• PROPERTY DEVELOPMENT • CONSTRUCTION • INVESTMENTS

2024
ANNUAL REPORT

Embrace Change

INSIDE THIS REPORT

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OUR VISION

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

OUR MISSION

WE ARE COMMITTED

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

WE PERFORM **OUR BEST**

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

WE AIM **TO CULTIVATE**

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Sri Edwin Tan Pei Seng
Executive Chairman

Dato' Sri Godwin Tan Pei Poh
Group Executive Director

Mdm. Leong Siew Foong
Executive Director

Mr. Tee Boon Hin
Senior Independent
Non-Executive Director

Dato' Haji Ismail Bin Karim
Independent Non-Executive
Director

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

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

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

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

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

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

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR
Mr. Tee Boon Hin
Tel : (07) 278 6668

COMPANY SECRETARY
Leong Siew Foong
MAICSA 7007572
CCM PC No.: 202008001117

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

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

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

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

AUDITORS
BDO PLT
(201906000013(LLP0018825-LCA)
& AF 0206) (Chartered Accountants)
Suite 18-04, Level 18, Menara Zurich,
No. 15, Jalan Dato' Abdullah Tahir,
80300 Johor Bahru, Johor.
Tel : (07) 331 9815
Fax : (07) 331 9817

SHARE REGISTRARS
Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)

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

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

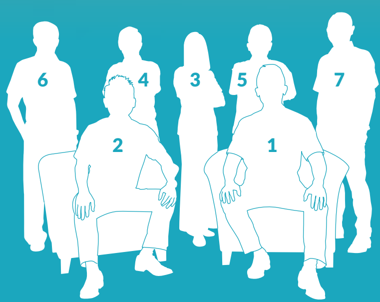
CORPORATE STRUCTURE

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

- 100% Paragon Bizhub Sdn Bhd 201701046552 (1260728-A)
- 100% PGBG Construction Sdn Bhd 201801003277 (1265290-X)
- 100% Paragon Business Hub Sdn Bhd 201801003286 (1265299-H)
- 100% Paragon Platinum Sdn Bhd 201901013310 (1322638-K)
- 100% Paragon Globe Properties Sdn Bhd 201901037555 (1346885-T)
- 100% Paragon Workers Hostel Sdn Bhd 202201043020 (1488717-H)
- 100% PGB Iconic Sdn Bhd 202301022951 (1516874-X)
  Date of incorporation: 19 June 2023
- 100% PGB Landmark Sdn Bhd 202301033981 (1527904-M)
  Date of incorporation: 29 August 2023
- 100% PGB Desa Heights Sdn Bhd 202401019026 (1564875-X)
  Date of incorporation: 14 May 2024
- 99.06% Builtech Acres Sdn Bhd 199501034667 (363869-X)
  - 99.06% Sepang Medicity Sdn Bhd 201601042863 (1213805-X)

Dormant Companies

BOARD OF DIRECTORS



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

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

3. **Mdm. Leong Siew Foong**
   Executive Director

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

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

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

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

BOARD OF DIRECTORS' PROFILE

Dato' Sri Edwin Tan Pei Seng was appointed to the Board of Paragon Globe Berhad on 27 October 2017. He holds a Bachelor of Commerce in Finance and E-Commerce Management from Deakin University, Melbourne, Australia. Beginning his career as Financial Executive upon graduation, he swiftly advanced to become a Financial Controller. Subsequently, he held roles as Executive Director in various private companies spanning hospitality, investment holding, property development and other sectors.

He is actively engaged in diverse development endeavors in Johor Bahru. These include the development of industrial project comprising 32 units of semi-detached factories known as Bizhub Skudai 8, as well as residential projects such as Paragon Residences and Paragon Suites, luxurious serviced apartment in Johor Bahru. Additionally, he played a role in the establishment and full commencement of Paragon Private and International School in January 2017.

Dato' Sri Edwin Tan gained recognition as one of the 100 most influential Young Entrepreneurs in 2016. Moreover, he was bestowed with the Young Entrepreneurs Super Model Awards 2022 by the Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM"). Furthermore, he was honored as the Johor Bahru Chinese Chamber of Commerce & Industry ("JBCCCI") Honorary Life President.

In his role as the Executive Chairman of Paragon Globe Berhad, he formulates and implements company policies, direct the Company's strategy towards profitable growth and ensures adequate operational planning while meticulously overseeing operational and financial outcomes.

He does not hold any Directorship in other public listed companies. He attended all of the Board Meetings conducted during the financial year ended 31 March 2024.

Family relationship with any Director and/or major/ substantial shareholders

He is the brother of Dato' Sri Godwin Tan, who serve as the Group Executive Director. Both are directors and shareholders of the ultimate holding company Paragon Adventure Sdn Bhd.

Conflict of interest

There is no conflict of interest, except for the recurrent related party transactions set out in the Statement on Additional Compliance Information.

Conviction of offences within the past 5 years/public sanction or penalty, apart from potential traffic offences

None.

Dato' Sri
Edwin Tan Pei Seng
Executive Chairman

AGE
43

GENDER
MALE

NATIONALITY

DATE OF APPOINTMENT
27 OCTOBER 2017

BOARD OF DIRECTORS' PROFILE *(continued)*

Dato' Sri Godwin Tan Pei Poh

Group Executive Director

AGE
40

GENDER
MALE

NATIONALITY

DATE OF APPOINTMENT
27 OCTOBER 2017

Dato' Sri Godwin Tan Pei Poh was appointed to the Board of Paragon Globe Berhad on 27 October 2017. He holds a Bachelor of Science in Business Administration from Alliant International University, San Diego, California. Commencing his career as Management Trainee upon graduation, he steadily ascended to the role of Executive Director in various private companies.

In collaboration with his brother, Dato' Sri Edwin Tan, he ventured into the residential development sector, overseeing projects such as Paragon Residences and Paragon Suites, luxurious serviced apartment in Johor Bahru. Additionally, he also played a role in the establishment and full commencement of Paragon Private and International School in January 2017.

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

As the Group Executive Director, he shoulders the responsibility of overseeing the administration and strategic planning guiding the organisation's direction. This includes managing marketing efforts, operational planning, financial planning and overall management.

He does not hold any Directorship in other public listed companies. He attended all of the Board Meetings conducted during the financial year ended 31 March 2024.

Family relationship with any Director and/or major/substantial shareholders

He is the brother of Dato' Sri Edwin Tan, who serve as the Executive Chairman. Both are directors and shareholders of the ultimate holding company Paragon Adventure Sdn Bhd.

Conflict of interest

There is no conflict of interest, except for the recurrent related party transactions set out in the Statement on Additional Compliance Information.

Conviction of offences within the past 5 years/public sanction or penalty, apart from potential traffic offences

None.

BOARD OF DIRECTORS' PROFILE *(continued)*

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

She has accumulated more than 33 years of working experience in secretarial industry. She commenced her career in a renowned corporate secretarial firm and has developed extensive expertise in corporate secretarial and operational management. She is responsible for developing and implementing the Group's policies and strategies related to corporate governance and securities regulatory compliance.

She does not hold any Directorship in other public listed companies. She attended all of the Board Meetings conducted during the financial year ended 31 March 2024.

Family relationship with any Director and/or major/ substantial shareholders
None.

Conflict of interest
None.

Conviction of offences within the past 5 years/public sanction or penalty, apart from potential traffic offences
None.

Mdm. Leong Siew Foong
Executive Director

AGE
57

GENDER
FEMALE

NATIONALITY

DATE OF APPOINTMENT
16 JUNE 2022

BOARD OF DIRECTORS' PROFILE *(continued)*

Mr. Tee Boon Hin
Senior Independent Non-Executive Director

AGE **62**	GENDER **MALE**
NATIONALITY Malaysian flag	DATE OF APPOINTMENT **27 OCTOBER 2017**

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

Mr. Tee is a Chartered Accountant in Public Practice with more than 30 years of experience and is an Approved Company Auditor and an Approved Tax Agent.

He trained and qualified as Chartered Accountant in New Zealand with an international firm of accountants. He holds a Bachelor of Commerce Degree from the University of Canterbury, New Zealand and is a member of Chartered Accountants Australia and New Zealand and Governance New Zealand Incorporated, a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow of the Chartered Tax Institute of Malaysia.

He has wide-ranging experience in the accounting and audit of manufacturing, property and construction, fabrication, hospitality, agricultural and retail sectors.

He specialises in financial modelling and management restructuring in business advisory and corporate tax planning for companies in the related field of practice for both small and medium size companies and public interest entities. He has also undertaken valuations and assessment reports for court purposes and provides litigation support services.

Mr. Tee is also a Corporate Director and exercises responsibilities for governance and risk management in the companies he serves as a Director. As a Corporate Director, he oversaw the successful completion of corporate restructuring, mergers and acquisitions and the implementation of risk management system in several companies in the retail, manufacturing (electronics and plastics) and agricultural sectors.

Mr. Tee Boon Hin is also actively involved in the Parents Teachers Association in the local community, having assisted in raising funds for the school and supporting charitable bodies.

He attended all of the Board Meetings conducted during the financial year ended 31 March 2024.

Family relationship with any Director and/or major/substantial shareholders
None.

Conflict of interest
None.

Conviction of offences within the past 5 years/public sanction or penalty, apart from potential traffic offences
None.

BOARD OF DIRECTORS' PROFILE *(continued)*

Dato' Haji Ismail Bin Karim was appointed as an Independent Non-Executive Director of the Company on 27 November 2017. He was further entrusted with the responsibilities of Chairman of the Nomination Committee and membership in the Audit Committee, Risk Management Committee and Remuneration Committee.

Dato' Ismail graduated from Universiti Kebangsaan Malaysia with a Diploma in Education and Bachelor of Arts with Honours (History). He has held numerous pivotal positions in governmental agencies, amassing extensive experience across various sectors, including the Johor Land Office, Johor State Economic Planning Unit, Johor State Secretary Office and Johor State Islamic Religious Department. With over 35 years of dedicated service, he concluded his tenure in the Johor Civil Service as Johor State Secretary on 31 December 2016.

Beyond his public service roles, he serves as President of the Johor State Football Association and Treasurer of Football Association Malaysia. Additionally, he holds a position on the Board of Tunku Laksamana Johor Cancer Foundation.

Currently, he serves as an Independent Non-Executive Director on the Board of Directors of Dialog Group Berhad. Furthermore, he was appointed as an Independent Non-Executive Director of BCB Berhad on 15 July 2022 and sits on the Board of Directors of UTM Holdings Sdn Bhd on 1 July 2023.

He attended all of the Board Meetings conducted during the financial year ended 31 March 2024.

Family relationship with any Director and/or major/substantial shareholders
None.

Conflict of interest
Please refer to page 13 of the Annual Report.

Conviction of offences within the past 5 years/public sanction or penalty, apart from potential traffic offences
None.

Dato' Haji Ismail Bin Karim
Independent Non-Executive Director

AGE
69

GENDER
MALE

NATIONALITY

DATE OF APPOINTMENT
27 NOVEMBER 2017

BOARD OF DIRECTORS' PROFILE *(continued)*

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

Independent Non-Executive Director

AGE 69	GENDER MALE
NATIONALITY (Malaysian flag)	DATE OF APPOINTMENT 27 NOVEMBER 2017

Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar was appointed as an Independent Non-Executive Director of the Company on 27 November 2017. He was further entrusted with the position of Chairman of the Risk Management Committee and membership in the Audit Committee.

His educational background includes a Bachelor of Economics from the University of Malaya, a Postgraduate Diploma in Computer Science from Malaysia University of Technology, and Master of Taxation and Doctor of Public Administration from Golden Gate University, United State of America. He has also been awarded an Honorary Doctor of Management from UNITEN and Asia Metropolitan University and hold the title of Adjunct Professor in various universities.

Commencing his career as a Bank Officer in 1978; he swiftly transitioned to the Inland Revenue Board of Malaysia ("IRBM") a year later as an Assessment Officer. Rising through the ranks, he held esteemed positions within IRBM, including Deputy Chief Executive Officer ("CEO") of Compliance, Deputy CEO of Operations, and ultimately serving as CEO from January 2011 until his retirement in December 2016.

Throughout his illustrative career, he has garnered numerous accolades and awards, including being elected President of the Malaysian Association of Statutory Bodies and Chairman of The Commonwealth Association of Tax Administrations (CATA). Notably, he was honored the CEO of the Year 2015 by The European Emerging Markets Awards and received the 2015 Lifetime Achievement Award-Outstanding Contribution in Shaping People by the Asia HRD Award.

With extensive experience spanning taxation and management, acquired during his tenure with IRBM, he currently leads his own Tax and Management firm, MSM Management Advisory. He also holds key positions in various organisations, such as Chairman of McMillan Woods National Tax Firm, Chairman of the Board of Directors of Universiti Utara Malaysia, an Advisor to Century Software (Malaysia) Sdn Bhd and a Board of Trustee at Yayasan Tenaga Nasional. Additionally, he has been appointed as a Board of Director of the IRBM, effective from 1 August 2021.

Currently, he serves as an Independent Non-Executive Director on the Board of Directors of Censof Holdings Berhad and Minda Global Berhad. Furthermore, in April 2023, he was appointed as an Independent Non-Executive Director of Ann Joo Resources Berhad.

He attended all of the Board Meetings conducted during the financial year ended 31 March 2024.

Family relationship with any Director and/or major/ substantial shareholders

None.

Conviction of offences within the past 5 years/public sanction or penalty, apart from potential traffic offences

None.

BOARD OF DIRECTORS' PROFILE *(continued)*

Dato' Jeffrey Lai Jiun Jye was appointed as a Non-Independent Non-Executive Director of the Company on 1 February 2019. He was further entrusted with membership in the Nomination Committee and Remuneration Committee.

Dato' Jeffrey Lai graduated from Lincoln University, New Zealand with a Bachelor of Commerce and Management. Upon graduation in 2000, he took on the role of Director at JB Paper Carton Sdn Bhd and JBP Packaging and Hardware Enterprise.

Since 2014, Dato' Jeffrey Lai has served as the Executive Director of Kuopacific Malaysia Sdn Bhd. The company's portfolio encompasses M&E Engineering, ELV Solutions, ICT Solutions, Data Center Solution, Education, Property Investment and Development, Retail Mall Management, Medical, F&B, Waste Management and Agriculture.

Moreover, he holds the positions of Director and CEO at Paragon Private and International School in Johor Bahru, Malaysia. The school was honored for The Best Performance in a newly established school by Lang International Corporate Titan Awards in 2018. Additionally, the school received two prestigious awards in the Parents' Choice Awards 2023 for Best Private School in Johor (National Curriculum) and Best International School in Johor (Cambridge Curriculum).

In the preschool sector, he is the Managing Director of MindChamps Preschool Malaysia, which has proudly received the BabyTalk Mama Papa Reader's Choice Award for three consecutive years. Furthermore, it has been recognised as the Best Kindergarten Center and Best Preschool Programme by the Parent's Choice Awards from Parenthood Magazine Malaysia for two consecutive years. Dato' Jeffrey Lai was also awarded the Best Intelligent Figures Brands Award 2021 (Top15) by China Press and National Consumer Action Council (MTPN).

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

Dato' Jeffrey Lai is actively involved with the Associated Chinese Chamber of Commerce and Industry of Malaysia ("ACCCIM") and held various positions:

1. Vice Chairman of Young Entrepreneurs Committee, the ACCCIM, 2021-2024.
2. President, Johor Associated Chinese Chambers of Commerce and Industry ("JACCCI"), 2024-2027.
3. President Johor Bahru Chinese Chamber of Commerce and Industry ("JBCCCI"), 2024-2026.

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

AGE
44

GENDER
MALE

NATIONALITY


DATE OF APPOINTMENT
1 FEBRUARY 2019

He attended all of the Board Meetings conducted during the financial year ended 31 March 2024.

Family relationship with any Director and/or major/substantial shareholders
None.

Conflict of interest
Please refer to page 13 of the Annual Report.

Conviction of offences within the past 5 years/public sanction or penalty, apart from potential traffic offences
None.

CONFLICT OF INTEREST

This list outlines conflict of interest or potential conflict of interest, including involvement in competing businesses, that the named Directors have with the Group. These companies operate in the same industry as the Group, which means the Directors' interests could potentially conflict with those of the Group or create perceptions of such conflicts. This situation may also hinder a director's ability to perform their role objectively and effectively.

Except as disclosed below, our other Directors do not have any conflicts of interest or potential conflicts of interest, including interests in competing businesses with the Group.

	Company	Principal Activities	Major Products
Dato' Haji Ismail bin Karim	BCB Berhad	Property development	Industrial properties
Dato' Jeffrey Lai Jiun Jye	Landsco Resources Sdn Bhd	Property development	Industrial properties

PROFILE OF KEY SENIOR MANAGEMENT

Eileen Tey Yee Lin

Finance Director

AGE	NATIONALITY	GENDER	DATE OF APPOINTMENT
42	Malaysian	FEMALE	1 NOVEMBER 2017

Ms. Eileen Tey Yee Lin joined the Company as Finance Director on 1 November 2017. Her primary responsibilities entail the oversight of the Accounting and Financing Department of the Group, while actively engaging in diverse corporate exercises such as group restructuring, funds raising and joint ventures.

She holds membership in esteemed professional bodies including the Malaysian Institute of Accountants ("MIA") and is recognised as a fellow member of the Association of Chartered Certified Accountants ("FCCA") in the United Kingdom. She graduated from Multimedia University with a Bachelor of Accounting (Honours) Degree.

With a wealth of experience spanning auditing, tax and financial domains, Ms. Eileen Tey embarked on her career journey as an audit assistant at Ernst & Young, progressing steadily to the position of Audit Senior Manager.

Her professional portfolio encompasses engagements with both public listed and private companies from various sectors.

Prior to her tenure with the Group, she serves as the Group Assistant Financial Controller at Joland Group of Companies for a tenure of three (3) years. In this capacity, she undertook the crucial responsibilities associated with financial management and management reporting affairs.

Ms. Eileen Tey's tenure as Finance Director has been characterised by her exceptional leadership, unwavering commitment to excellence and profound impact on the Company's financial operations. Through her strategic oversight of the Accounting & Financing Department and active participation in corporate exercises, she has significantly contributed to the Company's financial success and sustainability.

Tan Hui Boon

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

AGE	NATIONALITY	GENDER	DATE OF APPOINTMENT
67	Malaysian	MALE	1 DECEMBER 2017

Mr. Tan Hui Boon joined the Company as Senior General Manager on 1 December 2017. His primary responsibility includes overseeing the overall project supervision and management while actively engaging in leadership and strategic planning. Subsequently, he was entrusted with executive duties as an Executive Director for all subsidiaries of the Company, ensuring their alignment with organisational objectives and strategic direction.

His journey began following the completion of his High School Certificate at the English College, Johor Bahru in 1978 and continued with his attainment of the National Certificate in Construction Supervision from Singapore Polytechnic in July 1991.

Mr. Tan garnered extensive industry expertise during his tenure as Senior Site Superior at IJM Corporation Berhad from May 1981 to July 1993. In October 1993, he joined Joland Group as the General Manager.

With a wealth over forty (40) years of experience in construction and project management, Mr. Tan has successfully overseen a plethora of projects, spanning landed and high-rise residential developments, hospitality, healthcare, industrial, education and infrastructure projects across Malaysia and Singapore. Furthermore, he became a registered Property Manager with Lembaga Penilai, Pentaksir, Ejen Harta Tanah & Pengurus Harta Malaysia on 20 August 2019.

Mr. Tan's tenure as Senior General Manager and subsequent appointment as Executive Director for all subsidiaries of the Company exemplify his profound impact and invaluable contributions to the organisation. His unwavering dedication, coupled with his extensive experience spanning over four decades, has been instrumental in shaping the success and growth of the Company.

PROFILE OF KEY SENIOR MANAGEMENT *(continued)*

Chew Sai Ping
Project Director

AGE	NATIONALITY	GENDER	DATE OF APPOINTMENT
53		FEMALE	12 SEPTEMBER 2022

Ms. Chew Sai Ping joined the Company as Project Director on 12 September 2022. In her role, she is responsible for managing project planning and implementation, actively participating in the project costing and overseeing contract administration for the Group's projects.

Ms. Chew graduated with a BSC (Hons) Degree from University of Greenwich, UK, in 1996 and possesses more than twenty-five (25) years of extensive experience in property development and construction industry. In 1997, she commenced her career as a Contract Manager at a reputable construction company, where she gained invaluable insights into project management, contract negotiation and site supervision.

In 2020, Ms. Chew transitioned to a property development company where she assumed a pivotal role in driving the company's growth and expansion initiatives. Her professional portfolio encompasses a diverse array of projects, ranging from mixed developments, high-rise developments and landed housing developments to industrial developments.

Ms. Chew's track record of success, positions her as a formidable leader in the property development and construction landscape. Her expertise, coupled with her hands-on approach and leadership style, continues to drive the success of our projects and elevate our Company's reputation as a trusted industry leader.

Directorship in Public Companies and Listed Issuers
None of the Key Senior Management personnel holds any Directorship in other public companies.

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

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

Convictions for Offences
None of the Key Senior Management personnel has been convicted of any offence within the past five years, apart from potential traffic offences and has not faced any public sanctions or penalties from relevant regulatory bodies throughout the financial year ended 31 March 2024.

CHAIRMAN'S STATEMENT

The year under review presented a series of formidable challenges, including ongoing geopolitical conflicts, global tightening of monetary policies to combat inflation, and sluggish growth in several major economies. These factors significantly decelerated global gross domestic product ("GDP") growth, which is estimated to have further moderated to 2.6% in 2023 from 3.0% in 2022, according to the Global Economic Prospects by the World Bank (January 2024).

Despite these headwinds, emerging markets and developing economies have generally surpassed their advanced counterparts. According to the Property Market Report 2023, Malaysia's economy demonstrated remarkable resilience, achieving a real GDP growth of 3.7% in 2023, following a strong 8.7% growth in 2022. This growth was driven by strong domestic demand, improved labour market conditions, easing inflationary pressures, higher investment levels, and a recovery in tourism, which helped offset the impact of declining exports due to the global economic slowdown.

Focusing on Johor, the state property market experienced significant positive developments in 2023, with increased market and construction activity. Despite rising costs and weaker consumer spending, the value of property transactions continued to rise, while the overall volume of transactions remained steady. Market activity across all sub-sectors in Johor was robust, with the industrial sub-sector recording substantial growth. The situation with industrial overhang and unsold properties improved, supported by a notable increase in new and planned supply.

The Consumer Sentiments Index and Business Conditions Index both showed cautious improvement in the fourth quarter of 2023, reflecting increased business confidence and anticipated capital investments. The Overnight Policy Rate ("OPR") remained at 3.0% since May 2023, creating a favorable and stable borrowing environment conducive to sustainable economic growth. The current monetary policy stance is supportive of economy stability and aligned with the assessment of inflation and growth prospects. Staying informed about the outlook for domestic inflation and growth is crucial for the Group's ongoing and potential developments to ensure sustainable economic expansion.

Dear Valued Shareholders,
On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report and Audited Financial Statements for Paragon Globe Berhad ("PGB" or "the Group") for the financial year ended 31 March 2024 ("FY2024").

Dato' Sri Edwin Tan Pei Seng
Executive Chairman

CHAIRMAN'S STATEMENT *(continued)*

Bank Negara Malaysia ("BNM") projects that, despite global economic uncertainties, Malaysia's economy is poised for improvement, with an estimated GDP growth range of 4.0% to 5.0% in 2024. This growth will be driven by resilient domestic expenditure and recovery in external demand.

As we navigate the dynamic economic landscape characterised by both global uncertainties and domestic resilience, it is clear that Malaysia is on a path of growth and progress. The steady expansion of our economy, as projected by BNM, presents promising opportunities.

Sustaining in the market in the aftermath of the COVID-19 pandemic has remained a challenge for companies globally. Nevertheless, PGB's continuous efforts to enhance the competitiveness of our market have been pivotal. Our commitment to design innovation and sustainability remains unwavering as we develop commercial and industrial properties that align with evolving demands and trends. By emphasing these enduring values, we contribute to society and the country, thereby bolstering our business model and ensuring the long-term sustainability of the Group.

Looking ahead, we will continue to leverage on our existing business strengths while embracing new ideas to maintain the relevance and competitiveness of our business model, and to capitalise on new opportunities. With strategic planning, unwavering determination and a commitment to our values, we are confident in our ability to deliver long-term value to our shareholders.

CORPORATE DEVELOPMENT

Completed Projects and Ongoing Development

In the face of prevailing market headwinds, PGB's resilience was demonstrated through our ongoing commercial developments, particularly the Pekan Nenas Industrial Park project in Johor's established townships.

Strategically located adjacent to the Skudai-Pontian Highway and easily accessible via the North-South Expressway and Coastal Highway, the Pekan Nenas Industrial Park is poised to offer commercial properties with significant business potential to discerning investors and business proprietors. The demand for our commercial properties is evident in the strong take-up rates for Pekan Sentral Phase 1 and Phase 2, which reached 88% and 89%, respectively, as of FY2024. This success is largely due to our strategic marketing initiatives and the reopening of the Malaysian economy. In response to the resilient demand, we successfully launched Pekan Sentral Phase 3 in April 2024.

Pekan Sentral Shop Office.

In addition to these developments, PGB undertook several design and build projects during FY2024, including detached factories for Shimano Components (Malaysia) Sdn Bhd ("Shimano Malaysia"). These projects have enhanced our expertise and expanded our portfolio in the property development segment.

Design & Build Detached Factory for Shimano Malaysia.

In September 2021, PGB entered into a Memorandum of Understanding ("MOU") with Selgate Properties Sdn Bhd ("Selgate Properties"). The MOU outlines the parties' intention to collaborate on developing several private specialist hospitals in Malaysia. PGB is responsible for building the hospitals and leasing them to Selgate Healthcare Sdn Bhd, a subsidiary of Selgate Corporation Sdn Bhd, which is wholly owned by Perbandaran Kemajuan Negeri Selangor ("PKNS").

CHAIRMAN'S STATEMENT *(continued)*

Latest Progress for Sepang Medical Centre.

Our first collaboration, the Sepang Medical Centre, is a 121-bed private hospital in Sepang, Selangor. The construction commenced in November 2022, and as of 31 March 2024, the project is 64% completed. This strategic move leverages the growing demand for private healthcare services and positions PGB to capitalise on this expanding market, generating consistent and reliable rental income to ensure a stable revenue stream for the Group. Furthermore, the Group will continue to explore potential opportunities with Selgate Properties to develop additional private hospitals, thereby expanding our footprint in this sector.

Landbank Expansion

Proactively seizing opportunities in the recovering property market, PGB has strategically increased its landbank in Johor Bahru. Throughout FY2024, the Group has engaged in a series of land acquisitions as part of its strategic roadmap to enhance its property development portfolio and capitalise on long-term growth and profitability. Notable acquisitions include:

- On 3 July 2023, PGB Iconic Sdn Bhd ("PISB"), a wholly-owned subsidiary of PGB, entered into a sale and purchase agreement ("SPA") with Surelead Sdn Bhd for two (2) parcels of freehold land in the Township of Johor Bahru, District of Johor Bahru, State of Johor measuring approximately 1.40 acres for purchase consideration of RM12.21 million only. The acquisition was completed on 19 October 2023 upon full payment by PISB.

- On 3 November 2023, PISB entered into a SPA with Besview Holdings Sdn Bhd for proposed acquisition of an additional parcel of freehold land in the Township of Johor Bahru, District of Johor Bahru, State of Johor measuring approximately 1.31 acres for a purchase consideration of RM16.54 million only. The acquisition was completed on 22 April 2024 upon full payment by PISB.

- On 17 November 2023, PGB Landmark Sdn Bhd, a wholly-owned subsidiary of PGB, entered into eight (8) sale and purchase agreements for the proposed acquisition of seven (7) parcels of freehold land in the Mukim of Tanjung Kupang and one (1) parcel of freehold land in the Mukim of Pulai, District of Johor Bahru, State of Johor measuring approximately 115.90 acres for a purchase consideration of RM146.07 million only. The acquisition of one (1) parcel of land was completed on 13 June 2024 pursuant to the terms of the SPAs, while the remaining parcels are still pending completion.

In addition, the Group has completed several acquisitions of land previously entered into:

- On 10 April 2023, Paragon Platinum Sdn Bhd, a wholly-owned subsidiary of PGB, completed the acquisition of three (3) parcels of freehold agriculture land in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 26.84 acres for a total purchase consideration of RM38.08 million.

- On 19 April 2023, Paragon Business Hub Sdn Bhd ("PBHSB"), a wholly-owned subsidiary of PGB, completed the acquisition of a parcel of freehold land in the Mukim Plentong, District of Johor Bahru, State of Johor measuring approximately 9.75 acres for a purchase consideration of RM9.52 million.

- On 10 November 2023, PBHSB completed the acquisition of a parcel of freehold land held under Geran 80943 Lot 2699 in the Mukim Plentong, District of Johor Bahru, State of Johor measuring approximately 104.50 acres for a purchase consideration of RM71.50 million.

These acquisitions represent strategic opportunities for PGB to accumulate valuable land for investment and property development purposes. They align with the Group's objective to create greater economic value and strengthen its presence in the property market in Johor. Given that land is an immovable, limited resource, it inherently possesses the potential for long-term appreciation. This appreciation serves as a safeguard against economic uncertainties and inflation, potentially augmenting the Group's wealth. Consequently, these acquisitions stand as a testament to the Group's prudent and forward-thinking approach.

CHAIRMAN'S STATEMENT *(continued)*

MOU with Solarvest Holdings Berhad.

Strategic Partnerships

In line with our commitment to sustainable development, PGB entered into a MOU with Solarvest Holdings Berhad ("SLV"), a leading clean energy expert, on 2 February 2024. This partnership aims to jointly develop and operate green industrial townships in Johor. The collaboration aims to integrate renewable energy solutions into our future projects, aligning with global efforts to transition to sustainable practices and advancing our Environmental, Social, and Governance ("ESG") initiatives.

This MOU serves as a strategic framework, facilitating the implementation of sustainable practices and fostering innovation in line with PGB's commitment to contributing positively to the global climate and promoting a responsible and eco-conscious business approach.

Future Developments

Paragon Workers Hostel.

Looking ahead, the Group's focus will be on the newly launched Pekan Sentral Phase 3, ensuring it meets the high expectations set by the previous phases. Additionally, we will concentrate on the development of Paragon Workers Hostel, designed to provide comfortable accommodation for industrial workers. Furthermore, we will explore potential developments on newly acquired parcels of land to maximise their value. Thorough research and feasibility studies will be conducted before rolling out new projects to ensure they enhance shareholders value.

In conclusion, PGB remains dedicated to enhancing its value proposition as a growth-centric property developer, capitalising on emerging opportunities, and ensuring the successful completion of projects without compromising on quality. Our strategic initiatives and acquisitions underscore our forward-thinking approach, positioning us for sustained growth and profitability.

CHAIRMAN'S STATEMENT *(continued)*

SUSTAINABILITY COMMITMENT

Sustainability remains a cornerstone of our business strategy. We recognise that our long-term success hinges not only on economic performance but also on our ability to integrate ESG principles into our business practices. We have implemented various green initiatives across our operations to minimise environmental impact and promote eco-friendly living. Our recent partnership with SLV to develop green industrial townships exemplifies our dedication to integrating renewable energy solutions and promoting sustainable practices.

Our commitment to sustainability extends beyond environmental stewardship to include social responsibility and good governance. The development of the Sepang Medical Centre highlights our dedication to enhancing healthcare infrastructure and providing quality medical services. This initiative supports community health and creates job opportunities, contributing to local economic development.

Our Board is actively involved in overseeing our sustainability initiatives, ensuring they align with our long-term strategic goals and stakeholders' interests. We will continue to integrate ESG considerations into all aspects of our business. We aim to expand our portfolio of green and sustainable projects, explore new opportunities for renewable energy integration and positively impact the communities we serve. By aligning our business practices with global sustainability standards, we are not only benefiting the planet but also ensuring the long-term success of the Group and driving long-term value for our stakeholders.

FINANCIAL REVIEW

For FY2024, PGB demonstrated resilience amidst a challenging economic environment. The Group achieved a revenue of RM50.97 million, a 7.02% increase from RM47.63 million in the previous year. This growth was driven by the sustained demand for our commercial properties. Our key revenue source continues to be sales from completed and design and build projects in Pekan Nenas, Johor. However, increased costs, including higher administration expenses and finance costs, impacted overall profitability. Consequently, the Group reported a loss of RM1.24 million for FY2024, compared to a profit of RM3.96 million in FY2023.

The Group's financial position improved as the total assets increased significantly to RM470.47 million from RM366.16 million in the previous year. This growth was primarily due to the substantial increase in investment properties and inventories. Investment properties rose to RM144.93 million from RM87.99 million, reflecting our strategic land acquisitions and ongoing development projects. Meanwhile, net asset per share remained stable at RM0.40 per share in FY2024. Overall, the Group's financial position remains strong, supported by a solid asset base and strategic investments that are expected to contribute positively to future growth.

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

PROSPECTS AND OUTLOOK

The World Bank forecasts global GDP growth to decelerate for the third consecutive year, reaching 2.4% in 2024, due to tighter liquidity and uncertain economic prospects in several major economies. Ongoing geopolitical tensions are expected to persist, posing significant risks to global trade and capital flows, which could negatively impact our market.

In Malaysia, 2024 is anticipated to be pivotal year for implementating various initiatives outlined in the National Energy Transition Roadmap and the New Industrial Master Plan 2030. The Ministry of Finance projects Malaysian GDP to grow between 4% to 5% in 2024, driven by strong domestic demand that will help counterbalance the challenges of moderate global growth.

Malaysia continues to attract foreign direct investment, as evidenced by its top ranking in Southeast Asia on the Milken Institute Global Opportunity Index 2022. The nation's strong economy, ease of doing business and availability of talent make it a highly attractive destination for investors. Additionally, the Johor-Singapore Special Economic Zone ("JSSEZ") MOU, signed between Singapore and Malaysia, marks a significant collaborative effort aimed at boosting economic development in Johor and the adjacent areas of Singapore. This initiative is expected to create a more competitive and attractive environment for businesses by improving transportation infrastructure such as Rapid Transit System ("RTS") Link, encouraging industrial collaboration and offering investment incentives in sectors such as manufacturing, logistics, technology and digital.

CHAIRMAN'S STATEMENT *(continued)*

The digital economy, one of the focal sectors for JSSEZ, has spurred rapid expansion in Johor's data center industry. Malaysia, with its strategic location, world-class infrastructure, availability of land, low entry costs, and access to multilingual talent, is well-positioned to attract data center investments. The establishment of Forest City as a Special Financial Zone further enhances the attractiveness of Johor's property market, signaling the state's readiness to welcome industry players to expand their businesses. This initiative is expected to drive industrial expansion, attract both local and international enterprises and position Johor as a key investment destination. Consequently, Malaysia is anticipated to continue recording positive investment inflows, benefiting the industrial sector.

In line with our strategy to capitalise on the growing digital economy, the Group has entered into a transaction to dispose of part of a parcel of land to a leading hyperscale and wholesale data center solutions provider subsequent to the financial year. This transaction represents a significant opportunity for the Group to enhance our investment portfolio and future growth.

Furthermore, our proposed acquisition of three (3) parcels of land in the township of Johor Bahru underscores our commitment to strategic expansion. These lands are situated within a short distance of the RTS Link from Bukit Chagar Station. The RTS Link is a key infrastructure development in Johor, promoting high connectivity and public transportation-friendly initiatives. According to the Transit-Oriented Development ("TOD") guidelines, TOD encourages mixed developments around public transit systems, fostering high connectivity, reducing dependency on private vehicles, and potentially decreasing the need for excessive car parks in new developments. These conditions significantly enhance our land development opportunities and value.

Sustainability will remain a central theme in all business discussions moving forward. The Group will integrate ESG principles into all aspects of our operations, ensuring that our business practices contribute positively to the environment and society while driving long-term value for our stakeholders.

Over the longer term, we anticipate that shifts in global economic dynamics and emerging megatrends, including rapid technological advancements and the transition to a greener economy, will raise expectations and bring new opportunities to the market.

Looking ahead, the Group remains cautiously optimistic about the economic outlook. A gradual recovery in the property market and improvements in the labour market have a positive impact on the overall economic outlook. Therefore, the Group will implement strategic reforms to create a future-ready market ecosystem that will support more resilient and sustainable financial and economic growth.

Overall, we plan to actively promote the sale of existing projects and are prepared for new launches to meet the steady demands. PGB will continue to respond proactively to market forces by diversifying our products offering, mitigating risks associated with fluctuating demands in specific property segments, ensuring a more balanced revenue stream. Management will work closely with the Board to evaluate all potential new business and investment opportunities that arise amid changing market trends and customer demands. By focusing on our mission to add value for all stakeholders, we will explore and evaluate favorable land deals, viable joint ventures, and strategic collaborations, ensuring a path to sustainable growth and profitability.

DIVIDEND POLICY

Our current strategic decision to withhold a formal dividend distribution policy is driven by the need to maintain a strong financial foundation, particularly in an uncertain economic environment. The recent pandemic has provided a stark reminder of how swiftly the economic landscape can change, often with significant implications for businesses globally.

In light of such uncertainties, we believe it is prudent to adopt a conservative approach to cash management. Retaining cash allows us to secure our cash flow, ensuring resilience during challenging times, including potential global recessions. This strategy reflects a prudent approach to safeguard the Group's ability to withstand unforeseen challenges and continue delivering value to all our stakeholders.

Nonetheless, we have chosen to reinvest our earnings back into the Company. This decision aligns with our commitment to sustainable growth and our ambition to continually create and add value for our shareholders in the long term. By reinvesting our earnings, we can fuel business growth, enhance our capabilities and capitalise on new opportunities, which will ultimately lead to increased shareholders value over time.

CHAIRMAN'S STATEMENT *(continued)*

Currently, we see particularly promising growth prospects in the realms of industrial and commercial property development. These sectors are poised to become significant growth drivers for our business. By strategically allocating our resources to these opportunities, we aim to achieve substantial progress and realise our growth potential.

APPRECIATION AND ACKNOWLEDGMENT

On behalf of the Board, I would like to extend my deepest gratitude to our valued customers, shareholders, business partners, suppliers, bankers and the respective government authorities for their continuous trust and unwavering support of PGB.

I am profoundly grateful for the sustained confidence and steadfast support we have received from all our stakeholders, especially over the past few years when the COVID-19 pandemic disrupted our operations. I also wish to take this opportunity to acknowledge and thank the management team and staff for their loyalty, hard work and contributions to the Group as we continue to evolve and adapt to the ever-changing market landscape. Additionally, I extend my heartfelt thanks to my fellow Directors for their insightful guidance and invaluable contributions.

Together with all our stakeholders, we will continue to explore new business opportunities, navigate with due diligence to strengthen our existing businesses and deliver enhanced value to all stakeholders. Our vision extends beyond the immediate, striving for an enduring impact that benefits not just us but future generations.

Thank you.

Dato' Seri Edwin Tan Pei Seng
Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

*Dear Valued Shareholders,
On behalf of the Management and Board of Directors ("Board"), it is our privilege to present the Management Discussion and Analysis ("MDNA") of Paragon Globe Berhad ("PGB" or "Group") for the financial year ended 31 March 2024 ("FY2024")*

Dato' Sri Godwin Tan Pei Poh
Group Executive Director

"In FY2024, PGB successfully navigated a challenging global and domestic environments, characterised by economic volatility, inflationary pressures and shifting market dynamics. Despite these challenges, our steadfast commitment to excellence, sustainability and stakeholder value creation has enabled us to achieve significant milestones and reinforce our position in the property market."

Throughout this report, we highlight how our efforts in property development, construction and strategic investments have yielded strong financial results and positioned us for sustainable growth in the years ahead. We remain dedicated to enhancing shareholder value through operational efficiency, prudent risk management and proactive adaptation to market trends. As we embark on FY2025, we are confident in our ability to capitalise on emerging opportunities and navigate uncertainties, guided by our commitment to operational excellence and sustainable development.

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

PGB is an investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), with a diversified portfolio spanning property development, construction and investments sectors.

In FY2024, amidst global economic volatility and domestic challenges such as rising costs and inflation, PGB demonstrated resilience and strategic adaptability. We remained committed to excellence in property development across industrial and commercial sectors, focusing on delivering innovative, high-quality projects that exceed customer expectations and ensure sustainable returns for stakeholders.

The Group is dedicated to expanding our footprint in property development by identifying and seizing opportunities in high-growth markets. We maintain comprehensive project feasibility assessments to ensure sustainable profitability. Sustainability is integral to our operations, with a strong emphasis on implementing eco-friendly practices and securing certifications to minimise environmental impact and foster a sustainable ecosystem.

Enhancing stakeholder value through transparent communication and strategic partnerships is a key strategic objective. We aim to strengthen relationships with investors, customers and communities through effective engagement initiatives and consistent delivery

MANAGEMENT DISCUSSION & ANALYSIS *(continued)*

on commitments. Talent development and organisational excellence are pivotal, with investments in training and development programmes designed to empower our workforce, foster innovation and create a dynamic and supportive work environment.

Throughout FY2024, our vision to be a renowned property developer, delivering innovative, excellent and quality products with positive economic, social and environmental impacts, guided our actions. It inspired us to adopt responsible practices and pursue sustainable management, safeguarding the interests of all stakeholders.

As we enter FY2025, PGB remains committed to leveraging our strategic insights and lessons learned from FY2024 to navigate uncertainties effectively. We are confident that our unwavering commitment to excellence and sustainability will propel us towards achieving our objectives and delivering long term-value to all stakeholders.

Property Development:

PGB's property development segment continued to be the primary revenue driver, contributing approximately 95.61% of the Group's total revenue of RM50.97 million in FY2024. This segment demonstrated resilience amidst global macroeconomic challenges. The positive revenue in this segment was primarily driven by sales of completed properties at Pekan Sentral Shop Office, as well as design and build projects of detached factories for Shimano Components (Malaysia) Sdn Bhd. Subsequently, based on the strong sales and positive market outlook in Johor, the Group proceeded with the last phase of Pekan Sentral Shop Office.

The stable interest rate environment, with the Overnight Policy Rate persisted at 3.0% since May 2023, created a favorable and stable borrowing environment conducive to sustainable economic growth. This stability provided a supportive backdrop for our property development activities. However, increased administrative and finance costs resulting from recent rapid land acquisitions have impacted the overall profit derived from this segment.

In response to market challenges related to rising costs and inflation, the Group has adopted prudent cash conservation strategies and proactive measures to manage inflationary pressures and associated costs. Moving forward, Management will focus on boosting sales for completed properties and ongoing developments whilst maintaining brand reputation and launching feasible projects to enhance the Group's performance and ensure sustainable earnings. Our conviction lies in the promise of properties with the right combination of concept, products, pricing and location. We believe such properties will always draw a positive reception from potential buyers.

Our strategic initiatives in this sector are designed to amplify our economic value and enhance our potential performance in the medium to long term, considering our future potential projects and the exploration of joint ventures. Before embarking on new acquisitions or investments, we conduct comprehensive feasibility studies and market surveys to ensure maximum earnings. Any promising opportunities will be presented to the Board for thorough consideration and informed decision-making. This aligns with our vision to be an innovative, excellent and quality property developer with a positive economic, social and environmental impact.

Construction:

The construction segment completed significant projects, including Pekan Sentral Shop Office Phase 2 and Detached Factories. Currently, most of the construction activities supported the Group's existing and forthcoming projects.

However, Management has taken proactive measures to secure new external construction contracts to boost the Group's earnings within the business segment. We are committed to delivering excellent and quality development that exceeds expectations, reflecting our mission. By doing so, we aim to positively contribute to the Group's overall performance in the long term.

Investments:

Our investment segment's revenue is primarily derived from interest income from current accounts and gains on the disposal of money market funds. This segment serves as a testament to our dedication to safeguarding and building a sustainable environment through continuous improvements and solutions to environmental concerns.

In the new financial year, the investment segment will remain vigilant in scouting for new opportunities to enhance the Group's financial performance. By actively seeking improvement, we uphold our commitment to sustainable management and responsible actions, thereby protecting the interests of all stakeholders.

MANAGEMENT DISCUSSION & ANALYSIS *(continued)*

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

This financial year was characterised by a multifaceted economic environment. The global economy faced considerable hurdles, including geopolitical tensions, stringent monetary policies and sluggish growth in several major economies, which dampened the global GDP growth. Amidst these global challenges, Malaysia's economy stood out for its resilience.

According to the Property Market Report 2023, the property market in the state of Johor saw notable positive developments throughout 2023. The region experienced increased market and construction activity, along with rising property transaction values. This growth was supported by a significant increase in new and planned supply, even in the face of rising costs and subdued consumer spending. The monetary landscape fostered a favorable borrowing environment, conducive to sustainable economic growth and supportive of PGB's strategic initiatives and financial activities.

Navigating these dynamic conditions, PGB showcased strategic agility and resilience. Our financial results for FY2024 highlight our commitment to maintaining excellence and achieving sustainable growth despite the prevailing challenges. The subsequent sections will delve into a comprehensive review of our financial performance and condition, elucidating the key drivers, challenges and strategic measures that influenced our results during the financial year.

KEY HIGHLIGHTS

TOTAL ASSETS
RM470.47 MILLION

TOTAL SHAREHOLDERS' ENQUIRY
RM298.09 MILLION

TOTAL LIABILITIES
RM171.88 MILLION

REVENUE
RM50.97 MILLION

BUSINESS SEGMENTS

- PROPERTY DEVELOPMENT
- CONSTRUCTION
- INVESTMENTS

NET LOSS
RM1.24 MILLION

GROSS PROFIT
RM13.05 MILLION

RATIO

CURRENT RATIO
7.58 TIMES

DEBT TO EQUITY RATIO
0.58 TIMES

NET ASSET PER SHARE
RM0.40

MANAGEMENT DISCUSSION & ANALYSIS *(continued)*

Financial Performance Review

	FY2024 RM'000	FY2023 RM'000	Variances RM'000	%
Revenue	50,970	47,628	3,342	7.02
Gross profit	13,051	10,863	2,188	20.14
Other income	3,576	7,296	(3,720)	(50.99)
Administration expenses	(14,576)	(10,062)	(4,514)	(44.86)
Finance costs	(1,068)	(148)	(920)	>100.00
(Loss)/Profit for the financial year	(1,242)	3,956	(5,198)	>100.00
(Loss)/Earnings per ordinary share attributable to owners of the parent (sen)	(0.17)	0.53	(0.70)	>100.00

The FY2024 showcased both growth and challenges for PGB. The Group reported a total revenue of RM50.97 million, reflecting a 7.02% increase compared to RM47.63 million in FY2023. This growth was primarily driven by the successful sales of completed properties and design and build projects. The increase in revenue demonstrates the Group's ability to capitalise on market opportunities and effectively execute its projects strategies.

Despite the revenue growth, the Group faced significant challenges due to rising costs, which impacted overall profitability. The gross profit for the Group increased to RM13.05 million from RM10.86 million in the previous year, showing a positive trend in operational efficiency. However, the Group's profitability was adversely affected by a substantial increase in administrative expenses, rising to RM14.58 million from RM10.06 million in FY2023.

Furthermore, finance costs rose sharply to RM1.07 million from RM0.15 million, reflecting higher borrowing costs associated with land acquisition. The increase in these expenses, coupled with a decrease in other income from RM7.30 million to RM3.58 million, placed additional pressure on the Group's financial performance.

As a result of these factors, the Group reported a net loss of RM1.24 million for FY2024, compared to a net profit of RM3.96 million in the prior year. This underscores the challenges faced in managing rising costs and maintaining profitability amidst revenue growth.

The earnings per ordinary share attributable to owners of the parent ("EPS") fell significantly to negative 0.17 sen in FY2024 from 0.53 sen in FY2023, marking a decline of 0.70 sen. This decrease resulted from the impact of increased costs, which contributed to the net loss and affected shareholder returns.

MANAGEMENT DISCUSSION & ANALYSIS *(continued)*

	FY2024 RM'000	FY2023 RM'000	Variances RM'000	 %
Property development	48,732	45,739	2,993	6.54
Construction	1,753	1,155	598	51.77
Investments	485	734	(249)	(33.92)

Our property development segment has acted as the cornerstone of our revenue stream, contributing approximately RM48.73 million, an impressive 95.61% of the Group's total revenue. The construction and investment segments contributed 3.44% and 0.95% respectively.

In the construction segment, FY2024 saw us making strides with an externally driven project revenue of RM1.75 million, a notable improvement from FY2023. While it is essential to note that our construction arm still primarily offers intercompany construction services to our property development subsidiaries, this development highlights a new, promising revenue stream for the Group in the long term.

Meanwhile, our investment segment showcased a reduction in revenue, generating RM0.49 million in FY2024 compared to RM0.73 million in FY2023. However, the segment continues to show potential for positive contributions through judicious ventures in the money market.

As we look ahead to FY2025, PGB remains focused on navigating the dynamic economic landscape with strategic agility and resilience. The stable interest rate environment provides a conducive backdrop for sustainable growth and we are committed to leveraging this stability to our advantage.

We will diligently monitor our key performance indicators while maintaining prudent cost measures. Our commitment to staying nimble and adapting to diverse market trends will guide us as we continue our journey of growth and success. Our aim is not only to sustain but also to strengthen the long-term viability of our property development business, a sector we firmly believe holds immense potential for the Group.

Financial Position Review

	FY2024 RM'000	FY2023 RM'000	Variances RM'000	 %
Other investments	17,519	77,682	(60,163)	(77.45)
Cash and bank balances	25,389	40,506	(15,117)	(37.32)
Total assets	470,468	366,164	104,304	28.49
Total liabilities	171,880	66,332	105,548	>100.00
Total shareholders' equity	298,091	299,331	(1,240)	(0.41)

Despite the challenges faced during FY2024, PGB's financial position remains strong, supported by substantial growth in total assets and strategic management of liabilities. The Group's total assets increased substantially by 28.49%, from RM366.16 million in FY2023 to RM470.47 million in FY2024. This growth positions the Group to capitalise on future opportunities and reinforces its long-term value creation strategy.

MANAGEMENT DISCUSSION & ANALYSIS *(continued)*

Cash and bank balances stood at RM25.39 million in FY2024, while the other investments in money market funds were lower at RM17.52 million. Overall, our liquid assets in the cash and money market funds have decreased by 63.69% to RM42.91 million in FY2024, compared to RM118.19 million in FY2023. This reduction was strategically planned to support the Group's investment in land bank acquisitions aimed at future expansion.

The marked increase in total liabilities by 159.12% to RM171.88 million highlights the Group's strategic use of debt to finance its expansion. In addition, the Group's financial commitments stand at around RM204.56 million, an increase of 3.59% from FY2023, representing the remaining balance to be settled for the acquisition of lands and the construction costs for Sepang Medical Centre. Despite the rise in liabilities, the Group's liquidity remains strong, as evidenced by the strong current ratio. Effective management of these liabilities will be crucial to maintaining the Group's financial stability and supporting its future growth.

The slight decline in total shareholders' equity is resulted from the net loss incurred during the year, which impacted retained earnings. However, the stable share capital and the Group's strategic focus on long-term investments provide a solid foundation for future growth.

Key Financial Indicators	FY2024 times	FY2023 times	Variances times	Variances %
Current ratio	7.58	10.92	(3.34)	(30.59)
Debt to equity ratio	0.58	0.22	0.36	>100.00
Net asset per share (RM)	0.40	0.40	0.00	0.00

The current ratio, which measures the Group's ability to cover its short-term liabilities with its short-term assets, decreased from 10.92 in FY2023 to 7.58 in FY2024. Although the ratio declined, it still indicates the Group's strong liquidity and ability to meet short-term obligations.

The debt to equity ratio increased significantly from 0.22 in FY2023 to 0.58 in FY2024. This increase is primarily due to higher borrowings to finance strategic investments and growth initiatives. While the ratio indicates a higher level of leverage, it also reflects the Group's strategic use of debt to fuel expansion and long-term value creation. Therefore, PGB will focus on balancing its debt levels with equity to maintain financial stability, ensuring that it can continue to invest in growth opportunities without overextending its financial obligations.

The net asset per share remained stable at RM0.40. The stability in net asset per share underscores the resilience of PGB's asset base and its ability to maintain shareholder value. This stability is crucial for maintaining investor confidence, particularly in times of financial fluctuation.

Moving forward, PGB will continue to balance its debt levels with equity, prioritise prudent financial management and optimise operational efficiencies to sustain growth and profitability. The Group's focus on maintaining a healthy balance sheet will enable it to take advantage of emerging opportunities while mitigating risks. Additionally, the ongoing commitment to strategic investments in high-potential areas will drive long-term growth and value creation.

Overall, by leveraging its strong asset base, maintaining robust liquidity and implementing sound financial strategies, PGB is poised to achieve its long-term objectives and deliver consistent value to its stakeholders. As the Group navigates the dynamic economic landscape, it remains steadfast in its mission to drive sustainable growth and reinforce its competitive position.

MANAGEMENT DISCUSSION & ANALYSIS *(continued)*

GROUP STRATEGIC INITIATIVES

In our commitment to remain agile and responsive amidst evolving market dynamics, PGB has developed proactive and flexible strategies to meet and exceed stakeholder expectations while ensuring sustainable returns and long-term value enhancement.

1. **Optimising Operational Efficiency**

   PGB will continue to enhance operational efficiency across all business segments by leveraging technologies, streamlining processes and reducing operational costs. The Group will implement best practices in project management and explore innovative construction techniques to improve productivity and ensure timely project delivery. By optimising operational efficiencies, PGB aims to enhance profitability and maintain its competitive edge in the market.

2. **Exploring New Markets and Opportunities**

   As part of our dynamic growth strategy, we are actively scouting for promising investment opportunities and viable markets, both domestically and internationally. This includes considering potential joint ventures and collaborations to augment our property development portfolio and diversify our sources of income. By diversifying its portfolio, PGB aims to mitigate risks and enhance overall financial performance.

   Currently, the Group is involved in the construction of the Sepang Medical Centre. Our decision to enter the healthcare industry was prompted by the recent surge in spending within the healthcare and wellness sector and the growing demand for healthcare services. This strategic move allows PGB to generate consistent and reliable rental incomes, ensuring a stable stream of revenue.

3. **Expanding Property Development Footprint**

   The Group remains committed to expanding its footprint in property development. The Group will focus on identifying and seizing opportunities in high-growth markets, supported by comprehensive project feasibility assessments to ensure sustainable profitability.

   Recognising the potential of Johor as a dynamic property market, we have undertaken a strategic initiative to build landbanks in key locations within the region. We aim to acquire land in areas with strong growth potential and high demand for properties, positioning ourselves to capitalise on Johor's future growth and development.

4. **Strengthening Financial Management**

   In response to the rising costs and inflationary pressures, PGB will prioritise prudent financial management to maintain financial stability. The Group will focus on balancing its debt levels with equity, optimising its capital structure and effectively managing its liabilities. By closely monitoring key financial indicators, PGB aims to enhance liquidity, reduce financial risks and ensure sustainable growth.

5. **Enhancing Sustainability Practices**

   Sustainability remains integral to PGB's operations. The Group will continue to implement eco-friendly practices to minimise environmental impact and foster a sustainable ecosystem. We will actively engage with stakeholders to promote sustainable development, responsible sourcing and efficient resource management. By integrating sustainability into its core business strategy, we aim to contribute positively to the environment and society, fostering a culture of sustainability throughout all business operations.

6. **Driving Stakeholder Engagement**

   PGB recognises the importance of transparent communication and strategic partnerships in enhancing stakeholder value. The Group will strengthen relationships with investors, customers and communities through effective engagement initiatives and consistent delivery on commitments. By fostering trust and collaboration, PGB aims to build a strong reputation and drive long-term stakeholder value.

7. **Strengthening Corporate Governance and Risk Management**

   The Group is committed to upholding high standards of corporate governance and ensuring risk management practices in navigating uncertain and volatile market conditions. The Group will continuously update its risk assessments, strengthen internal controls and develop contingency plans to manage potential risks and disruptions. By maintaining strong corporate governance, PGB aims to safeguard the interests of all stakeholders and ensure sustainable business operations.

MANAGEMENT DISCUSSION & ANALYSIS *(continued)*

8. **Investing in Our People**

   We are committed to developing and nurturing our employees' potential. By providing opportunities for professional growth and development, PGB aims to empower its employees and enhance organisational capability. We believe a motivated and skilled workforce is key to successfully executing our corporate strategy.

By implementing these proactive strategies, the Group aims to successfully navigate evolving market dynamics, stay resilient in the face of challenges and continue to deliver value to all our stakeholders.

ANTICIPATED OR KNOWN RISKS

The Group's business, operational results, growth prospects and financial performance are subject to various risks and uncertainties. These include supply disruptions, incidents like fire or flood, or large-scale health crises such as pandemics. Many of these risk factors are beyond our control and can significantly impact our operating environment. While acknowledging the potential for the Group to encounter such risks and their consequences, we will continuously monitor the situation to minimise any adverse effects.

In response to such uncertainties, the Group maintains a cautious approach to expansion. We have adopted rigorous standard operating procedures and are committed to closely monitoring global and local developments. We proactively manage our resources and operations to mitigate any potential adverse effects on our business activities.

Beyond these factors, the Group has identified several known risks and intends to report on these in greater detail.

1. **Business Risk**

   Operating in the inherently risky property development industry exposes the Group to various hazards, including economic climate changes, shifts in government regulations, real estate market price fluctuations and evolving demand for different property types. We also face competition from other developers and risks such as purchaser default and additional statutory charges. Adverse changes in these conditions could materially impact our Group.

   To mitigate these risks, we are committed to executing prudent business strategies, consistently reviewing our operational and marketing strategies, improving efficiency and closely monitoring project progress.

2. **Project Commencement and Completion Delays**

   The timely initiation and completion of property development and construction projects depend on various external factors, such as obtaining necessary approvals from relevant authorities, securing sufficient construction materials and ensuring the satisfactory performance from appointed contractors.

   The Group's ability to execute timely and cost-effectively projects is paramount, as many external factors potentially impacting projects may be beyond our control. Delay in the project completion within customer-agreed timelines could expose the Group to additional costs and potential claims. This could adversely impact our business operations and financial results and potentially tarnish the Group's reputation, impairing its ability to attract future buyers.

   To mitigate the risk of delayed project completion and delivery, the Group will maintain close oversight of subcontractor performance and work-in-progress.

3. **Risk of Property Overhang**

   The Group may also be at risk of property overhang, typically caused by an oversupply and diminished demand for similar properties, economic downturns, or unfavourable financial conditions. This could affect the sale of our properties and subsequently, our financial performance.

   To address this risk, we will stay attuned to market sentiments, observe property market trends, conduct market studies and offer suitable promotional incentives. Despite these efforts, future property overhangs cannot be entirely ruled out and could adversely affect our financial performance.

4. **Interest Rate Risk**

   Changes in interest rates can have a significant impact on the property development sector. Rising interest rates can decrease the demand for properties as the cost of financing increases for potential buyers. The rising interest rate also increases borrowing cost for the Group.

MANAGEMENT DISCUSSION & ANALYSIS *(continued)*

To address this risk, we exercise prudence in our financial strategies, engaging in borrowings and financial commitments exclusively for strategic growth initiatives and acquisitions. By maintaining its focused approach, PGB ensures that all debt undertaken serves a clear, beneficial purpose for the Group's expansion. Going forward, the Group will also explore interest rate hedging, active debt management and judicious approach to borrowings to ensure that PGB remains resilient against rising interest rates environment.

5. Cost Escalation Risk

The development process involves numerous costs, such as construction materials, labour and land acquisitions. Unexpected rises in these costs due to inflation, supply chain disruptions, changes in labour laws, or resource scarcity can impact project budgets and profit margins.

To address this risk, we will manage through strategic planning and contracting. Long-term contracts with suppliers can lock in prices, insulating the Group from short term price fluctuations. Advanced construction methodologies and technologies can increase productivity and reduce labour costs to a certain extent. Regular financial auditing and cost tracking can identify potential cost overruns early, allowing for timely adjustments.

6. Emerging Risk

Given the challenging economic and operational landscape, the Group will continue to refine and enhance its efficiency to achieve better operational effectiveness and financial prudence while aligning efforts with evolving market demands to deliver quality products to customers and generate value for our shareholders.

MOVING FORWRAD

As we look ahead to FY2025, PGB is well-positioned to capitalise on emerging opportunities and navigate uncertainties with strategic agility and resilience. The global economic landscape, while still fraught with challenges such as inflationary pressures and fluctuating market dynamics, also presents numerous opportunities for growth and innovation.

In the property development segment, we anticipate continued strong demand, particularly in high-growth markets like Johor. The positive market outlook, coupled with our pipeline of innovative, high-quality projects, positions us to sustain and enhance our revenue streams. We remain committed to sustainability, integrating eco-friendly practices to our operation and ultimately achieving relevant certifications to minimise our environmental footprint and foster a sustainable ecosystem.

The construction segment is expected to benefit from the completion of projects and the securing of new external contracts. Our proactive measures to enhance operational efficiency and leverage innovative construction techniques will support timely project delivery and cost-effective operations. This segment is poised to become an increasingly important revenue stream for the Group in the long term.

Our investments segment will continue to focus on optimising our portfolio to generate stable and reliable returns. By actively seeking new investment opportunities and managing our existing investments prudently, we aim to enhance overall financial performance and contribute to long-term value creation to our shareholders.

PGB is actively exploring new business opportunities and potential investments to diversify our revenue streams and mitigate risks. The Group's foray into the healthcare industry, exemplified by the construction of the Sepang Medical Centre, underscores our commitment to expanding into sectors with high growth potential. We will continue to evaluate opportunities in the markets, considering potential joint ventures and strategic partnerships to augment our property development portfolio and diversify our income sources.

CONCLUSION

Looking ahead, PGB will continue to focus on areas where business growth intersects with optimal environmental and social impact. By aligning our efforts with evolving market demands, we aim to achieve sustainable growth and generate long-term shareholder value. The collaborative efforts of our dedicated employees, the unwavering support of our customers and the trust of our investors will continue to be the pillars of our success as we move forward into FY2025 and beyond.

03

OUR COMMITMENT TO SUSTAINABILITY

SUSTAINABILITY STATEMENT

Paragon Globe Berhad ("Company" or "PGB") acknowledges that the assessment of our business extends beyond financial metrics to encompass sustainable practices. We are committed to achieving good governance, encouraging economic growth, promoting environmental stewardship and fulfilling our social responsibility to sustain our business in today's demanding landscape.

We view sustainability as an ongoing endeavor that necessitates the engagement of all stakeholders, both internally and externally. In identifying the sustainability priorities pertinent to the Company, we have meticulously examined internal and external factors impacting the realms of economics, environment, social and governance ("ESG") within our sphere of operation. Furthermore, we have assessed our sustainability context, stakeholder concerns and the associated risks or opportunities, enabling us to align our initiatives for the collective benefit of all stakeholders.

This marks the Company's third sustainability statement ("Statement") which provide a comprehensive overview of our sustainability approach and performance. It reflects our persistent commitment to integrating sustainability principles into our business practices, with the overarching aim of enhancing value for our business, society and stakeholders.

REPORTING SCOPE	This Statement covers the sustainability performance for all business operations of the Company and its subsidiaries ("Group"). The business segments covered are property development, construction and investments, unless otherwise stated.
REPORTING PERIOD	This Statement covers the period from 1 April 2023 to 31 March 2024, which historical data of the preceding years included for comparison, where available and relevant. Unless otherwise stated, all data is reported as at 31 March 2024 ("FY2024").
ASSURANCE	To ensure the accuracy and integrity of our disclosures, this Statement has been reviewed by Management and has been approved by the Company's Audit Committee. As part of our continuous efforts to enhance our sustainability reporting, we have appointed Wensen Consulting Asia (M) Sdn Bhd, an independent verifier, to carry out a limited assurance exercise on selected indicators in this Statement.
REPORTING GUIDANCE	This Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR" or "Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") with reference to Bursa Securities' Sustainability Reporting Guide (3rd Edition).
BOARD OF DIRECTORS' APPROVAL	The Board of Directors ("Board") has validated the accuracy of this Statement and believes it provides a fair and factual account of the Company's performance for the year under review. The Board acknowledges its responsibility to ensure the integrity of this Statement through good governance practices and internal reporting procedures.
FORWARD-LOOKING STATEMENTS	This Statement includes forward-looking statements that are meant to provide our stakeholders with the opportunity to understand our opinions and plans in respect of the future. These statements should not be considered as absolute guarantees or predictions of the Company's future outcomes. Readers are advised not to place undue reliance on them.
FEEDBACK	We value the feedback of our stakeholders and welcome suggestions on our sustainability initiatives, practices and disclosure. Please send your questions and/or suggestions regarding this Statement to **enquiry@pgbgroup.com.my.**

SUSTAINABILITY STATEMENT *(continued)*

SUSTAINABILITY JOURNEY

2024

Aligning ESG Framework and Practices

- Enhanced comparability of sustainability information by disclosing a common set of prescribed sustainability matters.
- Enhanced quantitative information for each reported sustainability matter.
- Established sustainability performance targets and collected corresponding performance data.

2023

Strengthening Sustainability Efforts

- Recognised Governance pillar as key focus area and developed its related goals.
- Enhanced policy and strategic framework for Governance pillar.
- Strengthened sustainability governance structure.
- Expanded materiality assessment to include external stakeholders.
- Enhanced sustainability reporting based on Bursa Malaysia Sustainability Reporting Guide and Toolkits (3rd Edition).
- Developed Sustainable Procurement Policy and Health and Safety ("OHS") Policy.
- Became a participant of the United Nations Global Compact ("UNGC").

2022

Building Commitment Towards Sustainable Development

- Established sustainability goals, policy and strategic framework.
- Strengthened governance structure by established Sustainability Business Committee and appointed Sustainability Officer.
- Conducted first materiality and created first Materiality Matrix.
- Aligned business operations with relevant United Nations Sustainable Development Goals ("UNSDGs").

2020 - 2021

Identifying Data Trends

- Elaborated on management approaches for sustainability material matters and COVID-19 pandemic.
- Continued data collection on sustainability material matters.

2019

Stepping Up Sustainability Efforts

- Established sustainability governance structure.
- Created mechanisms for stakeholders' engagement.

2018

Compliance-based Reporting

- Based sustainability reporting on the Bursa Securities Sustainability Reporting Guide and complied with the MMLR.

In the current financial year, PGB has continued to build on its sustainability foundation established since 2018. We have maintained our commitment to align with the Bursa Securities Sustainability Reporting Guide and have progressively enhanced our sustainability efforts over the years. This year, our focus has been on enhancing comparability of sustainability information by disclosing a common set of prescribed sustainability matters. We have established clear sustainability performance targets and diligently collected performance data to track our progress. Our journey this year highlights our ongoing efforts to meet and exceed local and international sustainability standards, reinforcing our position as a responsible and forward-thinking organisation.

SUSTAINABILITY STATEMENT *(continued)*

OUR APPROACH TO SUSTAINABILITY

Sustainability Policy

The Company's Sustainability Policy supports our sustainability framework and demonstrates the Board's commitment to making sustainability central to our value creation. This policy aligns our operations across all business divisions with our sustainability goals. The Board has approved this policy and Senior Management ensures our strategies and actions align with our sustainability objectives. For more information, please visit **https://pgbgroup.com.my.**

Our policy reflects our commitment to transparency, accountability, safety, ethics and integrity in our business practices. We aim to be a responsible organisation that contributes to global sustainability while minimising any negative impacts from our operations. We are committed to continually improving our efforts and believe this policy will guide and inform our employees about our sustainability direction in the coming years.

Sustainability Goals

At PGB, we continue to uphold our sustainability goals established in the previous financial year. These goals guide our efforts to integrate sustainable practices into every aspect of our operations, driving positive impact and fostering a sustainable and resilient future.

Sustainability Framework

Our sustainability framework aligns our business practices with the Group's vision and mission. Through this framework, we aim to meet the needs of our stakeholders, reduce our environmental impact and contribute positively to the local communities where we operate. We focus on achieving goals under each pillar by addressing concerns related to our material matters. To do this, we have set targets that help us accelerate and monitor our sustainability performance. These targets are link to a performance scorecard, allowing us to track our progress and ensure continuous improvements.

We continuously refine our approach based on lessons learned and our evolving understanding of the connection between sustainability, responsible decision-making and transparent governance. Our sustainability framework is regularly reviewed to incorporate stakeholder expectations and address local and global issues.

SUSTAINABILITY STATEMENT *(continued)*

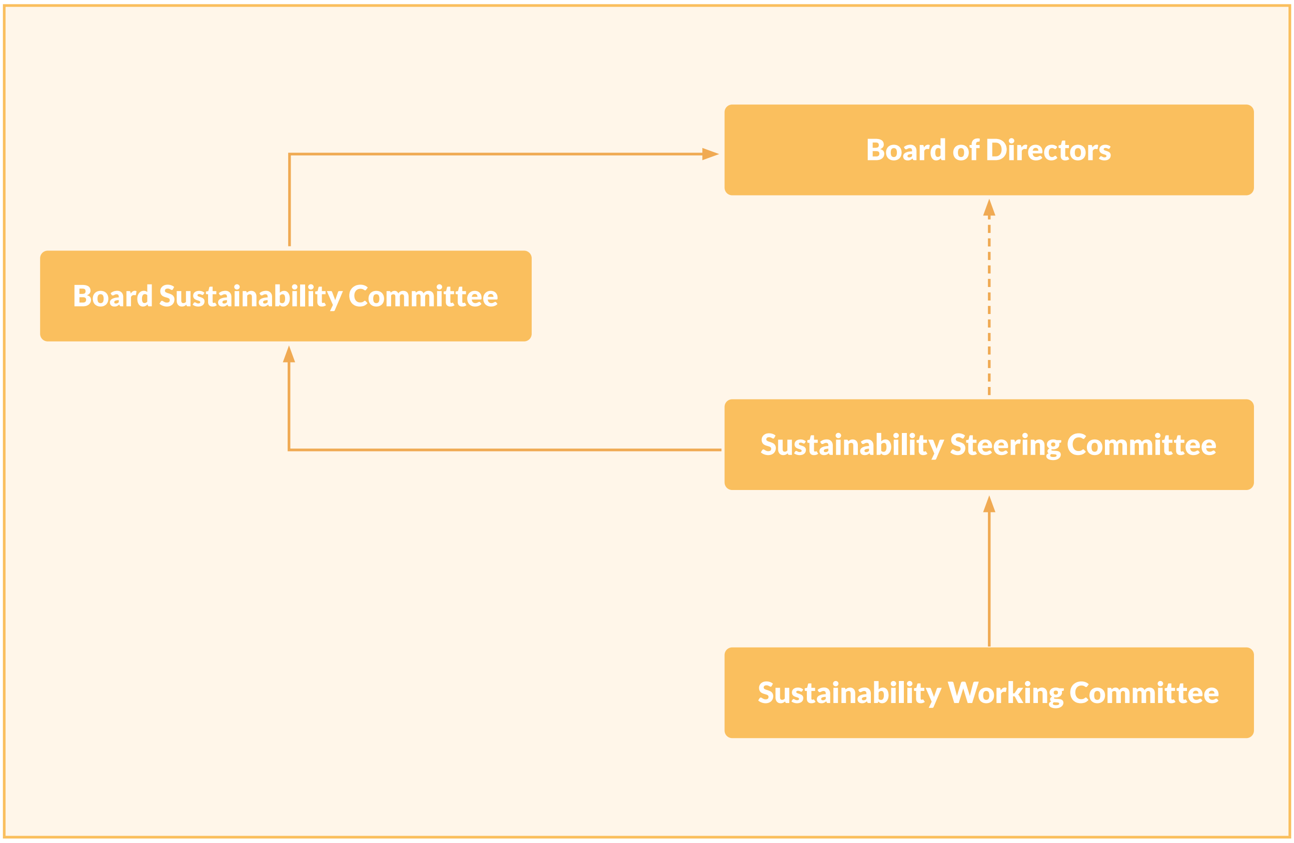
The Group's sustainability framework:

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

SUSTAINABILITY STATEMENT *(continued)*

Sustainability Governance

In the current financial year, PGB has maintained its sustainability governance structure to effectively implement sustainability strategies and initiatives across the Group. This structure continues to provide strategic oversight of ESG matters, risk management and the integrates ESG into our business model and processes.



Our governance structure is led by the Board, supported by the Board Sustainability Committee ("BSC") and the Sustainability Steering Committee ("SSC"). The BSC includes members from the Risk Management Committee ("RMC") and Audit Committee ("AC"), who oversee sustainability strategies and make recommendations to the Board. The SSC, chaired by the Sustainability Officer ("SO") and including various Heads of Departments ("HODs"), implements the approved sustainability strategy. The Sustainability Working Committee ("SWC") supports daily sustainability initiatives.

This structure embeds sustainability into our organisation's culture, fostering a mindset that supports our sustainability goals.

SUSTAINABILITY STATEMENT *(continued)*

The table below outlines the roles and responsibilities of each committee.

Board and Committee	Roles and Responsibilities
The Board	• Ultimately responsible for sustainability within the organisation; • Provides oversight of the strategic management of material sustainability issues; and • Approves or endorses the Group's Sustainability Statement.
BSC	• Comprised of the RMC and AC; • The RMC oversees the management of principal business risks and significant ESG risks; • The AC oversees audit matters related to significant ESG risks and conducts audit/assurance activities for sustainability reporting, if applicable; and • Both committees advise, monitor and recommend sustainability-related business strategies and policies for Board adoption.
SSC	• Comprised of the SO and HODs within the Group; • The SO chairs the SSC and collaborates with HODs to establish sustainability strategies and priorities, reports to the BSC; • Leads the promotion and development of a strong sustainability culture across the Group; • Reviews the Group's Sustainability Statement; and • Oversees the strategic management of the Group's material sustainability matters.
SWC	• Comprised of representatives from various departments; • Responsible for executing sustainability-related initiatives; • Tracks and reports on the progress of these initiatives; and • Facilitates sustainability management processes including stakeholder engagement, materiality assessment and data collection.

As a continuous effort to enhance the sustainability management within the Group, sustainability matters are discussed as an agenda during the RMC, AC and Board meetings. The SSC reviews key sustainability issues and new opportunities, keeping the RMC, AC and Board informed. The SWC meets monthly to update and track sustainability initiatives. As the Group evolves, the Board will allocate resources to manage sustainability risks and opportunities, maintaining good corporate governance to achieve our objectives.

Scan here for more information on our Sustainability Governance Structure

SUSTAINABILITY STATEMENT *(continued)*

STAKEHOLDERS ENGAGEMENT

We are accountable to diverse group of stakeholders. These stakeholders include individuals or groups affected by our business decisions and activities, as well as those whose actions and decisions influence our growth and have a vested interest in our organisation. They were identified based on their varying levels of influence over and dependence on our business.

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

Our engagement mechanisms for each stakeholder group includes, but are not limited to, the following:

Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
Shareholders and Investors	A Annual general meetings A Annual reports P Company website N Corporate announcements N Extraordinary general meetings N Meetings Q Quarterly financial results announcements P Social media platforms	• Anti-bribery and anti-corruption • Branding and reputation • Business outlook and strategy • Climate change strategies • ESG practices and commitment • Effective leadership • Corporate governance • Risk management and internal control system • Sustainable financial and operational performance • Transparency and accountability	• Conduct risk assessments to identify and mitigate potential risks. • Deliver sustainable growth that aligns with annual and long-term financial targets. • Manage resources effectively to maximise profits. • Provide timely updates on company strategy and performance through quarterly financial reporting and announcements on Bursa Securities. • Report relevant ESG aspects of performance to show accountability to sustainability practices. • Strengthen company governance by establishing internal policies such as the Anti-Bribery and Anti-Corruption ("ABC") Policy, Whistleblowing Policy and other related policies.

SUSTAINABILITY STATEMENT *(continued)*

Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
Employees	**P** Corporate activities **N** Engagement contract **P** Employee engagement programmes and events **N** Employee handbook **A** Employee survey **A** Employee performance appraisals **P** Internal communications **P** Learning and development trainings, seminar and workshops **P** Meetings **A** Town halls	• Anti-bribery and anti-corruption • Career developments and enhancement • Corporate direction and growth plan • Diversity and inclusion • Effective leadership • Employee compensation, benefits and welfare • ESG practices and commitment • Job security and retention • Labour and human rights • Occupational health and safety • Work-life balance • Working environment and culture	• Ensure a transparent performance appraisal process and rewarding scheme. • Enhance employees' understanding and awareness on the Company's policies, sustainability requirements and compliance. • Foster an inclusive and non-discriminatory work environment and culture. • Maintain a safe and conducive work environment that supports physical, social and mental health. • Implement the mandatory signing of ABC Declaration Form by employees and committing to adhere to PGB's Code of Conduct. • Implement employee engagement programmes. • Offer comprehensive benefits and competitive remuneration packages. • Provide training programmes to support career growth and personal development. • Strengthen performance management to ensure continued attraction and retention of talent.

SUSTAINABILITY STATEMENT *(continued)*

Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
Customers	N Advertisement and marketing promotions N Corporate and product brochures P Company website N Corporate announcements N Customer feedback and service platforms N Public events N Project launches P Social media platforms	• Customers support services and experience • Customers data privacy • Defect rectification • ESG practices and commitment • Market and future outlook • Product and service pricing and quality • Product and service safety and security • Product design and features • Social contributions • Timely delivery	• Adhere to stringent quality standards. • Comply to the Personal Data Protection Act 2010. • Incorporate eco-friendly development features. • Maintain open communication with customers to gather feedback and satisfaction and identify areas for improvement. • Meet product expectations in terms of quality, cost, price and delivery.
Contractors and Suppliers	N Briefings, updates and meetings N Contract and legal discussions P Company website N Emails and letters N Letters of award A Performance evaluations P Sites visits and inspections N Tender sessions	• Anti-bribery and anti-corruption • Business ethics and compliance • Health and safety of contractors' workers • Legal compliance and contractual commitments • Procurement process and practices • Product and service pricing and quality • Payment schedule • Supply chain management • Sustainable building practices and methods	• Adopt best practices in sustainable development. • Conduct briefings to ensure contractors/suppliers understand our requirements before submission. • Established formal policies and procedures such as ABC Policy, Conflict of Interest and Related Party Transaction Policy and Sustainable Procurement Policy. • Ensure a fair and transparent tender process. • Implement a supplier screening and assessment process. • Negotiate with contractors/ suppliers to ensure best value. • Mandate the signing of the ABC Declaration Form by all contractors/suppliers, committing to adhere to PGB's Code of Conduct. • Support local suppliers and contribute to the local business ecosystem.

SUSTAINABILITY STATEMENT *(continued)*

Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
Government and Regulators	A Audits and inspections N Compliance reporting N Emails and letters N Industry associations and consultants N Regulatory requirements reporting N Seminars, workshops and training sessions	• Anti-bribery and anti-corruption • Corporate governance practices • ESG practices and commitment • Labour practices • Occupational health and safety • Public and community engagement • Regulatory compliance and certification • Transparency and accountability	• Adopt practices outlined in the Malaysian Code of Corporate Governance (“MCCG”). • Ensure compliance with regulatory requirements. • Engage closely with regulators and Malaysian government to stay updated on regulatory changes and initiatives. • Provide transparent reporting and communications through annual reports, quarterly financial reporting and announcements on Bursa Securities. • Support the development and adherence to sustainable practices to protect our stakeholders.
Local communities and non-governmental organisations	P Company website N Community initiatives and development programmes N Corporate announcements N Public events P Social media platforms N Sustainability and related programmes	• Community development and programmes • Contributions made to surrounding communities • ESG practices and commitments • Environmental and social issues in relation to business operation • Infrastructure improvements • Job and business opportunities • Stimulate local economies	• Adhere to local authority regulations, including compliance with quality standards, operational health and safety practices at construction sites and developments. • Create job opportunities with preferences given to hiring local residents. • Ensure that products developed have a minimal negative environmental impact in terms of materials used and waste generated. • Implement corporate social responsibility initiatives across community engagement. • Incorporate eco-friendly development features.

SUSTAINABILITY STATEMENT *(continued)*

Stakeholder Group	Mode and Frequency of Engagements	Interests and Concerns	Our Response
Media	**N** Advertisement and marketing promotions **N** Corporate and product brochures **P** Company website **N** Corporate announcements **N** Press releases **N** Public events **N** Project launches **P** Social media platforms	• Corporate reputation • Business outlook and strategy • Long-term relationship building • New developments for public knowledge • Transparency and timely information	• Engage in social events such as festive celebrations and media functions. • Foster open and proactive communication with the media through press releases, media briefings and interviews. • Monitor media coverage and seize opportunities to promote the Company's sustainability achievements and contributions. • Provide regular updates on the Company's latest developments and progress. • Respond promptly to media inquiries via the Corporate Communication Department.

Legend

Q= Quarterly **A**= Annually **N**= As and when needed **P**= Periodically

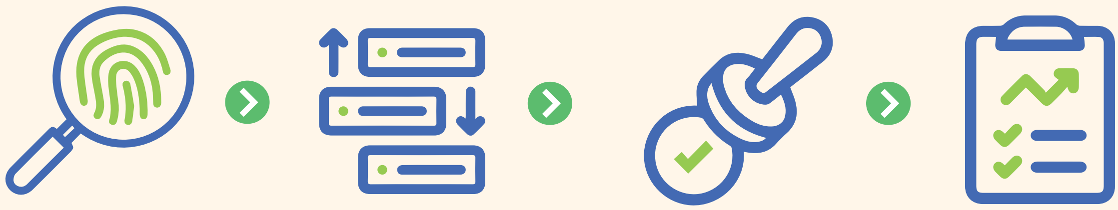
SUSTAINABILITY STATEMENT *(continued)*

MATERIALITY ASSESSMENT AND MATRIX

Sustainability matters involve the risks and opportunities from the ESG impacts of our operations, as well as the important views and expectations of our stakeholders.

Materiality in sustainability goes beyond financial impacts. It also considers broader ESG effects. By using a materiality assessment process, we can identify the ESG issues most significant to our operations and stakeholders. This helps us develop effective strategies to manage and address these issues. The following section outlines our common approach to assessing materiality in a sustainability context.

Materiality Assessment



Phase 1

Identification of relevant ESG matters

Identify sustainability matters relevant to the Group's operations and stakeholders from internal and external sources.

Phase 2

Prioritisation of ESG matters

Assess the significance of ESG impacts on the Group's operations and stakeholders. Prioritise ESG matters based on their significance and the material interests of each stakeholder.

Phase 3

Review and validation of ESG matters

Examine the prioritisation outcomes, validate material matters with management and organise the disclosure accordingly.

Phase 4

Reporting of ESG matters

Present the materiality matrix and ESG matters to our stakeholders through the annual Sustainability Statement.

As an organisation, we recognise that our material issues can significantly impact our ability to create long-term value for our stakeholders. Last year, we conducted a comprehensive materiality assessment, engaging both key internal and external stakeholders to ensure their interests and concerns are addressed. These material matters shape our business strategy and guide our decisions on allocating resources to critical sustainability issues.

While we aim to conduct a comprehensive materiality assessment once every three (3) years, we also perform an annual review to reassess the relevance of our prioritised ESG impacts arising from our day-to-day activities.

SUSTAINABILITY STATEMENT *(continued)*

2022

- Conducted the first materiality assessment involving employees from all business segments to identify key sustainability topics material to both PGB and our stakeholders.
- Identified six (6) key stakeholders and twenty-one (21) relevant material matters with the outcome reviewed and endorsed by the RMC and the Board.

2023

- Reviewed the FY2022 materiality matrix and list of key stakeholders.
- Conducted a full-scale materiality assessment involving both internal stakeholders and all key external stakeholders.
- Our materiality process referenced to Bursa Securities's Sustainability Reporting Guide and Toolkits (3rd Edition).
- Identified one (1) new stakeholder group and six (6) new material matters with the outcome reviewed and endorsed by the BSC and the Board.

2024

- Reviewed the FY2023 materiality matrix and key stakeholder list through a limited-scale internal review to update our materiality matrix.
- Reassessment grouping of relevant material matters, resulting in thirteen (13) material matters.
- Resulted in a shift in prioritisation of identified material matters

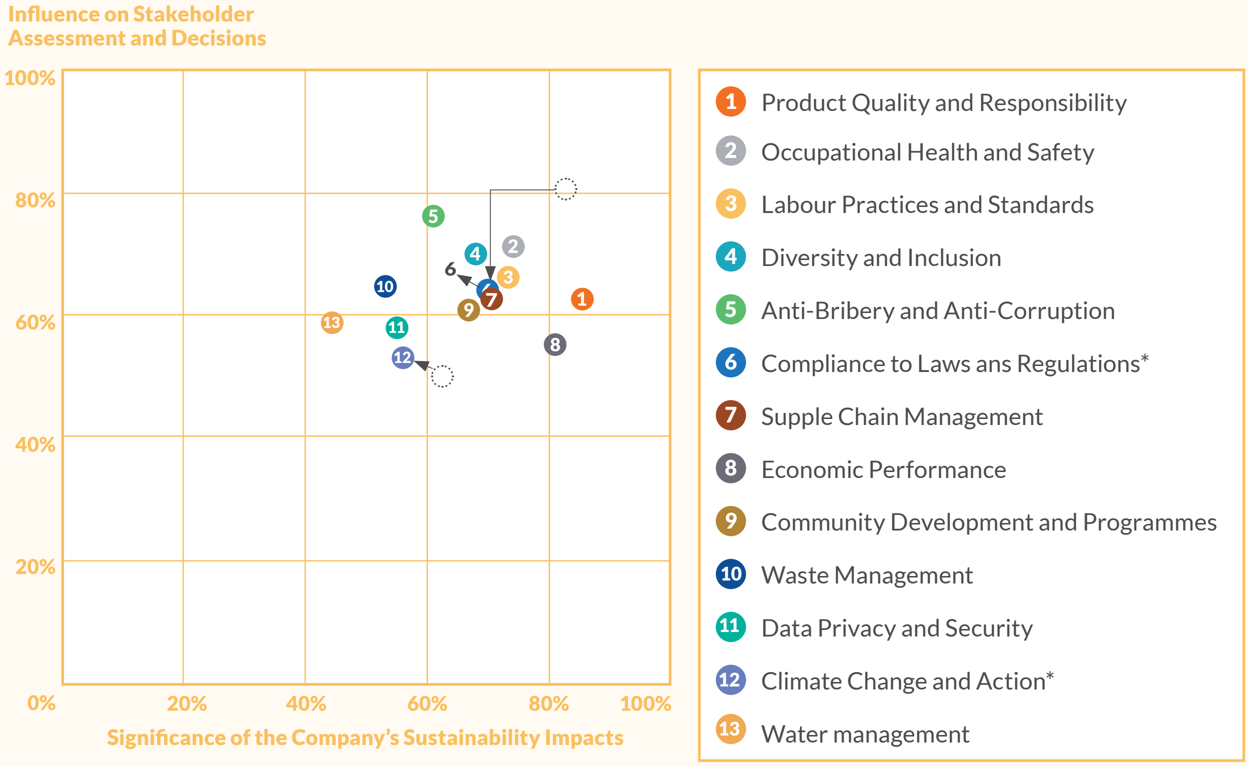
This year, we reviewed the materiality matrix of financial year 31 March 2023 ("FY2023") and key stakeholder list through a limited-scale internal review to update our materiality matrix. This involved a reassessment of the grouping of relevant material matters, resulting the existing twenty-six (26) material matters have been condensed into thirteen (13) refreshed material matters. These include input from committees and internal stakeholders, benchmarked against our local and regional peers and considered emerging risks and relevant frameworks, including Bursa Malaysia's Sustainability Reporting Guide (3rd Edition). Additionally, we align our sustainability topics with the current and anticipated future demands of economy, environment and society, ensuring they resonate with the Group's business model and direction as well as the relevant UNSDGs.

This reassessment led to a shift in the prioritisation of identified material matters to better reflect the current and anticipated future demands of our business and stakeholders. The updated materiality matrix now ensures that the most critical sustainability issues are accurately prioritised and addressed. The process and outcome of the materiality assessment have been reviewed by the SSC and endorsed by the Board to ensure accountability and reliability.

SUSTAINABILITY STATEMENT *(continued)*

The resulting materiality matrix for FY2024 ("Materiality Matrix") is as shown below:

Materiality Matrix for Paragon Globe Berhad



Notes:

1. **Material matters showed significant movement from FY2023 materiality assessment.*
2. *Product and services quality, customer satisfaction and product and service responsibility are collectively managed under "Products Quality and Responsibility".*
3. *Employment engagement and development and labour and human rights are collectively managed under "Labour Practices and Standards".*
4. *Environmental compliance and corporate governance, business ethics and compliance are collectively managed under "Compliance to Laws and Regulations".*
5. *Business direction, outlook and strategy, risk management and internal control system, innovation and technology are collectively managed under "Economic Performance".*
6. *Branding and reputation and community development and programmes are collectively managed under "Community Development and Programmes".*
7. *Energy management, emission management, biodiversity and green financing are collectively managed under "Climate Change and Action".*

Our revised Materiality Matrix renews our focus on material matters which forms the basis of this Statement, while the respective indicators facilitate the monitoring and measurement of our sustainability performance.

SUSTAINABILITY STATEMENT *(continued)*

MATERIAL SUSTAINABILITY MATTERS

The key material sustainability matters provide a comprehensive view of our ESG-related risks and opportunities that drive our business operations and meet stakeholder expectations. Our Enterprise Risk Management ("ERM") framework integrates sustainability risks alongside our corporate, financial and operational risks. We ensure all identified risks remain within our risk appetite through continuous revision and monitoring by designated risk owners with oversight from the RMC.

Furthermore, we recognise the UNSDGs as a crucial framework for addressing the world's most pressing sustainability challenges. The UNSDGs serve as a global blueprint to make progress on critical issues such as poverty, inequality, climate change as well as everyone's health, justice and prosperity. We have incorporated the 17 UNSDGs and our identified material matters into our strategic development and are dedicated to contributing to the achievement of relevant UNSDGs while striving to creating a better world for all.

In this context, we have aligned 10 UNSDGs with our material matters and developed appropriate strategies to address the corresponding risks and opportunities in FYE2024, summarised as follows:

PILLARS	GOVERNANCE		
Material Matters	**Anti-Bribery and Anti-Corruption**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Damage reputation and brand image. • Exposure to significant legal penalties, fines and sanctions. • Increase the risk of operational disruptions due to investigations and legal proceedings. • Loss business due to unethical practices.	• Enhance reputation and trustworthiness. • Increase investor confidence. • Inculcate good governance and ethical business practice. • Reduce exposure to legal and financial risk associated with bribery and corruption.	• Establish an effective governance structure to ensure comprehensive oversight and enforcement of anti-bribery and anti-corruption ("ABC") measures. • Require all Board members, employees and business partners to sign an annual Anti-Corruption Personnel Declaration Form. • Provide a confidential and secure mechanism for reporting suspected incidents of bribery and corruption. • Implement formal policies and procedures such as ABC Policy and Whistleblowing Policy. • Conduct regular internal audits and risk assessments to identify and mitigate potential risks related to bribery and corruption. • Conduct regular trainings and awareness programmes for employees to ensure continuous awareness and compliance. *For further details, please refer to page 62 to 65 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	GOVERNANCE		
Material Matters	**Compliance to Laws and Regulations**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Damage reputation and loss of customer trust. • Frequent disruptions due to legal issues and regulatory non-compliance investigations. • Increase financial losses due to fines, legal costs and potential loss of business opportunities.	• Build customer loyalty, trust and enhancing reputation. • Improve access to capital as investors and lenders consider sustainability and corporate responsibility in their decisions. • Improve overall operational efficiency. • Reduce the risk of legal penalties, fines and associated financial losses.	• Conduct regular meetings and training programmes to ensure employees understand their compliance responsibilities. • Establish a comprehensive risk management framework to identify, assess and mitigate compliance risks. • Guide operations by the MCCG to ensure compliance with relevant laws and regulations. • Perform regular audits and inspections to help identify areas for improvement and implement actions to address compliance deficiencies. • Regular monitor and review compliance policies and procedures to ensure they reflect current best practices and regulatory changes. • Work closely with regulatory authorities to stay current on changes in legislation and regulatory requirements. *For further details, please refer to page 65 to 66 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	GOVERNANCE		
Material Matters	**Data Privacy and Security**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Damage reputation and loss of customer trust. • Exposure to fines and legal actions due to non-compliance with data protection regulations. • Frequent disruptions due to security incidents and data breaches. • Increase risk of data breaches leading to the loss of sensitive information.	• Drive innovation in data management and operational efficiency through the implementation of advanced security technologies. • Increases customer confidence and loyalty. • Protect critical customer data and maintain trust. • Reduce the risk of legal penalties and associated financial losses.	• Establish and enforce a Privacy Policy which developed in accordance with the Personal Data Protection Act 2010. • Establish IT Policy and Procedures to regulate data access, creation and deletion. • Ensure data is collected lawfully and the full consent of the data owner. • Implement security technologies such as encryption, firewalls and anti-malware software to protect IT systems, networks, applications and data. • Perform regular internal and external audits to assess and improve security measures. • Enforce strict access controls to limit access to sentive information to authorised personnel only. • Implement continuous monitoring systems to detect and respond to security threats in real-time. *For further details, please refer to page 67 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	ECONOMIC		
Material Matters	**Product Quality and Responsibility**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Affect business reputation. • Disrupt operations. • Increase production and operational cost. • Impact financial performance. • Reduce customer satisfaction.	• Build customer loyalty. • Differentiate in the market. • Enhance brand reputation and trust. • Reduce risk of fines and legal issues. • Strengthen financial position.	• Adopt ethical sourcing practices to ensure materials are obtained from sustainable sources. • Conduct regular inspections and internal audits on construction and development activities to identify potential risk areas and opportunities for improvement. • Ensure top-quality workmanship in all projects. • Maintain open communication with stakeholders to understand customer experiences, incorporate feedback and improve products and services. • Implement a system to monitor and evaluate performance. • Provide regular technical training programmes to refine skills and workmanship. • Stay abreast with the latest industry trends and adopt best industry practices to enhance capabilities, quality work practices and market competitiveness. *For further details, please refer to page 69 to 70 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	ECONOMIC		
Material Matters	**Supply Chain Management**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Affect business reputation. • Hinder the ability to adapt to market demands. • Increase operational costs and waste. • Increase the risk of ethical or legal violations. • Cause supply chain disruptions.	• Attract and retain credible and skilled suppliers and contractors. • Drive innovation. • Enhance efficiency. • Reduce lead times and improve responsiveness. • Strengthen supplier relationships. • Uplift local suppliers' market.	• Conduct thorough supplier screening and assessment processes. • Conduct performance evaluations of suppliers and contractors, ensuring they meet our standards. • Develop strong supplier relationships through regular communication and collaboration. • Implement a Sustainable Procurement Policy to guide procurement activities. • Integrate sustainable construction materials into projects. • Source from established local suppliers and contractors to support the local economy and reduce carbon footprint. *For further details, please refer to page 70 to 73 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	ECONOMIC		
Material Matters	**Economic Performance**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES	• Address evolving customer needs. • Face market and government-driven challenges. • Increase regulatory requirements. • Lose investment opportunity. • Threaten business continuity.	• Contribute to a resilient economy less prone to market shock. • Drive innovation and open new market opportunities. • Enhance brand reputation and increase investor interest. • Strengthen competitive position.	• Conduct regular meetings and risk assessments activities to evaluate risks and opportunities. • Comply with all applicable law and regulations. • Maintain a strong financial position to pursue strategic investments and navigate economic challenges. • Monitor financial performance continuously, ensuring expenses align with the budget and maintaining financial stability. • Stay informed about market trends and adapt strategies accordingly. • Support by strong corporate governance structure to ensure effective coordination and monitoring. • Uphold fairness, honesty and integrity in all operations. *For further details, please refer to page 74 to 75 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	ENVIRONMENTAL		
Material Matters	**Waste Management**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
3 GOOD HEALTH AND WELL-BEING 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Additional operating costs along the management process. • Exposure to fines and legal actions. • Increased risk of environmental pollution, negatively impacting ecosystems, biodiversity and human health. • Lead to higher operational costs and reduced profitability.	• Enhance reputation and build trust with stakeholders. • Lead to cost savings through recycling and resource recovery. • Reduce environmental pollution and minimise negative impacts on ecosystems and human health. • Reduce the risk of fines and legal issues.	• Conduct regular meetings and discussions. • Continuously monitor waste generation and management processes. • Encourage material reuse practices across our operations. • Ensure compliance with relevant laws and regulations. • Promote Reduce, Reuse and Recycle ("3R") philosophy among employees. • Promote environmental awareness and sustainable consumption among employees. • Promote green practices. • Reduce paper consumption by adopting digital communication methods. *For further details, please refer to page 77 to 79 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	ENVIRONMENTAL		
Material Matters	**Climate Change and Action**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Contribute to global climate change and associated risks. • Cause physical assets damage, financial loss and business disruption. • Increase reliance on non-renewable energy sources can lead to depletion of natural resources. • Negative public perception and loss of trust among stakeholders.	• Drive initiatives to improve climate and energy management practices. • Take advantage of incentives or subsidies. • Drive innovation in energy efficiency and sustainable practices, leading to improved operational efficiency. • Secure positioning in low-carbon solutions market to capitalise on the rising demand for low-carbon products and services. • Effective mitigation and adaptation strategy ensures business continuity.	• Enhance employee awareness to ensure all staff understand the importance of reducing energy consumption and greenhouse gas ("GHG") emissions. • Utilise data analytics to identify trends and areas for improvement in climate change and energy management. • Implement green practices. • Integrate green building standards and aim for certification in future projects. • Leverage collaboration with industry experts. *For further details, please refer to page 80 to 81 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	ENVIRONMENTAL		
Material Matters	**Water Management**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
 	• Lead to higher costs and potential scarcity of water resources. • Contribute to environmental degradation and resource depletion. • Lead to health and safety issues for employees and surrounding communities.	• Reduce operational costs and promote water conservation behavior. • Reduce exposure to water scarcity and related risks.	• Invest in water-efficient infrastructure to minimise water consumption. • Incorporate water-efficient design principles in project developments. • Promote water-saving habits within the offices. • Raise employee awareness to ensure all staff understand the importance of reducing water consumption. • Use data analytics to identify trends and areas for improvement in water management. *For further details, please refer to page 81 to 82 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	SOCIAL		
Material Matters	**Occupational Safety and Health ("OSH")**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	• Damage reputation, lead to loss of trust among stakeholders. • Disrupt operations and cause delays in production. • Increase costs related to medical expenses, compensation claims and higher insurance premiums. • Lead to lost productivity and increase absenteeism. • Lead to higher employee turnover and difficulties in attracting new talent.	• Enhance operational efficiency and stability. • Improve safety practices. • Lead to job satisfaction and enhance employee morale. • Lead to fewer accidents, reducing downtime and increasing overall productivity. • Minimise the risk of compensation claims, penalties and legal actions. • Safeguard the welfare of employees and general public.	• Enforce OSH policy. • Equip offices with emergency response equipment. • Ensure the use of appropriate safety equipment and personal protective equipment ("PPE"). • Ensure contractors follow a structured health and safety framework. • Integrate health and safety requirements into all project contracts. • Monitor safety reports produced by contractors through the project team. • Provide non-occupational medical and healthcare services. • Provide regular safety training and awareness programmes to educate employees on OSH best practices. *For further details, please refer to page 84 to 87 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	SOCIAL		
Material Matters	**Labour Practices and Standards**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	• Increase employees' turnover rates, resulting in higher recruitment and training costs. • Disrupt operations and reduce efficieny. • Hinder the ability to build a workforce, impacting long-term sustainability and competitiveness. • Reduce productivity and efficiency.	• Attract talent, reduce employees' turnover rates and contribute to high performance culture. • Encourage career development and service excellence. • Ensure fair practices and equality. • Contribute to innovation and organisational growth. • Higher job satisfaction and employees loyalty, leading to increase productivity.	• Conduct employee surveys and feedback sessions to gauge satisfaction and areas for improvement. • Conduct peformance appraisals. • Ensure competitive and fair compensation packages, including benefits that support employee well-being. • Establish and enforce fair and transparent labour policies that align with industry standards and regulatory requirements. • Maintain open and transparent communication channels with employees to understand their concerns and feedback, including grievance mechanism. • Promote a vibrant work culture through regular employee engagement initiatives to enhance motivation and team relationships. • Recognise employee loyalty and dedication through the Long Service Award. • Support continuous training and development to enhance employee knowledge and capabilities. *For further details, please refer to page 88 to 98 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	SOCIAL		
Material Matters	**Diversity and Inclusion**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	• Lead to uniform thinking, stifling innovation and creativity. • Lead to a negative image and potential boycotts from stakeholders. • Result in low employee morale, higher employees' turnover and reduced productivity.	• Better decision-making processes and more well-rounded strategies. • Boost employee morale, satisfaction and retention. • Tap into unique ideas and approaches, driving competitiveness and adaptability.	• Engage and support diverse suppliers, contractors and supply chain partners who share our values. • Ensure leadership commitment to diversity and inclusion through active involvement and accountability. • Ensure competitive wages free from gender discrimination and approach career advancement, recognition and rewards in a fair and unbiased manner. • Provide fair and equal employment opportunities through a structured and unbiased recruitment process. • Promote and create the culture of gender equality within our organisation. • Support diversity with the Employee Diversity and Inclusion Policy. *For further details, please refer to page 98 to 103 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

PILLARS	SOCIAL		
Material Matters	**Community Development and Programmes**		
UNSDGs Linkage	**Risks**	**Opportunities**	**Our Responses**
1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS	• Attract negative attention from regulators and increase the risk of penalties or sanctions. • Impact of development on the surrounding community. • Lead to distrust, protests or boycotts. • Miss opportunities for collaboration and growth. • Result in negative public perception.	• Build strong relationships with the community. • Develop new markets or customer segments. • Foster loyalty among local consumers and stakeholders. • Improve the livehood of the community. • Lead to a more stable and prosperous local economy.	• Develop long-term partnerships with community organisations to ensure sustained impact and mutual benefit. • Encourage employees to participate in community service and development programmes. • Ensure that resources allocated to community development are managed efficiently and align with strategic goals. • Integrate sustainability principles into stages of our project lifecycle. • Maintain open and transparent communication with community stakeholders to understand their needs and expectations. • Make donations and provide sponsorships. • Offer awareness programmes for employees to understand the importance of community engagement and their role in it. *For further details, please refer to page 103 to 112 of the Annual Report.*

SUSTAINABILITY STATEMENT *(continued)*

SUSTAINABILITY TARGETS

Based on our sustainability framework and material matters, the Group has reviewed and realigned the key performance indictors ("KPIs") with the current materiality assessment. This ensures a more strategic and impactful alignment that enhances overall business performance. We have established key sustainability performance targets and KPIs to drive further progress in our broader sustainability agenda, as shown here:

LEGEND: ● Achieved ● On-track ● Attention required

Goals	Material Matters	2026 Targets	2024 Progress	Progress Status
Responsible and Sustainable Governance	Anti-Bribery and Anti-Corruption	To achieve zero incidents of bribery and corruption.	Zero incidents of bribery and corruption.	Achieved
	Compliance to Laws and Regulations	To achieve zero incidents of non-compliance to laws and regulations.	Zero incidents of non-compliance to laws and regulations.	Achieved
	Data Privacy and Security	To achieve zero incidents of breaches in customer privacy and data loss.	Zero incidents of breaches in customer privacy and data loss.	Achieved
Strengthening Economic Outlook	Product Quality and Responsibility	To achieve Quality Assessment System in Construction ("QLASSIC") score of over 75% for newly completed projects Baseline Year: FY2022	Achieved a score of 75% for the newly completed project.	Achieved
	Supply Chain Management	To achieve 100% spending on local suppliers and contractors.	100% spending on local suppliers and contractors.	Achieved
Minimising Environmental Footprint	Waste Management	To achieve 10% reduction in paper consumption. Baseline Year: FY2023	Reduced 7% paper consumption.	On-track
Valuing People and Community	Occupational Health and Safety	To achieve zero incidents of work-related fatality.	Zero incidents of work-related fatality.	Achieved
	Labour Practices and Standards	To achieve zero substantiated complaints concerning human rights violations annually.	Zero incidents of complaints concerning human rights violations.	Achieved
		To achieve zero incidents of forced and child labour.	Zero incidents of forced and child labour.	Achieved
		To achieve at least four (4) employee engagement activities annually.	Achieved eight (8) employee engagement activities.	Achieved
	Community Development and Programmes	To extend our support by investing approximately 10% more or less of RM120,000 per annum in the local community. Baseline Year: FY2023	Achieved 34% more than our target of RM120,000.	Achieved

RESPONSIBLE AND SUSTAINABLE GOVERNANCE

We are dedicated to responsible and sustainable governance.

This year, we continue to be transparent, accountable and ethical in all our business decisions.

By fostering trust with our stakeholders and regulatory authorities, we ensure sustainable growth and a better future for our community and the environment.

GOV

Material Matters:

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

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SUSTAINABILITY STATEMENT *(continued)*

RESPONSIBLE AND SUSTAINABLE GOVERNANCE

In this section, we outline our ongoing efforts to promote responsible and sustainable governance. These practices are crucial for driving our business success and creating value for our stakeholders. We provide an overview of the key sustainability matters we have identified and how we address them. Good governance is both a legal obligation and a moral duty, guiding our business practices and decisions, contributing to the social and economic development of the communities we serve.

a) Anti-Bribery and Anti-Corruption ("ABC")

Why It Matters

Bribery and corruption can severely impact the sustainable development of businesses and economies. Engaging in such practices can lead to legal and financial consequences and erode stakeholders trust, hindering a company's growth and sustainability. The Group recognises its responsibility to prevent and combat all forms of bribery corruption, maintaining high ethical standards in all our operations to protect our reputation and ensure our operations are conducted with integrity and fairness.

Our Approach

We take a comprehensive approach to combating bribery and corruption through policies, procedures, training and monitoring. The Board leads by example, upholding the highest standards of corporate governance with uncompromised accountability and is responsible for overseeing the Group's ethical culture and integrity, providing guidance on initiatives against bribery and corruption.

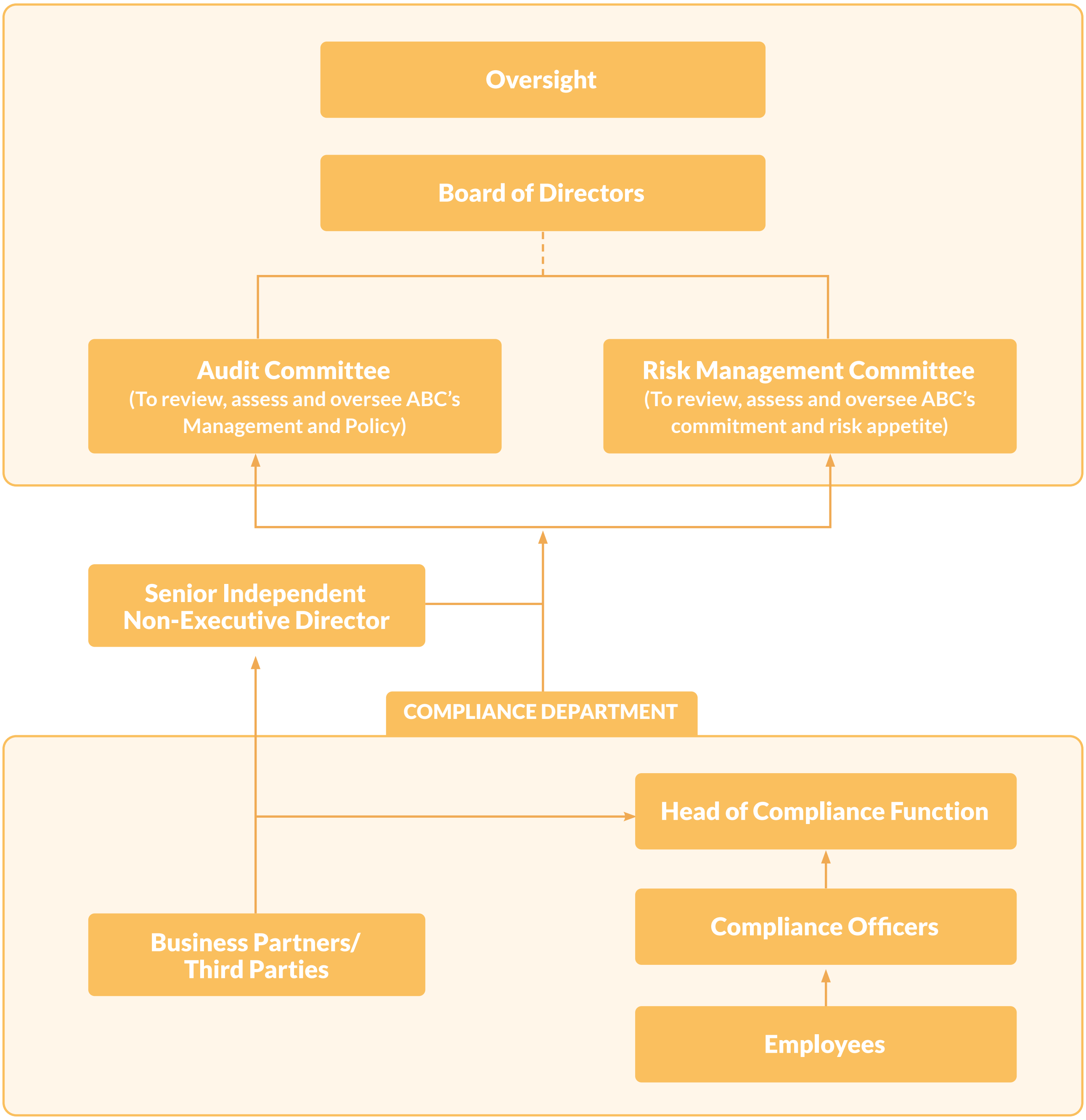
The Group has established a formal governance structure to ensure effective implementation and enforcement of ABC measures. With the Board at its apex, the Group initiated a three-tiered system that includes cross-functional departments representing our business operations. The Board is supported by the AC and the RMC, both backed by the Senior Independent Non-Executive Director and the Head of Compliance. This well-defined structure helps the Group prevent and detect instances of bribery and corruption, safeguarding its reputation, stakeholders' interests and long-term sustainability.

To further demonstrate the Group's commitment, we have implemented the ABC Policy, aligned with the Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, which outlines our zero-tolerance stance towards all forms of bribery and corruption. This policy provides guidelines on handling gifts, hospitality, donations and more. All new joiners undergo an induction programme where they required to familiarise themselves with the Group's Code of Conduct, ABC Policy and other accompanying policies and procedures, emphasising the importance of upholding ethical behaviour and integrity.

We require all employees, business partners and board members to sign an Anti-Bribery and Anti-Corruption Declaration Form annually to reinforce our commitment and strengthen the defense under Section 17A (4) of MACC. Additionally, we conduct thorough due diligence checks on all third parties before engaging in any business with them and we monitor them regularly to ensure they remain in compliance with our ABC policies and procedures.

SUSTAINABILITY STATEMENT *(continued)*

Anti-Bribery and Anti-Corruption Compliance Function Structure



SUSTAINABILITY STATEMENT *(continued)*

In addition to our ABC Policy, we have implemented a Whistleblowing Policy, which outlines the process for handling whistle-blower reports, including investigation procedures, reporting channels and confidentiality and protection measures. It ensures that all feedback reaches us promptly for timely action. Whistle-blowers are protected against any retaliation for their disclosures.

Whistleblowing Channels
Whistleblowing form
Email to Audit Committee Chairman or Group Executive Director
Write in to Compliance Department

Both the ABC Policy and Whistleblowing Policy have been duly reviewed and approved by the Board. The Group has made both policies available on the Company's website at **www.pgbgroup.com.my** and the Company's intranet to ensure they are accessible to all stakeholders.

The Group is committed to fostering a culture of integrity through awareness campaigns and regular communication. All employees are expected to familiarise themselves with and comply with the ABC Policy in their duties. We conduct regular internal training programmes to keep our employees updated on our policies. The Human Resources Department also disseminates updates via email if there are any changes.

To ensure the effectiveness of our ABC approach, we conduct internal audits and risk assessments to identify and mitigate potential fraud, bribery and corruption risks. Based on these assessments, we implement appropriate controls, policies and procedures to prevent, detect and manage identified risks. This is an ongoing process involving continuous monitoring and review to ensure our measures remain effective. For more information on our anti-bribery and corruption assessment, please refer to the "Statement on Risk Management and Internal Control" section of this Annual Report.

Our Performance

This year, we achieved a 100% annual anti-bribery and corruption declaration from the Board, employees and business partners. No employees were disciplined or dismissed due to non-compliance with the ABC policy, demonstrating the effectiveness of our anti-corruption measures.

(i) Corruption-related training

We conducted internal training on S17A Corporate liability to enhance understanding and awareness of anti-fraud, bribery and corruption matters. This training was provided by an officer from Suruhanjaya Pencegahan Rasuah Malaysia and was attended by employees and the Board during the current financial year. To further heighten awareness, we reinforce our ABC Policy by sending refresher emails to all employees. New joiners also received briefings on these policies and procedures.

	Completion Rate (%)		
Employee Category	2022	2023	2024
Senior Management	0	0	100
Middle Management	0	0	100
Executive	0	0	94
Non-Executive	0	0	30

Note:
No corruption-related training was attended by employees during FY2022 and FY2023.

SUSTAINABILITY STATEMENT *(continued)*

(ii) Corruption risk assessment

All of our Group's operations were assessed for risks related to bribery and corruption. We conducted a thorough analysis of each operation and identified any areas that could potentially at risk. During this year's risk assessment, we did not observe any new material or significant risks related to bribery and corruption.

	Percentage (%)		
	2022	2023	2024
Operations assessed for corruption-related risks	80	75	75

(iii) Corruption incidents

We are proud to report zero incidents of bribery and corruption across our business operations and zero monetary losses from legal proceedings related to bribery or corruption charges.

	2022	2023	2024
Number of confirmed incidents of corruption and action taken	0	0	0

We aim to maintain the records by driving a positive culture of compliance. Our comprehensive approach to anti-bribery and anti-corruption is essential for sustainability of our business operations. It protects the interests of our stakeholders and contributes to the betterment of society.

b) Compliance to Laws and Regulations

Why It Matters

Regulatory compliance is essential for the long-term success and sustainability of our business. It reflects our commitment to operating with the highest ethical standards and corporate responsibility. Compliance builds trust with our stakeholders and regulatory authorities in the countries where we operate.

The Group's operations are governed by sector-specific laws, regulations and national license. Adherence to these requirements fosters a culture of transparency and accountability, promoting stakeholder trust and mitigating potential legal or reputational risks. We continuously monitor regulatory changes and take proactive measures to meet and exceed expectations of both regulatory authorities and our stakeholders.

Our Approach

Our commitment to legal and regulatory compliance is embedded within the organisation through various processes to identify, assess and respond to evolving compliance requirements.

We are guided by the MCCG, ensuring our operations comply with relevant laws and regulations. We have implemented a strong governance structure to guide and monitor our compliance and decision-making processes across the Group. This structure enhances our ability to manage and address compliance-related matters effectively. The Board is equipped with the necessary information to make informed decisions and develop policies that contribute to long-term value creation. For more details of our corporate governance framework, structure and practices are elaborated in "Corporate Governance Overview Statement" section of the Annual Report.

SUSTAINABILITY STATEMENT *(continued)*

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

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

We continuously monitor and review laws and regulations that impact our business to stay current. We work closely with relevant authorities and industry experts to stay informed of latest development and updates. Regular meetings and training programmes are conducted for our employees to ensure they are knowledgeable about the latest practices and understand their compliance responsibilities.

We have established a comprehensive risk management framework to identify, assess and mitigate compliance risks. This framework ensures that all potential compliance risks are systematically addressed, reducing the likelihood of non-compliance, enhancing overall organisational resilience and protects our reputation as a responsible corporation.

Regular audits, inspections and reports form the foundation of our transparent business operations and reduce incidents of non-compliance. The internal audit function ("IAF") evaluates the effectiveness of our internal controls and assesses potential risks, while the external audit function ("EAF") reviews our compliance with regulatory standards. Both functions provide independent and objective assurance to the Board that our operations comply with applicable laws and regulations. Regular audits help us identify areas for improvement and implement actions to address compliance deficiencies. For more details, refer to the "Statement on Risk Management and Internal Control" and "Audit Committee Report" sections of the Annual Report.

Our Performance

Throughout FY2024, PGB ensured all business operations met regulations requirements, maintained strict compliance monitoring and continue to adopt relevant industry best practices. We are pleased to report that there were no incidents of non-compliance to laws and regulations resulting in significant fines or penalties.

	2022	2023	2024
Number of confirmed incidents of non-compliance to laws and regulations	0	0	0

Moving forward, the Group will continue to refine our framework, policies and procedures for good corporate governance and ethical conduct for all our business operations with the aim of maintaining the current status of zero legal notices with regards to non-compliance.

SUSTAINABILITY STATEMENT *(continued)*

c) Data Privacy and Security

Why It Matters

The legacy of the COVID-19 pandemic has significantly accelerated digital adoption across all industries. This digital transformation, while beneficial, has also increased the susceptibility of data to cybersecurity risks. PGB collects a large amount of customer data for business purposes, making it crucial to secure this data and ensure its confidentiality. Protecting our customers' sensitive information and preventing data breaches is essential to maintaining trust and ensuring operational continuity. Consequently, we continually strive to safeguard customer data by ensuring our IT systems, networks, applications and data are protected against cyber threats and malfunctions.

Our Approach

We manage our exposure to cyber threats through a proactive approach, ensuring we meet the expectations of our stakeholders in the protection of their personal data. The Group continues to strengthen its cybersecurity measures through strict adherence to our Privacy Policy, which is developed in accordance with the Personal Data Protection Act ("PDPA") 2010. This policy has been duly reviewed and approved by the Board. The Group has also made this policy available on the Company's website at **www.pgbgroup.com.my** and the Company's intranet to ensure they are accessible to all stakeholders.

We strictly abide by the regulations outlined in the PDPA 2010 and take reasonable measures to ensure data is collected lawfully and with the full consent of the data owner. We are transparent about how data is gathered, used and secured. All data is kept confidential and not shared with third parties unless mandates by law enforcement. We enforce strict access controls to ensure that only authorised personnel have access to sensitive information. This minimises the risk of data breaches and ensures that confidential information is handled responsibly.

In addition, the Group have established and enforced comprehensive Information Technology ("IT") Policy and Procedures to regulate the access of creation and deletion, as well as control to protect data security in our operations. This policy forms the foundation of our commitment to protecting customer data and ensuring its confidentiality and integrity. We have also implemented several IT security measures, including encryption, firewalls and anti-malware software, to safeguard our IT systems, networks, applications and data. These technologies are essential in preventing unauthorised access and mitigating potential cyber threats.

To ensure the effectiveness of our data privacy and security measures, we perform regular internal and external audits. These assessments help us identify areas for improvement and implement necessary enhancements to our security protocols. Continuous monitoring systems are in place to detect and respond to security threats in real-time. This approach allows us to swiftly address any potential vulnerabilities and maintain the highest level of data protection.

By implementing these measures, we reinforce our commitment to data privacy and security, protect our stakeholders' interests and contribute to the overall sustainability and resilience of our business operations.

Our Performance

During FY2024, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

	2022	2023	2024
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

The Group will continue to enhance its efforts so as to monitor and stay updated with the latest developments in data protection laws and industry best practices. This ensures ongoing data privacy and security within our organisation.

STRENGTHENING OUR ECONOMIC OUTLOOK

We are committed to strengthening our economic outlook through sustainable practices.

This year, we continue to prioritise sustainability in every aspect of our business, from supply chain management to daily operations. By investing in innovation, efficiency and responsible growth, we aim to build a resilient and prosperous future.

Our focus ensures long-term value for our stakeholders and contributes positively to the broader economy.

Material Matters:

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

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SUSTAINABILITY STATEMENT *(continued)*

STRENGTHENING OUR ECONOMIC OUTLOOK

This year, we continue our dedication to economic sustainability by integrating sustainable practices into every aspect of our business. In this section, we will highlight how our operations, financial performance and business practices drive sustainable economic growth. We will cover three (3) key areas of focus, explaining our strategies and progress in each. By sharing our progress and achievements, we hope to inspire others to join us in our journey towards a more sustainable future for all and contribute to the prosperity of Malaysia as well as support the achievement of the UNSDGs.

a) Product Quality and Responsibility

Why It Matters

In today's market, product quality and responsibility are crucial as consumers become more aware of the environmental and social impacts of their purchases. Companies must ensure their products meet high standards while minimising negative effects on the environment and society.

At PGB, product quality and responsibility are central to our operations and sustainability efforts. Delivering high-quality, responsible products is essential for maintaining customer satisfaction and loyalty. Satisfied customers become our strongest advocates, generating referral sales and repeat business, thereby solidifying the Group's position in the market. Additionally, focusing on quality and responsibility drives innovation and creativity within our organisation. By continuously monitoring performance and identifying areas for improvement, we develop innovative solutions that set us apart from competitors and drive sustainable growth.

Our Approach

We stay updated with industry trends and best practices to enhance our capabilities, quality work practices and market competitiveness. We continually seek new ways to improve our building technologies and construction methods. Our team regularly participate in technical training programmes, both internally and externally, to refine their skills and workmanship, ensuring quality delivery and efficient product assessment.

We use the Construction Industry Development Board's ("CIDB") Quality Assessment System in Construction ("QLASSIC") as a benchmark for all our property development and construction projects. QLASSIC measures and evaluates the workmanship quality of a building construction based on Construction Industry Standard (CIS 7:2006). Our commitment to high standards is demonstrated through the adoption of QLASSIC, ensuring top-quality workmanship in all our projects.

Furthermore, the Group has implemented a system to monitor and evaluate departmental performance, particularly key performance indicators ("KPIs") related QLASSIC scores for our project department. By closely tracking performance against these KPIs, we can identify areas for improvement and ensure we meet our quality targets. This focus on quality and responsibility positively impacts employee engagement and motivation, as employees take pride in the quality of their work and the products they deliver, contributing to overall business success.

High-quality building projects ensure future marketability and improve customer confidence. Our project department ensures compliance with regulatory standards, contract specifications and guidelines. We conduct multiple inspections including material receiving inspection, in-process inspection and completion inspection, to ensure building materials meet required quality standards. We also periodically conduct internal audits on our construction and development activities to identify potential risk areas and opportunities for improvement.

SUSTAINABILITY STATEMENT *(continued)*

In addition, we have also adopted ethical sourcing practices to ensure materials used in our products come from sustainable sources. We evaluate contractors and suppliers based on their sustainability practices and environmental and social performance. By adopting sustainable procurement practices, we ensure that materials and services meet high quality and ethical standards, contributing to a more sustainable supply chain. For more details, refer to the "Supply Chain Management" section of this Statement.

Customer satisfaction is integral to our approach. We maintain open communication with stakeholders across the delivery value chain to understand customer experiences and incorporate measures to improve our brand and reputation. Furthermore, we also provide customer feedback platforms such as phone and email for customers to lodge their feedback or complaints. Feedback from customers helps us continuously improve our products and services, ensuring we meet and exceed their expectations. Going beyond typical industry quality compliance standards and aligning with customers' preferences and needs is key to achieving higher customer satisfaction. Our goal is to cultivate a customer-focused mindset throughout the organisation and at every stage of the business process.

Our Performance

As part of our commitment to improving our workmanship quality, we have set a target QLASSIC score of over 75% for newly completed projects. We are pleased to report that we have achieved a score of 75% for our completed project, the single-storey detached factory Type D1.

Year	2022		2023	2024
QLASSIC Score	72%	74%	-*	75%
Developments	Pekan Sentral Shop Office Phase 2	Detached Factories	-*	Single Story Detached Factory Type D1

Note:
* *There were no completed projects in 2023.*

Our commitment to product quality and responsibility has resulted in zero incidents of non-compliance with serious quality issues, including those regulatory warning, fine or penalty. This also includes fines or censures for misleading advertising, promotions or marketing information. We are committed to continually improving our processes and systems to maintain high quality across all of our operations.

b) Supply Chain Management

Why It Matters

Supply chain and procurement practices are vital to our business's success. Effective supply chain management ensures a smooth flow of products and services, reduces lead times, enhances customer satisfaction and improves our financial performance. By strategically selecting suppliers, negotiating favourable contracts and implementing cost-effective procurement processes, we can mitigate risks, save costs and improve our product quality.

In today's globalised world, our supply chain can significantly impact our reputation and brand image. Customers and stakeholders expect ethical and sustainable practices throughout supply chain. By adopting responsible procurement practices, including ethical sourcing and fair labour standards, we can build trust with customers and attract socially conscious investors. Additionally, a sustainable supply chain supports the local economy by encouraging local industries. Integrating sustainability into supply chain operations enhances our competitiveness, builds resilience and contributes to a more sustainable and equitable future.

SUSTAINABILITY STATEMENT *(continued)*

Our Approach

Sustainability is core element of our supply chain strategy. We aim to minimise environmental harm while positively impacting the people and communities around our operations. Our best practices extend beyond environmental concerns to create a cascade of sustainable practices throughout our supply network. By collaborating closely with suppliers and contractors who share our vision, we ensure that their social and environmental impacts are minimised while addressing traditional supply chain concerns related to revenue and profit.

We extend the Group's values and principles to all third parties in our supply chain. All suppliers and contractors are required to abide by PGB's policies, including ABC Policy and Conflict of Interest ("COI") and Related Party Transaction ("RPT") Policy. Our supply chain partners declared and acknowledged their commitment through the "Anti-Bribery and Anti-Corruption Declaration Form" and "Conflict of Interest Declaration Form". These policies set out expectations for suppliers and contractors, ensuring adherence to relevant laws and regulations. This commitment fosters an environment of ethical practices and builds a strong foundation for responsible and sustainable supplier relationships.

Our Sustainable Procurement Policy prioritises sustainability throughout the supply chain. This policy guides our supply chain partners' procurement activities, ensuring alignment with local and international regulations and standards as well as ensuring that all materials and services meet quality, pricing and environmentally standards. Furthermore, the policy also outlines the Group's commitment to uphold fundamental rights by eliminating inappropriate conduct such as child labour, forced labour and workplace discrimination. The policy has been duly reviewed and approved by the Board and is readily available on the Company's website at **www.pgbgroup.com.my.** The principles of the sustainable procurement policy are:

SUSTAINABILITY STATEMENT *(continued)*

We are committed to ensuring that our procurement practices are fair and transparent in order to award tenders to the most credible suppliers and contractors. We follow a structured process for selecting, evaluating and monitoring suppliers:

Potential supply chain partners undergo a pre-qualification screening, including due diligence and background checks, before being added to our approved list. Suppliers and contractors are assessed based on comprehensive performance criteria, both financial and non-financial. This evaluation covers aspects such as quality, delivery capacity, pricing and adherence to sustainability practices. By thoroughly assessing these factors, we ensure that our partners can meet our high standards and contribute to our sustainability objectives.

We conduct regular performance evaluations of our suppliers and contractors. These evaluations can be annual or project-based, ensuring ongoing compliance with our standards. The list of approved suppliers and contractors will be maintained, updated or revised based on the evaluation and scoring results. This continuous monitoring process helps us identify areas for improvement and maintain a resilient and sustainable supply chain that supports our long-term goals and commitments to environmental and social responsibility.

SUSTAINABILITY STATEMENT *(continued)*

At PGB, we actively promote local procurement by sourcing from established local suppliers and contractors. In the context of PGB, "local" refers to the country where the Group operates. This approach contributes to the development of the local economy and employment opportunities while reducing our carbon footprint. Local procurement offers several benefits, including faster delivery, better quality control and the elimination of currency exchange risks.

In our journey towards constructing sustainable and green developments and buildings, we integrate sustainable construction materials into our projects. We work with contractors and consultants to source environmentally friendly materials, such as recyclable raw materials and products with low volatile organic compounds to reduce our environmental impact. Build robust supplier relationships through regular communication and collaboration, ensuring mutual growth and alignment with sustainability goals.

Our Performance

In the current financial year, there were no instances of non-compliance with laws and regulations in social and economic areas. We continuously refine our procedures to ensure full compliance with all regulatory and statutory obligations.

In FY2024, 100% of our suppliers and contractors were local companies registered in Malaysia. We prioritise locally sourced materials to reduce carbon emissions and supply chain disruptions.

	2022	2023	2024
Proportion of expenditure on local suppliers and contractors (%) [1]	100	100	100
Proportion of local suppliers and contractors (%) [1]	100	100	100

Note:
[1] *Including suppliers and contractors from all business segments.*

This year, we conducted annual performance evaluations for four (4) selected supply chain partners. These suppliers and contractors met our standards and will remain on our approved list. We will continue strengthen our governance and initiatives to demonstrate our commitment to sustainability in supply chain management.

SUSTAINABILITY STATEMENT *(continued)*

c) Economic Performance

Why It Matters

Economic performance is essential for the long-term sustainability of our business and the well-being of the economy. It ensures we can meet our financial obligations, invest in growth and support our stakeholders. By effectively managing our economic performance, we contribute to Malaysia's economic growth and the well-being of the communities we serve.

Strong financial results allow us to reinvest our business, drive innovation and support our sustainability initiatives. Maintaining a solid financial position, adhering to regulations and managing risks are crucial for our economic sustainability. This benefits our business and contributes to a more sustainable future for the industry and our communities.

Our Approach

We approach economic performance with a long-term perspective, focusing on sustainable growth and value creation. To achieve this, we uphold transparency, fairness, honesty, integrity and ethical business conduct in all our operations. Our Code of Conduct and ABC Policy are reviewed and updated to remain relevant and addresses any ethical issues that may arise, ensuring we maintain stakeholders trust and support our long-term economic performance.

Our strong governance structure prioritises ethical and responsible business practices, ensuring compliance with all applicable regulations. This structure includes the Board, which provides strategic oversight and the Finance Director and finance department, which manage financial health and regulatory adherence. Executive-level managers ensure efficient and ethical operations, while regular meetings and reporting mechanisms facilitate effective coordination and monitoring. This comprehensive approach enables us to uphold transparency, accountability and integrity, reinforcing stakeholder trust.

A strong financial position is crucial for the Group's long-term sustainability. With a strong balance sheet, we have the financial flexibility to pursue strategic investments and navigate any potential economic challenges. We review our financial performance through a multi-layered process, allowing us to quickly response to potential issues and maintain financial stability. Management also reviews processes throughout the year to monitor effectiveness and ensure expenses align with the budget. This balance between growth and stability allows us to capitalise on emerging opportunities.

Staying informed about market trends and adapting strategies accordingly is vital. We monitor market conditions and industry trends to adjust our business strategies, ensuring we remain competitive and can effectively respond to changing circumstances.

As climate change continues to accelerate, it is essential to anticipate and manage the risks it poses to our business operations. Our operations involve close interaction with the environment and we stay prepared for environment changes that could affect our work. We proactively identify potential issues and implement preventative measures, regularly conducting client-consultant meetings to assess risks and opportunities and make sure we are fully prepared to adapt to any environmental changes.

SUSTAINABILITY STATEMENT *(continued)*

Our Performance

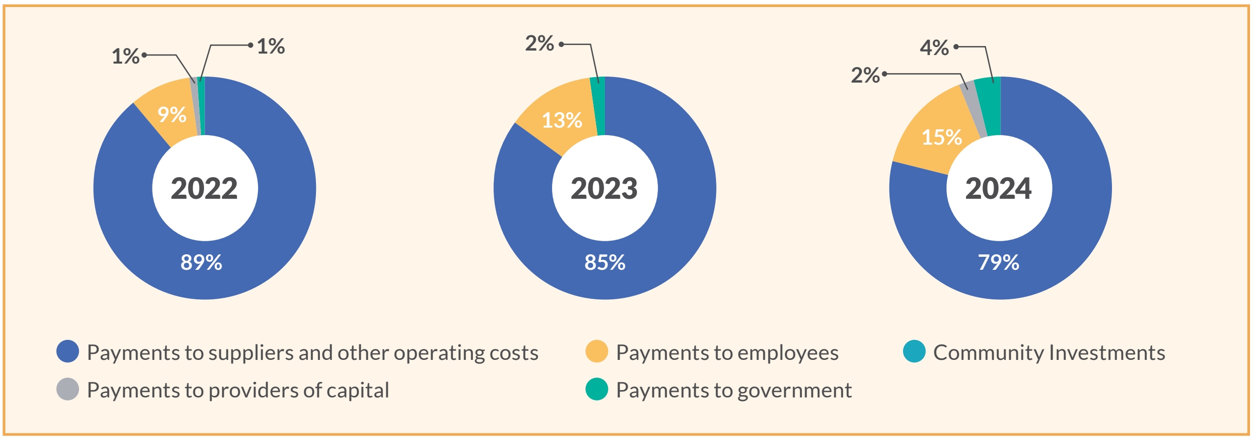
This year, the Group recorded a total revenue and other income of RM52,635,400, with the majority of 95% derived from our property development division. PGB continuously generates wealth for our stakeholders, as shown in the table below.

	2022 RM	2023 RM	2024 RM
Economic value generated *(i.e revenue and other income)*	**55,947,393 [1]**	**49,374,196**	**52,635,400**
Economic value distributed:	**51,856,415**	**46,887,552**	**48,582,565**
• Operating costs	45,920,348 [1]	39,703,795 [1]	38,064,056
• Employee wages and benefits	4,796,453	5,891,255	7,210,048
• Finance costs	313,635	147,522	1,067,667
• Taxation	797,560	1,054,992	2,080,346
• Community investments	28,419	89,988	160,448
Economic value retained	**4,090,978**	**2,486,644**	**4,052,835**

Notes:

[1] *Necessary restatement were made to certain figures for FY2022 and FY2023. The initial reporting for these years were revised to ensure consistency in reporting.*

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



While performing our business activities, the Group also creates value for stakeholders who are directly influenced by the Company's economic results and those who have commercial relationships with the organisation. The economic value retained within the Group is used for reinvestment in its business, reserve for future use, or any other internal purposes.

We remain optimistic about the future outlook for our business. Despite economic challenges, the Group has demonstrated resilience with a strong balance sheet and healthy cash flow. We are confident in our ability to navigate the ever-changing landscape and continue to thrive. We continuously bolster our market competitiveness, aiming to create enduring economic value for our stakeholders and play a pivotal role in the advancement of the Malaysian economy.

MINIMISING OUR ENVIRONMENTAL FOOTPRINT

***We** are dedicated to minimising our environmental footprint.*

By adopting resource-efficient practices, minimising wastage and conserving resources, we aim to protect and preserve the environment.

Our commitment to sustainability drives us to continuously improve our operations, ensuring a healthier planet for future generations.

Material Matters:

- Waste Management
- Climate Change and Action
- Water Management

3 GOOD HEALTH AND WELL-BEING

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

SUSTAINABILITY STATEMENT *(continued)*

MINIMISING OUR ENVIRONMENTAL FOOTPRINT

Environmental sustainability is a pressing global concern due to increasing population and human activity. The large amount of waste generated has put immense pressure on ecosystems and resources and poses risks to human health. PGB is committed to environmental preservation by adopting best practices in environmental management, which is a key part of our sustainability strategy.

This section explores the sustainability matter associated with waste management, highlighting the importance of responsible consumption, which involves making conscious choices to reduce waste generation and minimise the impact on environment. Our efforts also address climate change and water management, highlighting strategies and policies aimed at promoting sustainable practices. Together, we strive for a greener and more sustainable future.

a) Waste Management

Why It Matters

Effective waste management is essential for ensuring environmental sustainability. As the global focus on climate change, pollution and resource depletion grows, stakeholders, including customers, investors and the community, expect companies to adopt responsible waste management practices. By reducing waste, promoting recycling and ensuring proper disposal, we contribute to the preservation of natural ecosystems, protect biodiversity and reduce pollution.

Improper waste management can lead to air and water pollution, soil contamination and increased exposure to hazardous materials for our employees and surrounding communities. Understanding the gravity of these potential impacts, we are committed to implementing proactive measures to ensure responsible waste management practices across all our operations.

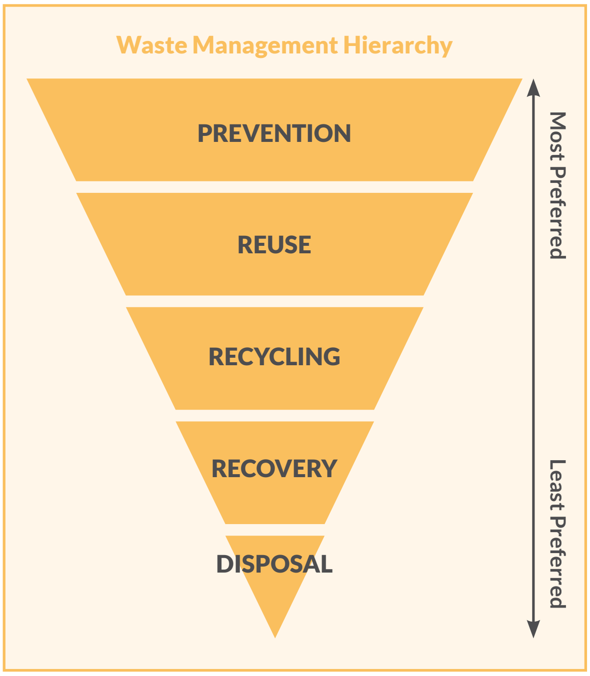
Our Approach

PGB is committed to effective waste management practices, understanding their crucial role in reducing environmental impact and improving overall efficiency. Our dedication goes beyond merely minimising waste; it encompasses finding environmentally responsible disposal methods. Our approach is guided by key principles focusing on effective waste management, as shown below.

In Malaysia, waste management is closely tied to regulatory compliance. As a responsible company, we adhere to these regulations to ensure compliance and avoid legal issues and penalties. Our Sustainability Steering Committee oversees ongoing efforts to assess waste generation and recycling, enabling us to monitor our ongoing waste management activities closely. This oversight provides insights into potential actions that may enhance our performance. Findings and proposals from monthly sustainability committee meetings help shape our waste management strategies. By actively engaging in these deliberations, we promote a culture of sustainability and foster continuous improvement in our waste management practices.

This year, we continue our commitment to the European Union's comprehensive framework for waste management actions according to their importance. This strategy aims to maximise the value of products and materials while minimising waste. By adhering to the waste management hierarchy, we prioritise our actions to prevent waste generation, reuse and recycle materials and protect the environment, reinforcing our dedication to sustainability.

SUSTAINABILITY STATEMENT *(continued)*



Starting with prevention and reduction, we actively work towards minimising waste generation. We promote environmental awareness and sustainable consumption among employees, encouraging them to adopt simple green practices, such as:

- Segregating non-recyclable and recyclable waste
- Participating in electronic waste ("E-waste") recycling initiatives
- Minimising paper usage by double-sided printing, using soft copies and printing only when necessary
- Advocating the use of paperless documents by going digital
- Reducing the use of single-use plastic items

We minimise paper consumption through digitalisation. By using electronic platforms and email for communication with suppliers, customers and internal operations, we have led to an overall decrease in paper consumption. We have also shifted from traditional print marketing to digital media for promotions. We also discourage the use of disposable hand paper towels in office by installing hand dryers in common restrooms. Additionally, we practice material reuse across our operations by sorting waste by category and repurposing reusable materials. For example, we reuse festive decorations if they are in good condition, showing our commitment to reducing waste.

We emphasise reuse and recycling practices to ensure materials are given a second life whenever possible to save on resources. Our recycling initiatives are more effective when active employee involvement. Therefore, we promote the Reduce, Reuse and Recycle ("3R") philosophy among our employees. The rapid growth of the electronics industry and shorter product lifespans have made E-waste one of the fastest growing waste categories globally. Improper disposal of electronic devices can release toxic substances into the environment. To address this, we have established paper and plastic recycling practices across the Group and provide dedicated E-waste bins to encourage employees to recycle E-waste.

For any remaining waste, we employ responsible disposal methods as part of our comprehensive waste management strategy. We generate different types of waste, including hazardous waste categorised as scheduled waste and non-hazardous such as domestic waste, construction waste and recyclable waste. Scheduled wastes are hazardous and can harm the environment and public health. We strictly follow local laws and regulations for managing and disposing of these wastes. We stored them in designated areas at our project sites, clearly labelled with handling guidelines. Licensed contractors are hired to dispose of scheduled wastes at approved treatment facilities to ensure safe disposal. We prioritise the safe disposal of waste, focusing on recycling non-hazardous waste whenever possible. We are committed to efficient storage, collection, transportation, treatment and disposal of waste to prevent environment pollution.

Looking ahead, our Group is dedicated to minimising excessive waste generation and diverting waste from landfills. We continuously strive to improve our waste management practices to achieve sustainable outcomes and contribute to environmental preservation.

SUSTAINABILITY STATEMENT *(continued)*

Our Performance

We collect and recycle paper, plastic, bottles and cans through a dedicated vendor. During the financial year, there were no incidences of non-compliance, penalties or fines related to waste management.

We continue leveraging digitalisation to minimise waste and conserve resources. For instance, the Group's annual report is distributed electronically, with physical copies available upon request.

We aim to reduce our paper consumption by 10% by FY2026 from our FY2023 baseline. This year, we use 160 reams of paper, achieving a 7% reduction compared to FY2023.

	2022	2023	2024
Number of reams procured	-*	172	160
Annual procurement cost on paper ream (RM)	-*	2,062	1,808
Annual cost on printing (RM)	18,263	9,975	8,738

Note:

* *The Group started keeping track of these records since FY2023.*

In FY2024, the Group generated a total of 1 metric ton (MT) of non-hazardous food waste from our office premises.

	2022	2023	2024
Waste directed to disposal (MT)	-*	-*	1

Note:

* *The Group started keeping track of these records since FY2024.*

As required by Bursa Securities, we have an obligation to disclose information regarding the total waste generated, including the breakdown of waste diverted from disposal and directed to disposal. PGB is committed to meeting this obligation within the specified timeframe.

We will continue evaluating our operations to identify new opportunities for incorporating sustainability initiatives and enhancing our waste management performance. By focusing on these efforts, we not only ensure compliance with regulations but also actively contribute to environmental preservation and resource conservation, reinforcing our commitment to sustainable practices.

SUSTAINABILITY STATEMENT *(continued)*

b) Climate Change and Action

Why It Matters

Climate change has increasingly significant impacts on industries, businesses and supply chains. The Group acknowledges that our energy consumption and GHG emissions contribute to these climate change impacts. As a responsible corporate entity, we recognise our duty to minimise our carbon footprint. This responsibility extends beyond compliance; it involves actively seeking and embracing opportunities that come with transitioning to a low-carbon economy. Addressing climate change is not only about mitigating risks but also about leveraging sustainable practices to enhance our resilience and competitiveness in a rapidly evolving market.

Our Approach

As we embark on our journey to support Malaysia's ambition to become carbon neutral by 2050, the Group is deeply committed to addressing the challenges posed by climate change through a multifaceted and proactive approach. To begin with, we enhance employee awareness about the critical importance of reducing energy consumption and GHG emissions through emails and communication tools. These efforts are designed to foster a culture of environmental responsibility across all levels of the organisation.

Leveraging data analytics is another cornerstone of our strategy. By collecting and analysing data to identify trends and areas for improvement in energy management and climate action, we can make informed decisions that enhance our overall sustainability efforts. This data-driven approach allows us to target specific areas where we can achieve the most significant reductions in our carbon footprint.

Furthermore, we are committed to implementing green practices in our operations to reduce energy consumption and improve overall efficiency. Initiatives such as turning off lights and air conditioning after office hours and replaced traditional lighting with energy-saving LED lights in our offices help us continuously improve our energy use and efficiency. By incorporating sustainable design and practices, we aim to create workplaces that are not only energy-efficient but also conducive to the well-being of our employees and the broader community.

Looking ahead, we aim to integrate green building standards and obtain related certifications in our future projects. We target produce energy-efficient and green-certified buildings and developing sustainable developments with energy and water-efficient fittings and elements, some of which are fitted with solar panel to help customers lower their emissions. During the year, we signed a memorandum of understanding ("MOU") with a leading clean energy expert to prepare and provide integrated renewable energy solutions for our future projects, reinforcing our initiatives to advancing ESG activities and aligns with our sustainable goals. This collaboration allows us to outline shared goals and responsibilities, laying a solid foundation for future projects and initiatives.

Through these comprehensive approaches, PGB strives to lead by example in the fight against climate change, ensuring that we contribute positively to a sustainable future while maintaining our commitment to operational excellence and innovation.

Our Performance

In previous years, electricity consumption for our headquarters was not separately metered as the electricity bill was included in the monthly rental expenses. As a result, we were unable to accurately track our energy usage and did not record any specific data for FY2022 and FY2023. We initially considered our electricity consumption to be immaterial to our operations. However, in respond to the Enhanced Sustainability Disclosure by Bursa Securities, which necessitated the disclosure of common sustainability matters including energy management and emissions, we took proactive steps.

SUSTAINABILITY STATEMENT *(continued)*

We installed a dedicated meter to monitor electricity usage at our headquarters to record our energy consumption in FY2024. The Group collected electricity data from its headquarters and branch office, reflecting a total usage of 63 Megawatt ("MWh") for the year.

	2022	2023	2024
Total energy consumption (MWh)	-*	-*	63

Note:

* *The Group started keeping track of these records since FY2024.*

This step not only ensures our compliance with regulatory requirements but also underscores our commitment to transparency and sustainability. By systematically tracking and reporting our energy consumption, we aim to better understand our environmental impact and identify opportunities for improving energy efficiency and reducing our carbon footprint in the future.

As required by Bursa Securities, we have an obligation to disclose information regarding the Group's Scope 1, 2 and 3 emissions in tonnes of CO_2e. PGB is committed to meeting this obligation within the specified timeframe. In addition, we are also progressing our disclosure to align with the Bursa Securities recommended framework, based on Taskforce of Climate-Related Financial Disclosure ("TCFD") Recommendations and will meet this obligation within the specified timeframe.

c) Water Management

Why It Matters

Water management is crucial for the Group as the global issue of water scarcity intensifies due to factors such as climate change, inefficient water management and contamination. As instances of water shortages become more frequent, we are dedicated to mitigating these risks through efficient water management practices across our operations.

In Malaysia, ensuring water security is of paramount importance due to the erratic rainfall patterns anticipated in the coming years. These patterns are expected to lead to more frequent flash floods, landslides and dry spells. By implementing effective water management strategies, we can ensure the sustainability of our operations and contribute to the resilience of the communities we serve.

Our commitment to responsible water management not only helps us safeguard this vital resource but also supports our broader sustainability goals, enhancing our resilience and maintaining our operational continuity in the face of environmental challenges.

Our Approach

At PGB, we recognise the critical importance of effective water management in addressing the global challenge of water scarcity. Water is a vital resource used across our operations and we are committed to managing it in compliance with industry best practices.

The primary water sources for the Group come from municipal water supplies, which support our daily operations and property development during construction phase. To reduce our dependency on municipal water, we also harvest rainwater as a secondary water source. Rainwater is collected at our work sites for uses such as tyre washing and dust control.

SUSTAINABILITY STATEMENT *(continued)*

We are strictly adhering to local authority guidelines to monitor water, wastewater and hazardous waste at our construction sites. We comply with the latest Environmental Impact Assessment ("EIA") Approval Conditions for all water and effluent discharged from our sites, where required. Our contractors follow set guidelines to meet the environmental standards, including the Environmental Management Plan ("EMP"), Erosion and Sediment Control Plan ("ESCP") and Water and effluent discharge limitation according to the EIA.

We integrate environmentally friendly designs into our products to minimise environmental impact, such installing rainwater harvesting system and water-efficient sanitary fittings. By prioritising water efficiency from the outset, we ensure that our developments contribute to long-term water sustainability.

We are committed to implementing water conservation initiatives and raising employee awareness of proper water management. These initiatives include:

- Regular checking and scheduled maintenance of toilets and pantries to reduce water wastage.
- Ensuring all taps are turned off when not in use.
- Promoting water-saving habits at our office premises.
- Optimising the use of rainwater for site cleaning purpose.

Data analytics play a crucial role in our water management strategy. By analysing water usage trends and identifying areas for improvement, we can implement targeted measures to enhance our water efficiency. This data-driven approach allows us to monitor our progress and make informed decisions that support our sustainability goals.

Through these comprehensive approaches, PGB is dedicated to leading by example in water management, ensuring that we not only meet our sustainability objectives but also contribute positively to the communities we serve and the environment at large.

Our Performance

Similar to our approach to the electricity consumption, water consumption at our headquarters was not separately metered, as the water bill was included in the monthly rental expenses. Consequently, we were unable to accurately track our water usage, and thus, did not record any specific data for FY2022 and FY2023. Initially, we considered our water consumption to be immaterial to our operations. However, the Enhanced Sustainability Disclosure requirements by Bursa Securities, which necessitate the disclosure of common sustainability matters including water management, prompted us to take action.

In response, we proactively installed a dedicated meter to monitor water usage at our headquarters. This initiative allowed us to begin recording our water consumption in FY2024, reflecting a total usage of 1 Megalitre for the year.

	2022	2023	2024
Total volume of water used *(Megalitres)*	-*	-*	1

Note:

* *The Group started keeping track of these records since FY2024.*

This step not only ensures our compliance with regulatory requirements but also underscores our commitment to transparency and sustainability. By systematically tracking and reporting our water consumption, we aim to better understand our environmental impact and identify opportunities for improving water efficiency and reducing our overall footprint in the future.

VALUING OUR PEOPLE AND COMMUNITY

We are committed to valuing our people and community.

This year, we continue to prioritise human rights, employee safety, personal growth and a diverse, inclusive workforce. We actively engage in community development programmes to enhance the well-being of the communities we serve.

By upholding these values, we drive organisational success and sustainability, creating a positive social impact and building stronger, more resilient communities.

Material Matters:

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

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

SUSTAINABILITY STATEMENT *(continued)*

VALUING OUR PEOPLE AND COMMUNITY

PGB is dedicated to creating positive social impacts in addition to our environmental efforts. We strive to build strong relationships with our employees and the communities where we operate. This section highlights our approach to fostering employee engagement, embracing diversity and inclusion, ensuring occupational safety and contributing to community development. By cultivating a sense of unity and creating sustainable communities, we envision a cohesive family that thrives together.

a) Occupational Health and Safety

Why It Matters

At PGB, the health and safety of our employees and contractors are paramount. We are committed to providing a safe and supportive work environment, recognising that well-being or our workplace is integral to their performance and our overall success. Ensuring a safe workplace minimises the risk of accidents, injuries and occupational illnesses, thereby maintaining productivity and reducing absenteeism and employees' turnover. Additionally, our commitment to health and safety helps mitigate potential legal liabilities and reputational risks, demonstrating our dedication to best practices in the industry.

Our Approach

PGB maintains a high level of concern for the health and safety of our employees and workers who are not employees but work on project sites controlled by the Group. We ensure that our contractors are fully committed to maintaining high safety standards and implement the necessary measures to prevent accidents, injuries, occupational illnesses, property damage and adverse environmental effects. PGB places a strong emphasis on executing OHS practices, risk management, rule compliance and fostering a safety culture within our operations. We expect all our supply chain partners to share this commitment.

The Group has established an Occupational Health and Safety Policy ("OHS Policy") to governs relevant OHS practices at our business operations, which all employees and contractors abide. This policy serves as a guide for all individuals involved in our operations to understand their responsibilities and contribute to a culture of safety. The OSH policy has been reviewed and approved by the Board and is available on our Company's website at **www.pgbgroup.com.my** for easy accessibility.

In our property and construction segment, health and safety requirements are integrated into all project contracts. Contractors are responsible for the health and safety of their workers on all sites. All individuals entering our project site grounds are required to wear PPE at all times and workers are provided with specialised protective equipment in line with specific job functions.

The Group ensures due diligence regarding OSH matters through the project team monitoring the safety reports produced by the contractors we engage. Contractors follow a health and safety framework that provides a structured management approach to control and reduce workplace risks. Key elements of this framework include:

- Appointing a Safety and Health Officer to oversee and implement safety measures, conduct regular inspections and ensure compliance with regulations.
- Holding Health, Safety and Environment ("HSE") Committee meetings and compliance site inspection.
- Conducting regular risk assessments to identify potential hazards.
- Providing adequate OHS training programmes to workers.
- Establishing a system for reporting and investigating incidents to identify the root causes and prevent future occurrences.
- Implementing an emergency response plan to manage emergencies during project implementation.

SUSTAINABILITY STATEMENT *(continued)*

In line with Occupational Safety and Health Act 1994, our contractors establish HSE committees at every operating site. These committee, chaired by the Project Manager, include employer and employee representatives. Their primary focus includes:

- Reviewing HSE statistics and performance to identify trends, areas of improvement and potential risks.
- Investigating workplace incidents to develop prevention strategies.
- Serving as a forum for feedback on HSE matters.
- Conducting regular site inspections to identify potential hazards and ensure compliance with safety protocols.

As stated in our OHS Policy, we emphasise promoting awareness of occupational health and safety. Our contractors adhere to this principle, actively promoting awareness and taking relevant actions to ensure safety. Adequate trainings and resources are provided to ensure workers' competency, equipping them with the appropriate tools to remain compliant and safe. We believe that dedicating time and effort to OHS provides a competitive advantage and secures long-term benefits.

Training on Hand Protection - Glove

On our offices and sales galleries are equipped with emergency response equipment such as first aid kits and fire extinguishers. We provide access to non-occupational medical and healthcare services, including free vaccinations, annual gym coverage and financial support for hospitalisation through our Group insurance. We also maintain the confidentiality of our employees' health and safety data to protect their privacy and comply with applicable laws and regulations.

SUSTAINABILITY STATEMENT *(continued)*

Maintaining Workplace Safety at Our Project Sites

Reporting Mechanism

- OSH report included in the progress report submitted by contractors reviewed by the project team.
- On-going coordination between contractors and safety officers on safety management approach.
- Regular hazard and risk assessment at the project sites.
- Safety inspections cover tools, mobile crane, fire protection, PPE usage, permit to work and other relevant health and safety processes.

Engagement with Workers

- Toolbox meetings.
- Housekeeping inspections.
- Safety briefings.
- Dedicated reporting channels.
- Communication through email, videos and notices at project sites in multiple languages.

Toolbox Meeting

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

SUSTAINABILITY STATEMENT *(continued)*

(i) Work-related injuries

With the controls we have in place, we are pleased to report there were no serious injuries and incidents or fatalities within the Group or at our contractor-managed sites for the financial year under review. In addition, there were no major legal action, fines or sanctions imposed on the Group related to occupational safety and health aspects during this period.

	2022	2023	2024
Total Workman Hours	135,552 [1]	209,392 [1]	882,616
The Group			
Number of fatalities	0	0	0
Number of lost time injuries	0	0	0
Lost time incident rate (%) [2]	0	0	0
Contractors			
Number of fatalities	0	0	0
Number of lost time injuries	0	0	0
Lost time incident rate (%) [2]	0	0	0

Notes:
[1] *Restated FY2022 and FY2023 that corrected human errors.*
[2] *Rates were calculated based on 1,000,000 hours worked.*

(ii) Health and safety trainings

In FY2024, a total of 856 participants were given various trainings on health and safety standards.

	2022	2023	2024
Number of employees and contractors trained on health and safety standards	-*	247	856

Note:
* *The Group started keeping track of these records since FY2023.*

The Group remains dedication to improving occupational health and safety by continuously enhancing our safety practices, providing comprehensive training and creating a workplace where employees and contractors can thrive without compromising their well-being.

SUSTAINABILITY STATEMENT *(continued)*

b) Labour Practices and Standards

Why It Matters

The Group understand that our employees are our most valuable assets and the cornerstone of our success and growth. We are dedicated to recruiting, developing and retaining high-performing employees while providing a work environment that is both supportive and empowering. By investing in development programmes, we ensure our employees remain competitive, progressive and prepared for the future. This commitment to continuous learning nurtures a culture of innovation and improvement, serving as the foundation for the long-term sustainability of our business operations.

As a responsible organisation, we are steadfast in our commitment to protecting and respecting human rights across all our business operations. We believe that strong human rights practices coupled with fair and ethical treatment, enhance productivity and promote a healthy working culture. Strong labour practices help us comply with legal standards, maintain high morale and ensure job satisfaction. Our focus on these practices allows us to attract and retain talent, drive sustainable growth and maintain a reputation as a fair employer, which strengthens our overall business performance and creates lasting value for all stakeholders.

Our Approach

Laws and regulations set the framework and establish minimum standards that the Group must adhere to, ensuring fair treatment and preventing discrimination. We are guided by the Malaysian Employment Act 1955 and all other relevant Malaysian laws, which encompass the following principles:

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

Policies and Procedures

Our Code of Conduct outlines expectations for all directors and employees in addressing human rights matters while conducting business. We are committed to providing an environment that respects basic human rights and is free from discrimination and harassment. Directors and employees must take all reasonable precautions to avoid behaviour that could be construed as discriminatory or harassing based on gender, race, religion or sexuality.

Additionally, we have implemented two key policies to uphold our commitment to fair and respectful labour practices. The “Eliminating Discrimination in the Workplace Policy” provides a clear framework for preventing discrimination of any kind. Our “Sexual Harassment Policy” addresses issues of sexual harassment, ensuring a safe and respectful workplace. Both policies outline the grievance procedure for lodging complaints, the disciplinary process in the event of a valid complaint and the responsibilities of management and employees in maintaining a discrimination-free and harassment-free workplace. By implementing these policies, we are committed to providing an environment where all employees feel safe, respected and valued. This dedication to fair and ethical treatment enhances productivity, promotes a healthy working culture and supports our overall business performance.

We are committed to cultivating a vibrant work culture that promotes effective communication and engagement among employees. Regular employee engagement initiatives reflect the Group’s dedication to providing an enriching work-life balance, enhancing staff motivation and well-being, and strengthening relationship among team members.

SUSTAINABILITY STATEMENT *(continued)*

Compensation and Performance Management

Fair employment practices lead to positive business outcomes. Recognising the significance of our employees' contribution, we ensure they are fairly rewarded. We continually review our remuneration and benefits structure to meet employee needs and ensure their well-being. Our comprehensive employee benefits include various types of leave, wellness programmes, allowances, insurances and other perks as detailed below:

Type of Benefit	Details
Leaves	Annual leave, medical or hospitalisation leave, marriage leave, maternity and paternity leave, study/examination leave, compassionate leave, disaster leave, pilgrimage leave
Flexi-Wellness	Pre-employment medical check-up, dental care, health screening, vaccination, gym membership
Allowances and Subsidies	Interest subsidy allowance, parking/toll allowance, petrol reimbursement, outstation meal allowance, mobile phone allowance, outpatient medical benefits, business travel expenses reimbursement, professional membership subsidy
Insurances	Group hospitalisation and surgical, group personal accident
Others	Car park facility, allocation of free lunch

We conduct annual performance reviews for our employees to inform talent retention and succession planning activities. The Group enhanced its performance appraisal process by evaluating employees based on their individual key performance indicators ("KPIs"), aligned with the Group's vision and mission. We use the Sandmerit KPI System for e-Appraisal, enabling a two-way communication platform where employees can provide their feedback on work-related issues and track their performance.

Talent Attraction and Recruitment

Effective talent attraction and recruitment are crucial for building a strong and sustainable talent pipeline for the future. We hire individuals based on their merits, such as skills, experience and suitability for the role, while ensuring they align with our values, culture and vision. By implementing unbiased and impartial talent attraction and recruitment practices, we can enhance our employer brand and attract top-tier talent. This positive reputation not only helps in attracting skilled professionals but also increase customer loyalty and improve organisational performance.

Training and Development Opportunities

Recognising that learning is a lifelong journey, we support our employees with continuous training and development strategies. These opportunities increase employee satisfaction and foster a sense of belonging and value within the Group. We provide equal opportunities for all employees to enhance their knowledge and capabilities, allowing them to adapt to changing demands. Employees are encouraged to engage with various internal and external training programmes that align with their professional aspirations.

Employee Engagement Initiatives

The Group conducts an annual employee survey to gather feedback, opinions and experiences. This survey serving as a valuable engagement tool, helping us understand employees' perceptions and identify areas for improvement. By prioritising employee satisfaction, the Group aims to enhance engagement, improves retention rates, reduces absenteeism, boosts productivity and increases morale.

SUSTAINABILITY STATEMENT *(continued)*

Open and transparent communication with our employees is vital. Feedback is encouraged through various channels, including reporting grievances to their immediate superiors or the human resource department. All grievances, including concerns related to sexual harassment, discrimination, abuse, violence, human rights violations, or hazardous work environments, are addressed thoroughly. Each grievance receives attention and investigation until a resolution is reached. This commitment demonstrates our dedication to creating a responsive and responsible working environment.

The loyalty and dedication of our employees. Last year, we introduced the Long Service Award to recognise employees who have been with us for over five (5) years. This year, we continued this tradition by presenting the award again to celebrate their achievements and thanked them for their commitment. We will continue engaging with our employees to create a positive and fulfilling work environment where employees feel valued, motivated and inspired to contribute to the organisation's success.

Additionally, we implement various employee engagement initiatives to enhance camaraderie and address employee concerns. In FY2024, our employee engagements activities included:

1) Team building
2) An annual townhall meeting with the Executive Chairman
3) Festive celebrations throughout the year
4) Employee appreciation programmes such as Long Service Awards
5) Vaccination and health screening programmes
6) Sport events

Team Building

SUSTAINABILITY STATEMENT *(continued)*

Festive Celebrations

Mooncake Festival

SUSTAINABILITY STATEMENT *(continued)*

Festive Celebrations

Christmas Celebration	CNY Celebration
	
	
	

SUSTAINABILITY STATEMENT *(continued)*

Employee Appreciation Programme

Long Service Award




Vaccination and Health Screening Programmes


SUSTAINABILITY STATEMENT *(continued)*

Sport Events

Charity Run

Bowling Night

SUSTAINABILITY STATEMENT *(continued)*

Our Performance

(i) Substantiated complaints concerning human rights

Throughout the financial year, the Group has consistently upheld its commitment to labour standards, with no reported incidents of non-compliance, including forced and child labour. Additionally, there were also no reported incidents of workplace discrimination and human rights violations during this period.

	2022	2023	2024
Number of substantiated complaints concerning human rights violations	0	0	0

(ii) Employee training hours

In FY2024, we provided 965 training hours, averaging 20 training hours per employee, underscoring our commitment to employee development. The Group covers all training costs and where applicable, utilise funds from Human Resource Development Fund to encourage and support staff training annually.

Employee Category	Total hours of training		
	2022	2023	2024
Senior Management	95	286	323
Middle Management	140	397	273
Executive	35	11	321
Non-Executive	0	11	56
Total	**270**	**705**	**973**

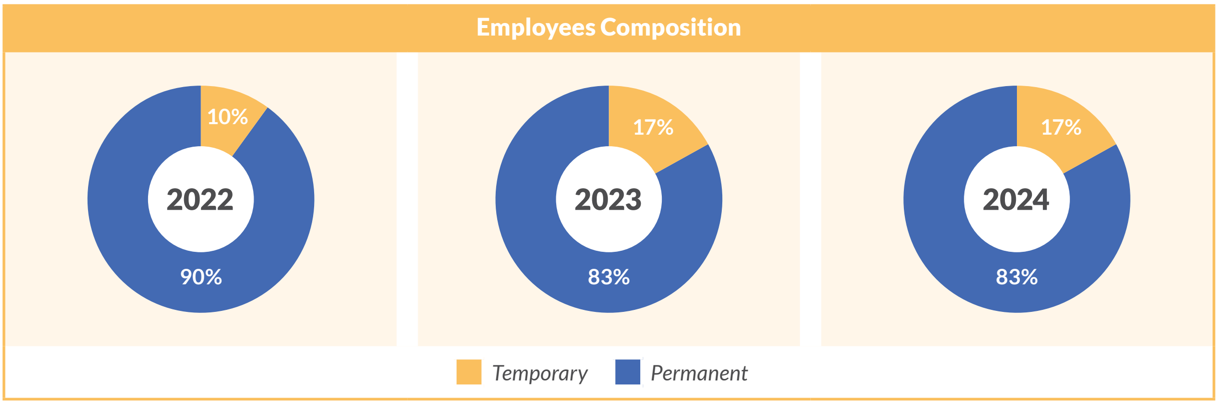
Employee Category	Average training hours per employee		
	2022	2023	2024
Senior Management	19	48	32
Middle Management	14	36	23
Executive	4	1	19
Non-Executive	0	1	6

	2022	2023	2024
Overall average training hours per employee	8	16	20
Total amount invested in employee learning and development (RM)	**11,990**	**35,897**	**51,944**

SUSTAINABILITY STATEMENT *(continued)*

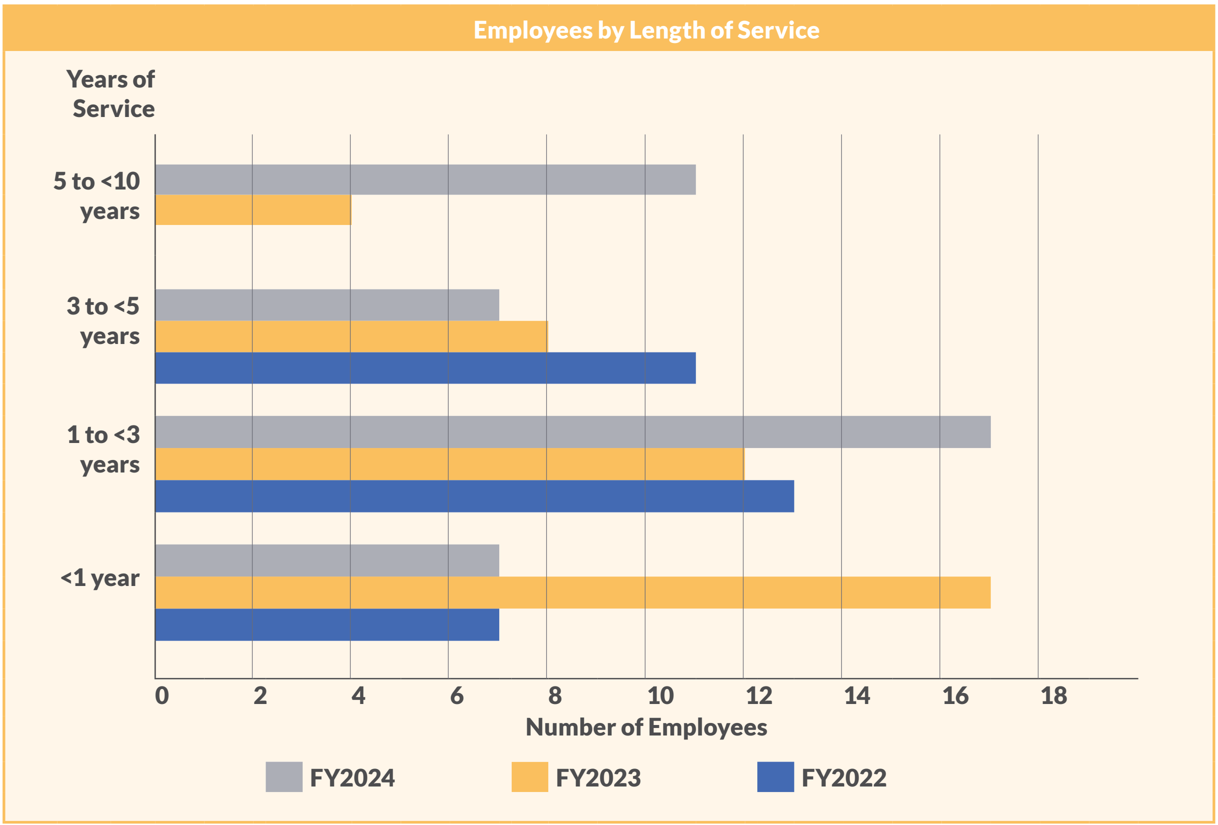
(iii) Employee Composition

In FY2024, 83% of our employees were on permanent contracts, consistent with the previous year. This stability reflects our commitment to providing secure and lasting employment opportunities. By maintaining a high percentage of permanent employees, we ensure continuity and foster a strong, dedicated team that is integral to our long-term success.



(iv) Employee retention and attrition

Our employee service data for FY2024 and FY2023 indicates an improvement in retention. Notably, 26% of our employees have remained with the Group for more than five (5) years, reflecting better retention and stability. As an organisation, we are committed to continuing our efforts to retain our talented workforce and to be recognised as an exceptional place to work.



SUSTAINABILITY STATEMENT *(continued)*

Employee Category	Total number of new hires		
	2022	2023	2024
Senior Management	0	2	0
Middle Management	3	4	2
Executive	2	10	3
Non-Executive	4	5	4
Total	**9**	**21**	**9**

Employee Category	Total number of employee turnover		
	2022	2023	2024
Senior Management	1	0	0
Middle Management	3	2	2
Executive	2	2	2
Non-Executive	3	4	4
Total	**9**	**8**	**8**

The employee turnover rate has shown a consistent improvement over the past three financial years. This downward trend reflects our successful efforts in retaining employees and enhancing job satisfaction within the organisation.

	2022	2023	2024
New hire rates (%)	2.42	4.91	1.77
Turnover rates (%)	2.38	2.06	1.58

SUSTAINABILITY STATEMENT *(continued)*

(v) Employee Survey

This year, we continued to achieve a 100% participation rate from all corporate offices. The survey results show a positive trend in employee satisfaction across several key areas:

The feedback obtained from the survey allows the Group to track and measure the progress of our engagement with employees year by year. Investigation and interview will be conducted to identify areas for improvement and address them accordingly, closing any gaps highlighted by the survey results.

Moving forward, we are committed to further enhancing employee engagement by strengthening their connection to the organisation and creating a positive and enjoyable workplace environment for all our employees. We aim to foster a culture where every team member feels valued, motivated and integral to our collective success. Additionally, we will continue to uphold and respect human rights, recognising their importance in creating a fair, inclusive and respectful workplace.

c) Diversity and Inclusion

Why It Matters

Diversity and inclusion are central to our culture and operations. They foster a work environment where every individual feels valued, respected and empowered to contribute their unique perspectives and ideas. This inclusivity enhances creativity and innovation, driving better problem-solving and decision-making across the organisation.

Promoting diversity and inclusion aligns with our corporate values and social responsibility. It demonstrates our commitment to creating a positive impact in our communities and contributes to a more equitable and just society. This not only enhances our reputation but also strengthens our relationships with stakeholders and supports our long-term success. In line with this, we strive to promote equal employment opportunities and non-discrimination by actively encouraging diversity of gender, race, religion, age and nationality.

SUSTAINABILITY STATEMENT *(continued)*

Our Approach

The Group has adopted a comprehensive approach to address diversity and inclusion within our organisation. Our commitment begins at the top, with the Board integrating diversity and inclusion into our corporate strategy and decision-making processes. We strive to create a diverse Board that brings a wide range of perspectives, experiences and expertise, enhancing our ability to make informed and inclusive decisions. To achieve this, we actively seek individuals from various backgrounds to form a balanced leadership team. Our recently refreshed Board and Senior Management Policy, updated in May 2024, further reinforces this commitment by ensuring diversity and inclusion are prioritised at the highest levels of our organisation.

We focus on fostering a corporate culture that values and recognises the contributions of each individual while embracing and accepting differences. In line with SDG 5: Gender Equality, we are committed to promoting and achieving gender equality within our workforce. We ensure the full and effective participation of women at all levels, providing equal opportunities for leadership and decision making. By cultivating this culture, we create an environment where every employee feels valued, respected and empowered.

In support of SDG 10 to reduce inequality and promote well-being, we strictly prohibit any form of discrimination, including but not limited to gender, age, religion, ethnicity, culture and nationality. We believe that by taking a clear stance against workplace discrimination, we can contribute to its reduction and elimination.

As part of our commitment to fairness and equality, we provide fair and equal employment opportunities for all individuals within our organisation. Our recruitment process is meticulously structured and unbiased to eliminate all forms of discrimination. We adhere to guidelines and practices that ensure a fair evaluation of candidates based on their qualifications, skills and experience. Our recruitment process operates with transparency and is merit-based, ensuring that all applicants are afforded an equal opportunity to showcase their abilities and be considered for employment.

During the year, we supported a member of our project management team who suffered from a non-communicable disease and he continues play a pivotal role in our Company. Employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition and rewards are approached in a fair and unbiased manner, strictly based on employees' performance.

Our commitment to diversity and inclusion is further supported by our Employee Diversity and Inclusion Policy. This policy guides our efforts in creating an inclusive workplace and ensures that we consistently uphold our values. Several initiatives were undertaken throughout the year to continue fostering mutual respect among our employees, including celebrating cultural holidays and religious events and promoting open dialogue sessions.

We extend our commitment to diversity and inclusion beyond our organisation by engaging with and supporting diverse suppliers, contractors and supply chain partners who share our values. Recognising that our contractors heavily rely on foreign labour, we ensure these workers are treated with respect and dignity. We require all our suppliers and contractors to adhere to foreign labour rights and our Sustainable Procurement Policy, which guides responsible and ethical practices throughout our supply chain. By promoting diversity within our business relationships, we contribute to creating a more inclusive and equitable business ecosystem. For more details can refer to the "Supply Chain Management" section of this Statement.

Our journey towards diversity and inclusion is ongoing. In the coming years, we will continue to refine our strategies, set ambitious goal and drive progress. We will further integrate diversity and inclusion into our business practices and communicate transparently with our stakeholders about our progress and challenges.

SUSTAINABILITY STATEMENT *(continued)*

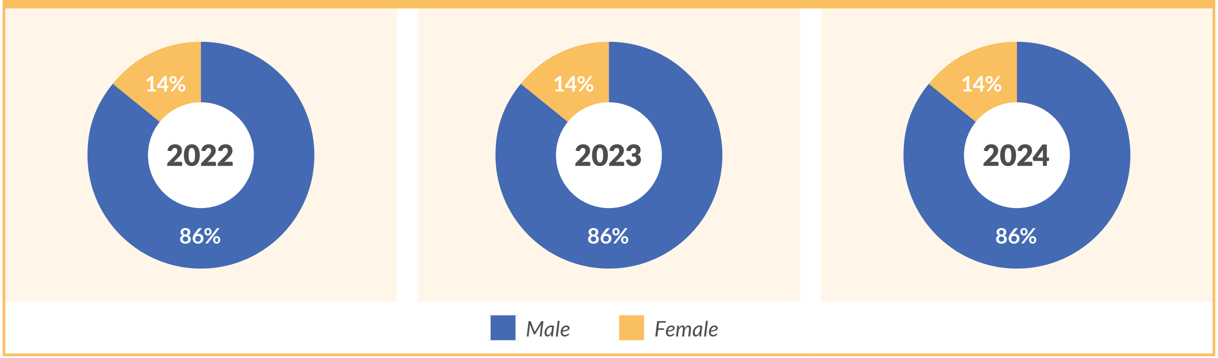
Our Performance

We have successfully maintained a resilient team of employees and continued to offer employment opportunities within our Group. Our workforce consists of individuals from diverse ethnic backgrounds and demographics, reflecting the inclusivity we uphold. Here are some key highlights:

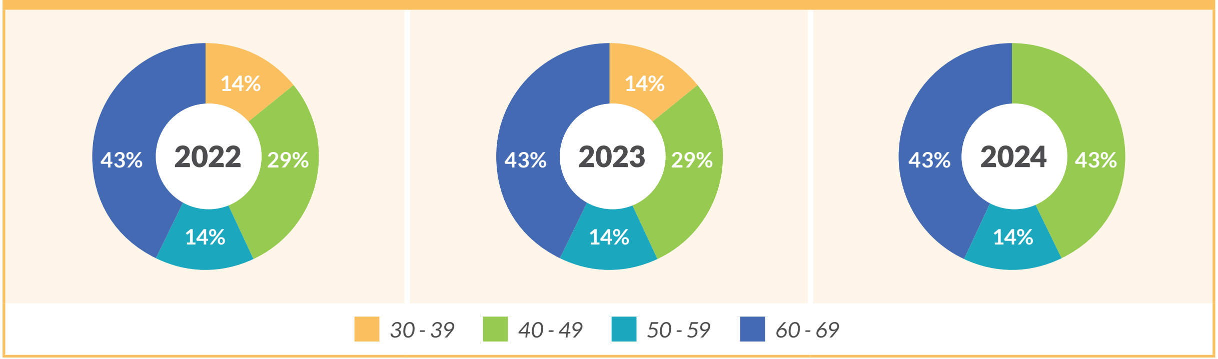
(i) Board of Directors Profile

The Group is governed by a diverse Board that currently meets the minimum requirement of having at least one (1) female director as per the Listing Requirements. We are actively working towards achieving the recommended target of 30% women directors, as advised by the MCCG.

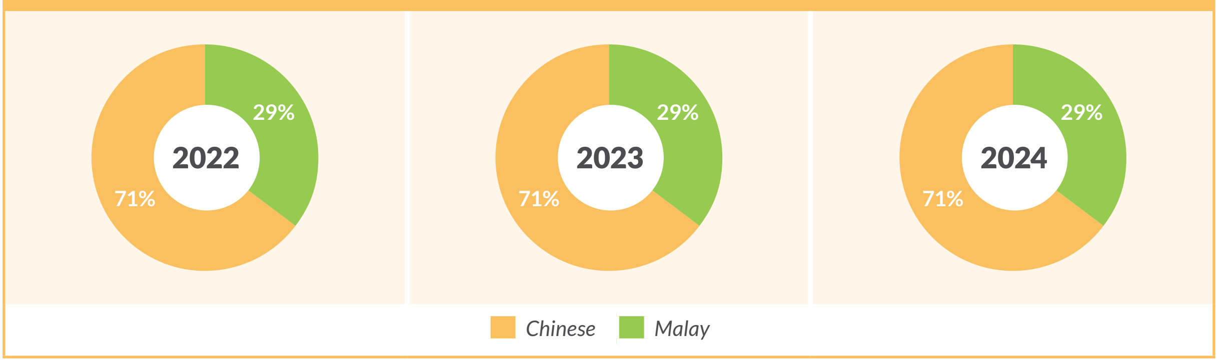
Board Diversity by Gender



Board Diversity by Age



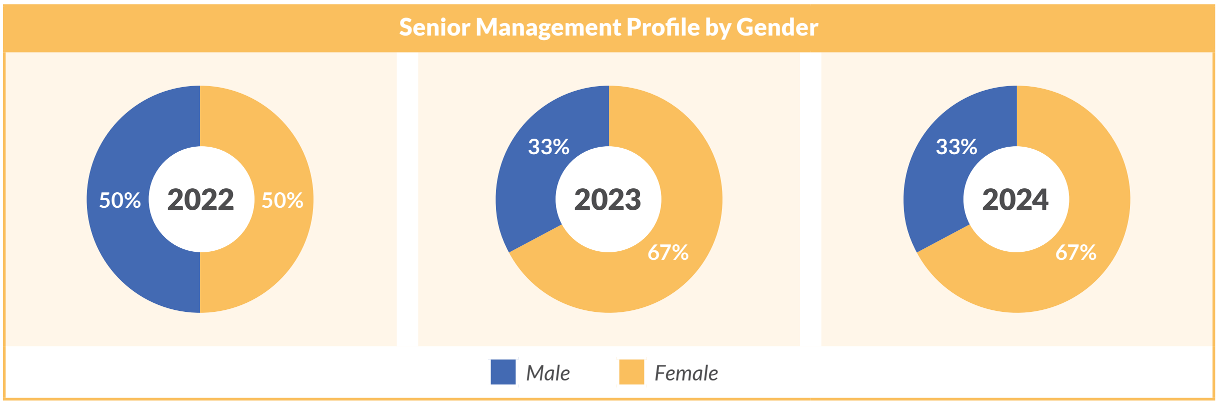
Board Diversity by Ethnicity

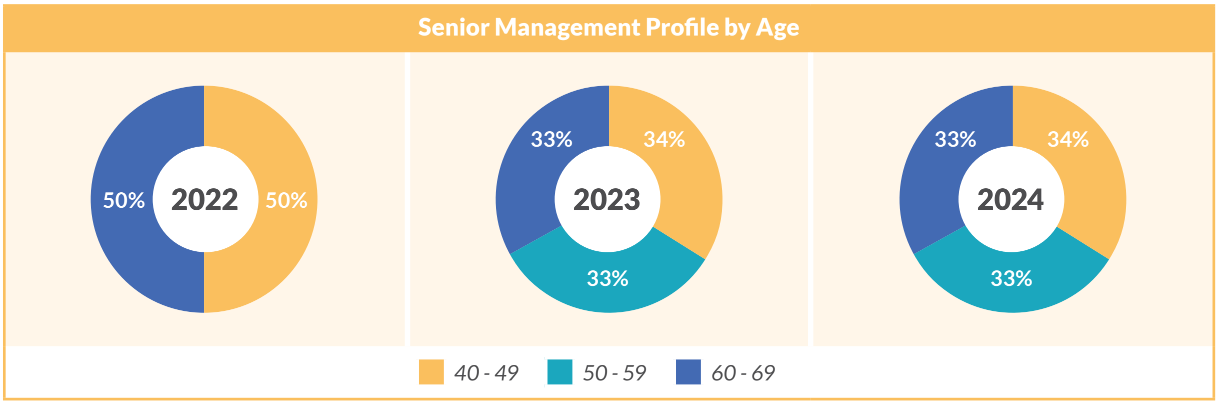


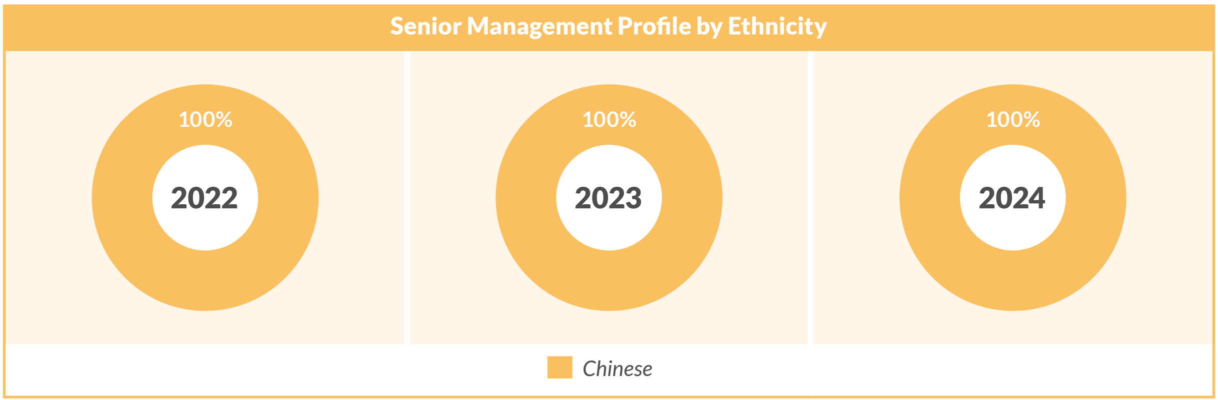
SUSTAINABILITY STATEMENT *(continued)*

(ii) Senior Management Profile

Recognising the critical role that senior management play in shaping the Group's direction and success, we have undertaken a comprehensive search process to identify and attract top-tier talent who align with our values, vision and commitment to diversity and inclusion. Over the past three years, our senior management team has shown a significant increase in gender diversity. The proportion of female senior management has increased from 50% in FY2022 to 67% in both FY2023 and FY2024. This demonstrates our commitment to gender equality and empowering women in leadership roles.



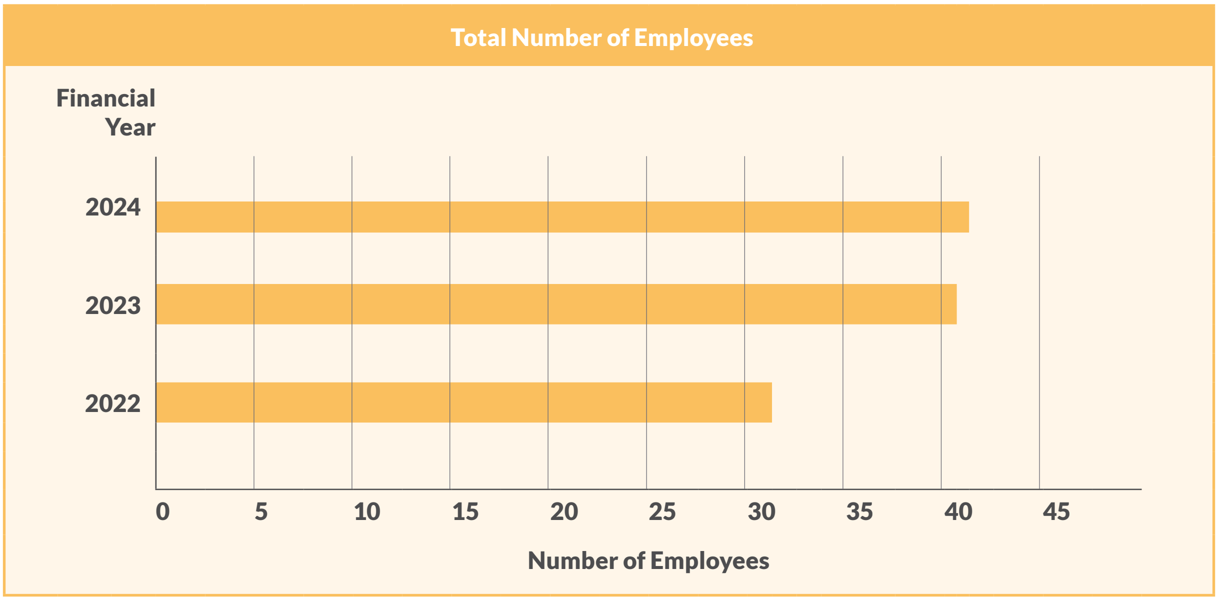


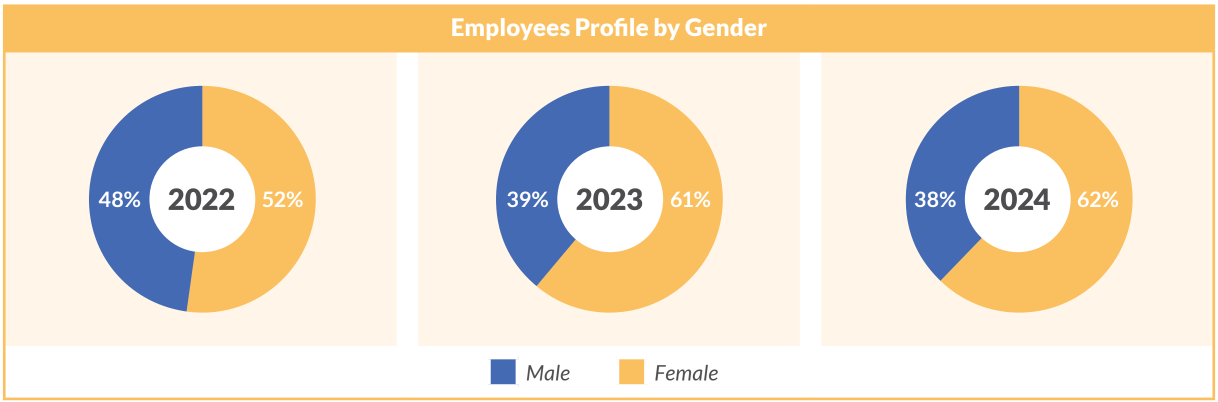


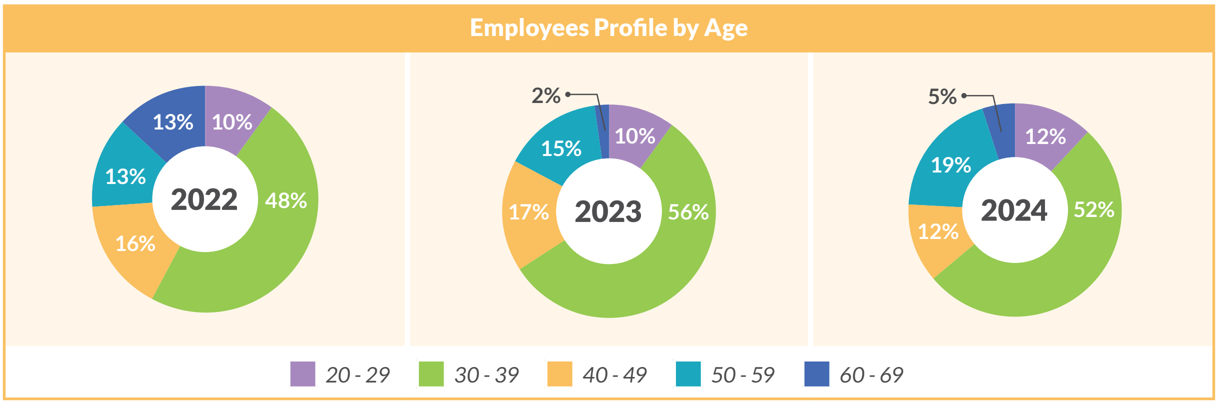
SUSTAINABILITY STATEMENT *(continued)*

(iii) Employee Profile

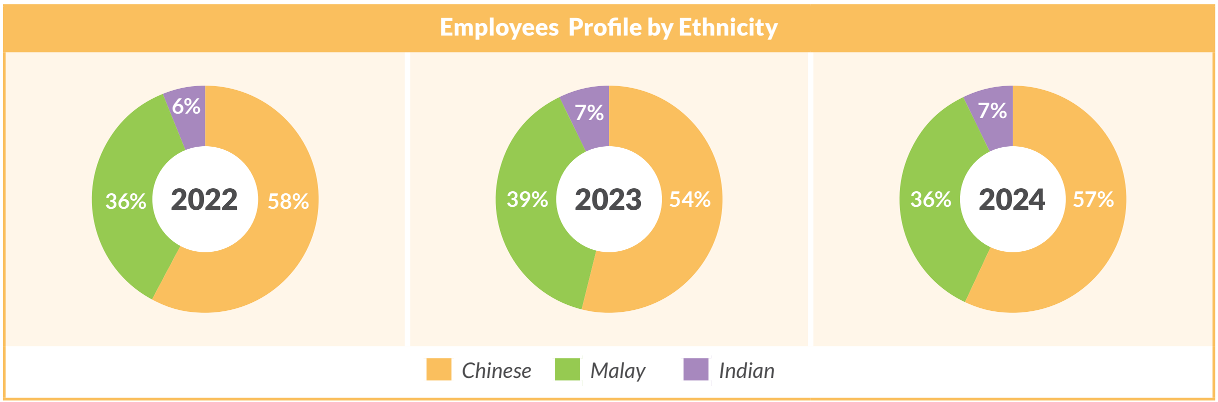
Our workforce has shown stability with a slight increase from forty-one (41) employees in FY2023 to forty-two (42) employees in FY2024. As employees under the age of forty (40) constitute more than half of our workforce, we recognise and value their unique perspectives and innovative approaches that drive positive change and propel our organisation towards greater sustainability.

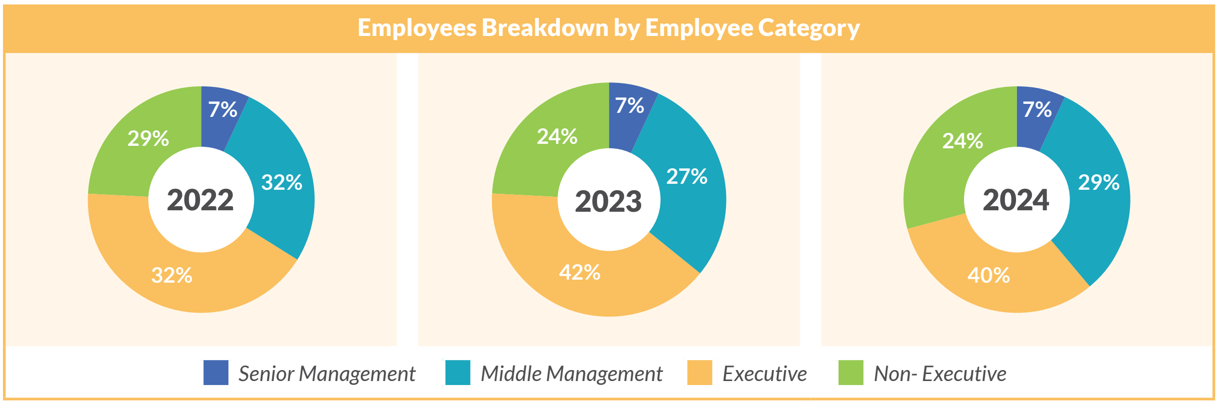






SUSTAINABILITY STATEMENT *(continued)*





Our commitment to diversity and inclusion is not just a strategic priority but a core value that permeates every aspect of our organisation. We will continue to build on our achievements, ensuring that every individual feels valued and empowered to contribute to our collective success. Our dedication to diversity and inclusion strengthens our organisation, enhances our reputation and creates a positive impact on our communities, solidifying our role as a leader in promoting equity and respect in the workplace.

d) Community Development and Programmes

Why It Matters

We strive to be a responsible corporate citizen by giving back to the surrounding communities in which we operate through our community development and programmes. Engaging in these programmes allows us to address local needs, support economic development and improve the quality of life for community members. These efforts not only enhance our corporate reputation but also build trust and goodwill, which are crucial for long-term business success. Furthermore, by supporting education, healthcare and environmental initiatives, we help create a more resilient and vibrant community, which in turn provide a stable and supportive environment for our operations.

Our community development initiatives enable us to form strategic partnerships with government agencies, non-profit organisations and other stakeholders. These collaborations amplify the impact of our efforts, allowing for shared learning and resource pooling. By leveraging diverse expertise through these partnerships, we can address complex social and environmental challenges more effectively. Embracing community development aligns with our corporate values and drives collective growth, ensuring a more equitable, prosperous and sustainable future for all.

SUSTAINABILITY STATEMENT *(continued)*

Our Approach

As a responsible corporate citizen, we are committed to making a positive impact on the communities we serve. Our approach to community development and programmes is designed to create long-lasting benefits, foster mutual growth and enhance the well-being of various community segments. Our comprehensive strategy encompasses key initiatives such as providing donations and sponsorships, developing long-term partnerships as well as encouraging employee participation in activities that align with the Group's vision and mission.

Sustainability is at the core of our project lifecycle. Going forward, we integrate sustainability principles at every stage, from design and construction to post-development management. This includes prioritising green building practices, implementing energy-efficient technologies, promoting social inclusivity and protecting natural resources. Our commitment to sustainability ensures that our projects contribute positively to the environment and the community.

As part of our commitment to community support, we make donations and provide sponsorships to various causes and organisations. These contributions help to address immediate needs and support long-term community development goals. Our sponsorships also enable us to support events and programmes that align with our values and mission.

We actively develop long-term partnerships with community organisations to ensure sustained impact and mutual benefit. These collaborations enable us to leverage collective resources and expertise, thereby enhancing the effectiveness of our community development initiatives. By working closely with these organisations, we can better understand and address the specific needs of the communities we serve.

Beyond financial contributions, we actively encourage our employee's involvement. The Group believe that employee involvement is crucial to the success of our community development efforts. We encourage our employees to participate in community service and development programmes, which benefit the community and foster a sense of purpose and engagement among our employees. Moreover, we offer awareness programmes to educate employees about the importance of community engagement and their role in it. These initiatives help our workforce understand the impact of their contributions and motivate them to actively participate, promoting a culture of giving back and making a difference, aligning with SDG 17.

We ensure that resources allocated to community development are managed efficiently and align with our strategic goals. By carefully planning and monitoring our initiatives, we maximise the impact of our contributions and ensure that they meet the intended objectives, delivering meaningful and sustainable results. Additionally, we maintain open and transparent communication with community stakeholders to understand their needs and expectations. This ongoing dialogue helps us align our initiatives with community priorities and ensures we are responsive to their concerns, fostering trust and stronger relationships through active listening.

This year, the Group focused on enhancing community well-being by making donations to various organisations. These contributions are aimed at supporting initiatives that promote health, education and social welfare. The Group has contributed RM160,448 worth of monetary and non-monetary donations to 19 charities, non-profit organisations and educational institutions across the regions we operate in. Non-monetary donations include but are not limited to food packs, basic necessities and groceries.

By investing in these areas, we strive to create positive and lasting impacts in the communities we serve. Our commitment to social responsibility reflects our dedication to fostering a better quality of life for all, aligning our business goals with the broader goal of societal improvement. Below are some highlights of our activities this year, showcasing our efforts and the positive outcomes achieved through our community development initiatives.

SUSTAINABILITY STATEMENT *(continued)*

PROMOTING LIFE-SAVING ACTS

Our commitment to social responsibility and making a positive difference in the lives of others is at the heart of our efforts. We are proud to be part of life-saving initiative, which aligns with our core values and dedication to community well-being.

In total, our blood donation initiatives amassed

OVER
60 BAGS
OF BLOOD

Blood Donation Initiative

PGB organised its annual Blood Donation Campaign to raise awareness about the vital need to support and contribute to the National Blood Bank. In collaboration with Paragon Market Place, St. John Ambulance of Malaysia, area of Johor Bahru and Hospital Sultan Ismail Johor Bahru, we provided the public with an opportunity to donate blood and potentially save lives.

SUSTAINABILITY STATEMENT *(continued)*

SPREADING FESTIVE JOY

We understand festivities are moments of joy and celebration, but they can also pose challenges for underserved communities due to the associated expenses. To address this, we have taken steps to ensure less fortunate communities can enjoy these special occasions. Through our festive initiative, we aim to uplift spirits and create memorable experiences for those in need. By spreading festive joy, we promote inclusivity, mutual respect and understanding among diverse community members, reinforcing our commitment to social responsibility and community engagement.

In total,

165
CHILDREN & CAREGIVERS
attended the festive event

Hari Raya Celebration 2023

PGB and Grand Paragon Hotel Johor Bahru hosted a Hari Raya Celebration Event, welcoming orphans and underprivileged individuals from several non-profit organisations. A total of 165 children and their caregivers attended the event. The children enjoyed a delightful meal and received festive money and goodie bags, making the occasion memorable and joyous for everyone involved.

SUSTAINABILITY STATEMENT *(continued)*

In total,

112

CHILDREN & CAREGIVERS

attended the festive event

Chinese Lunar New Year Celebration 2024

In addition to Hari Raya Celebration Event, PGB and Grand Paragon Hotel Johor Bahru also hosted a Chinese Lunar New Year Celebration Event for orphans and underprivileged individuals from several non-profit organisations. The event was attended by 112 children and their caregivers. Guests were greeted with lively dance performances, entertaining activities and a special clown show. The children relished a delightful hi-tea and received festive money and goodie bags, making the occasion memorable and joyous for all participants.

SUSTAINABILITY STATEMENT *(continued)*

PROMOTING SPORTS AND ACTIVE LIFESTYLE

Promoting sports and an active lifestyle is essential for fostering physical and mental well-being within our communities. By encouraging participation in sports and fitness activities, we aim to cultivate a culture of health and vitality. These initiatives not only improve individual health outcomes but also strengthen community bonds, teamwork and social cohesion. Through our efforts, we demonstrate our commitment to enhancing the quality of life for all community members, promoting a balanced and active lifestyle that contributes to overall happiness and well-being.

Attracted

128 GOLFERS

participating in the one-day event

10th JBCCCI Annual Golf Tournament 2023

PGB is proud to have sponsored for the 10th JBCCCI Annual Golf Tournament 2023, organised by the Johor Bahru Chinese Chamber of Commerce and Industry ("JBCCCI").

The tournament held at Ponderosa Golf and Country Resort was a resounding success. It provided an excellent platform for golf enthusiasts, business leaders and community members network and enjoy a day of friendly competition. We are honoured to have supported for this remarkable event and look forward to continued collaborations with JBCCCI and other organisations, fostering partnerships and contributing to the growth and development of the local business community.

SUSTAINABILITY STATEMENT *(continued)*

Sponsored

20 COLLEAGUES
participating in this event

"Let Love Move" Charity Run

As one of the event's sponsors, PGB was proud to support the event organised by the Persatuan Usahawan Maju Malaysia ("PUMM") Johor State Liaison Committee, at EduCity Sports Complex, with the primary objective of raising funds for non-profit organisations in Johor Bahru. We believe in the importance of giving back to the community and are committed to supporting initiatives that make a positive impact.

To further this cause, PGB invited employees to contribute and participate in this charity run. The event turned into a heartwarming family affair, with about twenty (20) colleagues and their families coming together to take part.

Their collective support for the cause was inspiring, demonstrating our team's dedication to making a difference. This united effort not only fostered a sense of community within our organisation but also made a significant contribution to the local non-profits, helping to improve the lives of those in need.

SUSTAINABILITY STATEMENT *(continued)*

Sponsored

800
T-Shirts
for participants in this event

"Fun Run & Fun Ride" Festival Community 2023

The event was organised by Johor Bahru city council member for Zone Kampung Melayu, Taman Suria and Kampung Kurnia and held at Paragon Market Place, Johor Bahru. As the main sponsor of the Fun Run & Fun Ride – Festival Community 2023 event, PGB proudly contributed to the success of this vibrant community gathering by sponsoring 800 T-shirts. This sponsorship fostered inclusive participation among the public and significantly enhanced the event's overall experience.

The festival brought together diverse members of the community, promoting health, fitness and camaraderie. PGB also invited its employees to join in the fun, encouraging them to participate alongside community members.

PGB's involvement underscored our commitment to community engagement and support for initiatives that encourage active lifestyles. By providing essential resources and encouraging participation, we helped create a memorable and impactful event that resonated with attendees and fostered a stronger sense of community spirit.

SUSTAINABILITY STATEMENT *(continued)*

INVESTING IN OUR FUTURE

Investing in the future is crucial for sustainable growth and development. We believe that nurturing the next generation is essential to building a prosperous and innovative society. By supporting educational initiatives and youth development programmes, we aim to empower young individuals with the skills, knowledge and opportunities they need to thrive. Our commitment to investing in our future not only contributes to the personal growth of young people but also ensures a continuous pipeline of talent and leadership for the community. Through these efforts, we strive to create a brighter, more resilient future for all.

In line with this commitment, we have made several donations to schools, ensuring that students have access to the resources and support they need for their education. These contributions help enhance the learning environment, provide essential supplies and support extracurricular activities, all of which are vital for the holistic development of students. By investing in education, we are fostering a culture of continuous learning and development, which is fundamental to the long-term success and sustainability of our community.

Promoting the growth and future success of

3,307 STUDENTS

Foon Yew 111th Anniversary Golf Tournament

PGB was honoured to serve as a bronze sponsor for the Foon Yew High School 111th Anniversary Golf Tournament. This significant event was held at the prestigious Forest City Golf Club.

The tournament was more than just a sporting event; it was a noble initiative dedicated to raising funds for the development of the Foon Yew High School Seri Alam Branch Campus Building. Our sponsorship underscores PGB's steadfast commitment to supporting education and fostering community development.

By investing in this project, we are not only contributing to the infrastructure of an esteemed educational institution but also promoting the growth and future success of its students.

SUSTAINABILITY STATEMENT *(continued)*

Our Performance

	2022	2023	2024
Total amount invested where the target beneficiaries are external to the Group (RM)	28,419	89,988	160,448
Total number of beneficiaries of the investment in communities	1,262	840	4,758
Number of employees participated in community impact programmes	10	22	66
Total hours spent on community impact programmes	45	40	173

PERFOMANCE DATA TABLE
from ESG Reporting Platform

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Middle Management	Percentage	100.00
Executive	Percentage	94.00
Non-Executive	Percentage	30.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	75.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	160,448.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4,758
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	63.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1.000000
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	856

Internal assurance	External assurance	No assurance	(*)Restated

PERFOMANCE DATA TABLE *(continued)*
from ESG Reporting Platform

Indicator	Measurement Unit	2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	323
Middle Management	Hours	273
Executive	Hours	321
Non-Executive	Hours	56
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	17.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Middle Management	Number	2
Executive	Number	2
Non-Executive	Number	4
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-49	Percentage	33.33
Senior Management 50 and above	Percentage	66.67
Middle Management Under 30	Percentage	0.00
Middle Management Between 30-49	Percentage	66.67
Middle Management 50 and above	Percentage	33.33
Executive Under 30	Percentage	11.76
Executive Between 30-49	Percentage	82.35
Executive 50 and above	Percentage	5.89

Internal assurance	External assurance	No assurance	(*)Restated

PERFOMANCE DATA TABLE *(continued)*

from ESG Reporting Platform

Indicator	Measurement Unit	2024
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Non-Executive Under 30	Percentage	30.00
Non-Executive Between 30-49	Percentage	40.00
Non-Executive 50 and above	Percentage	30.00
Gender Group by Employee Category		
Senior Management Male	Percentage	33.33
Senior Management Female	Percentage	66.67
Middle Management Male	Percentage	58.33
Middle Management Female	Percentage	41.67
Executive Male	Percentage	17.65
Executive Female	Percentage	82.35
Non-Executive Male	Percentage	50.00
Non-Executive Female	Percentage	50.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	86.00
Female	Percentage	14.00
Under 30	Percentage	0.00
Between 30-49	Percentage	43.00
50 and above	Percentage	57.00

Internal assurance	External assurance	No assurance	(*)Restated

EXTERNAL ASSURANCE STATEMENT

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

Dear Sirs,

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

Introduction
We, Wensen Consulting (M) Sdn. Bhd. ("Wensen Consulting") has been engaged by the management of PGB to carry out an independent assurance of the sustainability/ non-financial disclosures in PGB's Sustainability Statement 2024 ("Statement"), which is available on PGB's website for the financial year ended 31 March 2024.

Objective
The main objective of the verification process is to provide assurance to PGB and its stakeholders on the accuracy and reliability of the information as presented in this Statement. The verification conducted by Wensen Consulting pertains to sustainable performance information (subject matter) within the assurance scope, as featured in PGB's Sustainability Statement 2024.

Scope
The assurance covers the information of the following subject matters in PGB's Sustainability Statement 2024:

1. Anti-Bribery and Anti-corruption
   a) Percentage of employees who have received training on anti-corruption by employee category
   b) Percentage of operations assessed for corruption-related risks
   c) Confirmed incidents of corruption and action taken
   d) Existence of anti-bribery and anti-corruption policies and procedures
   e) Due diligence processes for assessing the anti-bribery and anti-corruption compliance of suppliers, contractors, and business partners
   f) Existence of whistleblower protection mechanisms

2. Product Quality and Responsibility
   a) Evaluation on contractors and suppliers based on their sustainability practices and environmental and social performance
   b) Achieved QLASSIC score of 75% for completed project

3. Community Development and Programmes
   a) Total amount invested in the community where the target beneficiaries are external to the listed issuer

4. Diversity and Inclusion
   a) Percentage of directors by gender, ethnicity and age group
   b) Percentage of senior management by gender, ethnicity and age group
   c) Percentage of total employees by gender, ethnicity and age group, for each employee category

5. Climate Change and Action
   a) Total energy consumption (MWh)

6. Water Management
   a) Total volume of water used (Megalitres)

7. Waste Management
   a) Members of Sustainability Working Committee meets monthly to deliberate and roll out initiatives with regards to waste management
   b) Existence of e-waste bin located at PGB's corporate head office
   c) Number (reams) of paper consumption
   d) Annual procurement cost on paper ream and printing cost

Wensen Consulting Asia (M) Sdn. Bhd.
(Company No. 632608-P)
A-2-29, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya,
47170 Selangor Darul Ehsan, Malaysia.
Tel: (603) 8071 6488 Fax: (603) 8076 9188 Email: enquiries@wensenasia.com

EXTERNAL ASSURANCE STATEMENT *(continued)*

8. Occupational Health and Safety
   a) Existence of Occupational Health and Safety Policy
   b) Number of work-related fatalities
   c) Lost time incident rate
   d) Number of employees trained on health and safety standards
   e) Total workman hours

9. Labour Practices and Standards
   a) Total hours of training by employee category
   b) Percentage of employees that are contractors or temporary staff
   c) Code of Conduct outlining expectations for all employees in addressing human rights matters while conducting business
   d) Annual performance reviews for employees
   e) Annual employee survey to gather feedback
   f) Long service award to recognise employees who have been with PGB for over 5 years
   g) New hire rates (%)
   h) Turnover rates (%)
   i) Total number of employee turnover by employee category
   j) Organisation of employee engagement initiatives

10. Supply Chain Management
   a) Existence of Conflict of Interest, Related Party Transaction and Sustainable Procurement Policy
   b) Declaration from PGB's supply chain partners to acknowledge their commitment through "Anti-Bribery and Anti-Corruption Declaration Form" and "Conflict of Interest Declaration Form"
   c) Regular performance evaluations on suppliers and contractors
   d) Proportion of spending on local suppliers

11. Data Privacy and Security
   a) Existence of Privacy Policy
   b) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

Our Procedures
In completing our review of PGB's Sustainability Statement 2024, we undertook the following procedures between March 2024 and July 2024, focusing on selected subject matters:

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

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

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

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions. Our review was limited to the information on the selected indicators set within PGB's Sustainability Statement 2024 and accompanying base data tables for the year ended 31 March 2024 and our responsibilities does not include:

- Any work in respect of sustainability information published elsewhere in PGB's annual report, website and other publications;
- Sustainability information prior to 1 April 2023 and subsequent to 31 March 2024; and
- Management's forward looking statements such as targets, plans and intentions.

EXTERNAL ASSURANCE STATEMENT *(continued)*

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

Conclusion
Based on our procedures and evidence obtained, we are not aware of any material modifications that should be made to the subject matter in PGB's Sustainability Statement 2024.

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

Wensen

Co. Reg. No. 632606-P

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

22 July 2024

04

HOW WE ARE GOVERNED

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Paragon Globe Berhad ("the Company") is pleased to present Corporate Governance Overview Statement ("CG Statement") to provide shareholders and investors with insight into our approach to corporate governance ("CG") practices and activities throughout the financial year ended 31 March 2024 ("FY2024") .

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

The CG Statement takes guidance from the three (3) key CG principles and the practices as set out in the MCCG, which are:

This CG Statement demonstrates how the Group has applied and complied to the best practices outlined in the MCCG. It should be read in tandem with the Corporate Governance Report ("CG Report"), formatted as prescribed by Paragraph 15.25 of the MMLR of Bursa Securities. The CG Report provides comprehensive details on Group's implementation of each practice and offers explanations for any deviations. It is available on the Company's website at **www.pgbgroup.com.my.**

Scan here for more information on our CG Report

APPLICATION OF THE RECOMMENDED CORPORATE GOVERNANCE PRACTICES

	Recommended Practices	Step-up Practices
Total	43	5
Applied	35	3
Departure	5	0
Not Applicable	3	0
Not Adopted	0	2

The Company and its subsidiaries (collectively, "the Group") have applied with all material aspects of the principles outlined in the MCCG, except for the following five (5) recommended practices from which the Group has departed as of FY2024. The explanations for these departures are provided in the CG Report.

Practice 4.4

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

Practice 5.2

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

Practice 5.9

The board comprises at least 30% women directors.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Practice 13.3

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

A summary of CG practices of the Group as well as the Board's key focus areas and future priorities in relation to the CG practices is described below under each CG principle.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

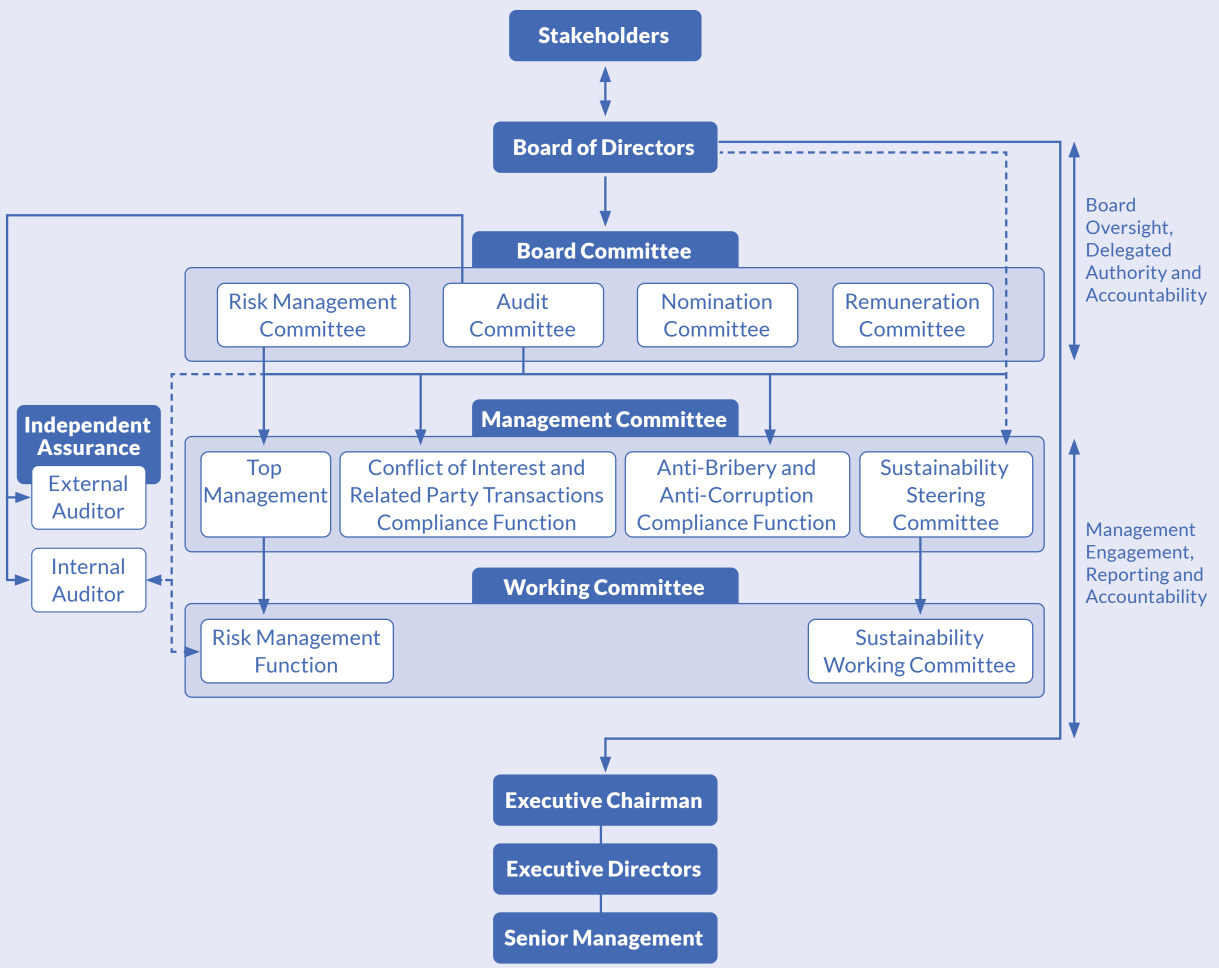
PRINCIPLE A :
BOARD LEADERSHIP AND EFFECTIVENESS

DISCHARGING BOARD RESPONSIBILITIES

The Board is dedicated to meeting its responsibilities to the Group's shareholders and diverse stakeholders, aiming to create and sustain long-term value and success. This commitment ensures that the Group's business operations are conducted in a transparently, ethically and responsibly, in compliance with all relevant laws and regulations. Through effective leadership and management of the Group's operations, the Board endeavors to achieve both commercial objectives and regulatory compliance in alignment with the Group's goals.

For the foregoing, the Board plays a critical role in determining the strategic objectives and policies of the Group to ensure long-term value delivery. This involves effective leadership through overseeing management and closely monitoring organisational activities, performance, compliance and controls. To ensure efficient oversight and management of the Group's operations and corporate matters, the Board has established a corporate governance structure ("CG Structure"). Within this structure, specific responsibilities of the Board are delegated to four (4) sub-committees, namely Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC") (collectively, "Board Committees"), as depicted below.

CORPORATE GOVERNANCE STRUCTURE



CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

The CG Structure outlines the governance arrangement for the Group to facilitate seamless communication and collaboration among the Board, Board Committees, Executive Chairman, Management and operational levels. This structure enables clear roles and functions at each level, creating a continuous and effective flow of information. Actions, plan execution, reporting and accountability are all communicated upwards to the Board for throughout assessment and informed decision-making. The CG Structure is periodically reviewed as and when required, to ensure it remains optimal for efficient and effective decision making within the organisation.

The Board Committees operate within their approved terms of reference ("TOR"), thoroughly examining relevant issues and providing recommendations to the Board. All Directors have attended the Board meetings held during the FY2024 and have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in the Paragraph 15.05 of the MMLR. Details of Directors' attendance at Board and Board Committee meetings are summarised as follows:

Name of Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee
Executive Directors					
Dato' Sri Edwin Tan Pei Seng	6/6	-	-	-	-
Dato' Sri Godwin Tan Pei Poh	6/6	-	-	-	-
Mdm. Leong Siew Foong	6/6	-	-	-	-
Non-Executive Directors					
Mr. Tee Boon Hin	6/6	5/5	4/4	2/2	4/4
Dato' Haji Ismail Bin Karim	6/6	5/5	4/4	2/2	4/4
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	6/6	5/5	-	-	4/4
Dato' Jeffrey Lai Jiun Jye	6/6	-	4/4	2/2	-

In the intervals between Board meetings, any matters requiring Board's decisions are addressed through circular resolutions, for which Board approvals are obtained. These resolutions are then formally noted during the subsequent Board meeting. All proceedings, deliberations and conclusions made during Board meetings are documented by the Company Secretary and confirmed by Board members during the following meeting. The confirmed minutes are then signed by the Chairman to certify their accuracy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

BOARD LEADERSHIP

The Board holds overall responsibility for guiding the Group's strategic direction and overseeing its businesses operations as outlined in the Company's Board Charter. In ensuring effective governance, the Board communicates its decisions to the Executive Directors, who then delegate day-to-day management to skilled Management professionals in various fields such as finance, human resources, project management, contract and procurement, sales and marketing, business developments as well as legal and compliance.

Dato' Sri Edwin Tan Pei Seng currently serves as the Chairman of the Board ("Executive Chairman") while the Chief Executive Officer ("CEO") position remains vacant. The Executive Chairman leads the Board by focusing on strategy, governance and compliance. As per enhanced MCCG updates, the Chairman is not a member of the AC, NC and RC, nor does he participate in their meetings.

The Board Charter serves as a comprehensive reference and primary guidance for all Board members in performance of their roles, duties and responsibilities. The Board will review the Board Charter and make any necessary amendments to ensure they remain align with the Board's objectives, current law and best practices. The Board Charter is publicly available on the Company's website at **https://pgbgroup.com.my/board-charter/**, last reviewed on 22 November 2022.

Scan here for more information on our Board Charter

BOARD ADMINISTRATION

The role of company secretary has evolved over time, transitioning from administrative advisor to governance matters. The Board recognises the need of having a qualified and competent company secretary to fulfill their duties effectively. Therefore, the Board is supported by a Company Secretary who is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and is qualified to act as company secretary under Section 235(2)(a) of the Companies Act 2016.

The Company Secretary attends all Board and Board Committee meetings, ensuring that accurate and adequate records of the proceedings and decisions are well documented. Additionally, the Company Secretary keeps the Board abreast with the latest regulatory developments and legislation changes. Directors can directly access the Company Secretary for advice and support, both collectively or individually. The Board is satisfied with the performance and support provided by the Company Secretary in effectively carrying out their functions for the benefit of the Board.

Directors are provided with comprehensive Board papers well in advance of meetings, enabling thorough review and effective participation in decision-making. Meetings are scheduled according to agenda complexity, facilitating in-depth deliberation. Furthermore, the Board has unrestricted access to Senior Management, Company Secretary, External Auditors and advisors, ensuring informed decision-making and understanding of the Group's business affairs.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A :
BOARD LEADERSHIP AND EFFECTIVENESS

BUSINESS CONDUCT AND CORPORATE CULTURE

The Group firmly opposes corrupt practices and prioritise integrity in all our business activities. To uphold these values, robust policies and procedures are implemented to foster a culture of honesty and ethical behavior within the organisation. In this regard, the Board has in established:

1. Code of Conduct and Ethics

The Board has formalised and adopted a Code of Conduct ("the Code"), serving as a comprehensive guide to uphold high ethical standards within the Group. It outlines expected business conduct and ethical behavior for Directors and employees in the performance of their duties and responsibilities. The Board reviews the Code as and when necessary to ensure its ongoing effectiveness. The Code is accessible on the Company's website at **https://pgbgroup.com.my/code-of-conduct/**, last reviewed on 26 April 2022.

Furthermore, both the Board and the Company Secretary adhere to the ethical values outlined inthe Code of Ethics for Company Directors and Company Secretaries issued by the Companies Commission of Malaysia. This Code of Ethics aims to establish ethical standards for directors; promote social responsibility and instill professionalism among company secretaries.

Code of Conduct

2. Anti-Bribery and Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption Policy ("ABC Policy") serves as a guide for Directors and employees, providing information and guidance on conducting business ethically and transparently while strictly prohibiting all forms of bribery and corruption of in the Group's operations. The Group maintains a zero-tolerance approach towards bribery and corruption, requiring all personnel to report any suspected violations through the Group's dedicated reporting channel.

The Board reviews the ABC Policy as and when necessary to ensure its ongoing effectiveness. The ABC Policy is also accessible on the Company's website at **https://pgbgroup.com.my/corporate-governance/**, last reviewed on 22 November 2022.

Anti-Bribery and Anti-Corruption Policy

3. Whistleblowing Policy

To uphold the highest standard of integrity, transparency and accountability, in the conduct of business activities and operations, the Group has implemented a Whistleblowing Policy. This policy provides a secure avenue for employees and members of the public to report any improper conduct within the Group, with protections for whistleblowers. All allegations reported through the whistleblowing channel are thoroughly investigated and outcomes are reported at the RMC meetings.

Whistleblowing Policy

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

The Board reviews the Whistleblowing Policy as and when necessary to ensure its ongoing effectiveness. The Whistleblowing Policy is accessible on the Company's website at **https://pgbgroup.com.my/corporate-governance/**, last reviewed on 26 May 2022.

The Code, ABC Policy and Whistleblowing Policy of the Group ensure the establishment of high standards of behavior, bolstering integrity, governance and anti-corruption framework across all organisational levels. These policies serve as effective control measures to mitigate the risks associated with fraud, bribery, corruption, misconduct and unethical practices, thereby contributing to the long-term success of the Group.

SUSTAINABILITY GOVERNANCE

The Board, in collaboration with the Senior Management, acknowledges the importance of integrating sustainability risks and opportunities into company strategies, business plans, major actions and risk management. To govern sustainability management, the Sustainability Governance Framework has been established, outlining goals, strategies and governance structure approved by the Board.

The Board oversees the strategic management of material sustainability matters in the economic, environmental, social and governance ("ESG") context, ensuring these matters contribute to both financial and non-financial value creation. Day-to-day management of material ESG issues is led by the Sustainability Steering Committee with support from the Sustainability Working Committee.

Staying informed about relevant sustainability issues is crucial for effective operation and sustainability. The Board ensures ongoing awareness of such issues and effective communication of sustainability initiatives to stakeholders through multifaceted platforms. Assessing material ESG issues enable the Group to operate sustainably. For detailed information on the Group's sustainability strategies, performance, initiatives and stakeholder engagement, please refer to the "Sustainability Statement" section of this Annual Report.

The Board also acknowledges the importance of staying informed about relevant sustainability issues and ensures Directors are updated with the latest industry developments and emerging sustainability issues through training programmes. A list of training programmes and seminars attended by each Director is disclosed in the relevant section of this CG Statement.

The NC conducts an annual evaluation to assess the performance of the Board, Board Committees and individual Directors. Performance evaluations of the Senior Management are also conducted annually. However, the current evaluation process does not consider their performance in addressing sustainability risks and opportunities. To address this gap, the Board will enhance the evaluation system to monitor sustainability oversight and performance indicators, as well as establish accountability among the Board and Senior Management to achieve the Group's sustainability goals.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

**PRINCIPLE A :
BOARD LEADERSHIP AND EFFECTIVENESS**

NOMINATION COMMITTEE

The Nomination Committee ("NC") consists of three (3) Non-Executive Directors, with a majority of whom are Independent. The composition of the NC is as follows:

Name	Position	Designation
Dato' Haji Ismail Bin Karim	Chairman	Independent Non-Executive Director
Mr. Tee Boon Hin	Member	Senior Independent Non-Executive Director
Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director

In discharging its roles and responsibilities, the NC operates under its TOR, which has been approved by the Board and is available on the Company's website. The Board reviews the TOR of NC and makes any necessary amendments to ensure consistency with the needs of the Group and to be in line with the MMLR and the MCCG.

The NC shall meet at least once a year or as and when deem fit and necessary. In the current financial year, four (4) meetings were held with full attendance by the members as indicated in this CG Statement. The matters deliberated by the NC during FY2024 included:

1. Reviewed the effectiveness of the Board as a whole;
2. Assessed the size, structure and composition of the Board, ensuring the right mix of skills and experience and diversity;
3. Evaluated the overall performance of the Board, its sub-committee and members;
4. Reviewed the independence of independent directors and their ability to exercise independent judgement through a self-assessment by each Director;
5. Identified and addressed the training needs of each Director;
6. Evaluated the performance of External Auditors, Internal Auditors and the Company Secretary;
7. Reviewed the fit and proper criteria for Directors seeking for re-election and/or re-appointment;
8. Assessed the performance of Executive Directors and Senior Management; and
9. Reviewed the evaluation forms for annual assessment of the Board, Board Committees, Company Secretary, Internal Auditor and External Auditor before undertaking the evaluation process.

The details of the key activities of the NC are described below.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

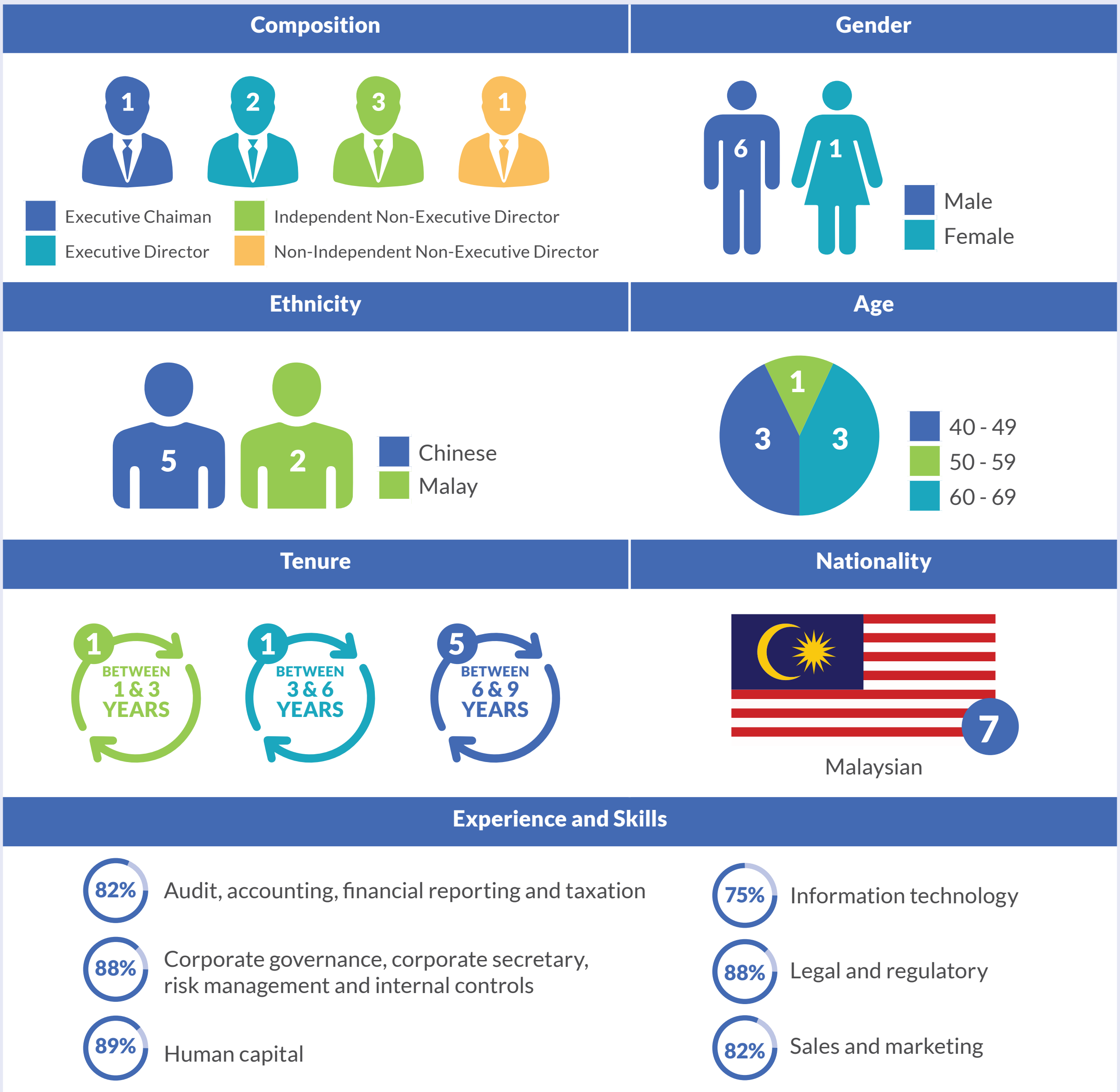
PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

BOARD COMPOSITION, DIVERSITY AND INDEPENDENCE

The Board understands that having a diverse and inclusive Board can benefit from the varied perspectives of its members, leading to effective stewardship and maintaining a competitive advantage. In this respect, the Board through the NC oversees the composition of the Board, ensuring a balance mix of skills, experience and competencies, as well as a refreshment of its members for optimal functioning.

As of 31 March 2024, the Company's Board diversity is illustrated in the chart below.

BOARD DIVERSITY



CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Currently, the Board consists of seven (7) members, including one (1) Executive Chairman, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors ("INEDs"). This composition adheres to Paragraph 15.02(1) of the MMLR of Bursa Securities, which stipulates at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent.

The NC conducts an annual evaluation of all Directors, affirming the INEDs' ability to maintain independence and provide valuable contributions, thereby fortifying the Board' governance structure and effectiveness. The Board believes the existing number of INEDs is adequate to ensure objective deliberations and decisions within the Group.

Furthermore, the NC conducts reviews of each Director's tenure, with annual re-election contingent upon satisfactory performance evaluation and contribution. Currently, none of the INEDs have served more than nine (9) years cumulatively. Acknowledging Practice 5.3 of the updated MCCG, the Board is in the process of reviewing its governance policies and procedures, including the Board Charter, to incorporate necessary changes in alignment with best corporate governance practices.

The Board skills matrix has also been developed based on Directors' self-assessment and used as a reference for refreshing the Board and succession planning, complementing one another. The current composition reflects a diverse mix of professionals across various fields, promoting equitable representation and balanced authority which is designed to provide effective leadership and governance to achieve the Company's mission, objectives and business strategies, benefiting shareholders.

The Board acknowledges the importance of women's participation in both the Board and Senior Management, recognising the significance in reflecting the broader perspectives and interests of stakeholders. Consequently, subsequent to the financial year, the Group has expanded and renamed its Board Diversity Policy to the Board and Senior Management Policy, establishing guidelines for diversifying both the Board and Senior Management. However, it is noted that this CG Statement does not reflect compliance with Practice 5.10 of MCCG. This policy was duly reviewed and approved by the Board as of 23 May 2024 and is accessible on the Company's website at **www.pgbgroup.com.my.**

As at 31 March 2024, the Group has achieved a 67% representation of female employees in Senior Management. However, the Board maintained a 14% representation of women director, which falls below the 30% gender diversity guideline recommended by the MCCG. The Board is aware of this recommendation and will continue to seek suitable women candidates based on criteria relevant to the Group's businesses. Detailed profiles of each Director are available in the "Board of Directors' Profile" section of this Annual Report.

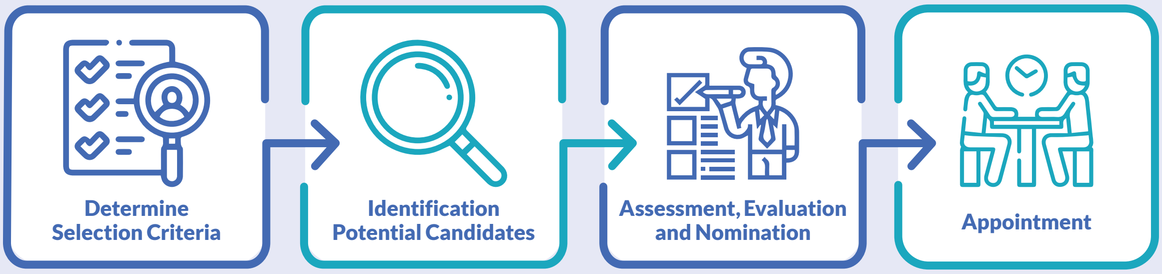
CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

PRINCIPLE A :
BOARD LEADERSHIP AND EFFECTIVENESS

BOARD SELECTION, APPOINTMENT, RE-APPOINTMENT AND RE-ELECTION

The process of selecting, appointing, re-appointing and re-electing Directors to the Board is critical to ensuring its effectiveness and alignment with the Company's objectives and stakeholders' interests. The following outlines the structured approach undertaken by the NC and the Board to identify, evaluate and recommend suitable candidates for appointment or re-appointment, ensuring diversity, independence and competency within the Board composition. Additionally, it highlights the practices employed to provide shareholders with insight into the qualifications, experiences and assessments of Directors standing for re-election.

1. Board Selection and Appointment



The NC is responsible for the Board succession planning to ensure the Board continues to be effective with the right composition, which would enable it to be better equipped to respond to challenges that may arise and deliver value. The appointment of Directors to the Board follows a formal and transparent process, initiated by the NC. This process involves a thorough review of the existing Board composition including its size and diversity in terms of skills, experience, age, ethnicity and gender. Based on this review, the NC determines selection criteria for new appointment, aimed at addressing any gap and strengthening the Board's composition.

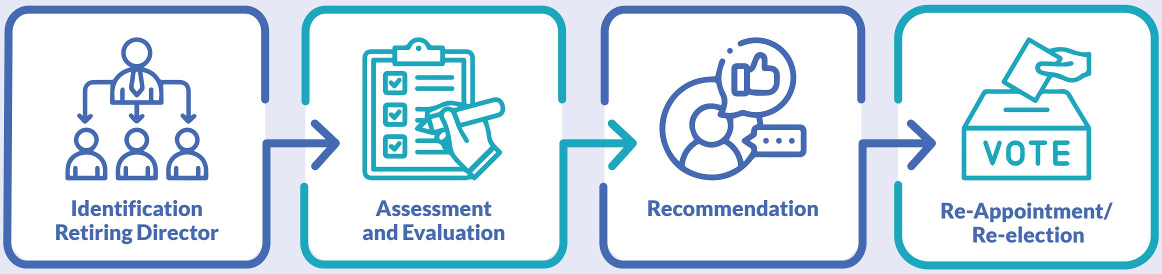
The NC then evaluates potential candidates from internal and external/independent sources, shortlisting those who meet the established criteria. Engagement sessions and fit and proper assessment are then conducted with the shortlisted candidates, as per Director's Fit and Proper Policy. This policy provides a transparent framework for the appointment, re-appointment and re-election of Directors. The fit and proper assessment considers various factors such as the candidate's integrity and reputation, financial integrity, experience and competence and time and commitment. For further details on the Directors' Fit and Proper Policy, please refer to the Company's website at **https://pgbgroup.com.my/corporate-governance/**, last reviewed on 1 July 2022.

Ultimately, the NC presents its final recommendation to the Board, which retains the authority to decide on the appointment of a director from the recommended candidates. During the FY2024, the Board has not recommended any appointment of new director and re-appointment of director to the shareholders for approval besides the re-election of Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

PRINCIPLE A :
BOARD LEADERSHIP AND EFFECTIVENESS

2. Re-appointment and Re-election of Existing Director



In adherence to the Company's Constitution, one-third (1/3) of the Directors or, if their number is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) shall retire from office and be eligible for re-election. An election of Directors shall take place each year provided always that all Directors including the Executive Chairman shall retire from office at least once in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the annual general meeting ("AGM") at which he retires.

Before recommending a director for re-election, the Board, with the support of NC, conducts a comprehensive evaluation of the Director's contribution and performance. This evaluation encompasses various criteria, including the Director's level of contribution, independence and adherence to fit and proper criteria.

Through this evaluation process, the NC assesses the Director's compliance with requisite standards and determines their eligibility for re-election, then recommend them for re-election if the outcome is satisfactory. Subsequently, the Board presents its recommendations to shareholders at the AGM for their approval.

In light of the current composition of the Board, comprising seven (7) members, two (2) Directors are scheduled for retirement in accordance with the Company's Constitution. The NC has conducted assessment of the retiring Directors, considering factors such as attendance, contributions, quality of their input and understanding of their roles and responsibilities. The assessment outcomes and recommendation by the NC and the Board on the proposed re-election of these retiring Directors at the forthcoming 77th AGM are set out in the explanatory notes accompanying the Notice of the 77th AGM. Profiles of the retiring Directors are provided in the "Board of Directors' Profile" section of this Annual Report and on the Company's website at **www.pgbgroup.com.my.**

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

DIRECTORS' TRAINING AND DEVELOPMENT

Directors are mandated to allocate sufficient time and attention to fulfilling their duties effectively through continuous education initiatives. All Directors have completed the Mandatory Accreditation Programme ("MAP") for Directors of Public Listed Companies as required by Bursa Securities. In June 2023, Bursa Securities has introduced a new mandatory sustainability training for Directors (MAP II). By FY2024, all Directors had completed the MAP II, well ahead of the deadline 1 August 2025.

In complement to these mandatory programmes, the Board, with support from the NC, accesses and identifies the training needs of its members. This ensures that Directors attend relevant training courses or seminars periodically to remain updated on developments in directors' oversight functions. Furthermore, the Company Secretary regularly updates Directors on the latest developments of the MMLR issued by Bursa Securities during Board Meetings to enable them to stay informed about such developments and amendments. External auditors also provide briefings to Directors on any changes to the Malaysian Financial Reporting Standards ("MFRS") affecting Group's financial statements during the financial year under review.

Details of training programmes attended by Directors during FY2024 are outlined below:

Directors	Training Attended
Executive Directors	
Dato' Sri Edwin Tan Pei Seng	• Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers - Session 1 to Session 4 • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Talk on S17A of Malaysian Anti-Corruption Commission ("MACC") - Corporate Liability
Dato' Sri Godwin Tan Pei Poh	• Fundamentals of Board Governance • Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers - Session 1 to Session 4 • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Talk on S17A of MACC - Corporate Liability
Mdm. Leong Siew Foong	• Team Building • Regulatory Forum 2023 • Workshop on Sustainability Essential for MSME • Energy and Carbon Reduction Applied to Industrial Assets in Malaysia • International Social Wellbeing Conference 2023 • Boss Management Strategy Programme • ICDM PowerTalk Series - Generative AL - An Opportunity or Risk? • Business Integrity and ESG workshop • Transforming Culture Towards Sustaining Corporate Consciousness

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A :
BOARD LEADERSHIP AND EFFECTIVENESS

Directors	Training Attended
Executive Directors	
Mdm. Leong Siew Foong *(continued)*	• Carbon Footprint - How to Start and Using the Data • Data Security and Data Governance • Sustaining ESG Momentum - Maintaining and Improving Performance for the Long Term • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Knowledge Sharing Session on ISO 37301 Compliance Management System • Enabling an Equitable Transition • Artificial Intelligence and Chat GPT • Bursa Malaysia's Enhanced Conflict of Interest (COI) Disclosure Requirements - Understanding and Navigating Its Changes • The Path Towards Greater Prosperity for Malaysia • Johor CEO Roundtable • Regional Virtual Workshop: Discover Innovative Green Building Solutions to Help Your Business • Technical Update Session with Accountant General Department • PLCT Chairperson Masterclass: Leading the Change - Mastering Climate Action as a Chairperson - Managing Scope 3 Emissions • Talk on S17A of MACC - Corporate Liability
Independent Non-Executive Directors	
Mr. Tee Boon Hin	• 2023 Budget Seminar • National Tax Conference 2023 • Reading Understanding and Analysing of Financial Statements for Better Decision Making • National Tax Seminar 2023 • 2024 Budget Seminar • Management of Cyber Risk • Approaches and Techniques for Determining Fair Value – Accounting for Transactions Effects by Fair Value Measurement • SC's Audit Oversight Board Conversation with Audit Committee • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Conflict of Interest (COI) and What Can Go Wrong – Unpacking its Implication to Listed Issuers and their Directors • Talk on S17A of MACC - Corporate Liability

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Directors	Training Attended
Independent Non-Executive Directors	
Dato' Ismail Bin Karim	• Sustainability Reporting Framework, covering Governance, Management & Reporting – Implications to the Board of Directors and Management in overseeing the EESG agenda in the Group`s business • Reading Understanding and Analysing of Financial Statements for Better Decision Making • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Talk on S17A of MACC - Corporate Liability
Tan Sri Datuk Wira Dr. Hj. Mohd. Shukor Bin Hj. Mahfar	• Virtual Tax Conference 2023 • Special Program for IPTAs' Board of Directors 2023 • Briefing on Special Voluntary Disclosure Programme 2.0 • National Tax Conference 2023 • Special Program for IPTAs' Board of Directors • Advocacy Session for Directors and CEOs of Main Market Listed Issuers - Session 1 to Session 4 • Leadership Module • International Seminar on Human Resources (Competency Based Talents Management) • Management of Cyber Risk Programme • Briefing on E-Invoicing • National Tax Seminar 2023 • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Talk on S17A of MACC - Corporate Liability • GLC/GLIC Legal Counsel Forum 2024 • TTCS 5th Virtual Tax Conference 2024 • Special Program for IPTAs' Board of Directors 2024
Non-Independent Non-Executive Directors	
Dato' Jeffrey Lai Jiun Jye	• Reading Understanding and Analysing of Financial Statements for Better Decision Making • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Talk on S17A of MACC - Corporate Liability

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

BOARD EFFECTIVENESS

The Board through its NC, conducts an annual assessment of the Board, Board Committee and individual directors (collectively "Board Effectiveness Evaluation"). This evaluation aims to determine the overall performance and effectiveness of these entities, monitor directors' fulfilment of their roles and responsibilities and identify areas for improvement.

The Board Effectiveness Evaluation process is internally facilitated and conducted using prescribed evaluation forms that cover a range of assessment criteria set by the NC to fulfill its objectives. Each Director is given sufficient time to complete the evaluation forms before the NC and Board meetings. The outcomes of the assessment are reviewed by the NC and subsequently presented to the Board. These outcomes guide the Board in identifying areas for improvement in operations, practices, individual skills and alignment with corporate objectives and strategy.

The Board Effectiveness Evaluation for FY2024 was conducted in May 2024, by the NC, without engaging services of independent third party. This exercise consisted of the following assessments:

(i) Board and Board Committees Evaluation;

(ii) Board Skills Matrix Self-Assessment; and

(iii) Independent Non-Executive Director Self Evaluation.

Based on the assessments conducted for the Board and Board Committee, the overall average ratings for the areas evaluated were above 2 on a 4-scale rating. This indicates that the performance of the Board, Board Committees, individual Directors and committee members during the assessment period was satisfactory (2.00 < average rating ≤ 4.00) on a 4-scale rating, and therefore, demonstrating effective discharge of their functions, roles and duties. With respect to the Individual Directors' scorecards from the assessment, each Director met the performance criteria in the prescribed areas of assessments.

Furthermore, all Directors complied with the MCCG requirements regarding independence, none of them holding more than five (5) directorships in listed issuers companies. They have exercised their independent judgment during the financial year under review and have properly carried out their duties as Independent Director. They also do not hold any shares in the Company and do not act as director for more than nine (9) years. These assessment results formed the basis of the NC's recommendations to the Board for the re-election of Directors at the 77th AGM of the Company.

In addition, the NC highlighted strengths of the Board and Board Committee as per MCCG guidelines. The Board members work well together, fostering trust and open communication. The NC Chairman led the annual review of Board effectiveness, ensuring individual Director and Chairman performance assessments. Feedback was discussed and actions planned, leading to overall satisfactory outcomes with areas for improvement identified.

Area for enhancement were identified based on feedback from Board members. The assessment highlighted several areas for improvement, including:

- Organising relevant seminars and courses for Directors to better discharge their duties in light of economic and business developments;
- Engaging actively and openly in discussions on Company's issues with more relevant insightful information and timely reports; and
- Continually reviewing and improving the Group's sustainability practices.

Each Director also completed self-assessments to identify areas for further improvement. They took note of the weaknesses identified and committed to keeping themselves updated and actively improving in those areas. Following the NC's recommendation, the Board viewed that its current composition meets the Company's needs, objectives and aspirations.

Further details of the NC activities in FY2024 are described in the CG Report. It embraces Principle A of the MCCG particularly, in relation to the Board composition, appointment process and performance evaluation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE A :
BOARD LEADERSHIP AND EFFECTIVENESS

REMUNERATION COMMITTEE

The Remuneration Committee ("RC") consists of three (3) Non-Executive Directors, with a majority of whom are Independent. The composition of the RC is as follows:

Name	Position	Designation
Mr. Tee Boon Hin	Chairman	Senior Independent Non-Executive Director
Dato' Haji Ismail Bin Karim	Member	Independent Non-Executive Director
Dato' Jeffrey Lai Jiun Jye	Member	Non-Independent Non-Executive Director

In discharging its roles and responsibilities, the RC operates and guides under its TOR, which has been approved by the Board and is available on the Company's website. The Board will review the TOR of RC and make any necessary amendments to ensure consistency with the needs of the Group and to be in line with the MMLR and the MCCG.

The RC shall meet at least once a year or as and when deem fit and necessary. In the current financial year, two (2) meetings were held and the full attendance by the members as indicated in this CG Statement. The matters deliberated by the RC during FY2024 included:

1. Reviewed the performance of each Director with reference to the Board Effectiveness Evaluation conducted by the NC;
2. Reviewed and recommended the fees and benefits for NEDs for FY2024 to be tabled and approved by shareholders at the 76th AGM; and
3. Reviewed and assessed the salaries, bonuses and other emoluments of Executive Directors and Senior Management.

Following the financial year, the RC reviewed and assessed the remuneration and benefits for NEDs, Executive Directors and Senior Management for the financial year ending 31 March 2025 ("FY2025"), to ensure they matched their level of duties and performance, considering the Group's performance compared to industry standards.

The Board approved the RC's recommendation to propose a nominal increase in Directors' fees for FY2025 and to maintain NED's benefits at the same level as the previous year, subject to shareholders' approval, in accordance with Section 230(1) of the Company Act 2016.

Detailed remuneration information for individual Directors and Key Senior Management as indicated in this CG Statement.

REMUNERATION POLICY

The Board has implemented a formal and transparent process for approving the remuneration of both Directors and Senior Management. The RC is responsible to formulates and reviews the remuneration policy to ensure it remains competitive, appropriate and aligned with prevailing market practices.

The RC reviews the remuneration for Director and Senior Management annually before recommendation to the Board for approval. During this review, various factors such as demands, complexities, performance, skills and experiences are taken into consideration by the RC. Remuneration packages are benchmarked against the market average of comparable companies to ensure competitiveness, aiming to attract qualified individuals who can contribute to the Company's success. In accordance with proper governance practices, Directors and Senior Management abstained from participation in discussions or decisions regarding their individual remuneration package.

The Board reviews the Remuneration Policy and makes any necessary amendments to ensure the remuneration of Directors and Senior Management is on par with other publicly listed companies. The Remuneration Policy is accessible on the Company's website at **https://pgbgroup.com.my/corporate-governance**, last reviewed on 22 November 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

**PRINCIPLE A :
BOARD LEADERSHIP AND EFFECTIVENESS**

DIRECTORS' REMUNERATION

Details of the Directors' remuneration for FY2024 are as follows:

No	Name	Directorate	Company (RM)						
			Fee[1]	Allowance[2]	Salary	Bonus	Benefit-In-Kinds	Other Emoluments	Total
1	Dato' Sri Edwin Tan Pei Seng	Executive Director	-	-	900,000	150,000	35,200	127,158	1,212,358
2	Dato' Sri Godwin Tan Pei Poh	Executive Director	-	18,000	480,000	100,000	7,200	72,919	678,119
3	Mdm. Leong Siew Foong	Executive Director	-	23,861	216,000	15,000	9,910	31,743	296,514
4	Mr. Tee Boon Hin	Independent Director	66,000	3,000	-	-	-	-	69,000
5	Dato' Haji Ismail Bin Karim	Independent Director	66,000	3,000	-	-	-	-	69,000
6	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	Independent Director	66,000	3,000	-	-	-	-	69,000
7	Dato'Jeffrey Lai Jiun Jye	Non-Executive Non-Independent Director	60,000	3,000	-	-	-	-	63,000

Note:

[1] *The remuneration of Independent and Non-Executive Non-Independent Directors were approved by the shareholders at the 76th AGM of the Company.*

[2] *The allowances for Non-Executive Directors pertaining to the meeting allowance for attending meetings of the Board and Board Committees. Meanwhile, the allowances for Executive Directors include the subsidy interest allowance, parking and toll allowance.*

[3] *No Directors received any remuneration from the subsidiaries of the Company.*

TOP SENIOR MANAGEMENT REMUNERATION

The aggregate remuneration for the top Senior Management individuals during the fiscal year is disclosed in the band of RM50,000 on a named basis as follows:

Name of Senior Management	Range of Remuneration (RM)
Mr. Tan Hui Boon	250,001 to 300,000
Ms. Eileen Tey Yee Lin	300,001 to 350,000
Ms. Chew Sai Peng	350,001 to 400,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE B :
EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE

The Audit Committee ("AC") comprises three (3) members, all of whom are Independent Non-Executive Directors. Details about the AC's composition, attendance, roles and responsibilities are provided in the "Audit Committee Report" section of this Annual Report.

The Company adhered to Practice 9.1 of the MCCG, ensuring the AC Chairman is separate from the Board Chairman. The AC Chairman, is a Chartered Accountant and member of the Malaysian Institute of Accountants ("MIA"), complies with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities.

As of 31 March 2024, no Board or AC members were former key audit partners of the Group's External Auditors. The Board will observe a cooling-off period of at least three (3) years if any potential candidate who is a former key audit partner is being considered for appointment as a member of the AC.

Subsequent to the financial year, the NC assessed the performance of the AC. Based on the outcome, the Board is satisfied with the AC's performance, noting that the Chairman and members possess the necessary knowledge, experience, expertise and skills contributing to the overall effectiveness of the AC.

The Board will review the TOR of the AC and make any necessary amendments to ensure consistency with the needs of the Group and to be in line with the MMLR and the MCCG. The AC's TOR is accessible on the Company's website at **https://pgbgroup.com.my/corporate-governance/**, last reviewed on 18 July 2023.

EXTERNAL AUDITORS ASSESSMENT

The AC is responsible for the annual assessment of suitability, objectivity, independence and overall performance of External Auditors and advises the Board on their appointment, re-appointment or termination. In this regard, the Board has adopted an External Auditors' Policy outlining principles and guidelines for External Auditors' appointment, responsibilities, performance and independence. This policy is accessible on the Company's website **https://pgbgroup.com.my/corporate-governance/**, last reviewed on 18 July 2023.

During assessment, the AC is guided by the criteria as prescribed under Paragraph 15.21 of the MMLR of Bursa Securities and the External Auditors' Policy. The AC also considers the External Audit firm's Annual Transparency Report and reviews the provision of non-audit services by the External Auditors and their affiliates, ensuring the independence and objectivity are not compromised. Upon satisfaction with the External Auditors' competence and independence, the AC recommends their re-appointment to the Board for consideration.

The evaluation of the External Auditors, BDO PLT ("BDO"), for FY2024 was conducted in May 2024, with no major concerns arising and the AC was satisfied with their performance, confirming their independence throughout the audit engagement as per professional and regulatory requirements. BDO has also provided the required confirmation to the AC to declare their independence from the Group as External Auditors in accordance with independence requirements of the MIA By-Laws (On Professional Ethics, Conduct and Practice) throughout the FY2024 audit engagement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

The AC also reviewed the provision of non-audit services by BDO and its affiliates during FY2024 and concluded that they did not conflict with the BDO's audit services and did not compromise their independence and objectivity. Additional disclosures on non-statutory audit fees and the detailed work performed by the AC during the financial year are provided separately in the "Audit Committee Report" of this Annual Report.

Accordingly, the AC has recommended to the Board to endorse BDO's re-appointment for the ensuing financial year and recommends that the shareholders of the Company to approve BDO's re-appointment at the 77th AGM.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee ("RMC") consists of three (3) Independent and Non-Executive Directors. The composition of the RMC is as follows:

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

In discharging its roles and responsibilities, the RMC operates and guides under its TOR, which has been approved by the Board and is available on the Company's website. The Board reviews the TOR of RMC and makes any necessary amendments to ensure consistency with the needs of the Group and to be in line with the MMLR and the MCCG.

The RMC shall meet at least twice (2) a year or as and when deem fit and necessary. In the current financial year, three (3) meetings were held and the full attendance of the members as shown in the relevant section of this CG Statement.

Details on the key activities undertaken in relation to the risk management and internal control by the RMC during FY2024 are set out in the "Statement on Risk Management and Internal Control" section of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(continued)*

PRINCIPLE B :
EFFECTIVE AUDIT AND RISK MANAGEMENT

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board affirms its responsibility to maintain a sound risk management and internal controls system. This ensures assurance in achieving the Group's strategies and business objectives as well as safeguarding the interests of all stakeholders. This system is designed to manage risks within the parameters of the risk appetite and tolerance established by the Board. While it does not eliminate risks entirely, it provides reasonable assurance against the occurrence of any material misstatement, loss or fraud.

Risk management is an ongoing process that involves identifying, evaluating, responding to significant risks that may affect the Group's business performance. The Board has delegated governance oversight of risk management to the RMC. To effectively embed the practice of risk management throughout the Group, the Board, with the assistance of the RMC, has established a structured Group Risk Management Framework ("GRMF"). The GRMF serves as reference for managing risks, outlining governance structures, roles and responsibilities and processes used to manage risks within the organisation. It also incorporates the Group's risk appetite, tolerance levels and acceptable risks. The Board reviews the GRMF as and when necessary to ensure it ongoing effectiveness.

The Group conducts an annual risk review to identify and assess the risks from various perspectives, including strategic, governance, financial and operational perspectives. The findings, including key risks identified, relevant risk events and management action plans, are compiled into the Key Risk Report, which is then presented to the RMC. The RMC reviews and assesses the Group's risk appetite and tolerance, subsequently reporting the result of such reviews to the Board for their final review and decision. Further disclosure on the risk management activities during the financial year can be found in the "Statement on Risk Management and Internal Control" section of this Annual Report.

The Board has appointed an independent professional services company, NeedsBridge Advisory Sdn Bhd ("NeedsBridge"), to serve as the Group's Internal Auditors in reviewing the state of internal control of the Group and to highlight areas for management and operational improvement. NeedsBridge reports directly to the AC and conducts their duties in accordance with the engagement letter, Internal Audit Charter and the AC's TOR.

NeedsBridge maintains independence to provide objective assessments and impartial advice to the AC, ensuring effective operation of the Group's internal control systems and compliance with policies. They follow an approved audit plan, presenting reports to the AC on control effectiveness and significant risks. Any identified control deficiencies are communicated to Management for corrective action. For more comprehensive information regarding the state of the internal control system and the internal audit function of the Group, please refer to the "Statement on Risk Management and Internal Control" and "Audit Committee Report" sections of this Annual Report.

The Board has received assurance from the Executive Chairman and Finance Director that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group. The Statement on Risk Management and Internal Control has also been reviewed by the External Auditors. Upon on this, the Board is satisfied that the risk management and internal control systems in place during the year under review are adequate and effective in safeguarding the interests of stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

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

ENGAGEMENT WITH STAKEHOLDERS

The Board recognise the importance of keeping shareholders and other stakeholders well-informed about all material business matters affecting the Group through direct and effective communication channels. In line with this commitment, the Board ensures that any public disclosures related to the Group's business, operations and financial performance are accurate, timely, factual, informative, consistent and broadly disseminated. Complying with the MCCG and the Capital Markets and Services Act 2007, the Board ensures transparent dissemination of all material events and information, thereby providing fair and equitable access to all stakeholders without any selective disclosure.

To engage with shareholders and stakeholders effectively, the Group utilises various communication channels, including but not limited to:

(a) General meetings
(b) Corporate announcements;
(c) The Company's Annual Report;
(d) The Company's website at **www.pgbgroup.com.my**;
(e) Investor relations function; and
(f) Public events.

Maintaining effective communication with stakeholders, the Board shares information on the Group's operations, activities and performance through its Annual Report. The Company demonstrated its continuous commitment to improve the quality of information disclosures to stakeholders and promote greater transparency and accountability on Bursa Securities through its Annual Report.

Throughout FY2024, the Group organised various events and activities to foster dialogue and interaction with stakeholders, including investors, shareholders, employees and various community groups. Detailed of the stakeholder engagements in FY2024 are available in the "Sustainability Statement" section of this Annual Report.

CORPORATE DISCLOSURE POLICY

The Board understands the importance of transparent communication and has established a Corporate Disclosure Policy to ensure stakeholders receive accurate and timely information. This policy outlines guideline for disclosing material information, maintaining confidentiality and regulating insider trading. It also aims to ensure consistent disclosure practices across the Group and applies to all Directors, Management and the employees.

The Board will review the Corporate Disclosure Policy and make any necessary amendments to ensure its relevancy and alignment with the prescribed requirements and best corporate governance practices. Details of this policy are available on the Company's website at **https://pgbgroup.com.my/corporate-governance/.**

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

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

CONDUCT OF GENERAL MEETINGS

The Board recognises the importance of the general meetings as a platform for meaningful engagement among the Board, Senior Management and shareholders. Notice of the 76th AGM, held on 30 August 2023 and the Extraordinary General Meeting ("EGM") held on 11 March 2024, together with explanatory statements and proxy forms, were disseminated to shareholders at least twenty-eight (28) days before the respective meetings to encourage shareholder participation.

Both the 76th AGM and the EGM were convened physically. The decision to hold the general meetings physically was made with careful consideration given to the shareholders' structure, accessibility of the meeting location and the objective of fostering direct engagement with shareholders. To further promote active shareholder engagement, those unable to attend could appoint a proxy or designate the Chairman as their proxy via Remote Participation and Voting ("RPV") facilities.

All Directors were physically present at both general meetings, accompanied by the Company Secretary, Senior Management and the External Auditors at the 76th AGM to respond to matters that were under the purview of the respective parties. Similarly, all Directors as well as the respective Principal Advisors, Legal Due Diligence Solicitors and Independent Valuers, also attended the EGM held throughout the financial year.

Shareholders were encouraged to raise questions pertaining to the resolutions or Group's business activities and to communicate their expectations and concerns. The Chairman provided ample time for questions-and-answers sessions during the general meetings. Suggestions and comments communicated by shareholders were carefully considered and noted by the Board and Senior Management.

In line with the Paragraph 8.29A of the MMLR, any resolution sets out in the notice of general meeting intended to be moved will be voted by poll. The Company engaged Tricor Investor & Issuing House Services Sdn Bhd as the Poll Administrator to conduct online electronic polling process, enabling shareholders to vote remotely via Tricor's TIIH Online website at **https://tiih.online**, while Sky Corporate Services Sdn Bhd was appointed as the Scrutineer for both general meetings. The Scrutineer verified and announced the poll results, upon which the Chairman declared that all the resolutions were carried.

The poll results and outcomes of the general meeting were announced to Bursa Securities after the close of business on the same day following the conclusion of the general meetings. Pursuant to Guidance 13.6 of the MCCG, minutes of the general meetings were also made available on the Company's website at **www.pgbgroup.com.my** within thirty (30) business days after the general meetings for public information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board remains committed to upholding good corporate governance practices across the Group. Throughout the current financial year, the Company continues to prioritise reviewing and establishing relevant policies to govern various operations with an emphasis on fostering consistency, compliance and transparency across all levels.

Looking ahead, the Board's focus on corporate governance aims to strengthen practices aligned with the MCCG and the MMLR. This includes enhancing board oversight effectiveness, reviewing board composition with a focus on gender diversity and independence. In the medium term, the Board targets achieving 30% female representation, prioritising meritocracy in candidate selection to maintain a strong talent pipeline. Additionally, the Board aims to improve transparency by disclosing Senior Management remuneration, balancing this with the risk associated with key personnel attrition and the existing manpower shortage in Malaysia.

Furthermore, the Group will continue fostering a strong corporate culture by reinforcing sustainability practices for sustainable growth and performance. This involves integrating sustainability considerations into strategies, business plans and major actions, while ensuring adequate resources and efficient systems for effective risk management and sustainability governance.

Moving forward, the Board remains dedicated to advancing corporate governance standards, addressing any deviations from the MCCG and promoting a culture of risk and governance awareness across the organisation to safeguard the interests of all stakeholders and maintain high corporate governance standards.

COMPLIANCE STATEMENT

The Board has reviewed and approved this CG Statement and is satisfied that the Company has substantially complied with and applied the three (3) key Principles of the MCCG for the FY2024.

Comprehensive information regarding the Company's adherence to the MCCG Principles and compliance with its practices can be found in the CG Report. Any deviations from these practices are thoroughly explained in the CG Report, which is accessible on the Company's website at **www.pgbgroup.com.my.**

Both this CG Statement and the CG Report were approved by the Board on 22 July 2024.

ADDITIONAL COMPLIANCE INFORMATION

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

1. Utilisation of Proceeds raised from Corporate Proposal

During the FY2024, the utilisation of the proceeds raised is as follows:

Purpose	Intended timeframe for utilisation	Proposed utilisation RM	Actual utilisation RM	Reallocation RM	Unutilised proceeds RM
Partial settlement of the consideration for acquisition of freehold land	Within 9 months	25,450,000	(21,509,000)	(3,941,000)	-
Construction of medical centre	Within 12 months [1]	25,000,000	(25,000,000)	-	-
Working capital	Within 12 months	4,997,000	(9,101,000)	4,104,000	-
Estimated expenses in relation to the Rights Issue	Upon completion	550,000	(387,000)	(163,000)	-
	Total	**55,997,000**	**(55,997,000)**	**-**	**-**

Note:

[1] *The construction progress of the medical centre has been affected by the impact of COVID-19 pandemic and government-imposed lockdowns. As a result, the Company anticipated a delay of twenty-four (24) months to complete the construction of the medical centre.*

2. Audit Fees and Non-Audit Fees

The audit fees incurred for services provided by the Company's external auditors and their affiliated firms for the FY2024 were as follows:

	Group RM	Company RM
Audit Fees	124,300	60,000
Non-Audit Fees	28,700	5,700

The non-audit fees include payments to the external auditors and their affiliated firms for tax agent services, reviewing the Statement on Risk Management & Internal Control and the other information disclosed in this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION *(continued)*

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

There were no material contracts entered into by the Group involving Directors' and major shareholders' interests that were still subsisting at the end of the financial year or that were entered into since the end of the previous financial year.

4. Contract Relating to Loan

There were no contracts relating to loans entered by the Group involving the Directors' and major shareholders' interests during the financial year.

5. Related Party Transactions and Recurrent Related Party Transactions

An internal compliance framework ensures that the Group meets its obligations under the MMLR of Bursa Securities and other applicable guidelines regarding related party transactions.

The Company obtained approval from shareholders through a shareholders' mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business at the Seventy-Sixth (76th) Annual General Meeting ("AGM"). The shareholders' mandate will remain in force until the conclusion of the forthcoming AGM and is subject to renewal by the shareholders at that AGM. The Company will seek a new shareholders' mandate for recurrent related party transactions at the upcoming AGM to be held on 28 August 2024.

The details of the transactions with related parties undertaken by the Group during FY2024 are disclosed in Note 31 to the audited financial statements on pages 210 to 212 of this Annual Report.

6. Employee Share Scheme

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

FIVE-YEAR **FINANCIAL HIGHLIGHTS**

IN RM ('000)	2024	2023	2022	2021	2020*
Group Revenue	**50,970**	47,628	54,831	22,605	75,240
Group Profit/(Loss) Before Taxation	**838**	5,011	1,958	(2,149)	9,834
Taxation	**(2,080)**	(1,055)	(798)	298	(2,936)
Group (Loss)/Profit After Tax	**(1,242)**	3,956	1,160	(1,851)	6,898
Non-Controlling Interests	**(2)**	4	(15)	(5)	-
Total Comprehensive (Loss)/ Income Attributable to Owners of the Parent	**(1,240)**	3,952	1,175	(1,832)	1,381
(Loss)/Earnings Per Share (Sen) - Basic	**(0.17)**	0.53	0.25	(0.99)	3.70
Net Assets Per Share (Sen)	**40**	40	40	128	129
Shareholders' Fund	**298,091**	299,331	295,378	238,206	240,036

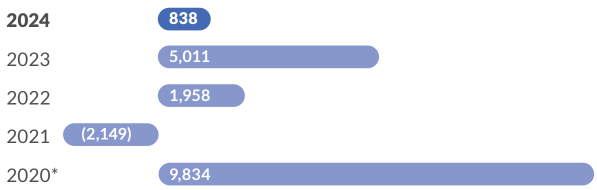
* *The amount for the financial year ended 2020 is excluding amount from discontinued operations.*

Group Revenue ('000)

RM **50,970**

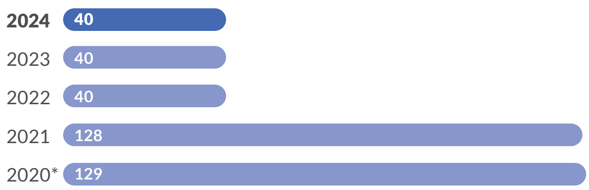
Group Profit Before Taxation ('000)

RM **838**



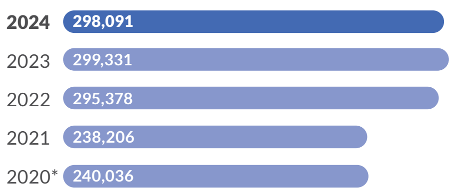
Net Assets Per Share (Sen)

40



Shareholders' Fund ('000)

RM **298,091**



STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

In preparing the financial statements, the Directors have:

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

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

The Directors are satisfied that, in preparing the financial statements of the Company and the Group for the year ended 31 March 2024, the Company and the Group have applied the appropriate and relevant accounting policies consistently; made judgments and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

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

This Statement on Directors' Responsibility is made in accordance with the resolution of the Board of Directors dated 22 July 2024.

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") of Paragon Globe Berhad ("the Company") (collectively with the subsidiaries, "the Group") is pleased to present the Audit Committee Report for the financial year ended 31 March 2024 ("FY2024") in compliance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR" or "Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") as follows:

COMPOSITION AND ATTENDANCE

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

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

All AC members meet the independence criteria under the MMLR and none has appointed an Alternate Director. No former key audit partner has been appointed to the AC unless they have observed a three (3) years cooling-off period. The current AC composition complies with Paragraph 15.09(1)(a), (b) and 15.09(2) of the MMLR, as well as Step-up Practice 9.4 of the Malaysian Code on Corporate Governance ("MCCG"). The AC members' attendance records are outlined in the "Corporate Governance Overview Statement" ("CG Statement") section on page 122 of this Annual Report.

The AC Chairman, Mr. Tee Boon Hin, who is not the Chairman of the Board, is a fellow member of the Malaysian Institute of Accountants ("MIA"). This ensures compliance with Paragraph 15.09(1)(c)(i) of the MMLR. He has the necessary skills to conduct AC meetings effectively, encouraging open discussions for thorough considerations of all matters. All AC members are financially literate and have extensive knowledge and experience in accounting, business and financial management.

TERMS OF REFERENCE

The AC operates under its terms of reference ("TOR"), which has been approved by the Board and is available on the Company's website at **https://pgbgroup.com.my/audit-committee/**. The Board reviews the TOR of the AC and makes any necessary amendments to ensure consistency with the needs of the Group and to be in line with the MMLR and the MCCG.

MEETINGS

As per TOR, the AC shall meet at least four (4) times each financial year. Additional meetings can be called at the Chairman's discretion. In the current financial year, the AC has met five (5) times. Notices, meeting agendas and relevant Board papers were distributed in advance to facilitate effective deliberation and decision making.

The Executive Chairman, Group Executive Director, Senior Management and other Management members attended the AC meetings on an as-needed basis at the Chairman's invitation. Representatives from the outsourced Internal Audit ("IA") Function, NeedsBridge Advisory Sdn Bhd ("NeedsBridge"), also attended to present their reports. Additionally, a separate session with NeedsBridge, without the presence of Executive Board members and Management, was held on the same day as the AC meeting.

The AC also met with the External Auditors, BDO PLT ("BDO") to review and discuss matters related to audit and financial reporting. BDO presented their audit plan and findings to the AC. Two (2) separate sessions with BDO, without the presence of the Executive Board members and Management, were also held on the same day as the AC meetings. BDO presented the Annual Transparency Report to the Board pursuant to the requirement of the Audit Oversight Board.

The AC has direct access to both the External and Internal Auditors. It reported significant issues and discussions to the Board and made necessary recommendations when appropriate.

The Company Secretary was presented at all meetings, documenting and maintaining the records of the proceedings in the minutes book. The minutes were confirmed at the following AC meeting and then presented to the Board for notation.

The Board is satisfied that the AC and its members effectively discharge their functions, duties and responsibilities in accordance with the AC's TOR during the financial year.

AUDIT COMMITTEE REPORT *(continued)*

SUMMARY OF WORK

In discharging its duties and responsibilities, the AC has undertaken the following works and activities in accordance with its TOR during the FY2024:

1. Financial Reporting

a. Reviewed the unaudited quarterly financial results and year-end financial statements of the Group, focusing on changes in accounting policies, significant and unusual events, going concern assumption and compliance with accounting standards and other legal requirements. Recommendations were made to the Board for approval before releasing the results to Bursa Securities and the Securities Commission.

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

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

2. External Audit

a. Reviewed the BDO's scope of work and audit planning memorandum which outlined their responsibilities, audit approach, scope and fees for auditing the Group's financial statements for the financial year ended 31 March 2024.

b. Assessed the reasonableness of the audit fees in relation to the Group's size and complexity.

c. Reviewed the Group's financial statements with BDO to ensure adequate disclosure for a fair presentation of the Group's financial affairs, recommending them to the Board for approval before submission to Bursa Securities and the Securities Commission and presentation to shareholders.

d. Discussed and reviewed any audit findings with Management and BDO regarding the Group's financial statements.

e. Held two meetings with BDO without the presence of the Management on 18 July 2023 and 22 February 2024 to ensure they work without limitation and interference and to exchange independent views on audit issues. BDO reported no concerns and received full cooperation from Management.

f. Evaluated the performance, independence, objectivity and effectiveness of BDO through detailed assessment questionnaires and provided recommendations to the Board. BDO confirmed their independence throughout the conduct of audit engagement. Based on the satisfactory assessment and upon recommendation of the AC, the Board recommended their re-appointment to shareholders at the forthcoming Annual General Meeting.

3. Internal Audit

a. Reviewed and approved the Group's IA plan to ensure adequate scope and coverage of key internal control risk areas.

b. Reviewed IA reports, findings, improvement recommendations, Management's responses and agreed actions to address identified weaknesses.

c. Evaluated the performance and competency of the IA teams to ensure they maintained professional knowledge and expertise. Based on a satisfactory assessment and upon recommendation of the AC, the Board approved the re-appointment of NeedsBridge, with fees to be determined later based on agreed audit area and period.

d. Reviewed amendments to the IA Charter to ensure the internal audits' activity, purpose, authority and responsibility were adequate to achieve its objectives.

e. Held a meeting with NeedsBridge without the presence of the Management on 23 November 2023 to ensure they could work without limitation or interference and to exchange independent views on audit issues. The Internal Auditors reported no concerns and received full cooperation from the Management.

AUDIT COMMITTEE REPORT *(continued)*

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

a. Reviewed the RPT on a quarterly basis to ensure they are conducted at arm's length basis on normal commercial terms, not detrimental to the interests of minority shareholders.

b. Assessed the adequacy of the Group's review procedures for RPT to ensure proper identification of related parties and compliance with Approved Accounting Standards, MMLR and requirements of other relevant authorities.

c. Monitored RRPT with shareholders' mandate to ensure:

   (i) transactions are at arm's length basis and on normal commercial terms;

   (ii) terms are not more favourable to the related parties than those available to the public;

   (iii) transactions not detrimental to minority shareholders and are in the best interest of the Group; and

   (iv) transactions are within prescribed limits.

d. Reviewed the estimated RRPT mandate for the year and recommended to the Board for renewal at the forthcoming Annual General Meeting.

5. Conflict of Interests ("COI")

The AC also reviewed and monitored all COI situations within the Group. This included assessing any transactions, procedures, or practices that raised concerns about Management integrity. The COI review extended to Directors, Senior Management and employees within the Group.

To address this, the AC actively engaged in:

a. scrutinise RPT and any potential or actual COI to ensure compliance with regulatory requirements and internal policies.

b. communicate findings and recommendations to the Board to foster transparency and accountability in decision making processes.

Two (2) potential COI were reported in FY2024, which could potentially conflict with the Group's interests or create perceptions of such conflicts. This situation may also hinder the Directors' ability to perform their role objectively and effectively. These transactions were deemed to have occurred in the normal course of business.

6. Risk Management and Internal Control

Reviewed the risk management process and internal control procedures to ensure a sound system is in place to manage identified risks.

7. Compliance

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

b. Reviewed the AC Report before recommending it to the Board for approval and inclusion into the Annual Report 2024.

c. Reviewed other reports issued by the Company within the Committee's responsibilities.

8. Others

a. Reviewed the Group's Budget for the financial year ended 31 March 2024 and made suitable recommendations to the Board for approval and adoption.

b. Reviewed the Annual Report, including the CG Statement, Corporate Gorvenance ("CG") Report, AC Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis, Additional Compliance Information and the Statement of Directors' Responsibilities, as well as the Audited Financial Statement of the Group. Recommended their adoption to the Board, discussed disclosure requirements for the sustainability statement and noted the management action plan.

AUDIT COMMITTEE REPORT *(continued)*

INTERNAL AUDIT FUNCTION

The AC is supported by NeedsBridge, an independent professional firm that handles the Group's IA Function. Their main goal is to provide an independent assessment of the adequacy and effectiveness of the Group's internal control system and evaluate compliance with Group policies and procedures.

The IA Function operates under an IA Charter that defines its authority, independence, objectivity and responsibilities. The outsourced IA Function reports directly to the AC and has direct access to its members when necessary. To ensure that the responsibilities of the IA Function are fully discharged in accordance with the International Professional Practices Framework ("IPPF"), the AC reviews the adequacy of scope and resources of the IA Function as well as competency and experience of the IA.

The engagement director of the outsourced IA Function is a Certified Internal Auditor with Certification in Risk Management Assurance and is also a chartered member of the Institute of Internal Auditors Malaysia. Further information on the resources, objectivity and independence of the engagement director of the outsourced IA Function and teams are provided in the CG Report in accordance with Practice 11.2 of the MCCG.

The engagement terms, including the purpose and scope of work, accountability, independence, responsibilities, Management's responsibilities, authority, scope limitations, confidentiality, fees and engagement team, are outlined in an engagement letter. The appointment, resignation and proposed fees for the IA Function are reviewed and approved by the AC and reported to the Board for final approval.

During the financial year, the IA Function performed the following key activities:

a. Prepared the annual audit plan for AC review and approval.

b. Conducted scheduled internal audits based on the approved audit plan. This included reviewing the adequacy and effectiveness of internal controls for management information system management as well as project and site management. Findings, potential risk, recommendations, management action plans, responsible persons and implementation dates were presented to the AC. Upon the satisfaction with the audit findings, the AC provided assurance to the Board on the effectiveness of the internal controls and risk management practices, safeguarding shareholders' investment and Group's assets.

c. Conducted follow up procedures to ensure that recommended actions were being implemented.

d. Performed ad-hoc reviews on areas of concerns affecting financial reporting, internal controls and governance.

The total cost incurred for the Group's IA Function for the FY2024 was RM 53,000 (2023: RM50,000).

The AC Report is made in accordance with a Board resolution dated 22 July 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In compliance with Paragraph 15.26(b) and Practice Note 9 of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") and the Malaysian Code on Corporate Governance ("MCCG"), the Board of Directors ("the Board") of Paragon Globe Berhad ("the Company") (collectively with the subsidiaries, "the Group") is pleased to present the Statement on Risk Management and Internal Control ("SORMIC"). This SORMIC outlines the nature and scope of the Group's risk management and internal control for the financial year ended 31 March 2024 ("FY2024"). It has been prepared in accordance with the "Statement on Risk Management and Internal Control - Guidelines for Directors of Public Listed Issuers" ("the Guidelines"). The SORMIC covers the Company and its operating subsidiaries.

THE BOARD'S RESPONSIBILITIES

The Board is responsible for maintaining a sound governance, risk management and internal control system and for reviewing their adequacy and effectiveness. This ensures the achievement of the Group's strategies and business objectives, protects the interests of all stakeholders and safeguards the Group's assets. Risk management is an ongoing process that involves identifying, evaluating, responding to, managing and monitoring significant risks that may affect the Group's business performance. It ensures that operational functions are maintained within an acceptable risk appetite while achieving the Group's strategic objectives.

The Board sets the Group's risk appetite based on the strategies, business objectives, internal and external business context, business nature and corporate lifecycle. The Board is committed to maintaining an appropriate control environment and governance framework. This framework is embedded into the Group's corporate culture, processes and strategies and includes financial, operational and compliance controls as well as risk management.

The Risk Management Committee ("RMC") is responsible for overseeing the Group's risk management matters. The RMC reviews the effectiveness of the risk management framework in identifying, assessing and managing risks. The Audit Committee ("AC") reviews the adequacy and effectiveness of the risk management and internal control system through its oversight of internal audits conducted by an independent assurance provider. The Management, led by the Executive Chairman, implements the risk management system required by the Board. This system aims to minimise risks and optimise opportunities in line with the Group's risk appetite. Management's duties include identifying, assessing and managing key business risks and opportunities and continuously reviewing and monitoring existing and emerging risks and opportunities.

The system of internal controls includes the control environment, risk assessment, control activities, information and communication and monitoring activities. The Board recognises that these systems and processes are designed to manage, rather than eliminate, the risk of failure to achieve the Groups' policies, goals and objectives. Therefore, the risk management framework and internal control system can only provide reasonable, not absolute, assurance against material misstatement of financial information and records or against material financial losses or fraud.

RISK MANAGEMENT

The Board is committed to identifying, evaluating and managing significant risks faced by the Group throughout the financial year. To embed risk management practices and effectively manage key business risks and opportunities, the Board has established a structured Group Risk Management Framework ("Framework"). This framework, guided by ISO 31000:2018 - Risk Management – Guidelines, provides governance for enterprise-wide risk management.

The Group aims to inculcate a culture of risk awareness and management across all business processes and strategic planning. The Board sets the Group's risk appetite and expects Management to operate within this Framework, ensuring proactive risk considerations in business processes and decision making.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

1. Objectives

The objectives of the Framework include, but are not limited to:

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

b) Ensuring risk consideration within tolerable thresholds throughout business processes and decision making; and

c) Defining roles and responsibilities and reporting structures clearly.

2. Governance Structure

The Framework outlines the objectives and processes for risk management established by the Board. It includes a formal governance structure for the Group's risk management activities, as illustrated below:

The Board delegates the duties of identifying, evaluating and managing key risks to the Top Management (defined as Senior Management made up of Executive Directors), led by the Executive Chairman, with oversight by the RMC. The Risk Management Function ("RMF") acts as the second line of defense, overseeing and monitoring risk management activities within the Group. Detailed roles and responsibilities for the Board, RMC, AC, Top Management, Risk Owners, RMF and IA Function are outlined in the Framework.

3. Roles and Responsibilities

Risk Management Committee

The RMC, consisting exclusively of Independent Non-Executive Directors, is responsible for:

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

b) Reviewing the effectiveness of the Framework in identifying and managing risks and internal processes. This includes, but not limited to, ensuring the adequacy of risk management policy and infrastructure to facilitate action plans for risk management, including setting the risk appetite for the Board;

c) Ensuring implementation and compliance with the Framework (including policies and processes); and ensuring that key risks and risk events are identified and addressed appropriately;

d) Monitoring trends in Key Risk Indicators and its implications on risks and risk events, Performance Indicators, changes to the Key Risk Profile and Risk Incident on a periodical basis (at least annually) or as needed due to significant change in the internal and external business context. This includes determining the course of action to be taken by Management in managing these changes and incidents;

e) Reviewing sustainability matters identified by the Sustainability Steering Committee and including them in the Key Risk Report for monitoring per (d) above and reporting to the Board;

f) Assessing the adequacy and effectiveness of the Framework (including policies and processes), risk appetite and support systems and recommending continuous improvements as may be deemed necessary to the Board based on review results, performance assessment and recommendations from the RMF;

g) Evaluating the risks associated with proposed strategic transactions and reporting to the Board for deliberation; and

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Risk Management Function

The RMF, led by the Corporate Compliance Officer and supported by the contract, finance and legal departments, is responsible for:

a) Acting as the central reference for risk management issues;

b) Facilitating and monitoring compliance with the Framework, risk management policy and process post implementation and reporting any non-compliance to Top Management and the RMC;

c) Coordinating risk management processes and activities, including continuous monitoring of risks and risk events identified, identification of new or emerging risks and risk events, updating risk and risk events into the Risk Register (including risks arising from sustainability matters), leading project dealing with new or changing material risks and risk events and tracking the progress of mitigation plans implementation, risk reporting and continuous improvement in risk management process;

d) Documenting all risk management activities;

e) Planning internal assurance activities related to the risk management process and reporting the results (with mitigation plans) to Top Management and the RMC;

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

g) Ensuring new or changing business risks and risk events (including sustainability risks and mitigation plans) are properly recorded by Risk Owners (using the Risk Register with such risks or risk events are properly identified), analysed and escalated to Top Management (as permitted by the significance of the key risks or risk events) and/or the RMC (as permitted by the significance of the key risks or risk events);

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

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

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

k) Reviewing and assessing the adequacy and effectiveness of the Framework (including policies and processes) and recommending continuous improvements to Top Management and the RMC based on the review results;

l) Ensuring proper reporting and communication of risk matters (including risks arising from sustainability matters) at appropriate levels, including but not limited to, the use of the Risk Register and other platforms to facilitate the risk management process; and

m) Providing appropriate trainings on risk management process and reporting to maintain or improve risk awareness, embedding risk management practices into daily operations to decision making at all levels of the Group.

The Framework provides a structured process for identifying, evaluating and managing risks and opportunities. This process is applied by Top Management and Risk Owners and includes steps for risk identification, evaluation, control identification, treatment and control activities.

Risk assessments are conducted at both gross and residual levels, using likelihood and impact rating based on the Board's acceptable risk appetite. Identified risks include sustainability matters noted during the sustainability assessment process. Risk Registers are compiled or updated by Top Management and Risk Owners annually or when changes in the internal and/or external business context necessitate an update. The RMF coordinates these updates with input from Risk Owners and the results of assurance activities.

The RMF compiles the Key Risk Report and Key Risk Profile from the updated Risk Registers and submits them to Top Management for review. Following this review, the RMF provides these documents to the RMC, which then reports the findings to the Board for final review and decision making.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

During the financial year, Top Management and Risk Owners conducted an assessment exercise, to review existing strategic, governance, sustainability, information technology and cybersecurity, fraud and operational risks and to identify any new emerging risks. These risks were assessed and added to the Risks Registers for ongoing monitoring and assessment. To align with the Adequate Procedures Principle II - Risk Assessment per Guidelines on Adequate Procedures Pursuant to Subsection 5 of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 and comply with Paragraph 15.29(1)(c) of the MMLR, a bribery risk assessment was also performed.

Risk Owners identify and assess the aforementioned risk events from various perspectives, including strategic, governance, financial, sustainability, fraud, information technology and cybersecurity, bribery and operational, to ensure comprehensive coverage. These assessments form the building blocks of the Group's Key Risk Profile, where the constituents (i.e. the risk events) of the Key Risks, along with their relationships (including triggering/intermediate events), are considered and consolidated to provide an overview, yet not overwhelming, of the overall risk profile for review by the RMC and the Board. The RMC and the Board then form an opinion on its adequacy and effectiveness and respond accordingly.

The Enterprise Risk Report, which includes the Key Risk Profile (strategic, governance, financial, sustainability, bribery, fraud and key operational risks) and the likelihood and impact ratings, is compiled by the RMF and reviewed by the RMC and the Board. During the financial year, the RMC convened once to review the Enterprise Risk Report and Key Risk Profile and reported to the Board on the results of its review.

The Group's risk management is further monitored through internal audits conducted by an outsourced IA Function. Each audit cycle includes specific objectives and key risks/risk events identified based on the internal audit plan approved by the AC.

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

INTEGRATING RISK MANAGEMENT WITH SUSTAINABILITY

The Board and Management recognise the importance of integrating sustainable practices to ensure long-term value creation for the organisation and stakeholders. With the Board's approval, the Group continues to report material sustainability matters in line with regulatory requirements, as disclosed in the "Sustainability Statement" section of this Annual Report.

INTERNAL CONTROLS SYSTEM

The Group's internal control system is comprised of five (5) core components: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities. Each component represents fundamental concepts essential to the internal control system.

The Board and Board Committees

The Board operates under a formal Board Charter that outlines the roles and responsibilities of the Board, the Executive Chairman, Executive Directors and Non-Executive Directors, ensuring the Board's independence from Management. The Board has established several committees, including the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee (collectively referred to as "Board Committees") to carry out specific duties and responsibilities as defined by their terms of reference.

Board and Board Committees meetings are carried out on scheduled basis to review the Group's financial and operational performance and to fulfill their fiduciary duties and responsibilities. Proposed business strategies are reviewed and approved by the Board, considering the associated risk and responses.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Integrity and Ethical Value

The Group's commitment to integrity and ethical values is established through a formal Code of Conduct approved by the Board. This Code forms the foundation of the Group's ethics and is included in the Employee Handbook. To further reinforce ethical behavior, the Group has implemented an Anti-Bribery and Anti-Corruption Policy and a Conflict of Interest and Related Party Transactions Policy to prevent bribery and conflict of interest within the Group. A Whistleblowing Policy is also in place, allowing stakeholders to report concerns about possible improprieties in matters of financial reporting, compliance and other malpractices. All stated policies are available on the Company's website at **https://pgbgroup.com.my/corporate-governance/** for ease of access.

Organisation Structure and Accountability

The Group maintains a well-defined organisational structure with clear delegation of responsibilities and accountability, including authorisation levels for all aspects of business operations. The Board, Management and operational committees facilitate the decision-making process. Various Board Committees have been established to assist the Board in fulfilling its duties. Each Board Committee has specific authorities and responsibilities, which are reviewed periodically to ensure they remain effective and aligned to the Group's needs.

Risk Assessment and Control Activities

Risk assessment, including fraud and bribery risks, are conducted by Risk Owners annually or when there are changes in the business context, in accordance with the Framework. Internal controls, as risk responses, are implemented to mitigate identified risks to acceptable levels as determined by the Board, i.e. the risk appetite.

Operational Policies and Procedures

Standard Operating Procedures ("SOPs") are formalised and documented for the key business processes to manage identified risks and ensure consistency of practices and controls within the Group. These policies and procedures are regularly updated to stay relevant and aligned with the evolving business environment. The SOPs are reviewed and improved in conjunction with internal audit reviews of selected operational areas.

An annual budget is prepared and approved by the Board, with variances monitored and reported quarterly. Appropriate actions are devised to address any areas of concerns arising from the regular review. Capital expenditures and investment options are also referred to the Board for review and approval.

Information and Communication

The Group uses modern information and communication infrastructures, such as computerised systems, secured intranet, electronic mail systems and telecommunication, to facilitate the timely and secure communication of operational and risk information.

Clear reporting lines and communication channels are established across the Group to ensure the effective dissemination of critical information, including risk information. Operational, financial and management reports are prepared at various organisational levels and shared with relevant personnel for review and timely decision making. Matters requiring the Board's attention are highlighted for review, deliberation and decision making. Regular meetings are held for effective two-way communication of information at different levels of Management and the Board.

Monitoring and Review

The IA Function conducts risk-based audits (i.e. focusing on key risk areas) to provide independent assurance on the effectiveness of the internal control system and advise on areas for improvement. The IA Function reports directly to the AC. Significant control issues highlighted by the External Auditors and other assurance providers are also reviewed.

Corrective actions are implemented to address incidents of non-compliance, with their progress monitored. The AC meets with Internal Auditors twice a year to review audit reports and ensure that appropriate remedial actions are taken. The AC also evaluates the adequacy and effectiveness of the Group's internal control systems.

Human Resource Management

Recruitment procedures ensure the Group employs and retains competent employees with the necessary knowledge, skills and experience. Performance evaluations are conducted at all staff levels to identify performance gaps, access training requirements and uncover the opportunities for talent development.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

INTERNAL AUDIT FUNCTION

The Group relies on its Internal Audit ("IA") Function to provide the Board and Management with assurance regarding the adequacy and effectiveness of governance, risk management and internal control systems. This ensures the mitigation of organisational risks and aligns with the Group's business objectives and risk appetite.

The Group outsource its IA Function to NeedsBridge Advisory Sdn Bhd, an independent professional firm. This firm reports directly to the AC. Mr. Pang Nam Ming, the engagement director, is accredited by the Institute of Internal Auditors Global as Certified Internal Auditor and holds a Certification in Risk Management Assurance. He is also a professional member of the Institute of Internal Auditors Malaysia. As a Certified Internal Auditor, he is required to declare compliance with the Standards of the Institute of Internal Auditors annually.

Internal audits are conducted in accordance with the International Professional Practices Framework ("IPPF") established by the Institute of Internal Auditors Global. This framework includes the Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. The engagement letter and Internal Audit Charter govern the audit engagement, detailing the purpose and scope of work, accountability, independence, responsibilities, authority, confidentiality, proposed fees and the engagement team. The AC reviews and approves the appointment, resignation and proposed audit fees of the outsourced IA Function, which is then reported to the Board for final approval.

During the financial year, sufficient resources were allocated for internal audit fieldwork based on the scope approved by the AC. The IA Function was staffed by one (1) manager, assisted by at least one (1) senior consultant and at least one (1) consultant per audit engagement, with oversight by the engagement director.

To preserve independence and objectivity, the IA Function is not allowed to act on behalf of Management, decide or implement management action plans, perform ongoing internal control monitoring activities (except for following up on action plan implementation), authorise or execute transactions, prepare source documents, have custody of assets, or act as Management or employees.

The risk-based internal audit plan for FY2024 was prepared by the outsourced IA Function, considering key business risks identified by the Group, Management input and previous internal audits. This plan was reviewed by the AC and recommended to the Board for approval. Scheduled internal audits were performed based on the approved plan, with any changes referred to the AC for review and Board approval before commencing the audit.

In FY2024, in accordance with the internal audit plan (and any amendments thereof) approved by the AC, the outsourced IA Function conducted audits on "Management Information System Management" and "Project and Site Management". Weaknesses and recommended corrective actions were highlighted to Management, with no material losses reported due to internal control weaknesses. Management actively worked to strengthen the internal control environment.

As a third-line function, the internal control review procedures by the outsourced IA Function aim to understand, document and evaluate risks and related controls in order to determine the adequacy and effectiveness of governance, risk and control structures and processes. The root causes of internal audit observations are included in the "Findings" or "Recommendations", with improvements formulated based on these root causes. Internal audit procedures involve process evaluations through interviews, review of SOPs and observations of processes. Control testing is conducted through sample reviews based on predetermined sample sizes.

After completing the internal audit fieldwork, the internal audit report is presented to the AC, including findings, risk implications, recommendations and management responses. These aspects are deliberated with the AC to form an opinion on the governance, risk and control effectiveness of the business process under review. The outsourced IA Function also reports staff strength, qualifications, experience and continuous professional education during scheduled AC meetings.

The AC and the Board, based on the evaluation of the outsourced IA Function and the review of its works and deliverables during the financial year, are satisfied that:

- the outsourced IA Function is free from any relationships or conflicts of interest that could impair their objectivity and independence;
- the scope of the outsourced IA Function is appropriate;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

- the outsourced IA Function possesses the relevant experience, knowledge, competency and authority to discharge its functions effectively, has sufficient resources and has unrestricted access to employees and information for the internal audit activities; and
- the internal audit plan, processes, results of the internal audit and any investigations undertaken are satisfactory.

The total costs incurred for the outsourced IA Function for the FY2024 amounted to RM53,000 (2023: RM50,000).

ASSURANCE PROVIDED BY EXECUTIVE CHAIRMAN AND FINANCE DIRECTOR

In accordance with the Guidelines, the Executive Chairman, the highest-ranking executive in the Company and the Finance Director, who oversees the Company's financial affairs, have assured the Board that to the best of their knowledge, the Group's risk management and internal control systems are operating effectively and adequately in all material aspects. This assurance is based on the risk management and internal control systems described above and pertains to the financial year under review.

OPINION AND CONCLUSION

During the Board and Board Committees meetings held throughout the financial year, the Group's performance was reviewed and discussed. These reviews included, but was not limited to, the adequacy and effectiveness of specific risk management and internal audit activities implemented to address identified business risks. Based on these reviews, the assurance provided by the Executive Chairman and Finance Director, internal audits conducted by the outsourced IA Function and reports from other professionals and regulatory bodies, the Board believes that the governance, risk management and internal control systems are satisfactory. No material losses, contingencies, or uncertainties have been identified that would require disclosure in the Group's Annual Report.

The Board is committed to maintaining effective risk management and internal control systems across the Group. Where necessary, appropriate plans will be implemented to enhance these systems and improve the Group's risk maturity. The Board will continue to evaluate and manage significant business risks to meet the Group's objectives in the current challenging business environment.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Securities' MMLR, the External Auditors have reviewed this SORMIC for inclusion in the Group's Annual Report for FY2024. Their review was conducted in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the SORMIC in Annual Reports issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems. However, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this SORMIC is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, or that it is factually incorrect.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 22 July 2024.

05

FINANCIAL STATEMENTS

DIRECTORS' REPORT

for the financial year ended 31 March 2024

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are properties development, properties investment, and constructions. Further details of the subsidiaries are set out in Note 11 to the financial statements.

There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial year	(1,242,489)	1,308,340
Attributable to:		
Owners of the parent	(1,239,669)	1,308,340
Non-controlling interests	(2,820)	-
	(1,242,489)	**1,308,340**

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year ended 31 March 2024.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no new issues of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS' REPORT *(continued)*

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Paragon Globe Berhad	Subsidiaries of Paragon Globe Berhad
Dato' Sri Edwin Tan Pei Seng	Dato' Sri Edwin Tan Pei Seng
Dato' Sri Godwin Tan Pei Poh	Dato' Sri Godwin Tan Pei Poh
Tee Boon Hin	Mohammed Khafidz Bin Mohamad Ishak
Dato' Haji Ismail Bin Karim	Tan Hui Boon
Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	
Dato' Jeffrey Lai Jiun Jye	
Leong Siew Foong (f)	

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	<------------------- Number of ordinary shares ------------------->			
	Balance as at 1.4.2023	Bought	Sold	Balance as at 31.3.2024
Shares in the Company				
Direct interests:				
Dato' Sri Edwin Tan Pei Seng	175,200	-	-	175,200
Dato' Sri Godwin Tan Pei Poh	8,000	-	-	8,000
Indirect interests:				
Dato' Sri Edwin Tan Pei Seng*	386,810,000	-	-	386,810,000
Dato' Sri Godwin Tan Pei Poh*	386,810,000	-	-	386,810,000
Shares in the ultimate holding company, Paragon Adventure Sdn. Bhd.				
Direct interests:				
Dato' Sri Edwin Tan Pei Seng	650,000	-	-	650,000
Dato' Sri Godwin Tan Pei Poh	350,000	-	-	350,000
Shares in a subsidiary, Builtech Acres Sdn. Bhd.				
Direct interests:				
Dato' Sri Edwin Tan Pei Seng	500,003	-	-	500,003

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

DIRECTORS' REPORT *(continued)*

DIRECTORS' INTERESTS *(continued)*

by virtue of their interests in the ordinary shares of the Company and ultimate holding company, Dato' Sri Edwin Tan Pei Seng and Dato' Sri Godwin Tan Pei Poh are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company have received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

(a) remuneration received by Directors as directors/executives of related companies; and

(b) by virtue of transactions entered into in the ordinary course of business.

There were no arrangements during and at the end of the financial year to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 March 2024 were as follows:

	Group RM	Company RM
Fees	324,000	258,000
Other emoluments	2,146,681	2,146,681
Estimated money value of benefits-in-kind	52,310	52,310
	2,522,991	**2,456,991**

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The amount of insurance premium paid by the Group and the Company for the financial year 2024 was RM17,500.

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

DIRECTORS' REPORT *(continued)*

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

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

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

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

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

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

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

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

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

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

(d) In the opinion of the Directors:

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

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

(III) AS AT THE DATE OF THIS REPORT

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

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

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

DIRECTORS’ REPORT *(continued)*

ULTIMATE HOLDING COMPANY

The Directors regard Paragon Adventure Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 24 June 2022, Paragon Platinum Sdn. Bhd. (“PPSB”), a wholly owned subsidiary of the Company had entered into three (3) Sale and Purchase Agreements (“SPAs”) with third parties to acquire three (3) pieces of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM38,079,420. On 10 April 2023, these SPAs have been completed pursuant to the terms of the SPAs and recognised as investment property and land held for property development respectively.

(b) On 9 November 2022 and 30 November 2022, Paragon Business Hub Sdn. Bhd. (“PBHSB”), a wholly owned subsidiary of the Company, had entered into two (2) separate SPAs with third parties to acquire two (2) pieces of freehold land for total purchase consideration of RM81,018,000. These SPAs have been completed on 10 November 2023 and 19 April 2023 respectively pursuant to the terms of the SPAs and recognised as property development costs.

(c) On 30 May 2023, Paragon Globe Properties Sdn. Bhd. (“PGPSB”), a wholly owned subsidiary of the Company has entered into a SPA with a third party to acquire a piece of freehold land located in Mukim of Pulai, Johor Bahru for total purchase consideration of RM2,504,885. On 8 August 2023, the SPA has been completed pursuant to the terms of the SPA and recognised as land held for property development.

(d) On 3 July 2023, PGB Iconic Sdn. Bhd. (“PISB”), a wholly owned subsidiary of the Company has entered into a SPA with a third party to acquire two (2) pieces of freehold land located in District of Johor Bahru, Johor for total purchase consideration of RM12,207,690. On 19 October 2023, the SPA has been completed pursuant to the terms of the SPA and recognised as land held for property development.

(e) On 3 November 2023, PISB has entered into a SPA with a third party to acquire a piece of freehold land located in Bandar Johor Bahru, Johor Bahru for total purchase consideration of RM16,538,120. The amount paid of RM3,308,120 has been recognised as deposits as disclosed in Note 13 to the financial statements as the SPA has yet to be completed as of current financial year end. On 22 April 2024, the SPA has been completed pursuant to the terms of the SPA.

(f) On 17 November 2023, PGB Landmark Sdn. Bhd. (“PLSB”), a wholly owned subsidiary of the Company has entered into eight (8) SPAs with third parties to acquire seven (7) pieces of freehold land located in Mukim of Tanjung Kupang, Johor Bahru for total purchase consideration of RM143,284,494 and one (1) piece of freehold land located in Mukim of Pulai, Johor Bahru for total purchase consideration of RM2,787,404. The amount paid of RM14,607,190 has been recognised as deposits as disclosed in Note 13 to the financial statements as these SPAs have yet to be completed as at current financial year end. Five (5) out of eight (8) SPAs were completed on 13 June 2024 and 19 July 2024 respectively pursuant to terms of SPAs.

(g) On 3 April 2024, PBHSB has entered into a SPA with a third party to acquire a piece of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM13,500,000. On 2 July 2024, the SPA has been completed pursuant to the terms of the SPA.

(h) On 8 May 2024, PBHSB has entered into a SPA with a third party for the proposed disposal part of the inventory measuring approximately 47.86 acres for a cash consideration of RM238,317,196. The SPA is yet to be completed as at the reporting date.

(i) On 30 May 2024, PBHSB has entered into a SPA with a third party to acquire a piece of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM28,563,133. This SPA is yet to be completed as at the reporting date.

DIRECTORS' REPORT *(continued)*

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2024 were as follows:

	Group RM	Company RM
Statutory audit	124,300	60,000
Other services	5,700	5,700
	130,000	65,700

Signed on behalf of the Board in accordance with a resolution of the Directors.

....

Dato' Sri Edwin Tan Pei Seng

Director

....

Dato' Sri Godwin Tan Pei Poh

Director

Johor Bahru

22 July 2024

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 170 to 222 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

....	....
Dato' Sri Edwin Tan Pei Seng	**Dato' Sri Godwin Tan Pei Poh**
Director	Director

Johor Bahru

22 July 2024

STATUTORY DECLARATION

I, Eileen Tey Yee Lin (CA 28954), being the officer primarily responsible for the financial management of Paragon Globe Berhad, do solemnly and sincerely declare that the financial statements set out on pages 170 to 222 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Johor Bahru, Johor this)
22 July 2024)

....

Eileen Tey Yee Lin

Before me:

INDEPENDENT AUDITORS' REPORT

to the members of Paragon Globe Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Paragon Globe Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 170 to 222.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

KEY AUDIT MATTERS

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

Key Audit Matter of the Group

(a) Revenue recognition for property development

Revenue from property development activities of the Group with over time recognition for the financial year ended 31 March 2024 amounted to RM29.7 million as disclosed in Note 23 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers, which include estimation of total contract costs in applying the input method to recognise revenue over time.

Audit response

Our audit procedures included the following:

(i) Reviewed contracts with customers to identify distinct and material performance obligations for over time revenue recognition;

(ii) Assessed estimated total costs to complete through inquiries with management personnel of the Group and tested documentation to support cost estimates made;

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

INDEPENDENT AUDITORS' REPORT *(continued)*

to the members of Paragon Globe Berhad (Incorporated in Malaysia)

KEY AUDIT MATTERS *(continued)*

Key Audit Matter of the Group *(continued)*

(a) Revenue recognition for property development *(continued)*

Audit response *(continued)*

Our audit procedures included the following: *(continued)*

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

(b) Fair value of investment properties

The Group's investment properties were carried at RM144.9 million as at 31 March 2024 as disclosed in Note 9 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in assessing the fair value. The valuation assessment which are assisted by independent valuer using comparison method, are based on assumptions, amongst others with adjustments made to comparable transaction including location, size, building constructions, accessibility, improvements, present property market condition and other relevant characteristics.

Audit response

Our audit procedures included the following:

(i) Obtained the independent valuation reports and assessed the competency, independence and integrity of the independent valuer;

(ii) Discussed with valuer to understand the basis of adjustments made to transacted price per square foot by considering factors related to the characteristics of each individual property, such as location, accessibility, size, tenure and comparable transaction dates; and

(iii) Benchmarked and challenged to external industry data on key inputs and comparable property transactions used by valuer.

Key Audit Matter of the Company

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

INDEPENDENT AUDITORS' REPORT *(continued)*

to the members of Paragon Globe Berhad (Incorporated in Malaysia)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT *(continued)*

to the members of Paragon Globe Berhad (Incorporated in Malaysia)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Sia Yeak Hong

03413/02/2025 J
Chartered Accountant

Johor Bahru
22 July 2024

STATEMENTS OF FINANCIAL POSITION
As at 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Plant and equipment	7	232,565	267,001	142,520	150,951
Right-of-use assets	8	1,536,899	1,718,498	1,299,015	1,199,883
Investment properties	9	144,931,555	87,987,058	-	-
Intangible assets	10	5,510	41,383	1	33,000
Investment in subsidiaries	11	-	-	125,621,800	147,655,263
Inventories	12	123,508,988	75,793,353	-	-
		270,215,517	165,807,293	127,063,336	149,039,097
Current assets					
Inventories	12	129,024,046	60,897,177	-	-
Trade and other receivables	13	26,894,917	19,479,807	129,771,267	33,772,546
Contract assets	14	2,001	530,414	-	-
Current tax assets		1,423,913	1,260,265	146,165	177,523
Other investments	15	17,519,294	77,682,927	17,515,115	65,671,891
Cash and bank balances	16	25,389,241	40,505,722	10,523,924	34,944,284
		200,253,412	200,356,312	157,956,471	134,566,244
TOTAL ASSETS		**470,468,929**	**366,163,605**	**285,019,807**	**283,605,341**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	17	259,224,659	259,224,659	259,224,659	259,224,659
Retained earnings		36,609,147	37,848,816	22,081,122	20,772,782
Capital reserves		2,257,088	2,257,088	2,257,088	2,257,088
		298,090,894	299,330,563	283,562,869	282,254,529
Non-controlling interests	11(b)	498,110	500,930	-	-
TOTAL EQUITY		**298,589,004**	**299,831,493**	**283,562,869**	**282,254,529**

STATEMENTS OF FINANCIAL POSITION *(continued)*

As at 31 March 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
LIABILITIES					
Non-current liabilities					
Borrowing	18	139,453,304	42,000,000	-	-
Lease liabilities	8	703,531	984,565	553,188	633,506
Deferred tax liabilities	19	5,306,886	4,993,737	-	-
		145,463,721	47,978,302	553,188	633,506
Current liabilities					
Trade and other payables	20	23,380,874	8,563,626	133,852	142,966
Borrowing	18	1,750,000	-	-	-
Lease liabilities	8	848,121	790,184	769,898	574,340
Contract liabilities	14	437,209	9,000,000	-	-
		26,416,204	18,353,810	903,750	717,306
TOTAL LIABILITIES		**171,879,925**	**66,332,112**	**1,456,938**	**1,350,812**
TOTAL EQUITY AND LIABILITIES		**470,468,929**	**366,163,605**	**285,019,807**	**283,605,341**

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	23	50,969,800	47,628,019	10,244,724	8,819,372
Cost of sales	24	(37,918,437)	(36,764,566)	-	-
Gross profit		13,051,363	10,863,453	10,244,724	8,819,372
Other income		3,576,090	7,296,302	666,904	1,499,329
Distribution costs		(145,619)	(2,939,229)	-	-
Administration expenses		(14,576,310)	(10,062,009)	(9,337,201)	(7,814,312)
Finance costs	25	(1,067,667)	(147,522)	(84,730)	(74,681)
Profit before taxation	26	837,857	5,010,995	1,489,697	2,429,708
Taxation	27	(2,080,346)	(1,054,992)	(181,357)	(33,697)
(Loss)/Profit for the financial year		(1,242,489)	3,956,003	1,308,340	2,396,011
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive (loss)/ income for the financial year		**(1,242,489)**	3,956,003	**1,308,340**	2,396,011
(Loss)/Profit for the financial year attributable to:					
Owners of the parent		(1,239,669)	3,951,818	1,308,340	2,396,011
Non-controlling interests	11(b)	(2,820)	4,185	-	-
		(1,242,489)	3,956,003	**1,308,340**	2,396,011
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(1,239,669)	3,951,818	1,308,340	2,396,011
Non-controlling interests	11(b)	(2,820)	4,185	-	-
		(1,242,489)	3,956,003	**1,308,340**	2,396,011
Earnings per ordinary share attributable to owners of the parent (sen):					
- Basic	28	(0.17)	0.53		
- Diluted	28	(0.17)	0.53		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2024

	<--- Non-distributable --->		Distributable			
	Share capital RM	Capital reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Group						
Balance as at 1 April 2022	259,224,659	2,257,088	33,896,998	295,378,745	496,745	295,875,490
Profit for the financial year	-	-	3,951,818	3,951,818	4,185	3,956,003
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	3,951,818	3,951,818	4,185	3,956,003
Balance as at 31 March 2023/ 1 April 2023	259,224,659	2,257,088	37,848,816	299,330,563	500,930	299,831,493
Loss for the financial year	-	-	(1,239,669)	(1,239,669)	(2,820)	(1,242,489)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive loss	-	-	(1,239,669)	(1,239,669)	(2,820)	(1,242,489)
Balance as at 31 March 2024	**259,224,659**	**2,257,088**	**36,609,147**	**298,090,894**	**498,110**	**298,589,004**

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2024

	<------------- Non-distributable	------------->	Distributable	
	Share capital RM	Capital reserve RM	Retained earnings RM	Total equity RM
Company				
Balance as at 1 April 2022	259,224,659	2,257,088	18,376,771	279,858,518
Profit for the financial year	-	-	2,396,011	2,396,011
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	2,396,011	2,396,011
Balance as at 31 March 2023/ 1 April 2023	259,224,659	2,257,088	20,772,782	282,254,529
Profit for the financial year	-	-	1,308,340	1,308,340
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	1,308,340	1,308,340
Balance as at 31 March 2024	**259,224,659**	**2,257,088**	**22,081,122**	**283,562,869**

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

STATEMENTS OF CASH FLOWS
For the financial year ended 31 March 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		837,857	5,010,995	1,489,697	2,429,708
Adjustments for:					
Amortisation of intangible assets	10	35,873	46,874	32,999	44,000
Depreciation of:					
- plant and equipment	7	66,713	72,793	40,708	47,014
- right-of-use assets	8	847,436	870,310	759,184	633,682
Fair value gain on other investments		(101,483)	(1,512,953)	(101,436)	(1,432,110)
Fair value adjustment of investment properties	9	(1,655,289)	(3,459,949)	-	-
Gain on disposals of other investments		(763,657)	(551,757)	(563,227)	(27,885)
Gain on disposal of right-of-use assets		(39,295)	-	-	-
Gain on termination of lease		(84,862)	(39,334)	-	(39,334)
Interest expense	25	1,067,667	147,522	84,730	74,681
Interest income		(363,148)	(722,644)	(314,142)	(645,899)
Operating (loss)/profit before changes in working capital		(152,188)	(138,143)	1,428,513	1,083,857
Changes in working capital:					
Contract assets		528,413	(530,414)	-	-
Contract liabilities		(8,562,791)	9,000,000	-	-
Inventories		(103,913,594)	(29,942,921)	-	-
Trade and other receivables		(21,854,094)	(8,959,521)	(9,795,857)	(8,197,763)
Trade and other payables		14,363,750	(1,589,668)	(18,744)	(54,913)
Cash used in operations		(119,590,504)	(32,160,667)	(8,386,088)	(7,168,819)
Tax paid		(2,142,166)	(1,014,153)	(149,999)	(35,000)
Tax refunded		211,321	391,583	-	-
Net cash used in operating activities		**(121,521,349)**	**(32,783,237)**	**(8,536,087)**	**(7,203,819)**

STATEMENTS OF CASH FLOWS *(continued)*

For the financial year ended 31 March 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Subscription of shares in subsidiaries	11	-	-	(7,499,998)	(200)
Interest received		363,148	722,644	314,142	645,899
Additions of:					
- investment properties	9(c)	(53,312,314)	(6,844,563)	-	-
- plant and equipment	7	(33,063)	(129,111)	(33,063)	(126,411)
- right-of-use assets	8(c)	(45,066)	-	(27,896)	-
- deposits pledged with licensed banks		(517,177)	(4,677)	-	-
Proceeds from disposal of plant and equipment		786	-	786	-
Proceeds from disposal of right-of-use assets		75,000	-	-	-
Net sale/(purchase) of other investments		61,028,773	(11,927,363)	48,821,439	(16,888,462)
Advances to subsidiaries		-	-	(168,430,822)	(33,579,445)
Repayments from subsidiaries		-	-	111,761,419	48,863,108
Repayments from related parties		11,130	11,384	9,630	3,810
Net cash from/(used in) investing activities		**7,571,217**	**(18,171,686)**	**(15,084,363)**	**(1,081,701)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		-	(36,493)	-	-
Net drawdown/(repayments) of:					
- term loan		99,203,304	42,000,000	-	-
- lease liabilities		(886,830)	(883,155)	(799,910)	(620,475)
Net cash from/(used in) financing activities		98,316,474	41,080,352	(799,910)	(620,475)
Net decrease in cash and cash equivalents		(15,633,658)	(9,874,571)	(24,420,360)	(8,905,995)
Cash and cash equivalents at beginning of financial year		40,275,367	50,149,938	34,944,284	43,850,279
Cash and cash equivalents at end of financial year	16(d)	24,641,709	40,275,367	10,523,924	34,944,284

STATEMENTS OF CASH FLOWS *(continued)*

For the financial year ended 31 March 2024

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 8)		Term loan (Note 18)
	Group RM	Company RM	Group RM
At 1 April 2023	1,774,749	1,207,846	42,000,000
Cash flows:			
- Drawdown	-	-	99,203,304
- Payment of lease liabilities	(888,830)	(799,910)	-
Non-cash flows:			
- Addition of lease liabilities	1,083,516	830,420	-
- Unwinding of interest	92,119	84,730	-
- Termination of lease	(511,902)	-	-
At 31 March 2024	**1,551,652**	**1,323,086**	**141,203,304**
At 1 April 2022	1,357,990	564,755	-
Cash flows:			
- Drawdown	-	-	42,000,000
- Payment of lease liabilities	(883,155)	(620,475)	-
Non-cash flows:			
- Additions of lease liabilities	1,666,240	1,666,240	-
- Unwinding of interest	111,029	74,681	-
- Termination of lease	(477,355)	(477,355)	-
At 31 March 2023	**1,774,749**	**1,207,846**	**42,000,000**

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

NOTES TO THE FINANCIAL STATEMENTS
31 March 2024

1. CORPORATE INFORMATION

Paragon Globe Berhad ("the Company") is a public listed company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at Level 10-02, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim.

The ultimate holding company of the Company is Paragon Adventure Sdn. Bhd., which is incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 March 2024 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 22 July 2024.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and the details of the subsidiaries are set out in Note 11 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company as set out on pages 170 to 222 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year. The new MFRSs and amendments to MFRSs adopted during the financial year are disclosed in Note 5 to the financial statements.

4. MATERIAL ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4.2 Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

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

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.3 Plant and equipment and depreciation

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

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

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

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

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

At the end of each reporting period, the carrying amount of an item of plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

4.4 Leases

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

Rented building and offices	2 to 5 years
Motor vehicles	20%

Lease liability

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

4.5 Inventories

(a) Completed properties held for sale

The completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing the properties until completion.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.5 Inventories *(continued)*

(b) Land held for property development

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost and net realisable value.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(c) Property development costs

Property development costs comprise all costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. Such development costs comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies.

4.6 Contract assets/(liabilities)

Contract assets are the rights to considerations for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue recognised over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liabilities are the obligations to transfer goods or services to customer for which the Group has received the consideration in advance or has billed the customers. In the case of property development and construction contracts, contract liabilities are the excess of the billings to date over the cumulative revenue recognised.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

4.7 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

The investment property under construction is measured at cost until the earlier of the date construction is completed or when the fair value can be determined reliably.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.8 Financial instruments

(a) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and met the definition of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities measured at FVTPL or financial liabilities measured at amortised cost.

4.9 Financial guarantee contract

Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:

(i) the amount of the loss allowance; and

(ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers.*

4.10 Revenue recognition

The revenue recognition of the Group and of the Company are as follows:

(a) Revenue from property development and construction contracts

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development and construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the property development cost and construction contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers and transaction price allocation in applying the input method to recognise revenue over time.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

4. MATERIAL ACCOUNTING POLICIES *(continued)*

4.10 Revenue recognition *(continued)*

The revenue recognition of the Group and of the Company are as follows: ***(continued)***

(a) Revenue from property development and construction contracts *(continued)*

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

There is no significant financing component in the revenue arising from property development and construction contracts as the contracts are on normal credit terms not exceeding twelve months.

(b) Completed properties (including land)

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the purchasers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

Revenue recognition not in relation to performance obligations is described below:

(a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(b) Distribution income of other investments

Distribution income is recognised when the right to receive payment is established.

(c) Management fee

Management fee from rendering of services is recognised when the services are rendered.

4.11 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of assets which require a substantial period of time to get them ready for their intended use are capitalised and included as part of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

The Group capitalise borrowing costs for all qualifying assets.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

5.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standard and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative Information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 112 *International Tax Reform - Pillar Two Model Rules*	Refer paragraph 98M of MFRS 112

Adoption of the above Standard and Amendments did not have any material effect on the financial performance or position of the Group and of the Company, except for the following:

Amendments to MFRS 101 *Disclosure of Accounting Policies*

The Amendments require the disclosures of 'material', rather than 'significant', accounting policies. The Amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Amendments had an impact on the Group's and Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

5. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSs *(continued)*

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

Title	Effective Date
Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*	1 January 2024
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Amendments, since the effects would only be observable for the future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

The management makes estimates and assumptions concerning the future as disclosed in respective notes to the financial statements. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is outlined below:

Fair value of investment properties

Fair value of investment properties requires management to exercise significant judgement in assessing the fair value.

Revenue recognition of property development

Revenue recognition for property development requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers and the total estimated costs.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

7. PLANT AND EQUIPMENT

Group	Furniture and fittings RM	Office Equipment RM	Computers RM	Total RM
2024				
At cost				
At 1 April 2023	130,418	49,669	358,615	538,702
Additions	-	15,554	17,509	33,063
Disposal	-	(2,100)	-	(2,100)
At 31 March 2024	130,418	63,123	376,124	569,665
Accumulated depreciation				
At 1 April 2023	42,995	18,061	210,645	271,701
Charge for the financial year	13,042	7,105	46,566	66,713
Disposal	-	(1,314)	-	(1,314)
At 31 March 2024	56,037	23,852	257,211	337,100
Net carrying amount				
At 31 March 2024	74,381	39,271	118,913	232,565
2023				
At cost				
At 1 April 2022	127,638	34,399	247,554	409,591
Additions	2,780	15,270	111,061	129,111
At 31 March 2023	130,418	49,669	358,615	538,702
Accumulated depreciation				
At 1 April 2022	30,069	13,092	155,747	198,908
Charge for the financial year	12,926	4,969	54,898	72,793
At 31 March 2023	42,995	18,061	210,645	271,701
Net carrying amount				
At 31 March 2023	87,423	31,608	147,970	267,001

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

7. PLANT AND EQUIPMENT *(continued)*

Company	Furniture and fittings RM	Office Equipment RM	Computers RM	Total RM
2024				
At cost				
At 1 April 2023	18,948	29,354	295,835	344,137
Additions	-	15,554	17,509	33,063
Disposal	-	(2,100)	-	(2,100)
At 31 March 2024	18,948	42,808	313,344	375,100
Accumulated depreciation				
At 1 April 2023	4,446	11,460	177,280	193,186
Charge for the financial year	1,895	4,803	34,010	40,708
Disposal	-	(1,314)	-	(1,314)
At 31 March 2024	6,341	14,949	211,290	232,580
Net carrying amount				
At 31 March 2024	12,607	27,859	102,054	142,520
2023				
At cost				
At 1 April 2022	16,168	16,784	184,774	217,726
Additions	2,780	12,570	111,061	126,411
At 31 March 2023	18,948	29,354	295,835	344,137
Accumulated depreciation				
At 1 April 2022	2,667	8,567	134,938	146,172
Charge for the financial year	1,779	2,893	42,342	47,014
At 31 March 2023	4,446	11,460	177,280	193,186
Net carrying amount				
At 31 March 2023	14,502	17,894	118,555	150,951

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(I) Right-of-use assets

Group	Rented building and offices RM	Motor vehicles RM	Total RM
2024			
At cost			
At 1 April 2023	2,500,838	708,011	3,208,849
Additions	691,816	436,766	1,128,582
Term expired	(102,528)	-	(102,528)
Termination	(732,070)	-	(732,070)
Disposal	-	(194,748)	(194,748)
At 31 March 2024	2,358,056	950,029	3,308,085
Accumulated depreciation			
At 1 April 2023	886,782	603,569	1,490,351
Charge for the financial year	754,046	93,390	847,436
Term expired	(102,528)	-	(102,528)
Termination	(305,030)	-	(305,030)
Disposal	-	(159,043)	(159,043)
At 31 March 2024	1,233,270	537,916	1,771,186
Net carrying amount			
At 31 March 2024	1,124,786	412,113	1,536,899
2023			
At cost			
At 1 April 2022	2,062,334	708,011	2,770,345
Additions	1,666,240	-	1,666,240
Termination	(1,227,736)	-	(1,227,736)
At 31 March 2023	2,500,838	708,011	3,208,849
Accumulated depreciation			
At 1 April 2022	947,790	461,966	1,409,756
Charge for the financial year	728,707	141,603	870,310
Termination	(789,715)	-	(789,715)
At 31 March 2023	886,782	603,569	1,490,351
Net carrying amount			
At 31 March 2023	1,614,056	104,442	1,718,498

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(continued)*

(I) Right-of-use assets *(continued)*

Company	Rented office RM	Motor vehicle RM	Total RM
2024			
At cost			
At 1 April 2023	1,666,240	513,263	2,179,503
Additions	590,420	267,896	858,316
At 31 March 2024	2,256,660	781,159	3,037,819
Accumulated depreciation			
At 1 April 2023	509,128	470,492	979,620
Charge for the financial year	703,018	56,166	759,184
At 31 March 2024	1,212,146	526,658	1,738,804
Net carrying amount			
At 31 March 2024	1,044,514	254,501	1,299,015
2023			
At cost			
At 1 April 2022	1,227,736	513,263	1,740,999
Additions	1,666,240	-	1,666,240
Termination	(1,227,736)	-	(1,227,736)
At 31 March 2023	1,666,240	513,263	2,179,503
Accumulated depreciation			
At 1 April 2022	767,814	367,839	1,135,653
Charge for the financial year	531,029	102,653	633,682
Termination	(789,715)	-	(789,715)
At 31 March 2023	509,128	470,492	979,620
Net carrying amount			
At 31 March 2023	1,157,112	42,771	1,199,883

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(continued)*

(II) Lease liabilities

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At beginning of financial year	1,774,749	1,357,990	1,207,846	564,755
Additions	1,083,516	1,666,240	830,420	1,666,240
Lease payments	(886,830)	(883,155)	(799,910)	(620,475)
Termination	(511,902)	(477,355)	-	(477,355)
Interest expense	92,119	111,029	84,730	74,681
At end of financial year	1,551,652	1,774,749	1,323,086	1,207,846
Represented by:				
Current liabilities	848,121	790,184	769,898	574,340
Non-current liabilities	703,531	984,565	553,188	633,506
	1,551,652	1,774,749	1,323,086	1,207,846
Lease liabilities owing to financial institutions	380,100	106,655	232,905	22,009
Lease liabilities owing to non-financial institutions	1,171,552	1,668,094	1,090,181	1,185,837
	1,551,652	1,774,749	1,323,086	1,207,846

(a) The Group has certain low-value leases of RM5,000 and below. The Group applies the "lease of low-value assets" exemptions for these leases.

(b) The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in administration expenses:				
Depreciation charge of right-of-use assets	847,436	870,310	759,184	633,682
Expense relating to leases of low-value assets	6,441	9,800	3,681	7,560
Interest expense on lease liabilities (included in finance costs)	92,119	111,029	84,730	74,681
Gain on termination of lease (included in other income)	(84,862)	(39,334)	-	(39,334)
Gain on disposal of right-of-use assets (included in other income)	(39,295)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(continued)*

(II) Lease liabilities *(continued)*

(c) During the financial year, the Group and the Company made the following cash payments to purchase right-of-use assets:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Purchase of right-of-use assets	436,766	-	267,896	-
Leases	(391,700)	-	(240,000)	-
Cash payment on purchase of right-of-use assets	45,066	-	27,896	-

(d) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in net cash from operating activities:				
Payment relating to low value assets leases	6,441	9,800	3,681	7,560
Included in net cash from financing activities:				
Payment of lease liabilities	886,830	883,155	799,910	620,475
Total cash outflow for leases	**893,271**	**892,955**	**803,591**	**628,035**

(e) The Group and the Company have several buildings lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group and Company's operations. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

There are no undiscounted potential future rental payments that are not included in the lease term.

(f) Weighted average incremental borrowing rates of the lease liabilities of the Group and of the Company as at the end of the reporting period is 5.69% and 5.86% (2023: 5.70% and 5.88%) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

9. INVESTMENT PROPERTIES

	Group	
	2024 RM	2023 RM
At fair value		
At beginning of financial year	87,987,058	66,149,572
Additions	55,289,208	6,844,563
Transfer from land held for property development (Note 12(a))	-	6,976,998
Transfer from property development costs (Note 12(b))	-	4,555,976
Fair value adjustment	1,655,289	3,459,949
At end of financial year	144,931,555	87,987,058

Included in the above are:

	Group	
	2024 RM	2023 RM
At fair value - freehold land	36,000,000	50,600,000
At fair value - freehold land with building (Note (d)(ii))	12,800,000	-
At cost - freehold land with building under construction	96,131,555	37,387,058
	144,931,555	87,987,058

(a) The lease payments to be received are as follows:

	Group	
	2024 RM	2023 RM
Less than one year	155,000	-
One to two years	3,485,000	-
Two to three years	7,947,380	5,056,000
Three to four years	10,568,920	6,266,000
Four to five years	11,778,920	7,476,000
More than five years	231,918,386	187,332,000
Total undiscounted lease payments	**265,853,606**	**206,130,000**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

9. INVESTMENT PROPERTIES *(continued)*

(b) Direct operating expenses arising from investment properties during the financial year are as follows:

	Group	
	2024 RM	2023 RM
Quit rent and assessment		
- not generating rental income	68,345	47,526

(c) During the financial year, the Group made the following cash payments to investment properties:

	Group	
	2024 RM	2023 RM
Purchase of investment properties	55,289,208	6,844,563
Deposit paid in prior year	(1,976,894)	-
Cash payment on purchase of investment properties	53,312,314	6,844,563

(d) The fair value of the investment properties of the Group are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Freehold land	-	-	36,000,000	**36,000,000**
Freehold land with building	-	-	12,800,000	**12,800,000**
2023				
Freehold land	-	-	50,600,000	**50,600,000**

(i) Freehold land of the Group were revalued on 31 March 2024 by the Directors based on a valuation exercise carried out by independent firms of registered professional valuer.

(ii) Freehold land with building of the Group were revalued on 31 March 2024 by Directors based on a valuation exercise carried out by independent firm of registered professional valuer, with the condition "as is" basis subject to obtaining with a certificate of completion and compliance ("CCC") by the relevant authorities.

(iii) The Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete.

(iv) The fair value measurements of the properties (at valuation) are based on the highest and best use which does not differ from their actual use.

(v) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial year ended 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

9. INVESTMENT PROPERTIES *(continued)*

(vi) The significant unobservable inputs used in determining the Level 3 fair value measurements by external valuers using comparison approach valuation techniques, comparing the subject properties with similar properties in and around the locality if any, and other relevant characteristics.

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
Freehold land	Comparison Method	Price per square foot	RM42 to RM147 (2023: RM42 to RM110)	Lower/higher price per square foot, lower/ higher fair value
Building	Replacement cost method	Price per square foot	RM 515 (2023: N/A)	Lower/higher price per square foot, lower/ higher fair value

(vii) Certain investment properties of the Group amounting to RM96,931,555 (2023: RM37,639,772) has been pledged to financial institution as security for unutilised credit facilities granted to a subsidiary of the Company.

(e) The Group has entered into a conditional tenancy agreement with a third party for investment property under construction, and collected advance tenancy deposit as disclosed in Note 20(d) to the financial statements.

10. INTANGIBLE ASSETS

	Group		Company	
Computer software	**2024 RM**	**2023 RM**	**2024 RM**	**2023 RM**
At cost				
At beginning/end of financial year	234,371	234,371	220,000	220,000
Accumulated amortisation				
At beginning of financial year	192,988	146,114	187,000	143,000
Charge for the financial year	35,873	46,874	32,999	44,000
At end of financial year	228,861	192,988	219,999	187,000
Net carrying amount	**5,510**	**41,383**	**1**	**33,000**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

11. INVESTMENT IN SUBSIDIARIES

	Note	Company 2024 RM	Company 2023 RM
At cost			
Unquoted equity shares			
At beginning of financial year		56,150,402	56,150,202
Acquisitions of subsidiaries		200	100
Additional subscription in existing subsidiary		7,499,798	100
At end of financial year		63,650,400	56,150,402
Accumulated impairment loss			
At beginning/end of financial year		(102)	(102)
Unquoted equity shares, at cost		63,650,298	56,150,300
Equity loans	11(j)	61,971,502	91,504,963
		125,621,800	**147,655,263**

(a) The details of the subsidiaries, which the country of incorporation and the principal place of business are all in Malaysia, are as follows:

Name of companies	Effective interest in equity 2024 %	Effective interest in equity 2023 %	Principal activities
Paragon Bizhub Sdn. Bhd. ("PBSB")#	100	100	Properties development
PGBG Construction Sdn. Bhd. ("PGBG")#	100	100	Properties development and building contractors
Paragon Globe Properties Sdn. Bhd. ("PGPSB")#	100	100	Properties development
Builtech Acres Sdn. Bhd. ("BASB")#	99.06	99.06	Properties investment
Paragon Business Hub Sdn. Bhd. ("PBHSB")#	100	100	Properties development
Paragon Platinum Sdn. Bhd. ("PPSB")#	100	100	Properties development and properties investment
Paragon Workers Hostel Sdn. Bhd. ("PWHSB")#	100	100	Dormant
PGB Iconic Sdn. Bhd. ("PISB")#	100	-	Properties development
PGB Landmark Sdn. Bhd. ("PLSB")#	100	-	Properties development
(i) Subsidiary of BASB			
Sepang Medicity Sdn. Bhd. ("SMSB")#	99.06	99.06	Medical centre and services (yet to commence operations)

Subsidiaries audited by BDO PLT.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

11. INVESTMENT IN SUBSIDIARIES *(continued)*

(b) Subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	NCI percentage of ownership interest and voting interest		Group	
	2024 %	2023 %	2024 RM	2023 RM
Carrying amount of NCI				
BASB Group	0.94	0.94	498,110	500,930
(Loss)/Profit for the financial year/ Total comprehensive (loss)/income allocated to NCI				
BASB Group			(2,820)	4,185

Summarised financial information before intra-group elimination of subsidiaries that have NCI as at the end of each reporting period are as follows:

BASB Group	2024 RM	2023 RM
Assets and liabilities		
Non-current assets	107,414,477	74,093,828
Non-current liabilities	(11,021,834)	(5,489,071)
Current assets	1,648,723	828,093
Current liabilities	(45,050,786)	(16,142,320)
Net assets	**52,990,580**	**53,290,530**
Results		
(Loss)/Profit for the financial year/Total comprehensive (loss)/ income for the financial year	(299,950)	445,207
Cash flows from operating activities	9,436,705	1,991,589
Cash flows used in investing activities	(33,839,505)	(6,514,700)
Cash flows from financing activities	24,893,844	4,514,675
Net increase/(decrease) in cash and cash equivalents	**491,044**	**(8,436)**

(c) In the previous financial year, the Company subscribed for entire ordinary shares capital in PWHSB for a total consideration of RM100 for 100 ordinary shares. Upon incorporation, PWHSB became a wholly-owned subsidiary of the Company.

(d) In the previous financial year, the Company had subscribed an additional 100 ordinary shares in a wholly owned subsidiary, PGPSB for a total consideration of RM100. Consequently, there was no change in the effective equity held by the Company in PGPSB.

(e) During the financial year, the Company subscribed the entire paid up capital of a newly incorporated company, namely PISB for total consideration amounting to RM100. Consequently, PISB become a wholly owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

11. INVESTMENT IN SUBSIDIARIES *(continued)*

(f) During the financial year, the Company subscribed the entire paid up capital of a newly incorporated company, namely PLSB for the total consideration amounting to RM100. Consequently, PLSB became a wholly owned subsidiary of the Company. Subsequently, the Company subscribed additional 2,499,900 ordinary shares for a total consideration of RM2,499,900. Consequently, there was no change in effective equity held by the Company in PLSB.

(g) During the financial year, the Company subscribed additional 2,499,998 ordinary shares in wholly owned subsidiary, namely PBHSB, for a total consideration of RM2,499,998. Consequently, there was no change in the effective equity held by the Company in PBHSB.

(h) During the financial year, the Company subscribed additional 2,499,900 ordinary shares in wholly owned subsidiary, namely PPSB, for a total consideration of RM2,499,900. Consequently, there was no change in the effective equity held by the Company in PPSB.

(i) On 14 May 2024, the Company subscribed the entire paid up capital of a newly incorporated company, namely PGB Desa Heights Sdn. Bhd. ("PDHSB") for total consideration amounting to RM100. Consequently, PDHSB become a wholly owned subsidiary of the Company and remained dormant as at reporting date.

(j) The Directors of the Company have assessed the nature of the amounts owing by subsidiaries and determined that an outstanding balance amounting to RM61,971,502 (2023: RM91,504,963) shall constitute equity loans to subsidiaries as these are unsecured, interest free and settlement are neither planned nor likely occur in the foreseeable future and considered to be part of the investment of the Company providing the subsidiaries with a long term source of additional capital. No expected credit loss is recognised as it is negligible.

Movement in equity loans to subsidiaries as follows:

	Company	
	2024 RM	2023 RM
At beginning of financial year	91,504,963	131,490,850
Repayments	(29,533,461)	(39,985,887)
At end of financial year	61,971,502	91,504,963

12. INVENTORIES

	Note	Group	
		2024 RM	2023 RM
At cost			
Non-current			
Land held for property development	(a)	123,508,988	75,793,353
Current			
Completed properties		14,882,137	29,526,361
Property development costs	(b)	114,141,909	31,370,816
		129,024,046	60,897,177

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

12. INVENTORIES *(continued)*

(a) Land held for property development

Group	Freehold land RM	Development costs RM	Total RM
Balance as at 1 April 2023	74,186,598	1,606,755	75,793,353
Cost incurred during the financial year	41,673,539	6,042,096	47,715,635
Balance as at 31 March 2024	115,860,137	7,648,851	123,508,988
Balance as at 1 April 2022	26,554,000	720,862	27,274,862
Cost incurred during the financial year	74,186,598	1,664,547	75,851,145
Transfer to property development costs (Note 12(b))	(19,851,000)	(504,656)	(20,355,656)
Transfer to investment properties (Note 9)	(6,703,000)	(273,998)	(6,976,998)
Balance as at 31 March 2023	74,186,598	1,606,755	75,793,353

Certain land held for property development of the Group has been pledged to financial institutions amounted to RM109,073,108 (2023: RM64,523,547) as security for credit facilities granted to certain subsidiaries of the Company as disclosed in Note 18 to the financial statements.

Included in the development costs is the interest capitalised for project not ready for its intended sale during the financial year amounting to RM3,044,276 (2023: RM987,104).

(b) Property development costs

Group	Freehold land RM	Development costs RM	Total RM
Balance as at 1 April 2023	28,760,628	2,610,188	31,370,816
Cost incurred during the financial year	84,390,820	19,606,027	103,996,847
Recognised during the financial year	(5,730,336)	(15,495,418)	(21,225,754)
Balance as at 31 March 2024	107,421,112	6,720,797	114,141,909
Balance as at 1 April 2022	13,044,867	1,415,832	14,460,699
Cost incurred during the financial year	-	1,110,437	1,110,437
Transfer from land held for property development (Note 12(a))	19,851,000	504,656	20,355,656
Transfer to investment properties (Note 9)	(4,135,239)	(420,737)	(4,555,976)
Balance as at 31 March 2023	28,760,628	2,610,188	31,370,816

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

12. INVENTORIES *(continued)*

(b) Property development costs *(continued)*

Certain freehold land of the Group has been pledged to financial institutions amounted to RM86,459,300 (2023: Nil) as security for credit facilities granted to a subsidiary of the Company as disclosed in Note 18 to the financial statements.

Included in the development costs is the interest capitalised for project not ready for its intended sale during the financial year amounting to RM1,203,981 (2023: Nil).

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables				
Third parties	4,210,500	4,517,900	-	-
Amounts owing by a related party	145,378	624,108	-	-
	4,355,878	5,142,008	-	-
Other receivables				
Amounts owing by subsidiaries	-	-	129,587,163	33,624,837
Amounts owing by related parties	786	-	786	-
Third parties	67,049	69,970	-	948
Deposits	18,982,216	14,033,263	201,991	174,031
	19,050,051	14,103,233	129,789,940	33,799,816
Less: Allowance for impairment losses				
- Other receivables	-	(39,000)	-	-
- Deposits	(19,300)	(19,300)	(19,300)	(19,300)
- Amounts owing by subsidiaries	-	-	(92,384)	(92,384)
	(19,300)	(58,300)	(111,684)	(111,684)
Total trade and other receivables	23,386,629	19,186,941	129,678,256	33,688,132
Prepayments	3,508,288	292,866	93,011	84,414
	26,894,917	19,479,807	129,771,267	33,772,546

(a) Trade receivables are non-interest bearing and the normal credit terms of the trade receivables granted by the Group range from 14 to 90 days (2023: 14 to 90 days). They are recognised at their original invoiced amounts, which represent their fair value on initial recognition.

(b) Amounts owing by subsidiaries and related parties are unsecured, interest-free.

(c) Trade and other receivables are denominated in Ringgit Malaysia ('RM').

(d) Included in deposits of the Group are amounts of RM17,915,310 (2023: RM11,909,742) paid in respect of several freehold land acquisitions with details disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

13. TRADE AND OTHER RECEIVABLES *(continued)*

(e) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses. Loss rates are based on actual credit loss experience over past years.

When determining whether the credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information on macroeconomic factors affecting the ability of customers to settle the receivables and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. Nevertheless, the Group and the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward looking information.

(f) Lifetime expected loss provision for trade receivables of the Group and of the Company are as follows:

Group	Gross carrying amount RM	Lifetime ECL allowance RM	Net carrying amount RM
As at 31 March 2024			
Not past due	1,790,878	-	1,790,878
Past due	2,565,000	-	2,565,000
	4,355,878	-	4,355,878
As at 31 March 2023			
Not past due	2,534,108	-	2,534,108
Past due	2,607,900	-	2,607,900
	5,142,008	-	5,142,008

As at the end of each reporting period, no collateral has been obtained by the Group and Company. Thus, the maximum credit risk exposure is equivalent to the gross carrying amount of trade receivable of the Group and of the Company.

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivable.

(g) Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The Group and the Company defined significant increase in credit risk when there is changes in contractual terms and delay in payment from its other receivables.

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

13. TRADE AND OTHER RECEIVABLES *(continued)*

(h) The reconciliation of movements in the impairment loss for other receivables is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables (credit impaired)				
At beginning of financial year	58,300	58,300	111,684	111,684
Written off	(39,000)	-	-	-
At end of financial year	19,300	58,300	111,684	111,684

Other receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties or recoverability is remote. These receivables are not secured by any collateral or credit enhancements.

(i) Information on financial risks of trade and other receivables is disclosed in Note 34 to the financial statements.

14. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2024 RM	2023 RM
Contract assets		
Construction contracts (Note a)	2,001	530,414
Contract liabilities		
Property development contracts (Note b)	(437,209)	(9,000,000)

(a) Contract assets from construction contracts

	Group	
	2024 RM	2023 RM
At beginning of financial year	530,414	-
Revenue recognised during the financial year	1,753,028	1,154,522
Progress billings	(2,281,441)	(624,108)
At end of financial year	2,001	530,414

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group	
	2024 RM	2023 RM
Within 1 year	-	1,753,028

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

14. CONTRACT ASSETS/(LIABILITIES) *(continued)*

(b) Contract liabilities from property development contracts

	Group	
	2024 RM	2023 RM
At beginning of financial year	(9,000,000)	-
Revenue recognised during the financial year	29,708,347	-
Progress billings	(21,145,556)	(9,000,000)
At end of financial year	(437,209)	(9,000,000)

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group	
	2024 RM	2023 RM
Within 1 year	16,236,453	45,000,000

(c) No expected credit loss is recognised arising from contract assets as it is negligible.

15. OTHER INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value through profit or loss				
Money market funds	17,519,294	77,682,927	17,515,115	65,671,891

(a) Money market fund represents investments in highly liquid islamic money market instruments, which are readily convertible to know amounts of cash and are subject to an insignificant risk of changes in value.

(b) Other investments are denominated in Ringgit Malaysia ('RM').

(c) Information on the fair value hierarchy is disclosed in Note 33(d) to the financial statements.

(d) Information on financial risks of other investments is disclosed in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

16. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	24,641,709	40,275,367	10,523,924	34,944,284
Deposits with licensed banks	747,532	230,355	-	-
	25,389,241	40,505,722	10,523,924	34,944,284

(a) Deposits with licensed banks of the Group have maturity period of one (1) month (2023: one (1) month).

(b) As at the end of the reporting period, the deposits with licensed banks of the Group have been pledged to financial institutions as security for credit facilities granted to certain subsidiaries of the Company as disclosed in Note 22 to the financial statements. Included in the deposits for an amount of RM495,000 (2023: Nil) is not entitled for interest income.

(c) Cash and bank balances are denominated in Ringgit Malaysia ('RM').

(d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	24,641,709	40,275,367	10,523,924	34,944,284
Deposits with licensed banks	747,532	230,355	-	-
	25,389,241	40,505,722	10,523,924	34,944,284
Less:				
Deposits pledged to licensed banks	(747,532)	(230,355)	-	-
	24,641,709	40,275,367	10,523,924	34,944,284

(e) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions is negligible.

(f) Information on financial risks of cash and bank balances is disclosed in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

17. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares	RM	Number of shares	RM
Issued and fully paid up ordinary shares with no par value				
At beginning/end of financial year	746,623,332	259,224,659	746,623,332	259,224,659

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

18. BORROWING

	Group	
	2024 RM	2023 RM
Non-current liability		
Term loan	139,453,304	42,000,000
Current liabilities		
Term loan	1,750,000	-
	141,203,304	42,000,000

(a) Borrowing is denominated in Ringgit Malaysia ("RM").

(b) Term loan of the Group is secured by:

(i) Legal charges over the Group's certain investment properties and inventories as disclosed in Note 9 and Note 12 to the financial statements;

(ii) Corporate guarantee by the Company; and

(iii) Joint and several guarantee by certain directors.

(c) Information on financial risks of borrowing and its remaining maturity is disclosed in Note 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

19. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group	
	2024 RM	2023 RM
At beginning of financial year	4,993,737	4,638,892
Recognised in profit or loss (Note 27)	313,149	354,845
At end of financial year (presented after appropriate offsetting)	5,306,886	4,993,737

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group	Plant and equipment and investment properties RM	Other temporary differences RM	Total RM
At 1 April 2023	5,184,530	(190,793)	4,993,737
Recognised in profit or loss	165,529	147,620	313,149
At 31 March 2024	5,350,059	(43,173)	5,306,886
At 1 April 2022	5,084,530	(445,638)	4,638,892
Recognised in profit or loss	100,000	254,845	354,845
At 31 March 2023	5,184,530	(190,793)	4,993,737

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unused tax losses				
- Expires by 31 March 2032 and 2033	711,000	1,607,000	-	936,000
- Expires by 31 March 2034	2,043,000	-	-	-
Unabsorbed capital allowances				
- No expiry date	5,000	137,000	-	132,000
	2,759,000	1,744,000	-	1,068,000

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the tax authority.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	8,299,557	3,127,478	-	-
Other payables				
Other payables	553,410	163,971	67,976	93,334
Amount owing to related party	20,301	8,385	17,676	8,046
Accruals	11,674,857	2,641,368	48,200	41,586
Deposits	2,564,459	1,908,804	-	-
Earnest deposit from purchasers	268,290	713,620	-	-
	15,081,317	5,436,148	133,852	142,966
	23,380,874	8,563,626	133,852	142,966

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group is 30 days (2023: 30 days).

(b) Amount owing to related parties are unsecured, interest-free and payable upon demand.

(c) Included in trade payables of the Group are retention sums of RM5,179,144 (2023: RM1,625,693).

(d) Included in deposits of the Group is an amount of RM1,500,000 (2023: RM1,500,000) advance conditional tenancy deposit received in relation to investment properties under construction of Group as disclosed in Note 9 to the financial statements.

(e) Trade and other payables are denominated in Ringgit Malaysia ("RM").

(f) Information on financial risks of trade and other payables is disclosed in Note 34 to the financial statements.

21. COMMITMENTS

	Group	
	2024 RM	2023 RM
(i) Capital commitment		
Capital expenditure in respect of investment property under construction	59,864,389	90,284,625
(ii) Commitment		
Contracted but not provided for land acquisition (Note 35)	144,694,709	107,187,678

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

22. CONTINGENT LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Secured				
Bank guarantees given to third parties				
- Limit of guarantee	271,000	271,000	-	-
- Amount utilised	155,190	115,190	-	-

Bank guarantees for third parties are secured by deposits placed with licensed banks.

23. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers				
Recognised over time:				
Property development	29,697,335	-	-	-
Construction contracts	1,753,028	1,154,522	-	-
	31,450,363	1,154,522	-	-
Recognised at point in time:				
Sales of completed properties	18,979,542	32,120,752	-	-
Sales of land	-	13,579,482	-	-
	18,979,542	45,700,234	-	-
Others				
Distribution income from other investments	224,915	127,364	171,121	88,462
Interest income	314,980	645,899	314,142	645,899
Management fees	-	-	9,759,461	8,085,011
	539,895	773,263	10,244,724	8,819,372
	50,969,800	47,628,019	10,244,724	8,819,372

Disaggregation of revenue from contracts with customers has been presented in the operating segments as disclosed in Note 32 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

24. COST OF SALES

	Group	
	2024 RM	2023 RM
Property development	21,225,754	-
Sales of completed properties	14,999,236	25,486,960
Construction contracts	1,693,447	1,080,686
Sales of land	-	10,196,920
	37,918,437	36,764,566

25. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expenses on:				
- bank overdrafts	-	36,493	-	-
- lease interest expense	92,119	111,029	84,730	74,681
- term loans	4,248,257	987,104	-	-
- unwinding interest	975,548	-	-	-
	5,315,924	1,134,626	84,730	74,681
Less: Amount capitalised in cost of qualifying assets	(4,248,257)	(987,104)	-	-
	1,067,667	147,522	84,730	74,681

26. PROFIT BEFORE TAXATION

Other than those disclosed elsewhere in the financial statements, profit before taxation is arrived at:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Auditors' remuneration				
- Statutory audit	124,300	102,300	60,000	57,000
- Non-statutory audit	5,700	2,700	5,700	2,700
And crediting:				
Other income inclusive:				
- Fair value gain on other investments	(101,483)	(1,512,953)	(101,436)	(1,432,110)
- Fair value adjustment of investment properties	(1,655,289)	(3,459,949)	-	-
- Interest income	(48,168)	(76,745)	-	-

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

27. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense based on (loss)/ profit for the financial year:				
- current year	1,818,944	662,994	203,071	33,697
- (over)/under provision in prior years	(51,747)	37,153	(21,714)	-
	1,767,197	700,147	181,357	33,697
Deferred tax (Note 19)				
- relating to origination and reversal of temporary differences	313,149	354,845	-	-
	2,080,346	1,054,992	181,357	33,697

(a) The Malaysian income tax is calculated at the statutory rate of 24% (2023: 24%) of the estimated taxable profits for the fiscal year.

(b) The numerical reconciliation between the taxation and the product of accounting (loss)/profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before taxation	837,857	5,010,995	1,489,697	2,429,708
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	201,086	1,202,639	357,527	583,130
Tax effects in respect of:				
Non-allowable expenses	2,159,034	688,825	276,397	193,973
Non-taxable income	(471,627)	(652,374)	(174,533)	(359,839)
Deferred tax assets not recognised	243,600	-	-	-
Utilisation of previously unrecognised deferred tax assets	-	(221,251)	(256,320)	(383,567)
	2,132,093	1,017,839	203,071	33,697
(Over)/Under provision of current tax in prior years	(51,747)	37,153	(21,714)	-
	2,080,346	1,054,992	181,357	33,697

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

28. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2024	2023
(Loss)/Profit attributable to equity holders of the parent ('RM')	(1,239,669)	3,951,818
Weighted average number of ordinary shares in issue	746,623,332	746,623,332
Basic (loss)/earnings per ordinary share (sen)	(0.17)	0.53

(b) Diluted

Diluted earnings per ordinary share for the current and previous financial years is equal to the basic earnings per ordinary share for the respective financial year as there were no outstanding dilutive potential ordinary shares at the end of each reporting period.

29. EMPLOYEE BENEFITS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, allowances and bonuses	6,075,429	5,230,212	5,792,657	4,954,256
Defined contribution plan	702,936	601,951	668,873	568,871
Other employee benefits	97,144	59,092	90,583	55,065
	6,875,509	5,891,255	6,552,113	5,578,192

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration of RM2,134,681 (2023: RM2,065,752).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

30. DIRECTORS' REMUNERATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors of the Company:				
- Other emoluments	2,134,681	2,065,752	2,134,681	2,065,752
Estimated money value of benefits-in-kind	52,310	47,167	52,310	47,167
	2,186,991	2,112,919	2,186,991	2,112,919
Executive Directors of the subsidiaries:				
- Fees	66,000	66,000	-	-
Total Executive Directors' remuneration	2,252,991	2,178,919	2,186,991	2,112,919
Non-executive Directors of the Company:				
- Fees	258,000	258,000	258,000	258,000
- Other emoluments	12,000	13,500	12,000	13,500
	270,000	271,500	270,000	271,500
Total Directors' remuneration including benefits-in-kind	2,522,991	2,450,419	2,456,991	2,384,419

31. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Company has controlling related party relationships with its direct and indirect subsidiaries.

Related parties of the Group include:

(i) Direct and indirect subsidiaries as disclosed in Note 11 to the financial statements;

(ii) Key management personnel, which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling activities of the Group directly or indirectly; and

(iii) Affiliates, companies in which certain Directors who are also the substantial shareholders of the Company have substantial shareholdings interest

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

31. RELATED PARTY DISCLOSURES *(continued)*

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Management fee income received from subsidiaries				
- PGBG Construction Sdn. Bhd.	-	-	(4,823,423)	(1,005,711)
- Paragon Bizhub Sdn. Bhd.	-	-	(4,636,039)	(6,779,300)
- Builtech Acres Sdn. Bhd.	-	-	(60,000)	(60,000)
- Paragon Business Hub Sdn. Bhd.	-	-	(60,000)	(60,000)
- Paragon Globe Properties Sdn. Bhd.	-	-	(60,000)	(60,000)
- Paragon Platinum Sdn. Bhd.	-	-	(60,000)	(60,000)
- Sepang Medicity Sdn. Bhd.	-	-	(60,000)	(60,000)
Lease payments paid to related parties				
- Castle Inn Realty Sdn. Bhd.	600,924	575,847	600,924	575,847
Lease payments to a Director	167,760	167,760	167,760	-
Progress billings received from related parties				
- Profit Streams Sdn. Bhd.	(2,283,441)	(624,108)	-	-
Administration expenses paid to related parties				
- Hotel Grand Paragon Sdn. Bhd.	93,383	33,914	62,624	29,857
- Mandarin Empire Sdn. Bhd.	170,246	-	170,246	-

The related party transactions described above were carried out on mutually agreed and negotiated terms.

Material balances with related parties as at the end of the reporting year are disclosed in Notes 13 and 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

31. RELATED PARTY DISCLOSURES *(continued)*

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and any other members of key management personnel of the Group and the Company.

The remuneration of key management personnel during the financial year was as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' remuneration including estimated money value of benefits-in-kind (Note 30)	2,522,991	2,450,419	2,456,991	2,384,419
Other key management personnel's remuneration	970,499	796,875	970,499	796,875
	3,493,490	3,247,294	3,427,490	3,181,294

32. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i) Investments segment which is investment holding;

(ii) Property development segment which is in the business of trading and development of properties; and

(iii) Construction segment which is in the business of construction of buildings, roads and railways and other specialised construction activities.

Management monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain respect as explained in the table below, it is measured differently from operating profit in the consolidated financial statements.

Inter-segment revenue is carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties and is eliminated on the consolidated financial statements. These policies have been applied constantly throughout the current and previous financial years.

Segment assets include tax assets and segment liabilities include tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors.

All the assets and capital expenditure of the Group are located within Malaysia.

Major customers

The Group does not have significant reliance on a single major customer, with whom the Group transacted ten (10) percent or more of its revenue during the financial year and previous financial year.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

32. OPERATING SEGMENTS *(continued)*

	Investments RM	Property development RM	Construction RM	Elimination RM	Total RM
2024					
External customers	485,263	48,731,509	1,753,028	-	50,969,800
Inter-segment revenue	9,759,461	-	49,406,604	(59,166,065)	-
Total revenue	**10,244,724**	**48,731,509**	**51,159,632**	**(59,166,065)**	**50,969,800**
Interest income	2,669	45,499	-	-	48,168
Finance costs	(84,730)	(982,937)	-	-	(1,067,667)
Net finance expense	(82,061)	(937,438)	-	-	(1,019,499)
Other non-cash items:					
Amortisation of intangible assets	(32,999)	(2,874)	-	-	(35,873)
Depreciation of:					
- plant and equipment	(45,502)	(17,238)	(3,973)	-	(66,713)
- right-of-use assets	(759,184)	(88,252)	-	-	(847,436)
Fair value gain on:					
- other investments	101,436	47	-	-	101,483
- investment properties	-	1,655,289	-	-	1,655,289
Gain on termination of lease	24,144	60,718	-	-	84,862
Segment profit/(loss) before taxation	**1,186,671**	**3,607,139**	**(2,060,341)**	**(1,895,612)**	**837,857**
Additions to non-current assets:					
- investment properties	33,752,483	22,720,110	-	(1,183,385)	55,289,208
- land held for property development	-	47,715,635	-	-	47,715,635
- plant and equipment	33,063	-	-	-	33,063
- right-of-use assets	858,316	270,266	-	-	1,128,582
- investment in subsidiaries	7,499,998	-	-	(7,499,998)	-
Segment assets	**394,084,532**	**331,796,060**	**25,201,429**	**(280,613,092)**	**470,468,929**
Segment liabilities	**50,817,692**	**246,917,340**	**26,211,758**	**(152,066,865)**	**171,879,925**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

32. OPERATING SEGMENTS *(continued)*

	Investments RM	Property development RM	Construction RM	Elimination RM	Total RM
2023					
External customers	734,361	45,739,136	1,154,522	-	47,628,019
Inter-segment revenue	8,085,011	-	5,889,201	(13,974,212)	-
Total revenue	**8,819,372**	**45,739,136**	**7,043,723**	**(13,974,212)**	**47,628,019**
Interest income	68,604	8,141	-	-	76,745
Finance costs	(103,614)	(43,908)	-	-	(147,522)
Net finance expense	(35,010)	(35,767)	-	-	(70,777)
Other non-cash items:					
Amortisation of intangible assets	(44,000)	(2,874)	-	-	(46,874)
Depreciation of:					
- plant and equipment	(51,808)	(17,012)	(3,973)	-	(72,793)
- right-of-use assets	(780,096)	(90,214)	-	-	(870,310)
Fair value gain on:					
- other investments	1,432,110	80,843	-	-	1,512,953
- investment properties	1,000,000	2,459,949	-	-	3,459,949
Gain on termination of lease	39,334	-	-	-	39,334
Segment profit/(loss) before taxation	2,149,184	3,018,275	(719,599)	563,135	5,010,995
Additions to non-current assets:					
- investment properties	6,490,200	607,077	-	(252,714)	6,844,563
- land held for property development	64,523,547	11,327,598	-	-	75,851,145
- plant and equipment	126,411	2,700	-	-	129,111
- right-of-use assets	1,666,240	-	-	-	1,666,240
- investment in subsidiaries	200	-	-	(200)	-
Segment assets	**440,319,211**	**106,225,756**	**5,944,604**	**(186,325,966)**	**366,163,605**
Segment liabilities	**86,785,860**	**12,441,168**	**4,894,592**	**(37,789,508)**	**66,332,112**

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

33. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using gearing ratio. The gearing ratio as of the end of the reporting period are as following:

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Borrowing (excluding lease liabilities)	18	141,203,304	42,000,000	-	-
Equity attributable to owners of the Company		298,090,458	299,330,563	283,562,869	282,254,529
Gearing ratio (times)		0.47	0.14	-	-

(b) Financial instruments

Categories of financial instruments

Group	2024 RM	2023 RM
Financial assets		
Fair value through profit or loss		
Other investments	17,519,294	77,682,927
Amortised cost		
Trade and other receivables, net of prepayments	23,386,629	19,186,941
Cash and bank balances	25,389,241	40,505,722
	48,775,870	59,692,663
	66,295,164	137,375,590
Financial liabilities		
Amortised cost		
Trade and other payables	23,380,874	8,563,626
Borrowing	141,203,304	42,000,000
	164,584,178	50,563,626

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

33. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial instruments *(continued)*

Categories of financial instruments *(continued)*

Company	2024 RM	2023 RM
Financial assets		
Fair value through profit or loss		
Other investments	17,515,115	65,671,891
Amortised cost		
Trade and other receivables, net of prepayments	129,678,256	33,688,132
Cash and bank balances	10,523,924	34,944,284
	140,202,180	68,632,416
	157,717,295	134,304,307
Financial liabilities		
Amortised cost		
Trade and other payables	133,852	142,966
	133,852	142,966

(c) Methods and assumptions used to estimate fair value

The fair value of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and floating rate borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(ii) Money market fund

Unquoted short term money market funds of the Group and of the Company is highly liquid, readily convertible to cash and are subject to insignificant risk of changes in value. The fair value is determined by reference to the counter party quotes at the close of the business at the end of the reporting period.

(iii) Financial guarantees

The Group and the Company provides corporate guarantees to licensed banks for banking facilities granted to subsidiaries and financial guarantees to third parties for supply of services to subsidiaries. The financial guarantees have not been recognised since the fair value on initial recognition was not material in view of the securities pledged by the subsidiaries as disclosed in Note 18 and Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

33. FINANCIAL INSTRUMENTS *(continued)*

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table set out the financial instruments carried at fair value, together with their fair value and carrying amount shown in the statements of financial position:

	Fair value of financial instruments carried at fair value				
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total fair value RM**	**Carrying amount RM**
2024					
Group					
Fair value through profit or loss					
Other investments	-	17,519,294	-	17,519,294	17,519,294
Company					
Fair value through profit or loss					
Other investments	-	17,515,115	-	17,515,115	17,515,115
2023					
Group					
Fair value through profit or loss					
Other investments	-	77,682,927	-	77,682,927	77,682,927
Company					
Fair value through profit or loss					
Other investments	-	65,671,891	-	65,671,891	65,671,891

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk as well as market price risk. Information on the management of the related exposures is detailed below.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk

Cash deposits and receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group extends credit to its customers based upon evaluation of the customer's creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. If necessary, the Group may obtain collaterals/ assignments as a mean of mitigating the risk of default.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The maximum exposure to credit risk in relation to financial guarantee contracts provided to the secured loans of the subsidiary amounts to RM141,203,304 representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

Recognition and measurement of impairment loss of financial guarantee contracts

The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiary deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

(a) the subsidiary is unlikely to repay its credit obligation to the bank in full; or

(b) the subsidiary is continuously loss making and are having a deficit shareholder's fund.

The Company determines the probability of default of the subsidiary using internal information available.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment where the Directors regard the fair values of the credit enhancement provided by the corporate guarantees as negligible. The Directors are of the view that the likelihood of the financial institutions calling upon the corporate guarantees is remote.

No impairment loss is recognised arising from the financial guarantees as it is negligible.

Information regarding credit exposure for trade and other receivables is disclosed in Note 13 to the financial statements.

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by identifying and monitoring any significant long outstanding balance owing by any major customer or counter party on an on-going basis.

The Group and the Company do not have any significant concentration of credit risk as at the end of the reporting period except for the amounts owing by subsidiaries of the Company.

As of the end of the reporting period, the Company's maximum exposure to credit risk represented by corporate guarantee provided to banks for banking facilities granted to its subsidiaries is disclosed in Note 18 and Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in the future. To mitigate this risk, the management measures and forecasts its cash commitments, monitors and maintain a level of cash and cash equivalents and credit facilities deemed adequate to finance the Group's operations and development activities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
As at 31 March 2024				
Financial liabilities				
Group				
Trade and other payables	23,380,874	-	-	23,380,874
Lease liabilities	910,236	752,659	-	1,662,895
Financial guarantee*	271,000	-	-	271,000
Borrowing	9,234,764	92,378,927	81,165,682	182,779,373
Total undiscounted financial liabilities	33,796,874	93,131,586	81,165,682	208,094,142
Company				
Trade and other payables	133,852	-	-	133,852
Lease liabilities	822,396	591,493	-	1,413,889
Financial guarantee*	141,203,304	-	-	141,203,304
Total undiscounted financial liabilities	142,159,552	591,493	-	142,751,045

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
As at 31 March 2023				
Financial liabilities				
Group				
Trade and other payables	8,563,626	-	-	8,563,626
Lease liabilities	863,378	1,020,250	-	1,883,628
Financial guarantee*	271,000	-	-	271,000
Borrowing	2,682,730	26,396,010	28,208,147	57,286,887
Total undiscounted financial liabilities	12,380,734	27,416,260	28,208,147	68,005,141
Company				
Trade and other payables	142,966	-	-	142,966
Lease liabilities	623,198	651,001	-	1,274,199
Financial guarantee*	42,000,000	-	-	42,000,000
Total undiscounted financial liabilities	42,766,164	651,001	-	43,417,165

*This disclosure represents the maximum liquidity risk exposure.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates. The exposures to market risk of the Group and of the Company for changes in interest rates relates primarily to the deposits placed with licensed banks and interest bearing borrowings of the Group and of the Company. The Group and the Company does not use derivative financial instruments to hedge this risk.
The following table sets out the carrying amounts, the weighted average effective interest rates and incremental borrowing rates as at the end of reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rate/ incremental borrowing rate %	On demand or within one year RM	One to two years RM	Two to five years RM	Over five years RM	Total RM
31 March 2024							
Fixed rates							
Deposits with licensed banks	16	2.50	252,532	-	-	-	252,532
Floating rate							
Borrowing	18	5.95	1,750,000	9,734,416	67,937,558	61,781,330	41,203,304
31 March 2023							
Fixed rates							
Deposits with licensed banks	16	2.44	230,355	-	-	-	230,355
Floating rate							
Borrowing	18	6.37	-	1,750,000	15,750,000	24,500,000	42,000,000

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by one hundred (100) basis points with all other variables held constant:

	Group	
	2024 RM	2023 RM
Profit after tax and equity		
- Increase by 1% (2023: 1%)	(1,073,145)	(319,200)
- Decrease by 1% (2023: 1%)	1,073,145	319,200

The sensitivity for the Group is higher in 2024 than in 2023 because of the increase in outstanding borrowing during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
31 March 2024

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(d) Market price risk

Market price risk is the risk that the fair value of future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market prices.

The Group and the Company is exposed to market price risks arising from other investments held by the Group and the Company. The maximum exposure of the Group and the Company to price risk is represented by the total carrying amount of the other investments recognised in the statements of financial position as disclosed in Note 15 to the financial statements. There has been no change to the exposure of the Group and of the Company to market risk or the manner in which the risk is managed and measured.

Sensitivity analysis for market price risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if market value at the end of each reporting period changed by one hundred (100) basis points with all other variables held constant:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit after tax and equity				
- Increase by 1% (2023: 1%)	(133,147)	(590,390)	(133,115)	(499,106)
- Decrease by 1% (2023: 1%)	133,147	590,390	133,115	499,106

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 24 June 2022, PPSB, a wholly owned subsidiary of the Company had entered into three (3) Sale and Purchase Agreements ("SPAs") with third parties to acquire three (3) pieces of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM38,079,420. On 10 April 2023, these SPAs have been completed pursuant to the terms of the SPAs and recognised as investment property and land held for property development respectively.

(b) On 9 November 2022 and 30 November 2022, PBHSB, a wholly owned subsidiary of the Company, had entered into two (2) separate SPAs with third parties to acquire two (2) pieces of freehold land for total purchase consideration of RM81,018,000. These SPAs have been completed on 10 November 2023 and 19 April 2023 respectively pursuant to the terms of the SPAs and recognised as property development costs.

(c) On 30 May 2023, PGPSB, a wholly owned subsidiary of the Company has entered into a SPA with a third party to acquire a piece of freehold land located in Mukim of Pulai, Johor Bahru for total purchase consideration of RM2,504,885. On 8 August 2023, the SPA has been completed pursuant to the terms of the SPA and recognised as land held for property development.

(d) On 3 July 2023, PISB, a wholly owned subsidiary of the Company has entered into a SPA with a third party to acquire two (2) pieces of freehold land located in District of Johor Bahru, Johor for total purchase consideration of RM12,207,690. On 19 October 2023, the SPA has been completed pursuant to the terms of the SPA and recognised as land held for property development.

(e) On 3 November 2023, PISB has entered into a SPA with a third party to acquire a piece of freehold land located in Bandar Johor Bahru, Johor Bahru for total purchase consideration of RM16,538,120. The amount paid of RM3,308,120 has been recognised as deposits as disclosed in Note 13 to the financial statements as the SPA has yet to be completed as of current financial year end. On 22 April 2024, the SPA has been completed pursuant to the terms of the SPA.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

31 March 2024

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD *(continued)*

(f) On 17 November 2023, PLSB, a wholly owned subsidiary of the Company has entered into eight (8) SPAs with third parties to acquire seven (7) pieces of freehold land located in Mukim of Tanjung Kupang, Johor Bahru for total purchase consideration of RM143,284,494 and one (1) piece of freehold land located in Mukim of Pulai, Johor Bahru for total purchase consideration of RM2,787,404. The amount paid of RM14,607,190 has been recognised as deposits as disclosed in Note 13 to the financial statements as these SPAs have yet to be completed as at current financial year end. Five (5) out of eight (8) SPAs were completed on 13 June 2024 and 19 July 2024 respectively pursuant to terms of SPAs.

(g) On 3 April 2024, PBHSB has entered into a SPA with a third party to acquire a piece of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM13,500,000. On 2 July 2024, the SPA has been completed pursuant to the terms of the SPA.

(h) On 8 May 2024, PBHSB has entered into a SPA with a third party for the proposed disposal part of the inventory measuring approximately 47.86 acres for a cash consideration of RM238,317,196. The SPA is yet to be completed as at the reporting date.

(i) On 30 May 2024, PBHSB has entered into a SPA with a third party to acquire a piece of freehold land located in Mukim of Plentong, Johor Bahru for total purchase consideration of RM28,563,133. This SPA is yet to be completed as at the reporting date.

06

ADDITIONAL INFORMATION

ANALYSIS OF SHAREHOLDINGS

As at 1 July 2024

A. SHARE CAPITAL

Total Number of Issued Shares	:	746,623,332
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote for each ordinary shares held

B. ANALYSIS OF SHAREHOLDINGS

No. of Holders	Size of Holdings	Total Holdings	Percentage of Holdings (%)
92	Less than 100	1,674	0.000
287	100 to 1,000	169,787	0.023
669	1,001 to 10,000	3,480,946	0.466
679	10,001 to 100,000	26,326,225	3.526
170	100,001 to less than 5% of Issued Shares	256,504,300	34.355
3	5% and above of Issued Shares	460,140,400	61.630
1,900		**746,623,332**	**100.000**

C. THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	Number of Shares	Percentage of Shares (%)
1.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Paragon Adventure Sdn. Bhd.	224,000,000	30.002
2.	Paragon Adventure Sdn. Bhd.	162,810,000	21.806
3.	Tan Hua Choon	73,330,400	9.821
4.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for Bank Julius Baer & Co. Ltd.	36,000,000	4.821
5.	Indobonus Sdn. Bhd.	31,356,400	4.199
6.	Tan Eng Boon	25,036,300	3.353
7.	Chew Huat Heng	20,000,000	2.678
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Private Wealth Management for Tan Wei Lun	16,000,000	2.142
9.	Maybank Securities Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Ong Har Hong	16,000,000	2.142
10.	Chew Huat Heng	12,750,300	1.707

ANALYSIS OF SHAREHOLDINGS *(continued)*

As at 1 July 2024

C. THIRTY LARGEST SHAREHOLDERS *(continued)*

No.	Name of Shareholder	Number of Shares	Percentage of Shares (%)
11.	Ong Wee Lieh	6,492,200	0.869
12.	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt AN for Bank of Singapore Limited	6,000,000	0.803
13.	Gui Ah Tee	4,922,200	0.659
14.	Tan Eng Choon	4,322,100	0.578
15.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Koh Kin Lip	3,250,000	0.435
16.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Rickoh Corporation Sdn. Bhd.	2,817,800	0.377
17.	Law Wei Hong	2,700,000	0.361
18.	Yong Cheen Yau	2,639,200	0.353
19.	Lim Yong Hiang	2,145,600	0.287
20.	Lee Chiew	1,955,200	0.261
21.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Tan Kar Ho	1,755,000	0.235
22.	Lim Chin Po	1,723,000	0.230
23.	Loo Tiang Leng	1,600,000	0.214
24.	Yo Hiang Lui	1,552,000	0.207
25.	Tan Eng Choon	1,520,000	0.203
26.	Ang Yam Fung	1,500,000	0.200
27.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Lee Sai Boon	1,400,000	0.187
28.	Khew Chien Xing	1,300,000	0.174
29.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Gary Goh Soo Liang	1,250,000	0.167
30.	Ta Kin Yan	1,150,000	0.154

ANALYSIS OF SHAREHOLDINGS *(continued)*

As at 1 July 2024

D. SUBSTANTIAL SHAREHOLDERS

According to the Register required to be kept under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

No.	Shareholder	Direct Interest	%	No of Shares Deemed Interest	%
1.	Paragon Adventure Sdn. Bhd.	386,810,000	51.808	-	-
2.	Tan Hua Choon	73,330,400	9.821	-	-
3.	Dato' Sri Edwin Tan Pei Seng^	175,200	0.023	386,810,000	51.808
4.	Dato' Sri Godwin Tan Pei Poh^	8,000	0.001	386,810,000	51.808

E. DIRECTORS' SHAREHOLDINGS

According to the Register required to be kept under Section 59 of the Companies Act 2016, the following are the shareholdings of the Directors of the Company:

No.	Directors	Direct Interest	%	No of Shares Deemed Interest	%
1.	Dato' Sri Edwin Tan Pei Seng^	175,200	0.023	386,810,000	51.808
2.	Dato' Sri Godwin Tan Pei Poh^	8,000	0.001	386,810,000	51.808
3.	Mdm. Leong Siew Foong	-	-	-	-
4.	Mr. Tee Boon Hin	-	-	-	-
5.	Dato' Haji Ismail Bin Karim	-	-	-	-
6.	Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	-	-	-	-
7.	Dato' Jeffrey Lai Jiun Jye	-	-	-	-

Note:
^ Deemed interested by virtue of his substantial indirect interest in Paragon Adventure Sdn. Bhd.

LIST OF GROUP PROPERTIES

As at 31 March 2024

No.	Company	Address	Description	Existing Use	Tenure / Approximate Age of Building	Net Book Value as at 31.03.2024 RM '000	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)
1	Paragon Bizhub Sdn Bhd	HSD 15022 PTD 14294 Mukim Jeram Batu, District Pontian, Johor	Approx. 1.0 acres of land approved for a petrol station	Development in progress	Freehold	12,800	2017 (A) / 2018 (C) / 2024 (R)
2	Paragon Bizhub Sdn Bhd	HSD 16994 - 17041 PTD 16999 - 17046 Mukim Jeram Batu, District Pontian, Johor	Approx. 2.1 acres of 48 parcels of commercial land	Development in progress	Freehold	12,864	2017 (A) / 2018 (C)
3	Paragon Bizhub Sdn Bhd	GRN 537530 - 537533 Lot 68977 - 68980 Mukim Jeram Batu, District Pontian, Johor	Approx. 6.3 acres of 4 parcels of industrial land	Development in progress	Freehold	12,246	2017 (A) / 2018 (C)
4	Paragon Bizhub Sdn Bhd	GRN 537539 - 537540 Lot 68982 - 68983 Mukim Jeram Batu, Daerah Pontian, Johor	Approx. 4.95 acres of 2 parcels of industrial land	Development in progress	Freehold	2,573	2017 (A) / 2018 (C)
5	Paragon Bizhub Sdn Bhd	HSD 14727 PTD 14003 Mukim Jeram Batu, District Pontian, Johor	Approx. 4.1 acres of hostel land	Development in progress	Freehold	10,324	2017 (A) / 2018 (C) / 2023 (R)
6	Paragon Bizhub Sdn Bhd	GM 568 Lot 5036, Mukim Jeram Batu, District Pontian, Johor	Approx. 7.6 acres of vacant land	Vacant land	Freehold	11,793	2022 (A) & (C)
7	Builtech Acres Sdn Bhd	GRN 96500 Lot 5244 Mukim Labu, District Sepang, Selangor	Approx. 7.1 acres of land approved for developments comprising medical centre	Development in progress	Freehold	69,978	2019 (R)
8	Builtech Acres Sdn Bhd	GRN 335351 Lot 3509 Mukim Labu, District Sepang, Selangor	Approx. 19.6 acres of vacant land	Vacant land	Freehold	36,000	2023 (R)

LIST OF GROUP PROPERTIES *(continued)*

As at 31 March 2024

No.	Company	Address	Description	Existing Use	Tenure / Approximate Age of Building	Net Book Value as at 31.03.2024 RM '000	Date of Acquisition (A)/ Completion (C)/ Revaluation (R)
9	Paragon Globe Properties Sdn Bhd	HSD 609016 - 609017 PTD 217873 - 217874 Mukim Pulai, District Johor Bahru, Johor	Approx. 31.1 acres of vacant land	Vacant land	Freehold	67,500	2019 (A) / 2022 (C)
10	Paragon Globe Properties Sdn Bhd	HSD 609015 PTD 217872 Mukim Pulai, District Johor Bahru, Johor	Approx. 1.3 acres of vacant land	Vacant land	Freehold	2,643	2023 (A) & (C)
11	Paragon Platinum Sdn Bhd	GM 950 Lot 282 Mukim Plentong, District Johor Bahru, Johor	Approx. 8.3 acres of vacant land	Vacant land	Freehold	14,473	2022 (A) / 2023 (C)
12	Paragon Platinum Sdn Bhd	GM 439 Lot 283 Mukim Plentong, District Johor Bahru, Johor	Approx. 9.9 acres of vacant land	Vacant land	Freehold	15,829	2022 (A) / 2023 (C)
13	Paragon Platinum Sdn Bhd	GM 880 Lot 85 Mukim Plentong, District Johor Bahru, Johor	Approx. 8.6 acres of vacant land	Vacant land	Freehold	13,841	2022 (A) / 2023 (C)
14	Paragon Business Hub Sdn Bhd	GM 699 Lot 300 & GRN 80943 Lot 2699 Mukim Plentong, District Johor Bahru, Johor	Approx. 114.3 acres of vacant land	Vacant land	Freehold	86,459	2022 (A) / 2023 (C)
15	PGB Iconic Sdn Bhd	GRN 85942 Lot 2942 & GRN 85947 Lot 2943 Township of Johor Bahru, District Johor Bahru, Johor	Approx. 1.41 acres of vacant land	Vacant land	Freehold	13,259	2023 (A) & (C)
						382,582	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventy-Seventh Annual General Meeting ("77th AGM") of the Company will be held at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru Johor, Malaysia on Wednesday, 28 August 2024 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following Ordinary Resolutions:

AGENDA

ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon. — **Please refer Explanatory Note A**

2. To re-elect the following Directors who retire during the year in accordance with the Company's Constitution and being eligible, offer themselves for re-election:

(a) Dato' Sri Godwin Tan Pei Poh	- Article 106	**RESOLUTION 1**
(b) Tee Boon Hin	- Article 106	**RESOLUTION 2**

3. To approve the proposed payment of Non-Executive Directors' Fees totaling RM282,000 for the financial year ending 31 March 2025 in the following manner:

(a) RM72,000 to Tee Boon Hin	**RESOLUTION 3**
(b) RM72,000 to Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar	**RESOLUTION 4**
(c) RM72,000 to Dato' Haji Ismail bin Karim	**RESOLUTION 5**
(d) RM66,000 to Dato' Jeffrey Lai Jiun Jye	**RESOLUTION 6**

4. To approve the payment of Non-Executive Directors' Allowances up to an amount of RM100,000 for the period from 28 August 2024 to the next AGM of the Company. — **RESOLUTION 7**

5. To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. — **RESOLUTION 8**

NOTICE OF ANNUAL GENERAL MEETING *(continued)*

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions: -

6. **RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75(1) AND 76(1) OF THE COMPANIES ACT 2016 ("RENEWAL MANDATE")** **RESOLUTION 9**

"**THAT** pursuant to Sections 75(1) and 76(1) of the Companies Act 2016, the Constitution of the Company and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion, deem fit, including in pursuance of offers, agreements, rights or options to be made or granted by the Directors while this approval is in force and that the Directors be and are hereby further authorised to make or grant offers, agreements, rights or options in respect of shares in the Company including those which would or might require shares in the Company to be issued after the expiration of the approval hereof provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) ["New Shares"] for the time being without first offering the New Shares to the holders of the existing shares and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad, and that such authority conferred by this resolution shall commence upon passing this ordinary resolution and continue to be in force until the conclusion of the next AGM of the Company."

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** **RESOLUTION 10**

"**THAT** approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties mentioned under Section 2.4 of the Circular to Shareholders dated 30 July 2024 which are necessary in the course of business of the Company and/or its subsidiaries for day-to-day operations and on normal commercial terms which are not more favourable to the related parties than those available to the public and not detrimental to the minority shareholders of the Company and such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting of the Company at which such Proposed Shareholders' Mandate is passed, at which time will lapse, unless by ordinary resolution passed at the Annual General Meeting whereby the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016, ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier."

NOTICE OF ANNUAL GENERAL MEETING *(continued)*

8. To transact any other business appropriate to an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act 2016 and the Company's Constitution.

BY ORDER OF THE BOARD

LEONG SIEW FOONG
MAICSA No. 7007572 (CCM PC No.: 202008001117)

Company Secretary

Johor Bahru
30 July 2024

Notes:

1. A member entitled to attend, speak and vote at the 77th AGM is entitled to appoint a proxy or proxies to attend, speak and vote at the 77th AGM. Each member entitled to vote may vote in person or by proxy or by attorney or in case of a corporation, to appoint a duly authorised representative to attend, 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 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, 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 forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the 77th AGM for the electronic Form of Proxy.

7. For the purpose of determining who shall be entitled to attend and vote at the meeting, the Company shall request the Record of Depositors as at 22 August 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).

NOTICE OF
ANNUAL GENERAL MEETING *(continued)*

ORDINARY BUSINESS

Audited Financial Statements for financial year ended 31 March 2024 - Explanatory Note A

8. This Agenda item is meant for discussion only as the audited financial statements do not require formal approval of shareholders pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, the matter will not be put for voting.

Re-election of Directors who retire in accordance with Articles 106 of the Company's Constitution

9. Article 106 of the Company's Constitution provides that one-third (1/3) or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. With the current Board size of seven (7), two (2) Directors are to retire in accordance with Article 106 of the Company's Constitution provided that all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election. The Company has also complied with the minimum requirement of Independent Directors, ie one-third (1/3) of its Board composition consists of Independent Directors. In the event of any vacancy in the Board of Directors, resulting in non-compliance of minimum Independent Director requirement, such vacancy must be filled within three (3) months.

   For the purpose of determining the eligibility of the Directors to stand for re-election at the 77th AGM, the Nomination Committee ("NC") has considered the following:

   (1) The assessment of the individual Director's level of contribution to the Board through each of their skills, experience and strength in qualities;

   (2) The level of independence demonstrated by each of the Non-Executive Directors ("NEDs"), and their ability to act in the best interests of the Company in decision-making, to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company; and

   (3) Fit and Proper Policy.

   In line with the Malaysian Code on Corporate Governance ("MCCG"), the Board has conducted an assessment of independence of the NEDs, and also other criteria i.e. character, integrity, competence, experience and time commitment in effectively discharging their respective roles as Directors of the Company. The individual Directors were assessed based on performance criteria set in the areas of Board dynamics and participation, competency and capability, independence and objectivity, probity and personal integrity, contribution and performance together with their ability to make analytical inquiries and offer advice and guidance. In addition, the retiring Directors have been assessed and evaluated individually by the Board based on fit and proper criteria. Directors' conflict of interest or potential conflict of interest are disclosed in Audit Committee Report.

   Premised on the annual assessment results, the individual Directors (including retiring Director) met the performance criteria required of the Company. Hence, the Board accepted the NC's recommendation that the Directors who retire in accordance with Article 106 of the Company's Constitution are eligible to stand for re-election at the relevant Board meeting. Retiring Directors had consented to their re-election, abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at Board meeting. Profiles of the retiring Directors are set out on pages 5 to 12 of the Company's Annual Report for the financial year ended 31 March 2024. In addition, the retiring Directors have satisfied the Company's Directors' Fit and Proper Policy. Retiring Directors will abstain from voting on the resolution in respect of their re-election at the 77th AGM.

NOTICE OF ANNUAL GENERAL MEETING *(continued)*

ORDINARY BUSINESS

Directors' remuneration

10. Resolutions 3 to 7, pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Guidance 7.2 of Malaysian Code on Corporate Governance requires each and every Non-Executive Director's fee and benefit to be table individually in the forthcoming AGM. In this respect, the Board agreed that the shareholders' approval shall be sought at 77th AGM on the Directors remuneration in two (2) separate resolutions as below: -

    (a) Resolutions 3 to 6 on payment of Directors' fees in respect of the financial year ending 31 March 2025 ("FY2025"); and

    (b) Resolution 7 on the payment of Directors' benefits from 77th AGM to the next AGM in 2025 ("Relevant Period").

Directors' fees

11. The Board decided to increase the NEDs' fees nominally for FY2025 in view of the performance of the Company and the current global economy. The detailed NEDs' fees are contained in page 136 of Corporate Governance Overview Statement.

    The payment of the NEDs' fees in respect FY2025 will only be made provided Resolutions 3 to 6 have been passed at 77th AGM.

Directors' remuneration (excluding Directors' fees)

12. The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to NEDs. Benefits are to reimburse NEDs' travelling expenses to attend meetings of Company. In addition, benefits comprise meeting allowances that are payable to all the NEDs. Payment of benefits to the NEDs will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company of the Relevant Period, based on the proposed benefits, if the proposed Resolution 7 is passed at the forthcoming Annual General Meeting.

    The Board is of the view that it is just and equitable for the Directors to be paid the Directors' benefits (excluding Directors' fees) as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company in the respective financial year.

    The total amount of benefits payable to NEDs is estimated to be up to RM100,000 for the Relevant Period after taking into account of several factors including the number of scheduled meetings to be held during the Relevant Period.

    Based on the schedule of meetings held in FY2024, an amount of RM12,000 has been utilised to pay the benefits to the Directors.

    NEDs who are shareholders of the Company will abstain from voting on Resolution 7 at the 77th AGM.

NOTICE OF ANNUAL GENERAL MEETING *(continued)*

ORDINARY BUSINESS

Appointment of Auditors

13. Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs BDO PLT ("BDO"), shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office. BDO, have indicated their willingness to continue their service until the conclusion of the 77th AGM.

    An annual assessment on the suitability and independence of BDO and the results were made known to Audit Committee. Amongst the criteria considered in the assessment,

    (a) the adequacy of the experience and resources of BDO in terms of the firm and the professional staff assigned to the audit;

    (b) independence of BDO and the level of non-audit services to be rendered by BDO to Company for FY2024, the number and experience of supervisory and professional staff assigned to the particular audit.

    Audit Committee took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at the private meetings, which demonstrated their independence, objectivity and professionalism. BDO also presented to Audit Committee its Annual Transparency Report.

    Audit Committee was satisfied with the suitability of BDO and recommended to the Board the re-appointment of BDO as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. Audit Committee was also satisfied in its review that the provisions of non-audit services by BDO to the Company and the Group for the financial year ended 31 March 2024 did not in any way impair their objectivity and independence as external auditors of the Group. The Board at its meeting held on 17 July 2024 accepted Audit Committee's recommendation and subsequently recommended the same for shareholders' approval to be sought at the 77th AGM on the re-appointment of BDO as external auditors of the Company for FY2025 under Resolution 8. Once it is passed, it will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

SPECIAL BUSINESS

Renewal of authority to allot and issue shares pursuant to Sections 75(1) and 76(1) of the Companies Act 2016 ("Renewal Mandate")

14. The Resolution 9 is for the purpose of renewing the General Mandate for issuance of shares by the Company pursuant to Sections 75(1) and 76(1) of the Companies Act 2016.

    The Resolution 9, if passed, is primarily to give flexibility to the Board of Directors of the Company, from the date of 77th AGM, to allot and issue shares or to make or grant offers, agreements, rights or options in respect of shares to such persons in their absolute discretion including to make or grant offers, agreements, rights or options which would or might require shares in the Company to be issued after the expiration of the approval, without having to convene a general meeting, provided that the aggregate number of shares issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being ("General Mandate"). As at the date of this Notice, the Directors have not utilised the General Mandate granted to the Directors at the 77th AGM and hence, no proceed was raised therefrom.

    This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting.

    The authority will provide flexibility to the Company for allotment and issuance of shares for any possible fund-raising activities, including but not limited to placement of shares for purpose of funding of future investment projects, working capital, capital expenditures, general corporate purposes, settlement of trade and non-trade creditors, repayment of banking facilities or as consideration for strategic opportunities involving equity deals which may require the allotment of new shares. In addition, any delay arising from and cost involved in convening general meeting to approve such issuance of shares should be eliminated.

NOTICE OF ANNUAL GENERAL MEETING *(continued)*

SPECIAL BUSINESS

Proposed Renewal Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

15. The Proposed Shareholders' Mandate under Resolution 10 is seeking for shareholders' approval at the forthcoming Annual General Meeting of the Company.

    The Proposed Shareholders' Mandate is to facilitate transactions in the normal course of business of the Company and its subsidiaries ("the Group") which are transacted from time to time with the specified classes of related parties, provided that they are carried out on an arm's length basis and on the Group's normal commercial terms and are not prejudicial to the shareholders on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

    By obtaining the shareholders' mandate on an annual basis, the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

    Further information on Proposed Shareholders' Mandate is set out in the Circular to Shareholders of the Company which is published on the Company website at **https://pgbgroup.com.my/**.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

	%
First Proxy	%
Second Proxy	%
TOTAL	**100 %**

FORM OF PROXY

I / We ____ NRIC / Passport No.:__________________

of ____ Telephone No.: ____________________

being a member / members of PARAGON GLOBE BERHAD hereby appoint ______________________________

____ NRIC / Passport No: __________________

of ____

#and / #or failing him / her ______________________________ NRIC / Passport No: __________________

of ____

or failing #him/ #her, the CHAIRMAN OF THE MEETING as my/our proxy(ies) to vote for me/us and on my/our behalf at the Seventy-Seventh Annual General Meeting ("77th AGM") of the Company at **Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia** on **Wednesday, 28 August 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:

AGENDA	RESOLUTION	FOR	AGAINST
Re-election of Dato' Sri Godwin Tan Pei Poh.	1		
Re-election of Tee Boon Hin.	2		
Approval the payment of RM72,000 for the Non-Executive Directors' Fees to Tee Boon Hin for the financial year ending 31 March 2025.	3		
Approval the payment of RM72,000 for the Non-Executive Directors' Fees to Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Hj. Mahfar for the financial year ending 31 March 2025.	4		
Approval the payment of RM72,000 for the Non-Executive Directors' Fees to Dato' Haji Ismail bin Karim for the financial year ending 31 March 2025.	5		
Approval the payment of RM66,000 for the Non-Executive Directors' Fees to Dato' Jeffrey Lai Jiun Jye for the financial year ending 31 March 2025.	6		
Approval the payment of Non-Executive Directors' Allowances up to an amount of RM100,000 for the period from 28 August 2024 to the next AGM of the Company.	7		
Re-appointment of Messrs BDO PLT as Auditors.	8		
Approval for the Renewal Mandate of the Authority to Allot and Issue Shares pursuant to Sections 75(1) & 76(1) of Companies Act 2016.	9		
Approval for the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	10		

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

The proportion(s) of my/our holding to be represented by my/our proxies is/are stated as above.

Signed this___________________ day of ____________________ 2024.

____
Signature

Notes:

(1) A member entitled to attend, speak and vote at the 77th AGM is entitled to appoint a proxy or proxies to attend, speak and vote at the 77th AGM. Each member entitled to vote may vote in person or by proxy or by attorney or in case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his/her place.

(2) Where a member entitled to vote on a resolution has appointed more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.

(3) The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.

(4) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(5) Each member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, 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, 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 forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the 77th AGM for the electronic lodgement of the Form of Proxy.*

(7) For the purpose of determining who shall be entitled to attend and vote at the meeting, the Company shall request the Record of Depositors as at 22 August 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).

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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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PARAGON GLOBE BERHAD
194801000095 (1713-A)

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