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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, solicitor, accountant, bank manager or other professional adviser immediately.

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CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED ACQUISITIONS BY PGB LANDMARK SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF PARAGON GLOBE BERHAD, OF SEVEN (7) PLOTS OF FREEHOLD LANDS LOCATED IN THE MUKIM OF TANJUNG KUPANG AND ONE (1) PLOT OF FREEHOLD LAND LOCATED IN THE MUKIM OF PULAI, ALL IN THE DISTRICT OF JOHOR BAHRU, STATE OF JOHOR, MEASURING IN AGGREGATE AN APPROXIMATE AREA OF 46.904 HECTARES FOR A TOTAL PURCHASE CONSIDERATION OF RM146,071,898.47 TO BE FULLY SATISFIED IN CASH (“PROPOSED ACQUISITIONS”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



SJ SECURITIES

SJ SECURITIES SDN BHD

(Company No. 198501009222)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting (“**EGM**”) of Paragon Globe Berhad will be held at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Monday, 11 March 2024 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

A member of Paragon Globe Berhad entitled to attend, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and vote on his/her behalf. The Form of Proxy shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or 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 EGM or any adjournment thereof or no later than Saturday, 9 March 2024 at 10.00 a.m.. Please follow the procedures as set out in the Administrative Guide for the EGM for the electronic lodgement of the Form of Proxy. The lodging of the Form of Proxy will not preclude you from participating and voting at the EGM should you subsequently decide to do so.

Date and time of EGM : Monday, 11 March 2024 at 10.00 a.m. or at any adjournment thereof

Last date and time for lodging of Form of Proxy : Saturday, 9 March 2024 at 10.00 a.m.

This Circular is dated 26 February 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Acts	: Companies Act 2016
Balance Purchase Consideration	: The balance of the purchase consideration for the respective Lands that is to be paid by PLSB for the Proposed Acquisition
Board	: Our Board of Directors
Bursa Securities	: Bursa Malaysia Securities Berhad (Company No. 200301033577 (635998-W))
BNDSB	: Bandar Nusajaya Development Sdn Bhd (Company No. 199201021441 (252945-M))
CBRE WTW or Valuer	: CBRE WTW Valuation & Advisory Sdn Bhd (Company No. 197401001098 (18149-U))
Circular	: This circular dated 26 February 2024
EGM	: Extraordinary General Meeting
En Bloc SPAs 1	: Collectively, the individual SPAs of Land 1, Land 2, Land 3, Land 4 and Land 7
En Bloc SPAs 2	: Collectively, the individual SPAs of Land 5 and Land 6
EPS	: Earnings per Share
EPU	: Economic Planning Unit
FYE	: Financial year ended/ending
Land 1	: All that piece of freehold land held under HSD 602898 PTD 5868, in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor measuring approximately 22.5736 hectares
Land 2	: All that piece of freehold land held under HSD 602455 PTD 5401, in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor measuring approximately 3.8446 hectares
Land 3	: All that piece of freehold land held under HSD 306832 PTD 2994, in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor measuring approximately 2.4119 hectares
Land 4	: All that piece of freehold land held under HSD 306833 PTD 2995, in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor measuring approximately 4.4839 hectares
Land 5	: All that piece of freehold land held under HSD 306837 PTD 3003, in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor measuring approximately 5.4451 hectares
Land 6	: All that piece of freehold land held under HSD 306838 PTD 3004, in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor measuring approximately 2.3257 hectares
Land 7	: All that piece of freehold land held under HSD 306839 PTD 3006, in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor measuring approximately 4.8591 hectares

DEFINITIONS *(cont'd)*

Land 8	: All that piece of freehold land held under Geran 361960 Lot 132561, in the Mukim of Pulai, District of Johor Bahru, State of Johor measuring approximately 0.9601 hectares
Lands	: Collectively, Land 1, Land 2, Land 3, Land 4, Land 5, Land 6, Land 7 and Land 8
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 19 February 2024, being the latest practicable date prior to the printing of this Circular
NA	: Net assets
Nusajaya Heights	: Nusajaya Heights Sdn Bhd (Company No. 199401028837 (314518-A)), the vendor for Land 8
Nusajaya Rise	: Nusajaya Rise Sdn Bhd (Company No. 199501019087 (348290-W)), the vendor for Land 1, Land 2, Land 3, Land 4, Land 5, Land 6 and Land 7
PAT	: Profit after taxation
PLSB or Purchaser	: PGB Landmark Sdn Bhd (Company No. 202301033981 (1527904-M)), our wholly-owned subsidiary
PLSB's Solicitors	: Messrs Dennis Nik & Wong
PGB or Company	: Paragon Globe Berhad (Company No. 194801000095 (1713-A))
PGB Group or Group	: Collectively, our Company and our subsidiaries
Proposed Acquisitions	: Proposed acquisitions of the Lands by PLSB from the Vendors and/or the Proprietor, to be fully satisfied in cash
Proprietor or Symphony Hills	: Symphony Hills Sdn Bhd (Company No. 199501018597 (347800-M)), the proprietor for Land 3, Land 4, Land 5, Land 6 and Land 7
Proprietor's Lands	: Collectively, Land 3, Land 4, Land 5, Land 6 and Land 7
SPAs	: Collectively, the eight (8) individual conditional sale and purchase agreements dated 17 November 2023 entered into between PLSB, the Vendors and/or the Proprietor for the Proposed Acquisitions
Share	: Ordinary share in our Company
SJ Securities	: SJ Securities Sdn Bhd (Company No. 198501009222 (141671-T))
SUK	: Johor State Secretary Office
Total Purchase Consideration	: Total purchase consideration in the sum of Ringgit Malaysia one hundred forty six million seventy one thousand eight hundred ninety eight and forty seven cent (RM146,071,898.47) only for the Proposed Acquisitions
UEM Land	: UEM Land Berhad (Company No. 198201011169 (90894-P))
UEM Sunrise	: UEM Sunrise Berhad (Company No. 200801028815 (830144-W))

DEFINITIONS *(cont'd)*

Valuation Report : Valuation report prepared by the Valuer dated 4 December 2023 to assess the market value of the Lands

Vendors : Collectively, Nusajaya Rise and Nusajaya Heights

Vendors' Solicitor : Messrs Zul Rafique & Partners

All references to "you" or "Shareholder" in this Circular are to the shareholders of PGB. All references to "we", "us", "our" and "ourselves" are in respect of PGB or the PGB Group, where relevant. References to persons shall include corporations, unless otherwise specified.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine gender and neuter gender and vice versa.

Any reference in this Circular to any enactment, rules and regulations is a reference to that enactment, rules and regulations as may be amended or re-enacted from time to time.

Any reference to a time of day in this Circular is a reference to Malaysian time, unless otherwise indicated.

Any discrepancy in the tables between the amounts listed, actual figures and the totals in this Circular are due to rounding.

This Circular includes forward-looking statements. All statements other than statements of historical facts included in this Circular including, without limitation, those regarding our Group's financial position, business strategies, prospects, plans and objectives of our Company for future operations, are forward-looking statements. There can be no assurance that such forward-looking statements will materialise, be fulfilled or be achieved.

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NOTICE OF EGM **ENCLOSED**

FORM OF PROXY **ENCLOSED**

ADMINISTRATIVE GUIDE FOR THE EGM **ENCLOSED**



Registered Office

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

26 February 2024

Board of Directors

Dato' Sri Edwin Tan Pei Seng (*Executive Chairman*)
Dato' Sri Godwin Tan Pei Poh (*Group Executive Director*)
Leong Siew Foong (*Executive Director*)
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*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED ACQUISITIONS

1. INTRODUCTION

On 17 November 2023, SJ Securities, had on behalf of our Board, announced that PLSB, had on even date entered into the SPAs with the Vendors and/or the Proprietor, for the proposed acquisitions of the Lands for a total purchase consideration of RM146,071,898.47 to be fully satisfied in cash.

Further details of the Proposed Acquisitions are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ACQUISITIONS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITIONS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM AND FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ACQUISITIONS TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITIONS

The Proposed Acquisitions are subject to the terms and conditions of the SPAs. Pursuant to the SPAs, the Vendors and/or the Proprietor have agreed to sell, and PLSB has agreed to purchase the Lands free from all and any encumbrances, caveats and with vacant possession on an “as is where is” basis as at the date of the SPAs but subject to all conditions of title, whether express or implied, and any restriction-in interest affecting the Lands and upon the terms and conditions contained therein, save for Land 1 and Land 2 which have registrar caveat, the vacant possession for which is described in Section 2.3.2 of this Circular. Further information on the Lands is set out in Section 3 of this Circular.

2.1 Background information on the Vendors

2.1.1 Nusajaya Rise

Nusajaya Rise is a private limited company incorporated in Malaysia on 26 June 1995 and having its registered address at Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Wilayah Persekutuan Kuala Lumpur. The principal activities of Nusajaya Rise are property development, land trading, investment holding and licensed money lending activity.

As at the LPD, the share capital and total number of issued shares of Nusajaya Rise is RM11,008,916.00 and 2,849,998 ordinary shares respectively.

As at the LPD, the directors and shareholders of Nusajaya Rise as well as their respective shareholdings in Nusajaya Rise are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Directors:					
Saniman Bin Md Apan	Malaysian	-	-	-	-
Mohammad Imran Bin Ismail	Malaysian	-	-	-	-
Azmy Bin Mahbot	Malaysian	-	-	-	-
Shareholders:					
BNDSB	Malaysia	2,849,998	100.0	-	-
UEM Land	Malaysia	-	-	2,849,998	100.0 ⁽¹⁾
UEM Sunrise	Malaysia	-	-	2,849,998	100.0 ⁽²⁾

Notes:

(1) Deemed interested by virtue of its interest in BNDSB pursuant to Section 8 of the Act.

(2) Deemed interested by virtue of its interest in UEM Land pursuant to Section 8 of the Act. UEM Sunrise is a company incorporated in Malaysia and is listed on the Main Market of Bursa Securities.

2.1.2 Nusajaya Heights

Nusajaya Heights is a private limited company incorporated in Malaysia on 6 September 1994 and having its registered address at Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Wilayah Persekutuan Kuala Lumpur. The principal activities of Nusajaya Heights are property development, land trading and investment holding.

As at the LPD, the share capital and total number of issued shares of Nusajaya Heights is RM50,744,423.00 and 3,308,478 ordinary shares respectively.

As at the LPD, the directors and shareholders of Nusajaya Heights as well as their respective shareholdings in Nusajaya Heights are as follows:

		Direct		Indirect	
Name	Nationality	No. of shares	%	No. of shares	%
Directors:					
Saniman Bin Md Apandi	Malaysian	-	-	-	-
Mohammad Imran Bin Ismail	Malaysian	-	-	-	-
Muhammad Safwan Bin Mohd Shukri	Malaysian	-	-	-	-
Shareholders:					
BNDSB	Malaysia	3,308,478	100.0	-	-
UEM Land	Malaysia	-	-	3,308,478	100.0 ⁽¹⁾
UEM Sunrise	Malaysia	-	-	3,308,478	100.0 ⁽²⁾

Notes:

- (1) Deemed interested by virtue of its interest in BNDSB pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its interest in UEM Land pursuant to Section 8 of the Act. UEM Sunrise is a company incorporated in Malaysia and is listed on the Main Market of Bursa Securities.

2.2 Background information on the Proprietor

Symphony Hills is a private limited company incorporated in Malaysia on 22 June 1995 and having its registered address at Level U6, Block C5, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Wilayah Persekutuan Kuala Lumpur. The principal activities of Symphony Hills are property development, land trading and investment holding.

Pursuant to the SPAs, Symphony Hills has granted to Nusajaya Rise, amongst others, the right to sell the Proprietor's Lands and to submit and obtain approval from the relevant authorities for the amendment to the development order previously granted by the relevant authorities pertaining to the development of the Proprietor's Lands intended to be developed by Nusajaya Rise and were not intended for sale as set out in Section 2.3.6 of this Circular.

As at the LPD, the share capital and total number of issued shares of Symphony Hills is RM484,958,180.00 and 11,278,917 ordinary shares respectively.

As at the LPD, the directors and shareholders of Symphony Hills and their respective shareholdings in Symphony Hills are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Directors:					
Wong Koon Keng	Malaysian	-	-	-	-
Liong Kok Kit	Malaysian	-	-	-	-
Azmy Bin Mahbot	Malaysian	-	-	-	-
Shareholders:					
BNDSB	Malaysia	11,278,917	100.0	-	-
UEM Land	Malaysia	-	-	11,278,917	100.0 ⁽¹⁾
UEM Sunrise	Malaysia	-	-	11,278,917	100.0 ⁽²⁾

Notes:

- (1) *Deemed interested by virtue of its interest in BNDSB pursuant to Section 8 of the Act.*
- (2) *Deemed interested by virtue of its interest in UEM Land pursuant to Section 8 of the Act. UEM Sunrise is a company incorporated in Malaysia and is listed on the Main Market of Bursa Securities.*

2.3 Salient terms of the SPAs

The salient terms of the SPAs are as follows:

2.3.1 Total Purchase Consideration, the payment terms and en-bloc payment

Payment terms

The Total Purchase Consideration for the Proposed Acquisitions shall be paid in the following manner:

Payment Term	Timing	Land 1	Land 2	Land 3	Land 4	Land 5	Land 6	Land 7	Land 8
		RM	RM	RM	RM	RM	RM	RM	RM
Earnest deposit [^]	On or prior to the date of the SPAs	1,087,122.50	199,783.58	213,717.21	245,955.79	482,477.36	206,079.33	430,554.11	39,947.20
Balance deposit [^]	Upon execution of the SPAs	4,348,490.00	799,134.34	854,868.83	983,823.16	1,929,909.42	824,317.31	1,722,216.46	238,793.24
Balance Purchase Consideration	On or before the last day of 3 months from the date of the SPAs becoming unconditional (“ Completion Period ”)	48,920,512.56	8,990,261.28	9,617,274.38	11,068,010.55	21,711,480.99*	9,273,569.77*	19,374,935.14	2,508,663.96
	Total	54,356,125.06	9,989,179.20	10,685,860.42	12,297,789.50	24,123,867.77	10,303,966.41	21,527,705.71	2,787,404.40

Notes:

[^] The earnest deposit and balance deposit shall be collectively referred to as the “**Deposit**”. As at the LPD, PLSB has remitted the Deposit for the Lands, amounting to RM14,607,189.84 to the Vendors.

^{*} For Land 5 and Land 6, the Completion Period is on or before the expiry of 3 months from the CS Date (as defined in Section 2.3.4(ii) of this Circular) or the date of the SPA becoming unconditional, whichever is later.

In the event PLSB is unable to pay the Balance Purchase Consideration on or before the expiry of the Completion Period, the Vendors shall grant PLSB an automatic extension of time of 1 month (“**Extended Completion Period**”) to pay the Balance Purchase Consideration or any part thereof remaining unpaid subject to PLSB paying the Vendors late payment interest at the rate of 8% per annum on such part of the Balance Purchase Consideration outstanding on daily basis from the day next after the expiry of the Completion Period to the date of receipt by the Vendors’ solicitors of the Balance Purchase Consideration in full. Such late payment interest to be payable together with the Balance Purchase Consideration.

En-bloc SPAs

The SPAs for the Lands were entered into “en-bloc” transactions basis, i.e. En Bloc SPAs 1 and En Bloc SPAs 2.

(i) En Bloc SPAs 1

The individual SPA of Land 1, Land 2, Land 3, Land 4 and Land 7, were entered into as an “en-bloc” transaction as Land 1, Land 2, Land 3, Land 4 and Land 7 are non-bumiputera lots. In the event of default by PLSB or Nusajaya Rise under any of the individual En Bloc SPAs 1, such default shall constitute a default by the defaulting party of the individual SPA whereupon the non-defaulting party shall be entitled at its discretion to exercise its rights and remedies concurrently and cumulatively in accordance with the provisions of the individual SPA and/or En Bloc SPAs 1 and/or the applicable laws. Nusajaya Rise irrevocably agrees that the Completion Period shall be automatically extended by the period of time commensurate with the last completion period of the En Bloc SPAs 1.

(ii) En Bloc SPAs 2

The individual SPA of Land 5 and Land 6, were entered into as an “en-bloc” transaction as Land 5 and Land 6 are bumiputera lots. Pursuant to the individual SPA of Land 5 and Land 6, it is a condition subsequent that Nusajaya Rise is to obtain SUK’s approval for the release of Land 5 and Land 6 from the bumiputera lot status. In the event of default by PLSB or Nusajaya Rise under any of the individual En Bloc SPAs 2, such default shall constitute a default by the defaulting party of the individual SPA whereupon the non-defaulting party shall be entitled at its discretion to exercise its rights and remedies concurrently and cumulatively in accordance with the provisions of the individual SPA and/or En Bloc SPAs 2 and/or the applicable laws. Nusajaya Rise irrevocably agrees that the Completion Period shall be automatically extended by the period of time commensurate with the last completion period of the En Bloc SPAs 2.

2.3.2 Vacant possession

Vacant possession of the Lands shall be deemed delivered to PLSB upon the Completion Date provided that at such date the Lands are free from all encumbrances, squatters, trespassers and unauthorised occupiers except for Land 1 and Land 2 where vacant possession shall be delivered to PLSB free from all encumbrances, squatters, trespassers and unauthorised occupiers other than the registrar caveat (“**Vacant Possession Date**”).

2.3.3 Conditions precedent

The sale and purchase of the Lands shall be conditional upon the following conditions being obtained within 6 months from the date of the SPAs with an automatic extension of a period of 3 months or such other extended period after the expiry of the said automatic extension:

- (i) PLSB shall have obtained the approval from EPU, together with the valuation report from the Valuation and Property Service Department of Malaysia. It is applicable to Land 1, Land 5 and Land 7 only as the transactions result in dilution of bumiputera/government agency interest and the respective purchase price of the said lands are RM20 million and above;
- (ii) Nusajaya Rise shall have obtained the approval from the land administrator for the transfer of Land 1 and Land 2 to PLSB as a registrar caveat was entered by the land administrator on the said lands; and
- (iii) PLSB shall have obtained the approval by the shareholders of PGB in compliance with the provisions of Paragraphs 10.07 and 10.12 of the Listing Requirements ("**PGB Shareholders' Approval**").

2.3.4 Conditions subsequent

For Land 5 and Land 6, the Proposed Acquisitions are subject to the conditions subsequent in the SPAs as below:

- (i) Nusajaya Rise shall obtain the approval of SUK for the release of Land 5 and Land 6 from bumiputera lot status ("**Condition Subsequent**") and shall bear all costs and expenses (including any penalty, fee, charges or cost imposed by SUK or the relevant authorities) in relation thereto within 12 months from the date of the SPAs. In the event that Nusajaya Rise is unable to obtain the Condition Subsequent within the aforesaid period, Nusajaya Rise shall be entitled to an automatic extension of a 6 months period or such other extended period as PLSB and Nusajaya Rise may mutually agree to obtain the Condition Subsequent ("**the CS Period**").
- (ii) Nusajaya Rise shall forthwith notify PLSB upon obtaining of the Condition Subsequent, enclosing documentary evidence of the same where relevant. The date of notification of the obtaining of the Condition Subsequent by Nusajaya Rise shall be referred to as "**CS Date**".
- (iii) In the event that Nusajaya Rise is unable to obtain the Condition Subsequent within the CS Period, without prejudice to any other rights of PLSB, PLSB shall at any time after the first 12 months of the date of the SPAs, be entitled to elect to take over the procurement of the Condition Subsequent and in such event, PLSB and Nusajaya Rise hereby agree that PLSB is entitled to obtain the Condition Subsequent within the remaining period of the CS Period as stipulated in Section 2.3.4(i) of this Circular provided always that Nusajaya Rise shall bear all legitimate costs and expenses as may be imposed by SUK or the relevant authorities (including any statutory penalty, fee, charges or cost imposed by the SUK or the relevant authorities) in relation thereto by PLSB producing supporting document on the fees and charges.

2.3.5 Lapsing of agreement

In the event that any of the conditions precedent is not obtained or waived (as the case may be) within the conditional period, the SPAs shall lapse and the following consequences shall ensue:

- (i) the Vendors shall refund the Deposit paid by or on behalf of PLSB towards the Total Purchase Consideration free of interest to PLSB within 21 days thereof; and

- (ii) in exchange of the refund of monies set out in Section 2.3.5(i) of this Circular, PLSB shall return to the Vendors the memorandum of transfer, the Limited Power of Attorney duly revoked and together with the relevant documentary evidence confirming on the withdrawal of the caveat over the Lands (if PLSB has lodged any caveat over the Lands),

and thereafter the SPAs shall be terminated and be of no further effect and neither party hereto shall have any claim against the other hereunder save in respect of any antecedent breach of this SPAs and the Vendors shall be entitled to deal with or dispose of the Lands at the Vendors' absolute discretion.

2.3.6 Development agreement (For Proprietor's Lands)

By virtue of a development agreement dated 22 January 2013 including its supplemental thereto together with a power of attorney dated 27 October 2023, Symphony Hills has granted to Nusajaya Rise amongst others, the right to sell the Proprietor's Lands and to submit and obtain approval from the relevant authorities for the amendment to the development order previously granted by the relevant authorities pertaining to the development on the Proprietor's Lands intended to be developed by the Nusajaya Rise and not intended for sale.

2.3.7 Caveat

- (i) PLSB shall be entitled at any time after the execution of the SPAs at PLSB's own costs and expenses lodge with the relevant authorities a private caveat against any dealing with the Lands until the registration of the memorandum of transfer in respect of the Lands in favour of PLSB ("**Transfer**").

Provided that for the purpose of effecting the registration of the Transfer, PLSB shall at the PLSB's own costs and expenses withdraw the aforesaid private caveat.

- (ii) In the event that the SPAs are lawfully terminated for any reason whatsoever, then it shall be the duty of PLSB at the PLSB's own costs and expenses to immediately remove any caveat lodged by PLSB in accordance with the terms of the SPAs and for this purpose, PLSB shall simultaneously with the execution of the SPAs execute and deposit with PLSB's solicitors as stakeholders a valid and registrable withdrawal of private caveat together with the requisite registration fees and, by its execution of the SPAs, shall be deemed to have irrevocably authorised PLSB's solicitors to effect the withdrawal in the manner as described in the SPAs and thereafter, PLSB's solicitors shall give evidence of the withdrawal of the private caveat to the Vendors and PLSB.

2.3.8 Limited power of attorney

- (i) Upon the execution of the SPAs and subject to the receipt of the Deposit by the Vendors, PLSB shall be entitled to submit and obtain approval from the relevant authorities for the development order and/or the building plan approvals pertaining to the development intended to be carried out by PLSB on the Lands including application related to earthworks on the Lands, removal of registrar caveat (which was entered by the land administrator for Land 1 and Land 2 only) and change of express condition and category of land use (for Land 1, Land 2, Land 4 and Land 8 only from agriculture to industrial for PLSB's future development purposes) of the Lands. Please refer to Section 3 for further information on the Lands.

The rights granted by the Vendors/Proprietor (as the case may be) under the Limited Power of Attorney shall not in any way empower and authorise PLSB to execute any deed or instrument of transfer and/or charge the interest in the Lands or any part thereof to PLSB and/or any third party in any manner whatsoever. No actual or physical works may be carried out by PLSB on the Lands prior to the completion of the sale and purchase herein. For such purpose, simultaneously with the execution of this SPA, the Vendors/Proprietor shall execute an undated limited power of attorney in the form and terms as set out in schedule 2 of the SPAs ("**Limited Power of Attorney**"), in favour of PLSB in respect of the Lands and deliver the same to PLSB's solicitors who is authorised to lodge the Limited Power of Attorney with the relevant High Court of Malaya for registration and to present the same with the Land Registry for registration at its own costs and expenses subject to which a copy of the duly stamped and registered Limited Power of Attorney shall be given to the Vendors/Proprietor.

- (ii) PLSB shall exercise its powers under the Limited Power of Attorney strictly in accordance with its terms and such that the exercise of such powers shall not be inconsistent with the provisions of the SPAs.
- (iii) PLSB hereby indemnifies and shall keep the Vendors/Proprietor fully indemnified against any and all consequences, actions, proceedings, claims, demands, damages, penalties, costs, charges and expenses whatsoever which the Vendors/Proprietor may sustain or incur in connection with or arising from any act or omission on the part of PLSB pursuant to the terms of the Limited Power of Attorney.
- (iv) Upon completion of the registration of the Transfer in favour of PLSB or in the event the SPAs herein shall be lawfully terminated in accordance with the terms of SPAs, PLSB shall at its own costs and expenses revoke the Limited Power of Attorney and deliver a copy of the deed of revocation of the Limited Power of Attorney to the Vendors/Proprietor, withdraw or cancel, as the case may be, all applications submitted by PLSB to the relevant authorities pursuant to the use of the Limited Power of Attorney and procure the letters of discharge to be issued by all consultants engaged by PLSB for any applications submitted to the relevant authorities.

2.3.9 Non-completion by the Purchaser

- (i) If:
 - (a) PLSB fails to pay the Balance Purchase Consideration or other sum due and payable under the SPAs; or
 - (b) there is any breach by PLSB of any of its representations, warranties, covenants, undertakings or obligations under the SPAs which is:
 - a. not capable of remedy; or
 - b. capable of remedy but is not remedied within 14 business days from the date of a written notice from the Vendors requiring the same to be remedied,

the Vendors shall be entitled to:

- A. pursue an action for specific performance of the SPAs;
or
 - B. terminate the SPAs by serving a notice on the PLSB ("**Vendors' Termination Notice**") whereupon the following shall ensue:
 - (1) the Deposit shall be forfeited by the Vendors as agreed liquidated damages; and
 - (2) subject to compliance by PLSB under Section 2.3.9(ii) of this Circular, all other monies paid hereunder by PLSB towards the Total Purchase Consideration shall be refunded to PLSB free of interest on or before the expiry of 14 business days from the date of the Vendors' Termination Notice.
- (ii) Upon termination of the SPAs under this Section 2.3.9 of this Circular and in exchange for the above-mentioned payment in Section 2.3.9(i)(b)(B)(2) of this Circular, PLSB shall forthwith deliver or return/redeliver to the Vendors:
- (a) the duly signed, stamped and registered deed of revocation of Limited Power of Attorney (if the Limited Power of Attorney is being effected pursuant to Section 2.3.8 of this Circular);
 - (b) vacant possession of the Lands (if vacant possession has been delivered to PLSB pursuant to Section 2.3.2 of this Circular) in the same state and condition as at the Vacant Possession Date;
 - (c) the relevant documentary evidence confirming on the withdrawal of the caveat over the Lands (if PLSB had lodged any caveat over the Lands pursuant to Section 2.3.7 of this Circular);
 - (d) the relevant documents and the Transfer together with all documents and if applicable, the payment required to effect the re-transfer of the Lands to the Vendors/into the name of the Proprietor (as the case may be), and with the Proprietor's and/or Vendors' interest intact, free from encumbrances. In respect of the Transfer, in the event the Transfer has been duly adjudicated and stamped, PLSB's solicitors are hereby authorised to surrender the same to the stamp office for their cancellation thereof and to obtain a refund of the stamp duty paid. In the event the Transfer or Title to the Lands has been duly registered in the name of PLSB, the costs and expense to effect the re-transfer of the Title or the Lands to the Vendors/ into the name of the Proprietor shall be borne by PLSB,

and thereafter the SPAs shall be terminated and be of no further effect and neither party hereto shall have any claim against the other hereunder save in respect of any antecedent breach of the SPAs and the Vendors shall be entitled to deal with or dispose of the Lands at the Vendors' absolute discretion.

2.3.10 Non-completion by the Vendors

- (i) If:
 - (a) the Vendors fails to complete this transaction in accordance as set out herein or
 - (b) there is any breach by the Vendors of any of its representations, warranties, covenants, undertakings or obligations under the SPAs which is:
 - a. not capable of remedy; or
 - b. capable of remedy but is not remedied within 14 business days from the date of a written notice from PLSB requiring the same to be remedied,

the PLSB shall be entitled:

 - A. to pursue an action for specific performance of the SPAs; or
 - B. to terminate the SPAs by serving a notice on the Vendors ("**PLSB's Termination Notice**") and therein to seek a refund of all monies paid hereunder free of interest together with a further sum equivalent to the Deposit as agreed liquidated damages from the Vendors. Subject to compliance by PLSB under Section 2.3.10(ii) of this Circular, the Vendors shall on or before the expiry of 14 business days from the date of PLSB's Termination Notice pay the aforesaid payment to PLSB.
- (ii) Upon termination of the SPAs under Section 2.3.10 of this Circular and in exchange for the above-mentioned payment in Section 2.3.10(i)(b)(B) of this Circular, PLSB shall forthwith deliver or return/redeliver to the Vendors:
 - (a) the duly signed, stamped and registered deed of revocation of Limited Power of Attorney (if the Limited Power of Attorney is being effected pursuant to Section 2.3.8 of this Circular);
 - (b) vacant possession of the Lands (if vacant possession has been delivered to PLSB pursuant to Section 2.3.2 of this Circular) in the same state and condition as at the Vacant Possession Date;
 - (c) the relevant documentary evidence confirming on the withdrawal of the caveat over the Lands (if PLSB had lodged any caveat over the Lands pursuant to Section 2.3.7 of this Circular);

- (d) the relevant documents and the Transfer together with all documents required to effect a re-transfer of the Lands to the Vendors/into the name of the Proprietor (as the case may be) and with the Proprietor's and/or Vendors' interest intact, free from encumbrances. In the event the Transfer has been duly adjudicated and stamped, PLSB's solicitors are hereby authorised to surrender the same to the stamp office for their cancellation thereof and to obtain a refund of the stamp duty paid. In the event the Transfer or Title to the Lands has been duly registered in the name of PLSB, the costs and expense to effect the re-transfer of the Title or the Lands to the Vendors/into the name of the Proprietor shall be borne by the Vendors.

and thereafter the SPAs shall be terminated and be of no further effect and neither party hereto shall have any claim against the other hereunder save in respect of any antecedent breach of the SPAs and the Vendor shall be entitled to deal with or dispose of the Lands at the Vendor's absolute discretion.

2.3.11 Non-registration of Transfer

- (i) In the event that the Lands cannot be registered in favour of PLSB for any reason whatsoever, not due to the Vendors' or PLSB's default and which reason or fault cannot be rectified or removed within 30 business days from the date PLSB, the Proprietor and/or the Vendors were first notified of the same, either party shall be entitled by notice in writing to terminate the SPAs whereupon the Vendors shall refund the Total Purchase Consideration or such part thereof as shall have been already paid by PLSB towards the Total Purchase Consideration free of interest within 14 business days from the date of notice of termination subject to compliance by PLSB under Section 2.3.11(ii) of this Circular.
- (ii) Upon termination pursuant to Section 2.3.11(i) of this Circular and in exchange for the above-mentioned payment, PLSB shall deliver or return/redeliver to the Vendors:
 - (a) the duly signed, stamped and registered deed of revocation of Limited Power of Attorney (if the Limited Power of Attorney is being effected pursuant to Section 2.3.8 of this Circular);
 - (b) vacant possession of the Lands (if vacant possession has been delivered to PLSB pursuant to Section 2.3.2 of this Circular) in the same state and condition as at the Vacant Possession Date;
 - (c) the relevant documentary evidence confirming on the withdrawal of caveat over the Lands (if PLSB had lodged any caveat over the Lands pursuant to Section 2.3.7 of this Circular);

- (d) the relevant documents and the Transfer together with all documents and if applicable, the payment required to effect the re-transfer of the Lands to the Vendors/into the name of the Proprietor (as the case may be) with the Proprietor's and/or Vendors' interest intact, free from encumbrances. In respect of the Transfer, in the event the Transfer has been duly adjudicated and stamped, PLSB's solicitors are hereby authorised to surrender the same to the stamp office for their cancellation thereof and to obtain a refund of the stamp duty paid.

and thereafter the SPAs shall be terminated and shall have no effect and neither party hereto shall have any claim against the other save and except for any antecedent breach and the Vendors shall be entitled to deal with or dispose of the Lands at the Vendors' absolute discretion.

2.3.12 Registrar caveat (For Land 1 and Land 2)

To facilitate and ensure the expeditious removal of the registrar caveat, Nusajaya Rise shall at its best endeavors to provide assistance as may be reasonably required by PLSB. For the avoidance of doubt any conditions as may be imposed by the relevant authorities arising from the application submitted by PLSB for the Kebenaran Merancang ("**KM**") and Serah Balik Kurnia Semula ("**SBKS**") processes for Land 1 and Land 2 in variation from approved land zoning, plot ratio or density as applicable and allocated to Land 1 and Land 2, and the application for the removal of the registrar caveat shall be fulfilled by PLSB at its own cost and expense. Subject to the completion of the sale and purchase herein, PLSB shall assume all the obligations in relation to the compliance of terms and conditions as may be arising thereof, which affect Land 1 and Land 2.

2.4 Basis and justification for the Total Purchase Consideration

The Total Purchase Consideration of RM146,071,898.47 was arrived at on a willing-buyer willing-seller basis after taking into consideration, inter-alia, the indicative market value of the Lands as at 19 September 2023 of RM150,000,000.00 as ascribed by the Valuer in its Valuation Report.

In arriving at the market value of the Lands, the Valuer had adopted the comparison approach as the only method of valuation considering the Lands are industrial development land without detailed planning approval and that there are adequate comparable sales in the vicinity of the Lands which can be relied upon. The comparison approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, terrain, size and shape of land, tenure, planning status, title restrictions (if any) and other relevant characteristics to arrive at the market value.

We are of the view that the Total Purchase Consideration of RM146,071,898.47 is justifiable as it represents a discount of approximately 2.6% to the market value of the Lands of RM150,000,000.00.

The valuation certificate from the Valuer on the Lands is set out in **Appendix I** of this Circular.

2.5 Liabilities to be assumed

Save from the potential bank borrowings that may be incurred to fund the Proposed Acquisitions, our Group will not assume any liabilities including contingent liabilities and guarantees pursuant to the Proposed Acquisitions.

2.6 Additional financial commitment

Save for the Total Purchase Consideration and working capital requirements for the development of the Lands (including the total gross development cost which is estimated to be approximately RM728.6 million as set out in Section 3 of this Circular), there are no other additional significant financial commitments to be extended by our Group in relation to the Lands pursuant to the Proposed Acquisitions.

2.7 Source of funding

The Total Purchase Consideration is expected to be funded via a combination of internally generated funds, bank borrowings and/or equity fund raising. The exact quantum and the resultant proportion of internal funds, bank borrowings and/or equity fund raising has not been ascertained at this juncture.

In addition, the funding for the proposed development of the Lands is expected to be financed via internally generated funds and/or bank borrowings.

For information purposes, the cash and bank balances of our Group based on the unaudited consolidated statement of financial position as at 30 September 2023 is RM17.6 million.

3. INFORMATION ON THE LANDS

Land 1, Land 2, Land 3, Land 4, Land 5, Land 6 and Land 7 are situated in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor whilst Land 8 is situated in the Mukim of Pulai, District of Johor Bahru, State of Johor. The Lands are located along Persiaran Sentral and Jalan Gelang Patah – Tanjung Kupang, Gerbang Nusajaya, Iskandar Puteri, Johor and fall under the jurisdiction of the Majlis Bandaraya Iskandar Puteri and municipal services are provided by the said authority.

Geographically, the Lands are sited approximately 22 kilometres due west of the Johor Bahru city centre, approximately 45 kilometres due west of Pasir Gudang town and about 20-minute drive from Singapore via the Malaysia-Singapore Second Crossing Bridge. The Lands are easily accessible from the Johor Bahru city centre via Persiaran Sultan Ismail, Persiaran Sultan Iskandar (Iskandar Coastal Highway) and thereafter onto Persiaran Sentral and Jalan Tanjung Kupang. Additionally, the Lands can be accessed via the Tuas (Malaysia-Singapore) Second Link by exiting at the Gelang Patah Interchange (Exit 312) onto Persiaran Sultan Iskandar (Iskandar Coastal Highway) and then following the above mentioned route leading to the Lands.

The Lands are surrounded by emerging and modern industrial developments, namely Nusajaya Tech Park and Taman Perindustrian Nusa Cemerlang as well as i-TechValley which is located within Southern Industrial and Logistics Clusters (“**SiLC**”). SiLC is envisioned to be a world-class, managed clean and green industrial park designed to meet the current demand for environmentally sustainable development. The Lands are seamlessly connected via a network of international airport through Johor Bahru Senai International Airport, seaports and highway which provide easy access for industry users.

In addition, the Lands are freehold lands which are free from encumbrances but are subject to all conditions of title, whether expressed or implied, and any restriction-in interest affecting the Lands and upon the terms and conditions contained therein, save for Land 1 and Land 2 which have registrar caveat. Furthermore, the Lands are currently vacant. Further details of the Lands are as follows:

No	Lands	Vendor(s)	Proprietor	Title of the Lands	Category of land use ⁽¹⁾	Land size (hectare)	Individual purchase price (RM)	Express conditions	Restriction of interests
1	Land 1	Nusajaya Rise	-	HSD 602898 PTD 5868	Agriculture	22.5736	54,356,125.06	a) This land is categorised for the plantation of oil palm. b) Titles with the agricultural category are for the purpose of block titles registration whose development components have been determined but public reserves such as field areas and others have not yet been issued, but will only be handed over when the actual development is carried out. The agricultural category does not refer to real agricultural land.	a) The land under this title cannot be sold or transferred in any way to non-citizens/ foreign companies without the consent of the state authority. b) The ownership development of this block, if it should be developed, is conditioned through the Planning Permission (KM) process and surrender and re-alienation (SBKS) process and should not be processed through a normal application for a change of conditions.
2	Land 2	Nusajaya Rise	-	HSD 602455 PTD 5401	Agriculture	3.8446	9,989,179.20	c) The approval of "SBKS" on this land will be cancelled when: (i) Expiration of 5 years from the date of registration of ownership of this block. (ii) The owner transfers ownership by any means, including by using any letter of agreement or "Deed of Assignment".	

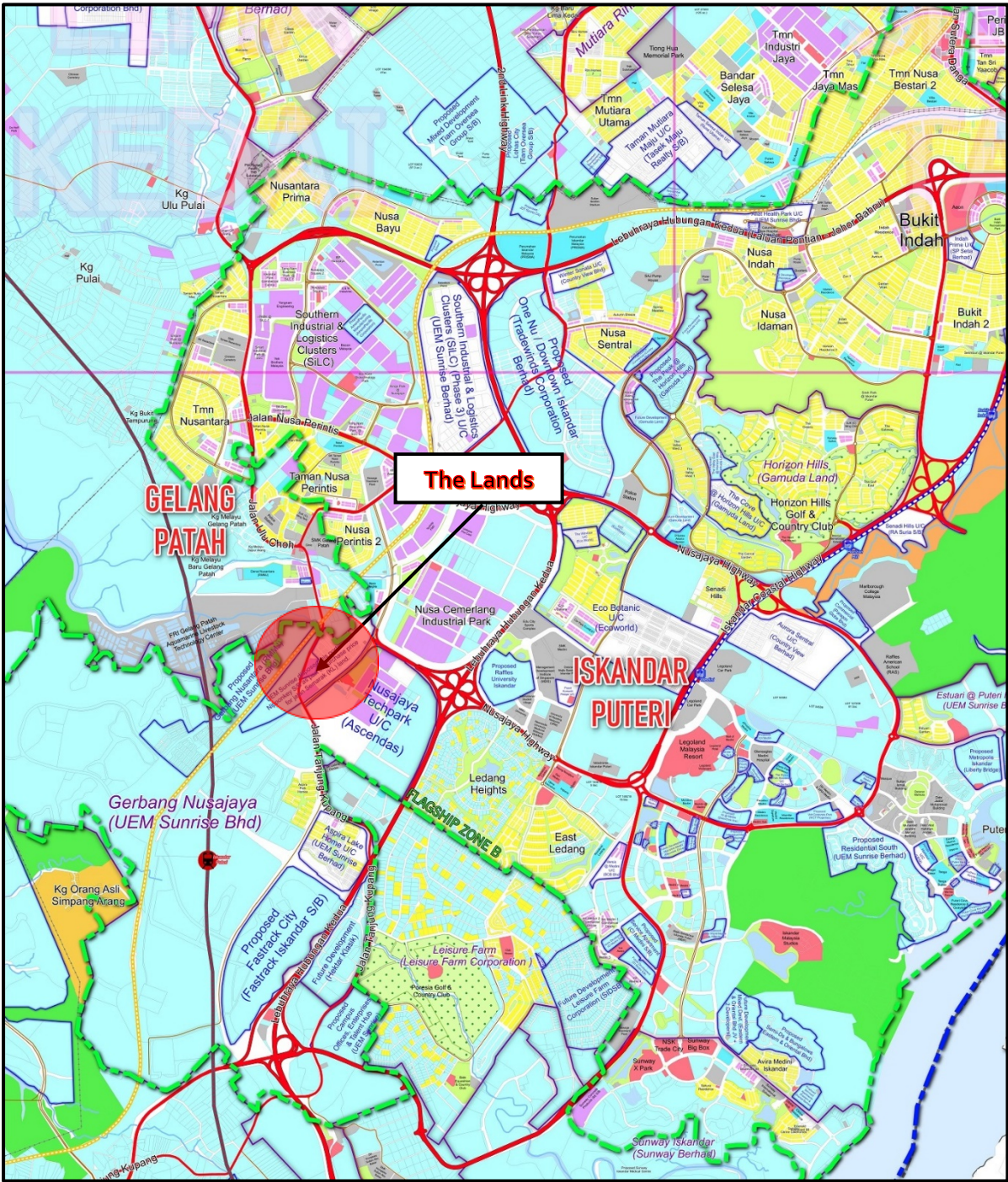
No	Lands	Vendor(s)	Proprietor	Title of the Lands	Category of land use ⁽¹⁾	Land size (hectare)	Individual purchase price (RM)	Express conditions	Restriction of interests
3	Land 3	Nusajaya Rise	Symphony Hills	HSD 306832 PTD 2994	Industrial	2.4119	10,685,860.42	<p>a) This land shall be used for factory, for the purpose of light industry and other uses related thereto, constructed in accordance with a plan approved by the relevant local authority.</p> <p>b) All filth and pollution resulting from this activity must be channeled/ discarded to places that have been determined by the relevant authority.</p> <p>c) All policies and conditions set and enforced from time to time by the relevant authority must be complied with.</p>	This land cannot be sold or transferred in any way to non-citizens/ foreign companies without the consent of the state authority.
4	Land 4	Nusajaya Rise	Symphony Hills	HSD 306833 PTD 2995	Agriculture	4.4839	12,297,789.50	<p>a) This land should be planted with rubber/ palm/ orchard crops.</p> <p>b) Landowner must at all times take measures according to the order required by the land administrator to protect this land from erosion.</p>	None.

No	Lands	Vendor(s)	Proprietor	Title of the Lands	Category of land use ⁽¹⁾	Land size (hectare)	Individual purchase price (RM)	Express conditions	Restriction of interests
5	Land 5	Nusajaya Rise	Symphony Hills	HSD 306837 PTD 3003	Industrial	5.4451	24,123,867.77	a) This land shall be used for factory, for the purpose of light industry and other uses related thereto, constructed in accordance with a plan approved by the relevant local authority. b) All dirt and pollution resulting from this activity must be channeled/ discarded to places that have been determined by the relevant authority. c) All policies and conditions set and enforced from time to time by the relevant authority must be complied with.	a) The land contained in this title is not allowed to be transferred in any way to a non-citizen/ foreign company without the consent of the state authority. b) The land contained in this title once transferred to a bumiputera/ bumiputera company cannot be sold, leased or transferred in any way whatsoever to a non-bumiputera/ non-bumiputera company without the consent of the state authority.
6	Land 6	Nusajaya Rise	Symphony Hills	HSD 306838 PTD 3004	Industrial	2.3257	10,303,966.41		
7	Land 7	Nusajaya Rise	Symphony Hills	HSD 306839 PTD 3006	Industrial	4.8591	21,527,705.71		
8	Land 8	Nusajaya Heights	-	Geran 361960 Lot 132561	Agriculture	0.9601	2,787,404.40	a) This land should be planted with rubber/ palm/ orchard crops. b) The landowner must at all times take measures according to the order required by the land administrator to protect this land from erosion.	None.
					Total	46.9040	146,071,898.47		

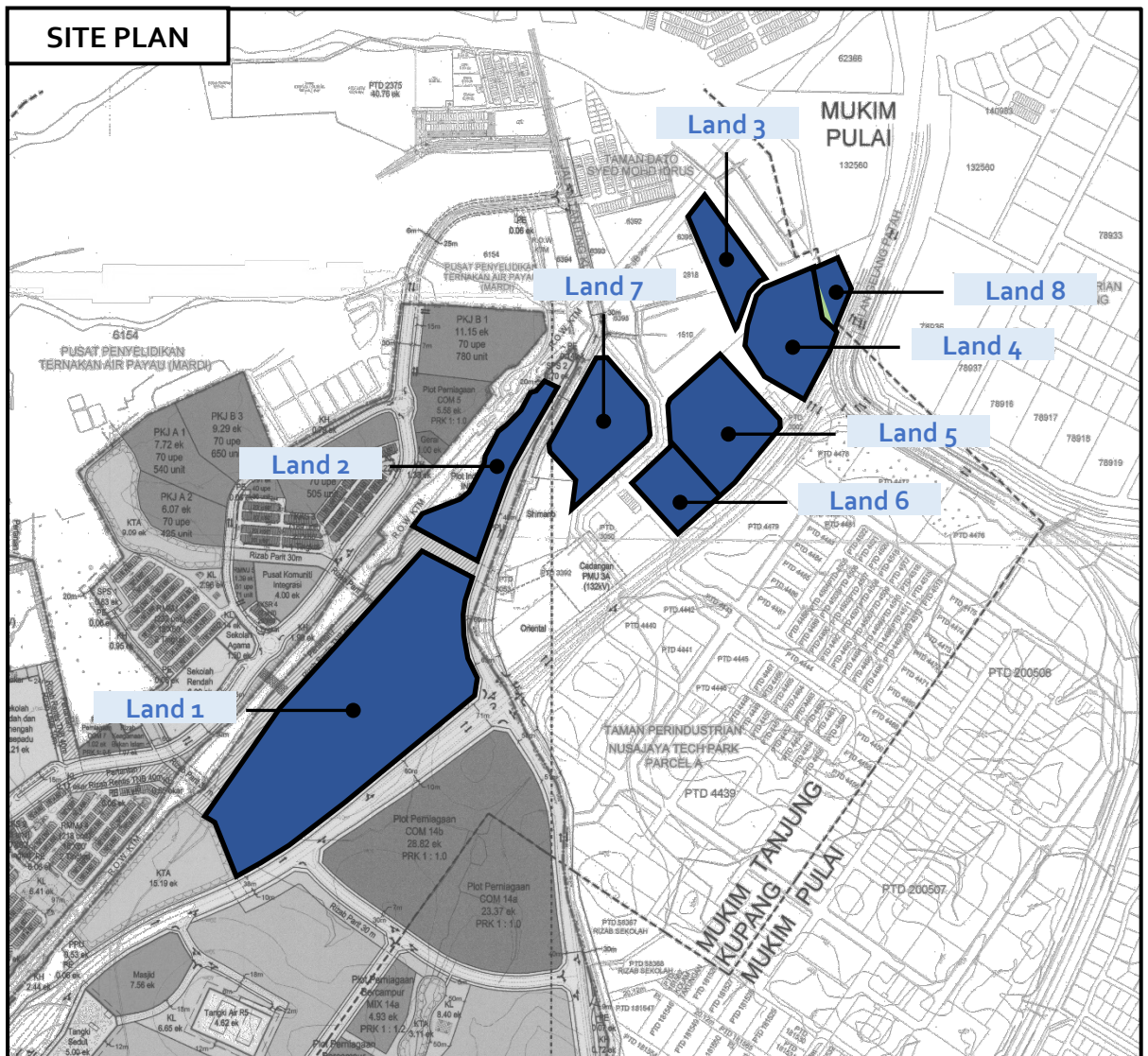
Note:

⁽¹⁾ As at the LPD, the Lands are covered by bushes and overgrown with wild trees. Land 1, Land 2, Land 4 and Land 8 are not cultivated with any crops.

The map indicating the location of the Lands is set out below:



The site plan indicating the location of the Lands is set out below:



The proposed development of the Lands by our Group will commence in 2 phases and is expected to entail the following:

(i) **Land 1 and Land 2**

Development of 88 units of factories in phase 1 ("**Development Project 1**") which is expected to commence in 2025 and is envisaged to complete in 2027. The total gross development value of Development Project 1 is estimated to be approximately RM419.1 million, whilst its gross development cost is estimated to be approximately RM318.1 million. Accordingly, our Group is expected to derive an estimated gross development profit of RM101.0 million over the duration of Development Project 1.

(ii) **Land 3, Land 4, Land 5, Land 6, Land 7 and Land 8**

Development of 8 unit of factories and 1 unit of dormitory with 350 rooms to accommodate up to 5,250 workers in phase 2 (collectively referred to as “**Development Project 2**”) which is expected to commence in 2026 and is envisaged to complete in 2028. The total gross development value of Development Project 2 is estimated to be approximately RM537.9 million, whilst its gross development cost is estimated to be approximately RM410.5 million. Accordingly, our Group is expected to derive an estimated gross development profit of RM127.4 million. In addition, the operation of the dormitory is expected to generate an estimated gross revenue of RM126.0 million in the first 10 years, assuming an 80% occupancy rate for 5,250 workers with an estimated rental income of RM250 per worker per month.

As at the LPD, no planning permissions for the Development Project 1 and Development Project 2 (the Development Project 1 and the Development Project 2 are collectively referred to as “**Development Projects**”) have been obtained from Majlis Bandaraya Iskandar Puteri for the Lands. Our Company has neither formalised any building plans nor appointed any professionals/experts (save for the land surveyor) with respect to the intended development of the Lands. Nevertheless, we expect the Development Projects will commence in 2025 once the approvals of the relevant authorities for the conversion of the land use for Land 1, Land 2, Land 4 and Land 8 to “industrial” use have been obtained tentatively by late 2024, as well as planning permissions and building plans for the Lands have been obtained tentatively by mid-2025, by PLSB.

4. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITIONS

The Proposed Acquisitions represent an opportunity for our Company to accumulate strategic lands for property development. Nestled in an emerging prime location with positive industrial development potential, the Lands serve as a valuable opportunity to expand our presence in Johor’s dynamic property market. Moreover, the sizeable expanse of the Lands offers a canvas for a diverse array of industrial property developments, amplifying their appeal and versatility.

The Lands are easily accessible from various regions of Johor Bahru, offer a promising prospect for future growth and development. As Johor Bahru surges as one of Malaysia’s fast-growing cities, trailing closely behind the federal capital Kuala Lumpur, the Proposed Acquisitions would be further enhanced by the improving infrastructure and strengthening security aspects of the city that has good potential to be developed into a metropolis.

In tandem with our completed projects, namely the Pekan Sentral Phase 1 and Phase 2, and five units of detached factories located at Pekan Nenas in Johor, we have other ongoing property development in Johor such as two units of single storey detached factories with double storey office located at Pekan Nenas, which is targeted to be completed by third quarter of 2024. These property developments along with the Development Projects underscore our commitment to delivering top-tier property developments that enrich the economic landscape of Johor.

5. INDUSTRY OVERVIEW AND PROSPECTS OF THE LANDS

5.1 Overview of the Malaysia economy

The Malaysian economy expanded by 3.3% in the third quarter of 2023 (2Q 2023: 2.9%). Growth was anchored by resilient domestic demand. Household spending remained supported by continued growth in employment and wages. Meanwhile, investment activity was underpinned by the progress of multi-year projects and capacity expansion by firms. Exports remained soft amid prolonged weakness in external demand. This, however, was partially offset by the recovery in inbound tourism. On the supply side, the services, construction and agriculture sectors remained supportive of growth. This was partly offset by the decline in production in the manufacturing sector given the weakness in demand for electrical & electronic (E&E) products and lower production of refined petroleum products. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 2.6% (2Q 2023: 1.5%). Overall, the Malaysian economy expanded by 3.9% in the first three quarters of 2023.

Headline inflation continued to moderate to 2% (2Q 2023: 2.8%) during the quarter. The moderation was recorded in both non-core inflation and core inflation. For non-core inflation, fresh food and fuel contributed to the decline. Core inflation declined further to 2.5% (2Q 2023: 3.4%) but remained above its long-term average (2011-2019 average: 2%). The moderation in core inflation was largely contributed by selected services, including food away from home, expenditure in restaurants and cafes, and personal transport repair and maintenance. Inflation pervasiveness declined as the share of Consumer Price Index (CPI) items recording monthly price increases moderated to 40.8% during the quarter (2Q 2023: 42.7%), below the third quarter long-term (2011 – 2019) average of 44.5%.

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2023, Bank Negara Malaysia)

5.2 Overview of the Malaysian property market

Despite the challenging global financial and economic environment, the property market managed to stay poised and posted a marginal softening in market activity in the first half of 2023 (H1 2023) compared to the same period last year (H1 2022). Various initiatives outlined under the revised Budget 2023 by the government to a certain extent helped to spur property market activities.

The nation's property market activity recorded a total of 184,140 transactions worth RM85.37 billion, down by 2.1% in volume but increased slightly by 1.1% in value against corresponding period. From the total transactions, 32.1% (59,090 transactions) and 63.6% (117,129 transactions) were transfers dated in 2022 and 2023 respectively while the remaining percentage share was for prior years' transfers.

Sectoral market activity performance declined marginally: residential (-1.0%), industrial (-2.5%) and agriculture (-12.4%) with the exception of commercial and development land sub-sector, which increased by 16.0% and 1.4% respectively.

In terms of value of transactions, residential and agriculture sub-sector recorded a decrease of 1.8% and 17.7% respectively, whereas commercial, industrial and development land sub-sector recorded otherwise, increased by 19.5%, 1.8% and 7.3% respectively.

The residential sub-sector led the overall property market, with 62.4% contribution. This was followed by agriculture sub-sector (19.8%), commercial (9.6%), development land and others (6.2%) and industrial (2.0%). In terms of value, residential took the lead with 52.5% share, followed by commercial (19.6%), industrial (12.8%), agriculture (8.3%) and development land and others (6.8%).

The industrial sub-sector recorded 3,735 transactions worth RM10.94 billion in the first half of 2023. Compared to the same period last year, the market activity slightly decreased by 2.5% in volume but increased by 1.8% in value. Selangor continued to dominate the market, with 31.1% (1,163 transactions) of the nation's volume, followed by Johor and Negeri Sembilan, each with 18.3% and 8.2% market share. Terraced factory formed 31.8% of the total industrial transactions, followed by vacant plots (28.0%), and semi-detached factory (24.0%).

The industrial overhang situation continued to improve lesser in numbers. There were 819 overhang units worth RM0.98 billion, indicating a decline of 6.9% and 14.1% in volume and value respectively (H2 2022: 880 overhang units worth RM1.15 billion). On a similar note, the unsold under construction category declined by 11.8% with 397 units compared to H2 2022 at 450 units. The unsold not constructed recorded 112 units, more than 51 units recorded in H2 2022.

On the supply front, the construction activity in the industrial sub-sector was overwhelming. Completions increased by more than two-fold to 260 units (H1 2022: 118 units) while starts recorded an increase of 55.8% to 413 units (H1 2022: 265 units). The new planned supply also increased by four-fold to 478 units (H1 2022: 118 units). As of end-June 2023, there were 120,647 existing industrial units with 4,121 units in the incoming supply and 6,460 units in the planned supply. Selangor and Johor led the existing stock and incoming supply with a combine market share of 50.3% and 56.0% in the related development stages while Selangor and Melaka led planned supply with a combine market share of 55.4% share.

Prices of industrial property showed mixed performance but remained stable in major states. In Selangor, one and a-half-storey terraced factory at Taman Industri Puchong Raya increased by 8.5%. Likewise, Johor and Pulau Pinang recorded an upward movement between 3.1% to 6.0% and 3.2% to 5.7% respectively for similar type.

The property market performance was moderate in the first half of 2023 (H1 2023) compared to the same period last year despite of a number of headwinds which have limit the sector's growth potential. This includes the increase of borrowing costs, the continued downtrend in Consumer Sentiment Index (CSI) (Q2 2023: 90.8 points; Q1 2023: 99.2 points; Q4 2022: 105.3 points) and the concerns on the economic situations due to weaker external demand.

The gradual Increase in the Overnight Policy Rate (OPR) since May 2022 is expected to have an impact on property market activity, particular on residential demand. In addition, the outlook of the workforce in the construction sector and the increase in the prices of building materials will also affect supply.

The country's economic and financial developments and the sentiment of industry players are the internal factors that will have an impact on the property sector as well as the external factors such as global financial and economic conditions. As the national economy is projected to expand to the lower end of the 4.0% to 5.0% range in 2023 supported by continued resilient domestic growth prospects, the property market performance is expected to remain cautiously optimistic.

(Source: Property Market Report First Half 2023, Valuation and Property Services Department, Ministry of Finance Malaysia)

5.3 Overview of the property market in Johor

On 25 August 2023, the Government of Malaysia announced the introduction of a Special Financial Zone (“**SFZ**”) in Forest City, aimed at boosting investment. The SFZ is meant to lower the cost of doing business by offering several incentives and the extension of benefits previously available in Iskandar Malaysia to encompass Forest City. Key incentives include a specialized income tax rate of 15 percent for skilled workers and the provision of multiple entry visas, aimed at attracting and retaining talent and businesses in the area.

During the 10th Malaysia-Singapore Leaders’ Retreat, the two countries have agreed to jointly develop the Johor-Singapore Special Economic Zone (“**SEZ**”) and are working to ink an agreement in 2024 that will usher in the next stage of the SEZ. The SEZ will improve the flow of goods and people between both sides of the Causeway, and enhance the ecosystem of the Iskandar development region and Singapore.

In order to further strengthen Johor’s position as an investor-friendly state, the State Government of Johor is looking to emulate and replicate the Kulai Fast Lane concept in other districts, a move that could encourage more investors to the state. The initiative was introduced by the Kulai Municipal Council to cut red tape and facilitate investors to set up businesses, has been successful and would be renamed as “Johor Fast Lane”.

The Lands are seamlessly connected via a network of international airports, seaports and highway which provides easy access for industry users. Furthermore, with the government’s efforts in offering interesting initiatives to investors, the development potential for the Lands is expected to be promising.

(Source: Valuation Report)

5.4 Prospects of the Lands

Our Board is of the view that the Proposed Acquisitions would provide our Group with opportunities to create greater economic value and increase the earnings potential of our Group over the medium to long term as the Lands have promising development potential. The Lands are strategically located at central of Johor Bahru and are surrounded with various types of industrial properties.

Hence, it is the intention of our Board to develop the Lands into a well-conceptualised industrial area. Our Board is of the view that the Proposed Acquisitions will contribute to the continued growth and is expected to enhance the future revenue stream as well as contribute positively to the future earnings of our Group. As at the LPD, our Group has approximately 89.68 hectares of land bank for development, as follows:

- (i) approximately 8.58 hectares in the Mukim of Jeram Batu, District of Pontian, State of Johor;
- (ii) approximately 10.34 hectares in the Mukim of Labu, District of Sepang, State of Selangor;
- (iii) approximately 13.09 hectares in the Mukim of Pulai, District of Johor Bahru, State of Johor;
- (iv) approximately 57.10 hectares in the Mukim of Plentong, District of Johor Bahru, State of Johor; and
- (v) approximately 0.57 hectares in the Township of Johor Bahru, District of Johor Bahru, State of Johor.

Upon completion of the Proposed Acquisitions, our Group’s land bank is expected to increase to 136.58 hectares.

6. RISK FACTORS

6.1 Completion risk

The completion of the Proposed Acquisitions is conditional upon the fulfilment of the conditions precedent and conditions subsequent in the SPAs as set out in Section 2.3.3 and Section 2.3.4 of this Circular respectively. There can be no assurance that the fulfilment of the conditions precedent and conditions subsequent in the SPAs will be satisfied or obtained as the case may be, within the stipulated timeframe or that any of the termination events will not occur. Any delay in the fulfilment of the conditions precedent and conditions subsequent in the SPAs may lead to a delay in the completion and/or termination of the Proposed Acquisitions. In turn, our Group will not be able to achieve the intended benefits of the Proposed Acquisitions.

To mitigate such risk, our Group will take reasonable steps to ensure that every effort is made to comply fully with the terms and conditions of the SPAs in relation to PLSB's obligations.

6.2 Property development risk

The acquisition and the subsequent development of the Lands will expose PLSB to the risk inherent to the property development business which includes, but is not limited to, the following:

- (i) authority's approval for the development order being obtained;
- (ii) regulations on property development;
- (iii) market demand and competition from the supply of industrial properties in the surrounding areas of the Lands;
- (iv) changing demands for the type of industrial properties;
- (v) fluctuation in material prices and labour costs;
- (vi) changes in federal and state policies with regards to property development; and
- (vii) overall economic conditions which may have an impact on the purchasing power and buying sentiments of property buyers.

Nevertheless, our Group will minimise the property development risks through leveraging on its past experience and expertise by adopting prudent risk management and monitoring of development strategy.

6.3 Investment risk

Upon completion of the Proposed Acquisitions, our Company will be subject to inherent risks associated with property investment such as general economic downturn of the global and/or the Malaysian economy.

The market value of the Lands may either appreciate or depreciate depending on factors such as the property market, economic, political and regulatory conditions in the country.

To mitigate such risk, our Board has exercised due care in considering the potential risks and benefits associated with the Proposed Acquisitions. Our Board believes that the Proposed Acquisitions and the Development Projects will benefit our Group, taking into consideration, amongst others, the prospects of the Lands.

6.4 Financing risk

The Proposed Acquisitions may be financed through a combination of bank borrowings, internally generated funds and equity/debt fund raising exercises. In the event our Group obtains bank borrowings for the funding of the Proposed Acquisitions, our Group may be required to incur additional interest expense arising from such additional bank borrowings. Taking into consideration that the interest expense charged on bank borrowings are subject to prevailing interest rate that are dependent on various factors, which include general economic and capital market conditions, our Group may potentially be exposed to interest rate fluctuation which may affect our Group's cash flows as well as profitability. For information purposes, the range of interest rates for our Group's existing bank borrowings as at the LPD is 5.41% - 7.00%.

In addition, any utilisation of internally generated funds may result in a reduction of our Group's working capital, which may have an adverse effect on the cash flow position of our Group. Nevertheless, there is no assurance that our Group will be able to secure or obtain necessary funding required for the Proposed Acquisitions in accordance with the payment milestones stipulated in the SPAs.

Nevertheless, our Board will seek to mitigate the aforesaid risk by closely monitoring the changes in interest rates, gearing levels and internal cash requirements of our Group to ensure effective cashflow management and that our Group's financial obligations are met at all times.

6.5 Compulsory acquisition risk

Under the Land Acquisition Act 1960, the relevant state authority has the power to compulsorily acquire any land in Malaysia for certain purposes. In the event of any compulsory acquisition of property, the amount of compensation to be awarded is based on the fair market value of such property which is assessed on the basis prescribed in the Land Acquisition Act 1960 and other relevant laws. If any part of the Lands is compulsorily acquired by the relevant state authority at a point in time when the fair market value of the Lands has decreased, the level of compensation payable to our Company may be less than the Total Purchase Consideration. This may have an adverse effect on the financial position of our Company. However, the risk of compulsory acquisition of the Lands is mitigated by the fact that presently, the Lands are not subject to any compulsory acquisition notifications issued.

6.6 Political, economic, market and regulatory risks

Any adverse changes in the political situation and economic uncertainties in Malaysia could materially and adversely affect the financial performance of our Group despite our Group taking necessary measures, including but not limited to, keeping abreast with local policies and laws as well as seeking professional legal advice prior to committing to new projects.

Any change in the political situation and/or government policies in Malaysia may also affect the business of our Group. Political or regulatory changes such as introduction of new laws and regulations which impose and/or increase restrictions on imports, imposition of capital controls, changes in interest rates or taxes, changes in political state, fiscal and monetary policies will impact our Group's business, financial condition, results of operations and prospects.

Our Group will monitor the key development in the abovementioned political, economic and regulatory conditions and take measures to mitigate such risks by reviewing our Group's business strategies in relation to the changes in political, economic and regulatory conditions.

6.7 Acquisition risk

Our Board believes that any acquisition risk associated to the Proposed Acquisitions is to a great degree mitigated by our Group's expertise and experience acquired over the years and its familiarity with the property development and construction industry. Appropriate measures are expected to be undertaken by our Group for the Proposed Acquisitions to minimise the acquisition risk through practicing efficient operating procedures and prudent financial management, including reviewing its property development strategies such as concept, product mix, pricing, marketing strategies and timing of launches as well as continuously monitoring the prevailing market conditions.

6.8 Performance of the property market

The property development and construction business is highly dependent on the supply and demand factors which are predominantly affected by the prevailing economic conditions, competition with other property developers and government regulations. Any adverse developments affecting the property market such as the decrease in demand in properties and a drop in the property rental market may have an adverse impact on the business operations and cash flow of our Group. Furthermore, there may be a possibility of the occurrence of property overhang at the time of completion of the Proposed Acquisitions and/or our Group's future property development project (if any). This will affect the sale of our Group's future development and as a consequence affect our Group's future financial performance.

Our Group will take proactive measures to remain competitive in the property development and construction industry through active monitoring of the market conditions of the property market in Malaysia. Nevertheless, there is no assurance that such risk will not have any adverse impact on our Group's future property development business and its financial performance.

7. EFFECTS OF THE PROPOSED ACQUISITIONS

7.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisitions will not have any effect on the issued share capital of our Company and the shareholdings of our substantial shareholders unless our Company undertakes equity fund raising to fund the Total Purchase Consideration. The exact quantum and the resultant proportion of internal funds, bank borrowings and/or equity fund raising has not been ascertained at this juncture.

7.2 Earnings and EPS

The Proposed Acquisitions are not expected to have any material effect on the earnings and EPS of our Company for the FYE 31 March 2023 and FYE 31 March 2024 respectively as the Development Projects are expected to commence in 2025. Nevertheless, the Proposed Acquisitions are expected to contribute positively to the future earnings and EPS of our Company when the Lands are developed.

7.3 Convertible securities

As at the LPD, our Company does not have any other convertible securities in issue.

7.4 NA per Share and gearing

The Proposed Acquisitions will not have any effect on the NA per Share unless our Company undertakes equity fund raising to fund the Total Purchase Consideration.

The Total Purchase Consideration is to be satisfied via internally generated funds, bank borrowings and/or equity fund raising. The exact quantum and the resultant proportion of internally generated funds, bank borrowings and/or equity fund raising has not been ascertained at this juncture. However, for illustrative purposes, assuming that the Total Purchase Consideration is fully financed via bank borrowings, the effect of the Proposed Acquisitions on the gearing of our Group are as follows:

	Audited as at 31 March 2023	After the Proposed Acquisitions
	RM'000	RM'000
Shareholders' funds/NA	299,330	299,330
Total borrowings	42,000	*188,072
Gearing (times)	0.14	0.63

Note:

* Assuming the Proposed Acquisitions are fully funded via bank borrowings.

8. PERCENTAGE RATIO OF THE PROPOSED ACQUISITIONS

The highest percentage ratio applicable to the Proposed Acquisitions pursuant to Paragraph 10.02(g) of the Listing Requirements is 48.80%, computed based on the Total Purchase Consideration of the Proposed Acquisitions compared to the audited consolidated NA of our Company for the FYE 31 March 2023 of approximately RM299.3 million.

9. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Acquisitions are subject to the approvals being obtained from the following:

- (i) our shareholders at the forthcoming EGM;
- (ii) approval from EPU for Land 1, Land 5 and Land 7;
- (iii) approval from SUK being obtained by Nusajaya Rise for the release of Land 5 and Land 6 from bumiputera lot status; and
- (iv) approval from the land administrator being obtained by Nusajaya Rise for the transfer of Land 1 and Land 2 to PLSB.

For the avoidance of doubt, the individual SPA of Land 1, Land 2, Land 3, Land 4 and Land 7 are inter-conditional upon each other, as part of En Bloc SPAs 1, whilst the individual SPA of Land 5 and Land 6 are inter-conditional upon each other, as part of En Bloc SPAs 2. En Bloc SPAs 1 and En Bloc SPAs 2 are not inter conditional upon each other.

The individual SPA of Land 8 is not inter-conditional with En Bloc SPAs 1 and En Bloc SPAs 2 as the vendor for Land 8 is Nusajaya Heights whereas the vendor for the remaining lands is Nusajaya Rise.

The Proposed Acquisitions are not conditional upon any other corporate exercise/scheme of our Company.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of our directors and/or major shareholders as well as persons connected with them have any interest, direct or indirect, in the Proposed Acquisitions.

11. DIRECTORS' STATEMENT

Our Board, having considered all aspects of the Proposed Acquisitions including but not limited to, the rationale and benefits of the Proposed Acquisitions, the salient terms of the SPAs, the prospects of the Lands as well as the effects of the Proposed Acquisitions, is of the opinion that the Proposed Acquisitions are in the best interest of our Company. Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Acquisitions to be tabled at the forthcoming EGM.

12. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Acquisitions, there is no other corporate exercise/scheme which have been announced by our Company but yet to be completed as at the LPD.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to the required approvals being obtained, the Proposed Acquisitions are expected to be completed within 15 months from the date of the SPAs, subject to any further extension of time as granted by the provisions in the SPAs.

The tentative timeline for the Proposed Acquisitions is as follows:

Tentative timeline	Event
11 March 2024	EGM
1 st quarter of 2025	Completion of the Proposed Acquisitions

14. EGM

The EGM, a notice of which is enclosed in this Circular, will be held at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Monday, 11 March 2024 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing, with or without modification, the resolution to give effect to the Proposed Acquisitions.

If you are unable to attend, speak and vote in person at the EGM, please complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible and in any event so as to arrive at the office of our share registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to submit proxy appointment electronically via TIIH Online at <https://tiih.online> not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Please follow the procedures at set out in the Administrative Guide for the EGM for electronic lodgement of the Form of Proxy.

The lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

15. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of
PARAGON GLOBE BERHAD

DATO' SRI EDWIN TAN PEI SENG
Executive Chairman

VALUATION CERTIFICATE FROM THE VALUER ON THE LANDS

VALUATION CERTIFICATE FROM THE VALUER ON THE LANDS *(Cont'd)*

VALUATION CERTIFICATE FROM THE VALUER ON THE LANDS *(Cont'd)*

VALUATION CERTIFICATE FROM THE VALUER ON THE LANDS *(Cont'd)*

VALUATION CERTIFICATE FROM THE VALUER ON THE LANDS *(Cont'd)*

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENTS AND CONFLICT OF INTEREST

2.1 SJ Securities

SJ Securities, being the Principal Adviser for the Proposed Acquisitions, has given and has not subsequently withdrawn its written consent to the inclusion of its name in this Circular and all references thereto in the form and context in which they appear in this Circular.

SJ Securities confirms that as at the LPD, it is not aware of any circumstance that exists or is likely to exist which would give rise to a conflict of interest situation in its capacity as Principal Adviser for the Proposed Acquisitions.

2.2 CBRE WTW

CBRE WTW, being the independent valuer for the Lands, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, letters and all references thereto in the form and context in which they appear in this Circular.

CBRE WTW confirms that as at the LPD, it is not aware of any circumstances that exists or is likely to exist which would give rise to a conflict of interest situation in its capacity as the independent valuer for the Lands.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 Material commitments

Save as disclosed below, as at the LPD, our Board is not aware of any material commitments incurred or known to be incurred by our Group which may have a material impact on the profits and NA of our Group:

Capital commitments	RM'000
Contracted but not provided for:	
(i) Capital expenditure in respect of investment property under construction,	70,161 ⁽¹⁾
(ii) Commitment in respect of purchase of lands held for property development	146,349 ⁽²⁾
Total	216,510

Notes:

(1) The commitment pertains to contracts awarded by our subsidiary, Builtech Acres Sdn Bhd, in 2020, 2021, 2022 and 2023 at a total contracted sum of RM103.06 million to various suppliers for Sepang Medical Center located in Sepang-Nilai township and targeted to be completed by last quarter of 2024.

(2) The commitment is in respect of the Proposed Acquisitions and the acquisition of all that piece of freehold land held under HS(D) 135013 PTB 17989, in the Bandar of Johor Bahru, District of Johor Bahru, State of Johor by our wholly owned-subsiidiary, PGB Iconic Sdn. Bhd..

FURTHER INFORMATION (Cont'd)**3.2 Contingent liabilities**

Save as disclosed below, as at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the profits and NA of our Group:

Contingent liabilities	RM'000
Secured:	
(i) Bank guarantee issued to Tenaga Nasional Berhad to guarantee payment in the event our subsidiary, Paragon Bizhub Sdn. Bhd., fails to transfer to relevant authority the substation site after our subsidiary has incurred expenditure in providing and installing all the necessary materials in the substation building for the supply of electricity.	20
(ii) Bank guarantee issued to Tenaga Nasional Berhad to guarantee payment of damages in the event our subsidiary, Builtech Acres Sdn. Bhd., fails to execute a registrable memorandum of lease after Tenaga Nasional Berhad has incurred expenditure in providing and installing all the necessary materials in the substation building for the supply of electricity.	20
(iii) Bank guarantee issued to Indah Water Konsortium Sdn Bhd to guarantee the due performance of the upgrading and refurbishment works at an existing sewage treatment plant up to its full completion by our subsidiary, Builtech Acres Sdn. Bhd.	95
(iv) Bank guarantee issued to Tenaga Nasional Berhad to guarantee payment of damages in the event our subsidiary, Paragon Bizhub Sdn. Bhd., fails to execute a registrable memorandum of lease after Tenaga Nasional Berhad has incurred expenditure in providing and installing all the necessary materials in the substation building for the supply of electricity.	20
Total	155

4. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION

As at the LPD, our Board is not aware of any material litigation, claims or arbitration involving the Lands, either as plaintiff or defendant, and our Board is not aware of any proceedings, pending or threatened, involving the Lands or any part thereof.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are made available for inspection at our registered office at Level 10-02, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) our Company's constitution;
- (ii) our Company's audited consolidated financial statements for the past two (2) FYEs 31 March 2022 and 31 March 2023, and our Company's latest unaudited consolidated results for the 6-month financial period ended 30 September 2023;
- (iii) SPAs;
- (iv) Valuation Report and valuation certificate referred to in **Appendix I** of this Circular; and
- (v) letters of consent referred to in Section 2 of this Appendix.



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Paragon Globe Berhad (“**PGB**” or the “**Company**”) will be held at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Monday, 11 March 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, to pass, with or without modifications, the following resolution:

ORDINARY RESOLUTION

PROPOSED ACQUISITIONS BY PGB LANDMARK SDN BHD (“PLSB”), A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, OF SEVEN (7) PLOTS OF FREEHOLD LANDS LOCATED IN THE MUKIM OF TANJUNG KUPANG AND ONE (1) PLOT OF FREEHOLD LAND LOCATED IN THE MUKIM OF PULAI, ALL IN THE DISTRICT OF JOHOR BAHRU, STATE OF JOHOR (“LANDS”) MEASURING IN AGGREGATE AN APPROXIMATE AREA OF 46.904 HECTARES FOR A TOTAL PURCHASE CONSIDERATION OF RM146,071,898.47 TO BE FULLY SATISFIED IN CASH (“PROPOSED ACQUISITIONS”)

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to PLSB to acquire the following Lands:

- 1) All that piece of freehold land held under HSD 602898 PTD 5868 for a purchase consideration of RM54.356 million and all that piece of freehold land held under HSD 602455 PTD 5401 for a purchase consideration of RM9.989 million, located in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor from Nusajaya Rise Sdn Bhd (“**Nusajaya Rise**”), being the vendor of the lands, upon such terms and conditions set out in the conditional sale and purchase agreements dated 17 November 2023 between PLSB and Nusajaya Rise;
- 2) All that piece of freehold land held under HSD 306832 PTD 2994 for a purchase consideration of RM10.686 million, all that piece of freehold land held under HSD 306833 PTD 2995 for a purchase consideration of RM12.298 million, all that piece of freehold land held under HSD 306837 PTD 3003 for a purchase consideration of RM24.124 million, all that piece of freehold land held under HSD 306838 PTD 3004 for a purchase consideration of RM10.304 million and all that piece of freehold land held under HSD 306839 PTD 3006 for a purchase consideration of RM21.528 million, located in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor from Nusajaya Rise, being the vendor of the lands and Symphony Hills Sdn Bhd (“**Symphony Hills**”), being the proprietor of the lands, upon such terms and conditions set out in the conditional sale and purchase agreements dated 17 November 2023 between PLSB, Nusajaya Rise and Symphony Hills; and
- 3) All that piece of freehold land held under Geran 361960 Lot 132561 for a purchase consideration of RM2.787 million, located in the Mukim of Pulai, District of Johor Bahru, State of Johor from Nusajaya Heights Sdn Bhd (“**Nusajaya Heights**”), being the vendor of the land, upon such terms and conditions set out in the conditional sale and purchase agreement dated 17 November 2023 between PLSB and Nusajaya Heights.

Collectively, all the conditional sale and purchase agreements above are referred to as “**SPAs**”.

AND THAT the Board of Directors of PGB ("**Board**") be and is hereby authorised and empowered to take all such steps and to enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as the Board deems fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to this ordinary resolution and the terms and conditions of the SPAs with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities and/or as the Board deems fit, appropriate and in the best interest of PLSB and the Company."

BY ORDER OF THE BOARD

LEONG SIEW FOONG (MAICSA 7007572)

Company Secretary

Johor Bahru

26 February 2024

Notes:

- (1) *A member entitled to attend, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and vote at the EGM. Each member entitled to vote may vote in person or by proxy or by attorney or in case of a corporation, to appoint a duly authorised representative to attend and vote in his/her place.*
- (2) *Where a member entitled to vote on a resolution has appointed more than one (1) proxy, the appointments shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
- (3) *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.*
- (4) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (5) *Every member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, speak and vote instead of him/her at the meeting of members and that such proxy need not be a member.*
- (6) *The Form of Proxy shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to submit proxy appointment electronically via TIIH Online at <https://tiih.online> not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the EGM for the electronic lodgement of Form of Proxy.*
- (7) *For the purpose of determining who shall be entitled to attend and vote at the EGM, the Company shall be requesting the Record of Depositors as at 4 March 2024 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend and vote at this meeting and appoint proxy(ies).*

FORM OF PROXY

I/We _____ NRIC/Passport No: _____
of _____ Telephone No: _____
being a member/members of PARAGON GLOBE BERHAD hereby appoint _____
_____ NRIC/Passport No: _____
of _____
#and/#or failing him/her _____ NRIC/Passport No: _____
of _____

or failing #him/#her, the CHAIRMAN OF THE MEETING as my/our proxy(ies) to vote for me/us and on my/our behalf at the EGM of the Company at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Monday, 11 March 2024 at 10.00 a.m. or at any adjournment thereof.

Delete if not applicable

My/Our proxy(ies) is/are to vote as indicated below:

ORDINARY RESOLUTION	FOR	AGAINST
PROPOSED ACQUISITIONS		

(Please indicate with an "X" in the spaces provided as to how you wish your votes to be cast. If you do not do so, your proxy will vote or abstain from voting at his/her discretion.)

The proportion(s) of my/our holding to be represented by my/our proxies is/are as follows:

	%
First Proxy	%
Second Proxy	%
TOTAL	100%

Signed this _____ day of _____ 2024

Signature

Notes:

- (1) A member entitled to attend, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, speak and vote at the EGM. Each member entitled to vote may vote in person or by proxy or by attorney or in case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his/her place.
- (2) Where a member entitled to vote on a resolution has appointed more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
- (3) The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
- (4) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (5) Every member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, speak and vote instead of him/her at the meeting of members and that such proxy need not be a member.
- (6) The Form of Proxy shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to submit proxy appointment electronically via TIH Online at <https://tih.online> not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the EGM for the electronic lodgement of Form of Proxy.
- (7) For the purpose of determining who shall be entitled to attend and vote at the EGM, the Company shall be requesting the Record of Depositors as at 4 March 2024 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend and vote at this meeting and appoint proxy(ies).

Fold this flap for sealing

Then fold Here

AFFIX STAMP

The Share Registrar
PARAGON GLOBE BERHAD
(Company No. 194801000095 (1713-A))
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Wilayah Persekutuan
Kuala Lumpur

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ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING (“EGM”)

Day and Date : Monday, 11 March 2024
Time : 10.00 a.m.
Venue : Level 2, Grand Paragon Hotel
No. 18, Jalan Harimau
Taman Century
80250 Johor Bahru
Johor, Malaysia

REGISTRATION

The registration counter will be open at 9.00 a.m. on Monday, 11 March 2024 and will remain open until the conclusion of the EGM or such time as may be determined by the Chairman of the meeting. Shareholders or proxies are requested to present their original MyKAD or Passport (for non-Malaysians) to the registration staff for verification purposes. Please ensure the original MyKAD or Passport is returned to you thereafter.

Please take note that no person will be allowed to register on behalf of another person, even with the original MyKAD or Passport of that person. Upon verification, shareholders or proxies are required to write their names and sign on the Attendance List placed on the registration table. Shareholders or proxies will also be given the voting slip for voting purposes.

PROXY

The appointment of proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company, not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Form of Proxy shall not be treated as valid.

(i) In hard copy form

In case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) at 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, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic form

The Form of Proxy can be electronically lodged via TIIH Online at <https://tiah.online>. Please do read and follow the procedures below to submit Form of Proxy electronically.

ELECTRONIC LODGMENT OF FORM OF PROXY

The procedures to lodge your Form of Proxy electronically via Tricor's TIIH Online are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. Select the corporate event: PARAGON GLOBE BERHAD EGM 2024 - SUBMISSION OF FORM OF PROXY". Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy(s) appointment. Print the form of proxy for your record.
ii. Steps for Corporate or Institutional Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporate or institutional shareholder selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>

ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING (Cont'd)

Procedure	Action
Proceed with submission of Form of Proxy	<ul style="list-style-type: none">▪ Login to TIIH Online at https://tiih.online.▪ Select the corporate event: “PARAGON GLOBE BERHAD EGM 2024 – SUBMISSION OF FORM OF PROXY”▪ Agree to the Terms & Conditions and Declaration.▪ Proceed to download the file format for “Submission of Form of Proxy” in accordance with the Guidance Note set therein.▪ Prepare the file for the appointment of proxies by inserting the required data.▪ Login to TIIH Online, select corporate event: “PARAGON GLOBE BERHAD EGM 2024 – SUBMISSION OF FORM OF PROXY”.▪ Proceed to upload the duly completed proxy appointment file.▪ Select “Submit” to complete your submission.▪ Print the confirmation report of your submission for your record.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose determining who shall be entitled to attend the EGM, the Company will be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 4 March 2024 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting.

POLL VOTING

The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to conduct the polling process.

Shareholders/proxies/corporate representatives/attorneys can proceed to vote on the resolutions upon the conclusion of the deliberations of all businesses transacted at the EGM.

Upon completion of the voting session for the EGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gifts or food vouchers for the EGM.

NO RECORDING OR PHOTOGRAPHY

No recording or photography of the EGM proceedings is allowed without prior written permission of the Company.

PERSONAL BELONGINGS

Please take care of your personal belongings. The Company will not be held responsible for any item that has gone missing resulted in any monetary losses.

ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING (Cont'd)

ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except Public Holidays):

Tricor Investor & Issuing House Services Sdn Bhd		
Telephone Number	General Line	603-2783 9299
Contact Person	Ms Nor Faeayzah	603-2783 9274 Nor.Faeayzah@my.tricorglobal.com
	Ms Nur Shafikah	603-2783 9293 Nur.Shafikah@my.tricorglobal.com
	Mr Ashvinder Singh	603-2783 7962 Ashvinder.Singh@my.tricorglobal.com
Fax Number	603-2783 9222	
Email	is.enquiry@my.tricorglobal.com	