held by the Group and the Company. The maximum exposure of the Group and the Company to price risk is represented by the total carrying amount of the other investments recognised in the statements of financial position as disclosed in Note 15 to the financial statements. There has been no change to the exposure of the Group and of the Company to market risk or the manner in which the risk is managed and measured.

As the investment in money market fund are mainly cash funds or money market placement where the risk of analysis in value is insignificant, the Directors were of the opinion that the Company was not subject to significant exposure to price risk and accordingly, no sensitivity analysis was being presented at the end of each financial year.

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 5 December 2019, PGPSB, a wholly owned subsidiary of the Company, had entered into a Sale and Purchase Agreement ("SPA") with a third party ("the Vendor") to acquire a freehold land, for a purchase consideration of RM60,962,220. The amount paid to the Vendor of RM12,192,444 had been recognised as deposit as disclosed in Note 13(d) to the financial statements.

The Company and the Vendor have entered into Supplemental Agreements ("SAs") and further extended the completion period to 4 September 2022 from 4 December 2021 to allow completion of the Conditions Precedents. Subject to the terms and conditions stipulated in the SPA and SAs, the transaction is yet to be completed as at the financial year end, therefore the balance amount of RM48,769,776 had been disclosed as commitment in Note 21 to the financial statements.

(b) On 31 March 2022, PPSB, a wholly owned subsidiary of the Company, has made a conditional proposal to third parties (collectively known as "the Vendors") to acquire three (3) pieces of freehold land located in Mukim of Plentong, Johor Bahru and placed a deposit amounted to RM701,589 with Vendors' solicitor as stakeholder, which has been recognised as deposit as disclosed in Note 13(d) to the financial statements.

Subsequently, on 24 June 2022, PPSB and these Vendors has entered into formal Sale and Purchase Agreements ("SPAs") for the acquisition of abovementioned freehold land for total purchase consideration of RM38,079,420 and paid an additional deposit of RM3,106,353 upon signing of the SPAs. Subject to the terms and conditions stipulated in the SPAs, the transaction is yet to be completed as at the reporting date.

ANALYSIS OF SHAREHOLDINGS
AS AT 4 JULY 2022

A. SHARE CAPITAL

Total Number of Issued Shares	:	746,623,332
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote for each ordinary shares held

B. ANALYSIS OF SHAREHOLDINGS

Number of Holders	Size of Holdings	Total Holdings	Percentage of Holdings (%)
89	Less than 100	1,597	0.000
295	100 to 1,000	176,142	0.024
577	1,001 to 10,000	2,807,668	0.376
520	10,001 to 100,000	19,259,825	2.580
142	100,001 to less than 5% of Issued Shares	276,237,700	36.998
2	5% and above	448,140,400	60.022
1,625		746,623,332	100.000

C. THIRTY LARGEST SHAREHOLDERS

	Name of Shareholder	Number of Shares	Percentage of Shares (%)
1.	Paragon Adventure Sdn Bhd	374,810,000	50.200
2.	Tan Sri Dato' Tan Hua Choon	73,330,400	9.821
3.	Denzel Wilson Kuosastra	36,000,000	4.821
4.	Indobonus Sdn Bhd	26,731,400	3.580
5.	Ong Wee Lieh	22,400,000	3.000
6.	Chew Huat Heng	20,000,000	2.678
7.	Maybank Securities Nominees (Asing) Sdn Bhd Pledged Securities Account for Ong Har Hong	16,000,000	2.142
8.	Tan Wei Lun	16,000,000	2.142
9.	Neoh Poh Lan	15,447,400	2.068
10.	Chew Huat Heng	15,200,000	2.035
11.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Paragon Adventure Sdn Bhd	12,000,000	1.607
12.	Lee Pui Inn	11,077,200	1.483
13.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for Bank of Singapore Limited (Local)	6,000,000	0.803
14.	Tan Ban Aik	4,950,800	0.663

ANALYSIS OF SHAREHOLDINGS AS AT 4 JULY 2022 *(continued)*

C. THIRTY LARGEST SHAREHOLDERS (continued)

	Name of Shareholder	Number of Shares	Percentage of Shares (%)
15.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koh Kin Lip	3,250,000	0.435
16.	Gui Ah Tee	2,870,900	0.384
17.	Lim Yong Hiang	2,845,600	0.381
18.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Rickoh Corporation Sdn. Bhd.	2,817,800	0.377
19.	Ng Shih Chiow	2,799,100	0.374
20.	Law Wei Hong	2,700,000	0.361
21.	Yong Cheen Yau	2,639,200	0.353
22.	Lim Chin Po	2,006,600	0.268
23.	Sim Keng Chor	2,000,000	0.267
24.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheong Yow Kien	1,878,300	0.251
25.	Seah Ley Hong	1,828,400	0.244
26.	RHB Capital Nominees (Tempatan) Sdn Bhd Tan Kar Ho	1,755,000	0.235
27.	Tang Lit Hiang	1,672,600	0.224
28.	Khew Chien Xing	1,353,300	0.181
29.	Lee Chiew	1,320,000	0.176
30.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Tien Sze	1,300,000	0.174

ANALYSIS OF SHAREHOLDINGS
AS AT 4 JULY 2022 (continued)

D. SUBSTANTIAL SHAREHOLDERS

According to the Register required to be kept under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

	Direct Interect	%	No. of Shares Deemed Interest	%
1. Paragon Adventure Sdn Bhd	386,810,000	51.808	-	-
2. Tan Sri Dato' Tan Hua Choon	73,330,400	9.821	-	-
3. Dato' Sri Edwin Tan Pei Seng^	175,200	0.023	386,810,000	51.008
4. Dato' Sri Godwin Tan Pei Poh^	8,000	0.001	386,810,000	51.008

E. DIRECTORS' SHAREHOLDINGS

According to the Register required to be kept under Section 59 of the Companies Act 2016, the following are the shareholdings of the Directors of the Company:

	Direct Interect	%	No. of Shares Deemed Interest	%
1. Dato' Sri Edwin Tan Pei Seng^	175,200	0.023	386,810,000	51.008
2. Dato' Sri Godwin Tan Pei Poh^	8,000	0.001	386,810,000	51.008
3. Leong Siew Foong	-	-	-	-
4. Tee Boon Hin	-	-	-	-
5. Dato' Haji Ismail Bin Karim	-	-	-	-
6. Tan Sri Datuk Wira Dr. Haji Mohd Shukor Bin Hj Mahfar	-	-	-	-
7. Dato' Jeffrey Lai Jiun Jye	-	-	-	-

Note:
^ Deemed interested by virtue of his substantial indirect interest in Paragon Adventure Sdn Bhd

LIST OF GROUP PROPERTIES
AS AT 31.03.2022

Company	Address	Description	Existing Use	Tenure	Net Book Value RM'000	Date of acquisition (A) / Date of completion (C) / Date of revaluation (R)
1. Paragon Bizhub Sdn Bhd	HSD 15022 - 15024 PTD 14294 - 14296 Mukim Jeram Batu Daerah Pontian Johor	Approx. 3 acres of land approved for commercial developments comprising a hotel, a restaurant and a petrol station	Development in progress	Freehold	14,461	2017 (A) / 2018 (C)
2. Paragon Bizhub Sdn Bhd	GRN 537527-537533 Lot 68974-68980 GRN 537539-537540 Lot 68982-68983 Mukim Jeram Batu Daerah Pontian Johor	Approx. 17 acres of 9 parcels of vacant industrial land	Vacant land	Freehold	30,546	2017 (A) / 2018 (C)
3. Paragon Bizhub Sdn Bhd	HSD 11964 PTD 11720 Mukim Jeram Batu Daerah Pontian Johor	Approx. 4 acres of hostel land	Vacant land	Freehold	6,926	2017 (A) / 2018 (C)
4. Builtech Acres Sdn Bhd	Lot 5244 Mukim Labu Daerah Sepang Selangor	Approx. 7.07 acres of land approved for developments comprising medical centre	Development in progress	Freehold	31,120	2019 (R)
5. Builtech Acres Sdn Bhd	Lot 3509 Mukim Labu Daerah Sepang Selangor	Approx. 19.558 acres of vacant land	Vacant land	Freehold	35,030	2019 (R)
					118,083	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventy-Fifth Annual General Meeting ("75th 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 Monday, 12 September 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following Ordinary Resolutions: -

AGENDA
ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon.	**Please refer Explanatory Note A**
2. To re-elect the following Directors who retire during the year in accordance with the Company's Constitution and being eligible, offer themselves for re-election:	
(a) Dato' Haji Ismail bin Karim - Article 106	**ORDINARY RESOLUTION 1**
(b) Dato' Jeffrey Lai Jiun Jye - Article 106	**ORDINARY RESOLUTION 2**
(c) Leong Siew Foong - Article 112	**ORDINARY RESOLUTION 3**
3. To approve the proposed payment of Non-Executive Directors' Fees totaling RM258,000 for the financial year ending 31 March 2023 in the following manner:	
(a) RM66,000 to Tee Boon Hin	**ORDINARY RESOLUTION 4**
(b) RM66,000 to Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj Mahfar	**ORDINARY RESOLUTION 5**
(c) RM66,000 to Dato' Haji Ismail bin Karim	**ORDINARY RESOLUTION 6**
(d) RM60,000 to Dato' Jeffrey Lai Jiun Jye	**ORDINARY RESOLUTION 7**
4. To approve the payment of Non-Executive Directors' Allowances up to an amount of RM100,000 for the period from 13 September 2022 to the next AGM of the Company.	**ORDINARY RESOLUTION 8**
5. To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	**ORDINARY RESOLUTION 9**

NOTICE OF ANNUAL GENERAL MEETING (continued)

AGENDA
SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions: -

6. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75(1) AND 76(1) OF THE COMPANIES ACT 2016** **ORDINARY RESOLUTION 10**

   "**THAT** pursuant to Sections 75(1) and 76(1) of the Companies Act 2016 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, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this ordinary resolution does not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) for the time being and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad **AND THAT** such authority conferred by this ordinary resolution shall commence upon passing this ordinary resolution until:

   (a) the conclusion of the annual general meeting held next after the approval was given; or

   (b) the expiry of the period within which the next annual general meeting is required to be held after the approval was given.

   whichever occurs first

   and that the Directors are exempted from the obligation to offer such New Shares first to existing shareholders pursuant to Section 85 of the Companies Act, 2016 in respect of the issuances of the New Shares pursuant to this mandate;

   FURTHER THAT the New Shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such New Shares."

NOTICE OF ANNUAL GENERAL MEETING (continued)

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed Renewal Shareholders' Mandate")** **ORDINARY RESOLUTION 11**

   "**THAT** approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties mentioned under Section 2.4.1 of the Circular to Shareholders dated 29 July 2022 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 Annual General Meeting of the Company at which such Proposed Renewal Shareholders' Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the Annual General Meeting whereby the authority is renewed, either unconditionally or subject to conditions; or

   (b) the expiration of the period within the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016, ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

   (c) revoked or varied by resolution passed by the shareholders in general meeting,

   whichever is earlier. "

8. To transact any other business appropriate to an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

LEONG SIEW FOONG,
MAICSA No. 7007572 (CCM PC No.: 202008001117)
SANTHI A/P SAMINATHAN,
MAICSA No. 7069709 (CCM PC No.: 201908002933)

Company Secretaries

Johor Bahru
29 July 2022

NOTICE OF ANNUAL GENERAL MEETING (continued)

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote on his(her) behalf.

2. Where a Member entitled to vote on a resolution has appointed more than one (1) proxy, the proxies shall only be entitled to vote on poll provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.

3. The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.

4. Where a Member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for Omnibus Account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Accounts it holds. Where a Member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

5. Every Member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the meeting of Members and that such proxy need not be a Member.

6. The Proxy Form shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to submit proxy appointment electronically via TIIH Online at **https://tiih.online** not less than 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 75th AGM for the electronic lodgement of Proxy Form.

ORDINARY BUSINESS: -

Audited Financial Statements for financial year ended 31 March 2022 - Explanatory Note A

7. This Agenda item is meant for discussion only as the audited financial statements do not require formal approval of shareholders pursuant to 340 (1)(a) of the Companies Act 2016. Hence, the matter will not be put for voting.

Re-election of Directors who retire in accordance with Articles 106 and 112 of the Company's Constitution

8. Article 106 of the Company's Constitution provides that one-third (1/3) or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. With the current Board size of seven (7), two (2) Directors are to retire in accordance with Article 106 of the Company's Constitution provided that all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election. Article 112 of the Company's Constitution provides that newly appointed Director shall retire in the forthcoming AGM. The Company has also complied with the minimum requirement of independent directors, ie 1/3 of its board composition consists of independent directors. In the event of any vacancy in the board of directors, resulting in non-compliance of minimum independent director requirement, such vacancy must be filled within 3 months.

Re-election of Directors who retire in accordance with Articles 106 and 112 of the Company's Constitution (continued)

For the purpose of determining the eligibility of the Directors to stand for re-election at the 75th AGM, the Nomination Committee ("NC") has considered the following:

(1) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities; and

(2) The level of independence demonstrated by each of the Non-Executive Directors ("NEDs"), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

In line with the Malaysian Code on Corporate Governance ("MCCG"), the Board has conducted an assessment of independence of the NEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The individual Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance.

The retiring Directors had critically challenged and asked questions confidently for all issues deliberated in the meetings. They actively participated in the meetings by providing constructive views and advice during the discussions. They also shared their experiences of all issues discussed in the meetings. Each of the NEDs has also performed self-assessment based on the criteria of independence as defined under paragraph 1.01 of the MMLR of Bursa Securities.

Premised on the annual assessment results, the individual Directors (including retiring Director) met the performance criteria required of the Company. Hence, the Board accepted the NC's recommendation that the Directors who retire in accordance with Articles 106 and 112 of the Company's Constitution are eligible to stand for re-election at the relevant Board meeting.

Directors' remuneration

9. Ordinary Resolutions 4 to 8, pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Guidance 7.2 of Malaysian Code on Corporate Governance requires each and every non-executive director's fee and benefit to be table individually in the forthcoming AGM. In this respect, the Board agreed that the shareholders' approval shall be sought at 75th AGM on the Directors remuneration in two (2) separate resolutions as below: -

   (a) Resolutions 4 to 7 on payment of Directors' fees in respect of the financial year ending 31 March 2023 ("FY2023"); and

   (b) Resolution 8 on the payment of Directors' benefits from 75th AGM to the next AGM in 2023 ("Relevant Period")

Directors' fees

10. The Board decided that the NEDs' fees for FY2022 be increased nominally in view of the performance of the Company and the current global economy. The detailed NEDs' fees are contained in page 65 of Corporate Governance Overview Statement.

    The payment of the NEDs' fees in respect FY2023 will only be made provided Ordinary Resolutions 4 to 7 have been passed at 75th AGM.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Directors' remuneration (excluding Directors' fees)

11. The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to NEDs. Benefits are to reimburse NEDs' travelling expenses to attend meetings of Company. In addition, benefits comprise meeting allowances that are payable to all the NEDs. Payment of benefits to the NEDs will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company of the Relevant Period, based on the proposed benefits, if the proposed Ordinary Resolution 8 is passed at the forthcoming Annual General Meeting.

    The Board is of the view that it is just and equitable for the Directors to be paid the Directors' benefits (excluding Directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company in the respective financial year.

    The total amount of benefits payable to NEDs is estimated to be up to RM100,000 for the Relevant Period after taking into account of several factors including the number of scheduled meetings to be held during the Relevant Period.

    Based on the schedule of meetings held in FY2022 until first quarter of 2022, an amount of RM11,500 has been utilised to pay the benefits to the Directors.

    NEDs who are shareholders of the Company will abstain from voting on Ordinary Resolution 8 at the 75th AGM.

Appointment of Auditors

12. Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs BDO PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. Messrs BDO PLT, have indicated their willingness to continue their service until the conclusion of the 75th AGM.

    An annual assessment on the suitability and independence of BDO and the results were made known to Audit Committee. Amongst the criteria considered in the assessment,

    (a) the adequacy of the experience and resources of BDO in terms of the firm and the professional staff assigned to the audit;

    (b) independence of BDO and the level of non-audit services to be rendered by BDO to Company for FY2022, the number and experience of supervisory and professional staff assigned to the particular audit.

    Audit Committee took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at the private meetings, which demonstrated their independence, objectivity and professionalism. BDO also presented to Audit Committee its Annual Transparency Report.

    Audit Committee was satisfied with the suitability of BDO and recommended to the Board the re-appointment of BDO as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. The Board at its meeting held on 19 July 2022 accepted Audit Committee's recommendation and subsequently recommended the same for shareholders' approval to be sought at the 75th AGM on the reappointment of BDO as external auditors of the Company for FY2023 under Ordinary Resolution 9. Once it is passed, it will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

Authority to Allot and Issue Shares Pursuant to Sections 75(1) and 76(1) of the Companies Act 2016

13. The Ordinary Resolution 10, if passed, is primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion without convening a general meeting. This is a renewal of a general mandate. As at the date of this Notice, the Directors have not utilised the mandate granted to the Directors at the 74th AGM.

    This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting.

    The authority will provide flexibility to the Company for allotment of shares for any possible fund-raising activities, including but not limiting to further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital. The New Shares will rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such New Shares.

    Bursa Malaysia Securities Berhad ("Bursa Securities") has issued letters to listed issuers on 17, 24 and 26 March 2020 on their assistance and support in these trying and challenging times due to COVID-19 pandemic.

    Amongst the relief measures introduced by Bursa Securities, Bursa Securities reckoned listed issuers' need to raise funds quickly to ensure the long-term sustainability and the interest of the listed issuers and shareholders. Hence, Bursa Securities, as an interim measure, allowed listed issuers to seek higher mandate of 20% of the total number of issued shares (excluding treasury shares) for issue of new securities until 31 December 2021.

    Bursa Securities subsequently issued letters to listed issuers on 23 December 2021 extending the implementation period of 20% General Mandate up to 31 December 2022. The Board is of the opinion that the 20% General Mandate is in the best interest of the Company to facilitate any possible fundraising activities in a short period of time for the Company's operation as and when it may be required. Hence, the Company is renewing the 20% General Mandate at the forthcoming AGM.

Proposed Renewal Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Renewal Shareholders' Mandate")

14. The Proposed Renewal Shareholders' Mandate under Ordinary Resolution 11 is seeking for shareholders' approval at the forthcoming Annual General Meeting of the Company.

    The Proposed Renewal Shareholders' Mandate is to facilitate transactions in the normal course of business of the Company and its subsidiaries ("the Group") which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

    By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

    Further information on Proposed Renewal Shareholders' Mandate is set out in the Circular to Shareholders of the Company which is published on the Company website at https://pgbgroup.com.my/.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 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
(Registration No. 194801000095 (1713-A))
(Incorporated in Malaysia)

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

	%
First Proxy	%
Second Proxy	%
TOTAL	**100 %**

PROXYFORM

I/We ____ NRIC/Passport No.:______________________________

of ____ Telephone No.:______________________________

being a member/members of **PARAGON GLOBE BERHAD** hereby appoint the Chairman of the Meeting* or falling him ______

____ NRIC/Passport No.: ______________________________

of ____

#and/#or failing him/her ______________________________ NRIC/Passport No.: ______________________________

of____

** Delete the word "the Chairman of the Meeting" if you wish to appoint another person to be your proxy.*

as my/our proxy/proxies to vote for me/us on my/our behalf, at the Seventy-Fifth ("75th") Annual General Meeting ("75th AGM") of the Company to be held at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru Johor, Malaysia on Monday, 12 September 2022 at 10.00 a.m. or any adjournment thereof.

My/Our proxy(ies) is/are to vote as indicated below:

AGENDA	RESOLUTION	FOR	AGAINST
Re-election of Dato' Haji Ismail bin Karim	1		
Re-election of Dato' Jeffrey Lai Jiun Jye	2		
Re-election of Leong Siew Foong	3		
Approval the payment of RM66,000 for the Non-Executive Directors' Fees and Allowances to Tee Boon Hin for the financial year ending 31 March 2023.	4		
Approval the payment of RM66,000 for the Non-Executive Directors' Fees and Allowances to Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj Mahfar for the financial year ending 31 March 2023.	5		
Approval the payment of RM66,000 for the Non-Executive Directors' Fees and Allowances to Dato' Haji Ismail bin Karim for the financial year ending 31 March 2023.	6		
Approval the payment of RM60,000 for the Non-Executive Directors' Fees and Allowances to Dato' Jeffrey Lai Jiun Jye for the financial year ending 31 March 2023.	7		
Approval the payment of Non-Executive Directors' Allowances up to an amount of RM100,000 for the period from 13 September 2022 to the next AGM of the Company.	8		
Re-appointment of Messrs BDO PLT as Auditors	9		
Approval of authority to issue shares pursuant to pursuant to Sections 75(1) & 76(1)	10		
Approval for the Proposed Renewal Shareholders' Mandate for Recurrent Related Parties Transactions	11		

(Please indicate with an 'X' in the spaces provided how you wish your vote to be cast. If you do not do so, the 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 as follows:

Signed this______ day of _________ 2022.

____
Signature

Notes:

1. *A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy or Proxies to attend and vote on his(her) behalf.*
2. *Where a Member entitled to vote on a resolution has appointed more than one (1) proxy, the proxies shall only be entitled to vote on poll provided that the Member specifies the proportion of his 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.*
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STAMP

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