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

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PARAGON GLOBE BERHAD

百丽环球

194801000095 (1713-A)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

IN RELATION TO THE PROPOSALS SET OUT IN THE ENSUING PAGE

Principal Adviser



AN UNWAVERING COMMITMENT

TA Securities Holdings Berhad

(Company No. 197301001467 (14948-M))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting (“**EGM**”) of Paragon Globe Berhad (“**PGB**” or “**Company**”) will be held at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Friday, 27 December 2024 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

A member of PGB entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/her behalf. The Form of Proxy shall be deposited with our Company’s share registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to submit proxy appointment electronically via TIIH Online at <https://tiih.online> not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof or no later than Wednesday, 25 December 2024 at 10.00 a.m. Please follow the procedures as set out in the Administrative Guide for the EGM for the electronic lodgement of the Form of Proxy. The lodging of the Form of Proxy will not preclude you from participating and voting at the EGM should you subsequently decide to do so.

Date and time of EGM : Friday, 27 December 2024 at 10.00 a.m. or at any adjournment thereof
Last date and time for lodging of Form of Proxy : Wednesday, 25 December 2024 at 10.00 a.m.

This Circular is dated 12 December 2024

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

- (I) PROPOSED DISPOSAL BY PARAGON BUSINESS HUB SDN. BHD. (“PBHSB”), A WHOLLY-OWNED SUBSIDIARY OF PGB, OF PART OF A PARCEL OF FREEHOLD LAND HELD UNDER GERAN 80943 LOT 2699, IN THE MUKIM OF PLENTONG, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR (“MASTER LAND A”) MEASURING APPROXIMATELY 47.860 ACRES (“LAND A”) TO BRIDGE DATA CENTRES MALAYSIA IV SDN. BHD. (“BDCIV” OR “PURCHASER A”) FOR A CASH CONSIDERATION OF RM238,317,195.60 (“PROPOSED LAND A DISPOSAL”);**
- (II) PROPOSED ACQUISITION BY PBHSB, A WHOLLY-OWNED SUBSIDIARY OF PGB, OF ALL THAT PARCEL OF FREEHOLD LAND HELD UNDER HS(D) 631308 PTD 250799 (FORMERLY KNOWN AS GERAN 37983 LOT 2687), IN THE MUKIM OF PLENTONG, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR MEASURING 60,111 SQUARE METRES (APPROXIMATELY 14.85 ACRES) (“LAND B”) FROM SEMENANG REALTY SDN. BHD. (“SEMENANG” OR “VENDOR B”) FOR A CASH CONSIDERATION OF RM28,563,133.20 (“PROPOSED LAND B ACQUISITION”);**
- (III) PROPOSED ACQUISITIONS BY PBHSB, A WHOLLY-OWNED SUBSIDIARY OF PGB, OF 2 PARCELS OF FREEHOLD LANDS HELD UNDER GM 757 LOT 90 AND GM 1083 LOT 923, BOTH IN THE MUKIM OF PLENTONG, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR MEASURING 4.4895 HECTARES (APPROXIMATELY 11.09 ACRES) AND 3.3361 HECTARES (APPROXIMATELY 8.24 ACRES) RESPECTIVELY (“LANDS D”) FROM EKL HOLDINGS SDN. BHD. (“EKL HOLDINGS” OR “VENDOR D”) FOR A TOTAL CASH CONSIDERATION OF RM34,957,133.78 (“PROPOSED LANDS D ACQUISITION”);**
- (IV) PROPOSED DISPOSAL BY PBHSB, A WHOLLY-OWNED SUBSIDIARY OF PGB, OF PART OF A PARCEL OF FREEHOLD LAND HELD UNDER MASTER LAND A MEASURING APPROXIMATELY 19.759 ACRES (“LAND E”) TO BRIDGE DATA CENTRES MALAYSIA VI SDN. BHD. (“BDCVI” OR “PURCHASER E”) FOR A CASH CONSIDERATION OF RM98,980,734.60 (“PROPOSED LAND E DISPOSAL”); AND**
- (V) PROPOSED DEVELOPMENT RIGHTS BETWEEN PGB DESA HEIGHTS SDN. BHD. (“PDHSB”), A WHOLLY-OWNED SUBSIDIARY OF PGB, AND TROPICANA DANGA BAY SDN. BHD. (“TDBSB” OR “PROPRIETOR F”) OF 2 PARCELS OF FREEHOLD LANDS HELD UNDER HS(D) 577114 PTB 24234 AND HS(D) 577113 PTB 24233, BOTH IN THE TOWNSHIP OF JOHOR BAHRU, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR OWNED BY PROPRIETOR F, MEASURING 14,213.58 SQUARE METRES (APPROXIMATELY 3.51 ACRES) AND 14,630.85 SQUARE METRES (APPROXIMATELY 3.62 ACRES) RESPECTIVELY (“LAND F”) (“PROPOSED LAND F DEVELOPMENT RIGHTS”).**

(COLLECTIVELY PROPOSED LAND A DISPOSAL, PROPOSED LAND B ACQUISITION, PROPOSED LANDS D ACQUISITION, PROPOSED LAND E DISPOSAL AND PROPOSED LAND F DEVELOPMENT RIGHTS ARE REFERRED TO AS THE “PROPOSALS”)

DEFINITIONS

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

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| 1% GDV Payment | : | 1% of the GDV in consideration of PKPJ |
| Acquired Lands | : | Collectively, Land B, Land C and Lands D |
| Acquired Lands Proposed Development | : | Proposed development of 64 units of terraces factories, 20 units of semi-detached factories and 5 units of detached factories |
| Act | : | Companies Act 2016 |
| APDL | : | The advertising permit and PDHSB's license |
| BDCIV or Purchaser A | : | Bridge Data Centres Malaysia IV Sdn. Bhd. (Company No. 202001022170 (1378490-P)) |
| BDCMHIII | : | Bridge Data Centres Malaysia Holdings III Sdn. Bhd. (Company No. 202001020239 (1376559-P)) |
| BDCMHVI | : | Bridge Data Centres Malaysia Holdings VI Sdn. Bhd. (Company No: 202401022457 (1568306-P)) |
| BDCVI or Purchaser E | : | Bridge Data Centres Malaysia VI Sdn. Bhd. (Company No. 202401023920 (1569769-K)) |
| BDO PLT or Reporting Accountants | : | BDO PLT (Company No. 201906000013 (LLP0018825-LCA) & AF 0206) |
| Board | : | Our Board of Directors |
| BSI | : | Business conditions index |
| Bursa Securities | : | Bursa Malaysia Securities Berhad (Company No. 200301033577 (635998-W)) |
| CBD | : | Central Business District |
| CBRE WTW or Valuer | : | CBRE WTW Valuation & Advisory Sdn. Bhd. (Company No. 197401001098 (18149-U)) |
| Circular | : | This circular dated 12 December 2024 |
| Comparison Approach | : | Entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, terrain, size and shape of land, tenure, planning status, title restrictions (if any) and other relevant characteristics to arrive at the market value |
| Contiguous Lands | : | Collectively, Land A, Land B, Land C, Lands D and Land E |
| CSI | : | Consumer sentiments index |
| EGM | : | Extraordinary general meeting |
| EKL Holdings or Vendor D | : | EKL Holdings Sdn. Bhd. (Company No. 199401007047 (292726-U)) |
| EPS | : | Earnings per Share |

DEFINITIONS *(cont'd)*

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| EPU | : | Equity Development Division (previously known as Economic Planning Unit) within the Ministry of Economy of Malaysia |
| EPU Guidelines | : | The Guideline on the Acquisition of Properties (effective 1 March 2014) issued by the EPU and includes all amendments or modifications thereto |
| FYE | : | Financial year ended/ending |
| GCD | : | Global Corporate Development Sdn. Bhd. (Company No.: 200501023446 (705578-W)) |
| GDV | : | The gross revenue derived or to be derived from the Proposed Land F Development Rights, less the rebate, discount and promotional packages to be given to the end-purchasers |
| Land A | : | Part of the freehold land held under Master Land A measuring approximately 47.86 acres, which consists of the following plots: (a) Plot 1, measuring approximately 3.675 acres; (b) Plot 2, measuring approximately 6.580 acres; and (c) Plot 3, measuring approximately 37.605 acres |
| Land A Application to TNB CP | : | As defined in Section 3.2.3(iv) of this Circular |
| Land A Balance Deposit | : | Balance deposit of the Land A Disposal Consideration in the sum of Ringgit Malaysia nineteen million sixty-five thousand three hundred seventy-five and Cents sixty-five (RM19,065,375.65) only |
| Land A Balance Disposal Consideration | : | Balance of the Land A Disposal Consideration in the sum of Ringgit Malaysia two hundred fourteen million four hundred eighty-five thousand four hundred seventy-six and Cents four (RM214,485,476.04) only |
| Land A Disposal Consideration | : | Disposal consideration in the sum of Ringgit Malaysia two hundred thirty-eight million three hundred seventeen thousand one hundred ninety-five and Cents sixty (RM238,317,195.60) only for the Proposed Land A Disposal |
| Land A Earnest Deposit | : | Earnest deposit of Land A Disposal Consideration in the sum of Ringgit Malaysia four million seven hundred sixty-six thousand three hundred forty-three and Cents ninety-one (RM4,766,343.91) only |
| Land A EPU Confirmation | : | As defined in Section 3.2.3(vi) of this Circular |
| Land A Roads CP | : | As defined in Section 3.2.3(v) of this Circular |
| Land A ROW CP | : | As defined in Section 3.2.3(iii) of this Circular |
| Land A Section 433B Approval | : | As defined in Section 3.2.3(vii) of this Circular |
| Land A SPA | : | Conditional sale and purchase agreement dated 8 May 2024 and supplemental letter dated 2 August 2024 entered into between PBHSB and Purchaser A for the Proposed Land A Disposal |
| Land A SPA CP | : | As defined in Section 6.2.3(ii) of this Circular |

DEFINITIONS *(cont'd)*

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| Land A Title CP | : | As defined in Section 3.2.3(i) of this Circular |
| Land A TNB Land CP | : | As defined in Section 3.2.3(ii) of this Circular |
| Land A Unconditional Date | : | The date the last Land A conditions precedent is fulfilled or waived by Purchaser A to the extent permitted by law |
| Land A Valuation Report | : | Valuation report prepared by the Valuer dated 6 September 2024 to assess the market value of Land A |
| Land B | : | All that parcel of freehold land held under HS(D) 631308 PTD 250799 (formerly known as Geran 37983 Lot 2687), in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring 60,111 square metres (approximately 14.85 acres) |
| Land B Balance Deposit | : | Balance deposit of the Land B Purchase Consideration in the sum of Ringgit Malaysia two million two hundred eighty-five thousand fifty and Cents sixty-six (RM2,285,050.66) only |
| Land B Balance Purchase Consideration | : | Balance of the Land B Purchase Consideration in the sum of Ringgit Malaysia twenty-five million seven hundred six thousand eight hundred nineteen and Cents eighty-eight (RM25,706,819.88) only |
| Land B Completion Date | : | The date the Land B Purchase Consideration is paid to Vendor B by PBHSB |
| Land B Cut-Off Date | : | 7 months from the date of the Land B SPA |
| Land B Deposit | : | Collectively, Land B Earnest Deposit and Land B Balance Deposit |
| Land B Earnest Deposit | : | Earnest deposit of the Land B Purchase Consideration in the sum of Ringgit Malaysia five hundred seventy-one thousand two hundred sixty-two and Cents sixty-six (RM571,262.66) only |
| Land B Notice of Election | : | A notice in writing to Vendor B to terminate the Land B SPA |
| Land B Purchase Consideration | : | Purchase consideration in the sum of Ringgit Malaysia twenty-eight million five hundred sixty-three thousand one hundred thirty-three and Cents twenty (RM28,563,133.20) only for the Proposed Land B Acquisition |
| Land B SPA | : | Conditional sale and purchase agreement dated 30 May 2024 and supplemental letter dated 26 July 2024 entered into between PBHSB and Vendor B for the Proposed Land B Acquisition |
| Land B Unconditional Date | : | The date the notice of PGB Shareholders' Approval is received by PGB's Solicitors |
| Land B Vacant Possession Date | : | The actual date of delivery of vacant possession of Land B |
| Land B Valuation Report | : | Valuation report and update valuation report prepared by the Valuer dated 30 May 2024 and 25 November 2024 respectively, to assess the market value of Land B |

DEFINITIONS *(cont'd)*

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| Land C | : | All that parcel of freehold land held under Geran Mukim 462 Lot 94, in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring 3.9836 hectares (approximately 9.84 acres) |
| Land C Acquisition | : | The acquisition of Land C by PBHSB from Vendors C for the Land C Purchase Consideration |
| Land C Balance Deposit | : | Balance deposit of the Land C Purchase Consideration in the sum of Ringgit Malaysia one million sixty thousand (RM1,060,000.00) only |
| Land C Balance Purchase Consideration | : | Balance of the Land C Purchase Consideration in the sum of Ringgit Malaysia twelve million one hundred fifty thousand (RM12,150,000.00) only |
| Land C Completion Date | : | 2 July 2024, being the date of the Land C Purchase Consideration fully paid to Vendors C by PBHSB |
| Land C Completion Period | : | 3 months from the date of the Land C SPA |
| Land C Deposit | : | Collectively, Land C Earnest Deposit and Land C Balance Deposit |
| Land C Earnest Deposit | : | Earnest deposit of the Land C Purchase Consideration in the sum of Ringgit Malaysia two hundred ninety thousand (RM290,000.00) only |
| Land C Extended Completion Period | : | An extension of 1 month from the expiry of the Land C Completion Period |
| Land C Notice of Election | : | A notice in writing to Vendors C to terminate the Land C SPA |
| Land C Interest | : | Interest on daily basis at the rate of 6% per annum |
| Land C Purchase Consideration | : | Purchase consideration in the sum of Ringgit Malaysia thirteen million five hundred thousand (RM13,500,000.00) only for the Land C Acquisition |
| Land C SPA | : | Sale and purchase agreement dated 3 April 2024 entered into between PBHSB and Vendors C for the Land C Acquisition, for which the acquisition had completed on 2 July 2024 |
| Land C Vacant Possession Date | : | The actual date of delivery of vacant possession of Land B |
| Land E | : | Part of the freehold land held under Master Land A measuring approximately 19.759 acres, which consists of the following plots: (a) Plot E; and (b) Plot F |
| Land E Balance Deposit | : | Balance deposit of the Land E Disposal Consideration in the sum of Ringgit Malaysia seven million four hundred nineteen thousand six hundred seventy-two and Cents eighty-one (RM7,419,672.81) only |
| Land E Balance Disposal Consideration | : | Balance of the Land E Disposal Consideration in the sum of Ringgit Malaysia eighty-nine million eighty-two thousand six hundred sixty-one and Cents fourteen (RM89,082,661.14) only |

DEFINITIONS *(cont'd)*

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| Land E Disposal Consideration | : | Disposal consideration in the sum of Ringgit Malaysia ninety-eight million nine hundred eighty thousand seven hundred thirty-four and Cents sixty (RM98,980,734.60) only for the Proposed Land E Disposal |
| Land E Earnest Deposit | : | Earnest deposit of the Land E Disposal Consideration in the sum of Ringgit Malaysia two million four hundred seventy-eight thousand four hundred and Cents sixty-five (RM2,478,400.65) only |
| Land E EPU Confirmation | : | As defined in Section 6.2.3(iii) of this Circular |
| Land E Section 433B Approval | : | As defined in Section 6.2.3(iv) of this Circular |
| Land E SPA | : | Conditional sale and purchase agreement dated 2 August 2024 entered into between PBHSB and Purchaser E for the Proposed Land E Disposal |
| Land E Title CP | : | As defined in Section 6.2.3(i) of this Circular |
| Land E Unconditional Date | : | The date the last Land E conditions precedent is fulfilled or waived by Purchaser E to the extent permitted by law |
| Land E Valuation Report | : | Valuation report prepared by the Valuer dated 20 August 2024 to assess the market value of Land E |
| Land F | : | Collectively, Land F1 and Land F2 |
| Land F Balance GDV Consideration Sum | : | Balance of the Land F GDV Consideration Sum in the sum of Ringgit Malaysia eighty-seven million eighty-nine thousand three hundred twenty-three and Cents thirty-two (RM87,089,323.32) only |
| Land F Completion Date | : | The day on which the Land F Elective Option Consideration Sum and all other monies payable by PDHSB under the special conditions of Land F Development Rights Agreement including but not limited to the late payment interest (if any) and PDHSB's portion of the outgoings payable are fully paid by PDHSB to Proprietor F |
| Land F Consideration Sum | : | Collectively, Land F GDV Consideration Sum or Land F Elective Option Consideration Sum |
| Land F Cut-Off Date | : | The day on which the Land F GDV Consideration Sum and all other monies payable by PDHSB under the Land F Development Rights Agreement including but not limited to the late payment interest (if any) and PDHSB's portion of the outgoings have been fully paid to Proprietor F |
| Land F Development Rights | : | The development rights granted by Proprietor F to PDHSB to undertake residential and/or commercial development on Land F at PDHSB's own costs and expenses subject to the terms and conditions of the Land F Development Rights Agreement |
| Land F Development Rights Agreement | : | Development rights agreement dated 14 August 2024 entered into between by PDHSB and Proprietor F for the Proposed Land F Development Rights |
| Land F Election Notice | : | A notice in writing to Proprietor F to elect for the Land F Elective Option |

DEFINITIONS *(cont'd)*

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| Land F Elective Option | : | An option to elect to pay Proprietor F the Land F Elective Option Consideration Sum and to take a transfer of Land F in PDHSB's favour |
| Land F Elective Option Balance Consideration Sum | : | Balance of the Land F Elective Option Consideration Sum in the sum of Ringgit Malaysia eighty-seven million eighty-nine thousand three hundred twenty-three and Cents thirty-two (RM87,089,323.32) only |
| Land F Elective Option Consideration Sum | : | A sum of Ringgit Malaysia one hundred and two million four hundred fifty-eight thousand twenty-seven and Cents forty-three (RM102,458,027.43) under the Land F Elective Option in relation to Proposed Land F Development Rights |
| Land F Extended Payment Period | : | 1 month from the day immediately following the expiry of the Land F Payment Period |
| Land F GDV Consideration Sum | : | A sum of Ringgit Malaysia one hundred and two million four hundred fifty-eight thousand twenty-seven and Cents forty-three (RM102,458,027.43) only for the Proposed Land F Development Rights |
| Land F GDV Consideration Sum Extended Payment Period | : | 1 month from the day immediately following the expiry of the Land F GDV Consideration Sum Payment Period |
| Land F GDV Consideration Sum Payment Period | : | 4 months from the Land F Unconditional Date |
| Land F Initial Payment | : | Initial payment of the Land F GDV Consideration Sum in the sum of Ringgit Malaysia fifteen million three hundred sixty-eight thousand seven hundred four and Cents eleven (RM15,368,704.11) only |
| Land F Payment Period | : | 4 months from the Land F Unconditional Date |
| Land F Proposed Development | : | Proposed development of 4 towers of 36 floors service apartments with a total of 2,552 apartment units |
| Land F Road Portion | : | Existing road constructed by Proprietor F |
| Land F Unconditional Date | : | The date of the last Land F conditions precedent having been fulfilled and/or waived by PDHSB |
| Land F Valuation Report | : | Valuation report prepared by the Valuer dated 26 August 2024 to assess the market value of Land F |
| Land F1 | : | All that parcel of freehold land held under HS(D) 577114 PTB 24234, in the Township of Johor Bahru, District of Johor Bahru, State of Johor owned by Proprietor F measuring 14,213.58 square metres (approximately 3.51 acres) |
| Land F1 Approval | : | Collectively, Land F1 BP Approval and Land F1 KMP Approval |
| Land F1 BP Approval | : | The grant of the building plans of Land F1 by Johor Bahru City Council |
| Land F1 KMP Approval | : | The grant of the planning permission (erection of building) ("kebenaran merancang (pendirian bangunan)") for Land F1 by the Johor Bahru City Council |

DEFINITIONS *(cont'd)*

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| Land F1 Submission | : PDHSB's submission of all the applications necessary for the Land F1 Approval, as follows: <ul style="list-style-type: none">(i) the submission of Land F1 BP Approval to Johor Bahru City Council on 23 October 2024. The application is under review and is subject to the approval of the Johor Bahru City Council;(ii) the submission of Land F1 KMP Approval to Johor Bahru City Council on 24 October 2024. The application is under review and is subject to their approval of the Johor Bahru City Council; and(iii) the submission of Traffic Impact Assessment to Malaysian Public Works Department on 30 August 2024. The application is under review and is subject to the approval of Malaysian Public Works Department |
| Land F2 | : All that parcel of freehold land held under HS(D) 577113 PTB 24233, in the Township of Johor Bahru, District of Johor Bahru, State of Johor owned by Proprietor F measuring 14,630.85 square metres (approximately 3.62 acres) |
| Land F2 Approval | : Collectively, Land F2 BP Approval and Land F2 KMP Approval |
| Land F2 BP Approval | : The grant of building plans of Land F2 by Johor Bahru City Council |
| Land F2 KMP Approval | : The grant of the planning permission (erection of building) ("kebenaran merancang (pendirian bangunan)") for Land F2 by Johor Bahru City Council |
| Land F2 Submission | : PDHSB's submission of all the applications necessary for the Land F2 Approval as follows: <ul style="list-style-type: none">(i) the submission of Land F2 BP Approval to Johor Bahru City Council on 23 October 2024. The application is under review and is subject to the approval of the Johor Bahru City Council;(ii) the submission of Land F2 KMP Approval to Johor Bahru City Council on 23 October 2024. The application is under review and is subject to the approval of the Johor Bahru City Council; and(iii) the submission of Traffic Impact Assessment to Malaysian Public Works Department on 30 August 2024. The application is under review and is subject to the approval of Malaysian Public Works Department |
| Lands | : Collectively, Land A, Land B, Land C, Lands D, Land E and Land F |
| Lands D | : Collectively, Property 1 and Property 2 |
| Lands D Balance Deposit | : Balance deposit of the Lands D Purchase Consideration in the sum of Ringgit Malaysia one million seven hundred seventy-three thousand one hundred twenty-six and Cents ninety-one (RM1,773,126.91) only |

DEFINITIONS *(cont'd)*

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| Lands D Balance Purchase Consideration | : | Balance of the Lands D Purchase Consideration in the sum of Ringgit Malaysia thirty-one million four hundred sixty-one thousand four hundred twenty and Cents forty (RM31,461,420.40) only |
| Lands D Completion Period | : | 1 month from the Lands D Unconditional Date |
| Lands D Cut-Off Date | : | 5 months from the date of the Lands D SPA |
| Lands D Deposit | : | Collectively, Lands D Earnest Deposit, Lands D Balance Deposit and Lands D Retention Sum |
| Lands D Earnest Deposit | : | Earnest deposit of the Lands D Purchase Consideration in the sum of Ringgit Malaysia six hundred seventy-three thousand eight hundred seventy-two and Cents forty-six (RM673,872.46) only |
| Lands D Extended Completion Period | : | An extension of 3 months from the expiry of the Lands D Completion Period |
| Lands D Interest | : | Interest on daily basis at the rate of 8% per annum |
| Lands D Purchase Consideration | : | Purchase consideration in the sum of Ringgit Malaysia thirty-four million nine hundred fifty-seven thousand one hundred thirty-three and Cents seventy-eight (RM34,957,133.78) only for the Proposed Lands D Acquisition |
| Lands D Retention Sum | : | Retention sum of the Lands D Purchase Consideration in the sum of Ringgit Malaysia one million forty-eight thousand seven hundred fourteen and Cents one (RM1,048,714.01) only |
| Lands D SPA | : | Conditional sale and purchase agreement dated 29 July 2024 entered into between PBHSB and Vendor D for the Proposed Lands D Acquisition |
| Lands D Transfer | : | The valid instrument of transfer of Lands D |
| Lands D Unconditional Date | : | The date the notice of PGB Shareholders' Approval is received by Vendor D's Solicitors |
| Lands D Vacant Possession Date | : | Within 7 days from the date of receipt of the Lands D Purchase Consideration, the Lands D Interest and the payment of apportionment of all outgoings and other charges, if any |
| Lands D Valuation Report | : | Valuation report prepared by the Valuer dated 20 August 2024 to assess the market value of Lands D |
| Listing Requirements | : | Main Market Listing Requirements of Bursa Securities |
| Lot 300 Land | : | All that parcel of freehold land held under GM 699 Lot 300, in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring 3.9457 hectares (approximately 9.75 acres) |
| LPD | : | 19 November 2024, being the latest practicable date prior to the printing of this Circular |
| Market Value | : | The estimated amount for which an asset or liability should exchange on the valuation date between a willing-buyer and a willing-seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion |

DEFINITIONS *(cont'd)*

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| Master Land A | : | All that parcel of freehold land held under Geran 80943 Lot 2699, in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring 42.2896 hectares (approximately 104.50 acres) |
| Master Land A and Lot 300 Land Development Project | : | Proposed development of 171 units of industrial properties and 1 hostel comprising of 130 units with 3 rooms per unit to accommodate up to 1,950 workers |
| Master Land A KML | : | The planning approval (“kebenaran merancang”) for the layout of the Master Land A |
| Master Land A KML Endorsement | : | The Master Land A KML approved and endorsed by the relevant authorities |
| Master Valuation Certificate | : | Certificate of valuation of lands in relation to the Proposed Land A Disposal, Proposed Land B Acquisition, Proposed Lands D Acquisition, Proposed Land E Disposal and Proposed Land F Development Rights dated 7 October 2024 issued by CBRE WTW |
| NA | : | Net assets |
| NLC | : | National Land Code (Revised 2020) and includes all amendments and modifications thereto |
| PBHSB | : | Paragon Business Hub Sdn. Bhd. (Company No. 201801003286 (1265299-H)), our wholly-owned subsidiary |
| PBHSB's Disposal Solicitors | : | Messrs Lee & Tengku Azrina |
| PDHSB | : | PGB Desa Heights Sdn. Bhd. (Company No. 202401019026 (1564875-X)), our wholly-owned subsidiary |
| PDRC Approval | : | The grant of the approval by Planning, Design and Review Committee (Jawatankuasa Penilaian, Perancangan dan Reka Bentuk), Johor in respect of Bumiputera quota allocation and foreign quota allocation on such terms and conditions identical to the existing approval |
| PGB Group or Group | : | Collectively, our Company and our subsidiaries |
| PGB Landmark | : | PGB Landmark Sdn. Bhd. (Company No. 202301033981 (1527904-M)), our wholly-owned subsidiary |
| PGB Landmark Acquisitions | : | PGB Landmark had, on 17 November 2023, entered into the 8 individual conditional sale and purchase agreements with vendors and/or the proprietor for the acquisition of 7 plots of freehold lands in the Mukim of Tanjung Kupang and 1 plot of freehold land in the Mukim of Pulai, all in the District of Johor Bahru, State of Johor measuring 46.904 hectares for a total cash consideration of RM146,071,898.47 |
| PGB or Company | : | Paragon Globe Berhad (Company No. 194801000095 (1713-A)) |
| PGB Shareholders' Approval | : | The approval by our Company's shareholders |
| PGB Shares or Shares | : | Ordinary shares in PGB |

DEFINITIONS *(cont'd)*

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|-------------------------------|---|--|
| PGB's Solicitors | : | Messrs Dennis Nik & Wong, collectively solicitors for PBHSB and PDHSB |
| Phase 2A (Part 1) Land Notice | : | A notice stating that the earthworks required for Phase 2A (Part 1) of Land A has been completed by PBHSB |
| Phase 2A (Part 1) of Land A | : | Part of freehold land of Land A measuring approximately 4.028 acres |
| Phase 2A (Part 2) Land Notice | : | A notice stating that the earthworks required for Phase 2A (Part 2) of Land A has been completed by PBHSB |
| Phase 2A (Part 2) of Land A | : | Part of freehold land of Land A measuring approximately 4.661 acres |
| Phase 3B Land Notice | : | A notice stating that the earthworks required for Phase 3B of Land A has been completed by PBHSB |
| Phase 3B of Land A | : | Part of freehold land of Land A measuring approximately 19.246 acres |
| PKPJ | : | Perbadanan Kemajuan Perumahan Johor |
| PKPJ Approval | : | The grant of the approval in relation to the Proposed Land F Development Rights by the relevant authority |
| Plot E | : | Part of the freehold land under Master Land A measuring approximately 8.723 acres |
| Plot F | : | Part of the freehold land under Master Land A measuring approximately 11.036 acres |
| Property 1 | : | All that parcel of freehold land held under GM 757 Lot 90, in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring 4.4895 hectares (approximately 11.09 acres) |
| Property 2 | : | All that parcel of freehold land held under GM 1083 Lot 923, in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring 3.3361 hectares (approximately 8.24 acres) |
| Proposals | : | Collectively, Proposed Land A Disposal, Proposed Land B Acquisition, Proposed Lands D Acquisition, Proposed Land E Disposal and Proposed Land F Development Rights |
| Proposed Development Rights | : | The development rights agreements entered between Paragon Globe Properties Sdn. Bhd., our wholly-owned subsidiary and Iskandar Capital Sdn. Bhd., as announced by our Board on 12 November 2024 |
| Proposed Extension | : | An extension of time until 15 October 2024 to submit the draft circular in relation to the Proposed Land A Disposal and Proposed Land B Acquisition pursuant to Paragraph 9.33(1)(a) of the Listing Requirements |
| Proposed Land A Disposal | : | Proposed disposal of Land A by PBHSB to Purchaser A for the Land A Disposal Consideration to be satisfied in cash |
| Proposed Land B Acquisition | : | Proposed acquisition of Land B by PBHSB from Vendor B for the Land B Purchase Consideration to be satisfied in cash |

DEFINITIONS *(cont'd)*

| | | |
|------------------------------------|---|--|
| Proposed Land E Disposal | : | Proposed disposal of Land E by PBHSB to Purchaser E for the Land E Disposal Consideration to be satisfied in cash |
| Proposed Land F Development Rights | : | Proposed development rights between PDHSB and Proprietor F of Land F that owned by Proprietor F |
| Proposed Lands D Acquisition | : | Proposed acquisition of Lands D by PBHSB from Vendor D for the Lands D Purchase Consideration to be satisfied in cash |
| Semenang or Vendor B | : | Semenang Realty Sdn. Bhd. (Company No. 201801035793 (1297821-X)) |
| SIFUS | : | Certificate of Share Unit Formula |
| TA Securities or Principal Adviser | : | TA Securities Holdings Berhad (Company No. 197301001467 (14948-M)) |
| TCB | : | Tropicana Corporation Berhad (Company No. 197901003695 (47908-K)) |
| TDBL | : | Tropicana Danga Bay Land Sdn. Bhd. (Company No. 199601019796 (392148-D)) |
| TDBSB or Proprietor F | : | Tropicana Danga Bay Sdn. Bhd. (Company No. 201001021028 (904798-P)) |
| TNB | : | Tenaga Nasional Berhad (Company No. 199001009294 (200866-W)) |
| TNB Land | : | Part of the freehold land of Land C measuring approximately 0.483 acres |
| TNB Land Title | : | The document of title in relation to the TNB Land |
| Update Valuation Certificate | : | Update certificate of valuation of Land B in relation to the Proposed Land B Acquisition dated 25 November 2024 issued by CBRE WTW |
| Valuation Reports | : | Collectively, Land A Valuation Report, Land B Valuation Report, Lands D Valuation Report, Land E Valuation Report, and Land F Valuation Report |
| Vendor D's Solicitors | : | Messrs Wang & S.B. Wong |
| Vendors C | : | Collectively, Ng Kok Kiang, Ng Kok Seng and Ng Lo Meng |

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

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

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

DEFINITIONS *(cont'd)*

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

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

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

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PARAGON GLOBE BERHAD

百丽环球

194801000095 (1713-A)
(Incorporated in Malaysia)

Registered Office

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

12 December 2024

Board of Directors

Dato' Sri Edwin Tan Pei Seng (*Executive Chairman*)

Dato' Sri Godwin Tan Pei Poh (*Group Executive Director*)

Leong Siew Foong (*Executive Director*)

Tee Boon Hin (*Senior Independent Non-Executive Director*)

Dato' Haji Ismail Bin Karim (*Independent Non-Executive Director*)

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

Dato' Jeffrey Lai Jiun Jye (*Non-Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSALS

1. INTRODUCTION

TA Securities had, on behalf of our Board announced the following:

- (i) on 8 May 2024, announced that PBHSB, had on even date entered into the Land A SPA with Purchaser A for the Proposed Land A Disposal for a cash consideration of RM238,317,195.60.
- (ii) on 30 May 2024, announced that PBHSB, had on even date entered into the Land B SPA with Vendor B for the Proposed Land B Acquisition for a cash consideration of RM28,563,133.20.
- (iii) on 7 June 2024, announced that PBHSB, had on 3 April 2024 entered into the Land C SPA with Vendors C for the acquisition of Land C for a purchase consideration of RM13,500,000.00. PBHSB had completed the acquisition on 2 July 2024.
- (iv) on 5 July 2024, announced that our Company had submitted an application to Bursa Securities to seek approval for the Proposed Extension.

- (v) on 12 July 2024, announced that Bursa Securities had, vide its letter dated 12 July 2024, granted our Company, the Proposed Extension.
- (vi) on 26 July 2024, announced that PBHSB has entered into a supplemental letter with Vendor B to vary the clauses of the Land B SPA in relation to the Proposed Land B Acquisition.
- (vii) on 29 July 2024, announced that PBHSB, had on even date entered into the Lands D SPA with Vendor D for the Proposed Lands D Acquisition for a total cash consideration of RM34,957,133.78.
- (viii) on 2 August 2024, announced that PBHSB, had on even date entered into the Land E SPA with Purchaser E for the Proposed Land E Disposal for a cash consideration of RM98,980,734.60.
- (ix) on 2 August 2024, announced that PBHSB has entered into a supplemental letter with Purchaser A to vary the clauses of the Land A SPA in relation to the Proposed Land A Disposal.
- (x) on 14 August 2024, announced that PDHSB, had on even date entered into the Land F Development Agreement with Proprietor F for the Proposed Land F Development Rights.

Pursuant to Paragraphs 10.12(1) and 10.12(2)(c) of the Listing Requirements, the Land C Acquisition, Proposed Land A Disposal, Proposed Land B Acquisition, Proposed Lands D Acquisition and Proposed Land E Disposal are to be aggregated as the terms of the transactions were agreed upon within a period of 12 months and involve the acquisition and/or disposal of parcels of lands that are contiguous to each other.

Further details of the Proposals are set out in the ensuing sections of this Circular.

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

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

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2. DETAILS OF THE LAND C ACQUISITION

The Land C Acquisition involves the acquisition of Land C and is subject to the terms and conditions of the Land C SPA. Pursuant to the Land C SPA, Vendors C have agreed to sell, and PBHSB has agreed to purchase, Land C free from all and any encumbrances, caveats and with vacant possession on an “as is where is” basis but subject to all conditions of title, whether expressed or implied, and any restriction-in interest affecting Land C and upon the terms and conditions contained therein. Further information on Land C is set out in **Section 8** of this Circular.

2.1 Background information on Vendors C

Ng Kok Kiang, Ng Kok Seng and Ng Lo Meng are citizens of Malaysia.

Vendors C are not connected in any manner to our Group (including PBHSB).

2.2 Salient terms of the Land C SPA

The salient terms of the Land C SPA are as follows:

2.2.1 Payment of Land C Purchase Consideration

The details of the payment schedule in respect of the Land C Purchase Consideration are as follows:

| Payment Schedule | Percentage of Land C Purchase Consideration (%) | RM |
|---------------------------------------|--|----------------------|
| Land C Earnest Deposit | 2.15 | 290,000.00 |
| Land C Balance Deposit | 7.85 | 1,060,000.00 |
| Land C Balance Purchase Consideration | 90.00 | 12,150,000.00 |
| Total | 100.00 | 13,500,000.00 |

The Land C Purchase Consideration has been paid by PBHSB in the following manner:

- (i) Land C Earnest Deposit has been paid to Vendors C prior to the execution of the Land C SPA;
- (ii) Land C Balance Deposit has been paid to Vendors C upon execution of the Land C SPA; and
- (iii) Land C Balance Purchase Consideration has been paid to Vendors C within the Land C Completion Period.

2.2.2 Vacant possession

Vacant possession of Land C has been delivered to PBHSB within 3 days from the Land C Completion Date.

2.3 Basis and justification for the Land C Purchase Consideration

The Land C Purchase Consideration of RM13.50 million was arrived based on a willing-buyer willing-seller basis after taking into consideration the following:

- (i) the development potential of Land C which would provide our Group with an opportunity to create greater economic value and increase the earnings potential of our Group; and
- (ii) prevailing market rates based on recent land transactions in the vicinity.

2.4 Liabilities to be assumed

Our Group did not assume any liabilities including contingent liabilities and guarantees pursuant to the Land C Acquisition.

2.5 Additional financial commitment

Save for the working capital requirements for the Acquired Lands Proposed Development (including the gross development cost of approximately RM226.72 million as further set out in **Section 8.9** of this Circular), there are no other additional significant financial commitments to be extended by our Group in relation to Land C pursuant to the Land C Acquisition.

2.6 Source of funding

The Land C Balance Purchase Consideration was funded via the proceeds received from the Land A Disposal Consideration as set out in **Section 3.4** of this Circular, in particular via the proceeds received from the Land A Balance Deposit as set out in **Section 3.2.2** of this Circular. As announced on 2 July 2024, the Land C Acquisition has been completed on the same date pursuant to the terms of the Land C SPA.

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

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3. DETAILS OF THE PROPOSED LAND A DISPOSAL

The Proposed Land A Disposal entails the disposal of Land A, free from all encumbrances, trespassers, occupiers, squatters and encroachments and with vacant possession at the Land A Disposal Consideration, subject to the terms and conditions contained in the Land A SPA. Further information on Land A is set out in **Section 8** of this Circular.

The Proposed Land A Disposal is not expected to result in PGB becoming a cash company and/ or a Practice Note 17 company under the Listing Requirements.

3.1 Background information on Purchaser A

Purchaser A is a private limited company incorporated in Malaysia on 6 August 2020, having its registered address at Wisma Goshen, 2nd Floor, 60, 62 & 64 Jalan SS 22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor and is deemed registered under the Act. Purchaser A is principally involved in the provision of rental of premises with computer site facilities services, provision of computer site facilities and infrastructure services.

As at the LPD, Purchaser A has an issued share capital of RM1,000,002.00 comprising 1,000,002 ordinary shares.

The direct and indirect shareholdings of the directors and shareholders of Purchaser A as at the LPD are set out below:

| Names | Nationality | Direct | | Indirect | |
|------------------------------------|----------------------------------|------------------------|--------|--------------------------|--------|
| | | No. of ordinary shares | % | No. of ordinary shares | % |
| <u>Directors</u> | | | | | |
| Chong Kah Khen (Zhong Jiaqing) | Singaporean | - | - | - | - |
| Ezatul Yulisma Binti Mohd Azman | Malaysian | - | - | - | - |
| Fan, Xinyue | People's Republic of China | - | - | - | - |
| <u>Shareholders</u> | | | | | |
| BDCMHIII | Malaysia | 1,000,002 | 100.00 | - | - |
| BDC (Malaysia) Holdco Pte. Ltd. | Singapore | - | - | 1,000,002 ⁽¹⁾ | 100.00 |

Note:

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

Purchaser A is not connected in any manner to our Group (including PBHSB).

3.2 Salient terms of the Land A SPA

The salient terms and conditions of the Land A SPA are as follows:

3.2.1 Agreement to Sell

PBHSB agrees to sell and Purchaser A agrees to purchase Land A for the Land A Disposal Consideration upon the terms in Land A SPA and subject to the conditions (i) PBHSB shall complete the earthworks and Land A shall be free from all encumbrances, trespassers, occupiers, squatters, encroachments and cleared of any structures including place of worship and/or religious structure, save for any encumbrances entered by or attributable to Purchaser A; (ii) fulfilment of the conditions precedent in the Land A SPA; and (iii) each of PBHSB's warranties remains true and accurate as at the date of the Land A SPA, each payment date, the Land A Unconditional Date and the completion date.

3.2.2 Payment of Land A Disposal Consideration

The Land A Disposal Consideration is to be settled entirely in cash in the following manner:

| Payment Schedule | Percentage of Land A Disposal Consideration (%) | RM |
|--|--|---------------|
| Land A Earnest Deposit has been paid prior to the execution of the Land A SPA | 2.00 | 4,766,343.91 |
| Land A Balance Deposit has been paid upon execution of the Land A SPA | 8.00 | 19,065,375.65 |
| To be paid to PBHSB within 7 business days from the date of Purchaser A's acceptance or deemed acceptance of vacant possession of phase 1 of Land A and a notice has been received by Purchaser A stating that the earthworks required for phase 1 of Land A has been completed by PBHSB | 20.00 | 47,663,439.12 |
| To be paid to PBHSB within 7 business days from the date of Purchaser A's acceptance or deemed acceptance of vacant possession of Phase 2A (Part 1) of Land A and Phase 2A (Part 1) Land Notice has been received by Purchaser | 10.00 | 23,831,719.56 |
| To be paid to PBHSB within 7 business days from the date of Purchaser A's acceptance or deemed acceptance of vacant possession of Phase 2A (Part 2) of Land A and Phase 2A (Part 2) Land Notice has been received by Purchaser A | 10.00 | 23,831,719.56 |

| Payment Schedule | Percentage of Land A Disposal Consideration (%) | RM |
|--|--|-----------------------|
| To be paid to PBHSB within 7 business days from the date of Purchaser A's acceptance or deemed acceptance of vacant possession of Phase 3B of Land A and Phase 3B Land Notice has been received by Purchaser A | 30.00 | 71,495,158.68 |
| To be paid to PBHSB's Disposal Solicitors as stakeholder within 7 business days from the Land A Unconditional Date and shall be released to PBHSB within 7 business days upon Purchaser A's receipt of the original new plot 3 document of title, which is endorsed with a new express condition allowing such plot to be used as medium industrial plot (data centre) | 20.00 | 47,663,439.12 |
| Land A Disposal Consideration | 100.00 | 238,317,195.60 |

Note:

- (i) *As at the LPD, PBHSB has received RM190.65 million which constitutes 80% of the Land A Disposal Consideration from Purchaser A.*

3.2.3 Land A Conditions Precedent

The Land A SPA is conditional upon and subject to the following conditions being fulfilled by PBHSB and Purchaser A within the respective period:

- (i) PBHSB obtaining 3 separate documents of title to Land A which are subject to the category of industrial land use and subject to the respective express condition (subject to the approval of relevant authorities) which permits Land A to be used as main incoming substation/TNB reserve (Plot 1), private utility buildings (Plot 2) and light industrial plot (data centre) (Plot 3) on or before (a) 31 December 2024 or (b) subject to PBHSB's submission of the Master Land A KML within 14 days from Master Land A KML Endorsement, 4 months upon the Master Land A KML Endorsement, whichever is later ("**Land A Title CP**");
- (ii) PBHSB surrendering TNB Land to the relevant land authority and causing the TNB Land Title to be issued in favour of TNB subject to PBHSB's receipt of Purchaser A's notification of TNB's concurrence with the transfer of TNB Land in favour of TNB or the surrender of TNB Land to the relevant authorities and the alienation and issuance of TNB Land Title in favour of TNB on or before 26 March 2025 ("**Land A TNB Land CP**");
- (iii) PBHSB granting the right of way to Purchaser A for the reticulation of utilities required for Land A on or before 31 December 2024 ("**Land A ROW CP**");

- (iv) PBHSB to seek TNB's consent on the use of the right of way owned by TNB on or before 31 December 2024 ("**Land A Application to TNB CP**");
- (v) PBHSB obtaining the approval from the relevant authorities pertaining to (i) PBHSB's construction of the specified roads and all master and common infrastructure conditions serving Land A, (ii) completing the construction of the specified outer roads on or before 31 December 2024; and (iii) completing the construction of the road in Land A and the master and common infrastructure and to procure a supporting letter from the relevant authorities confirming the completion of the master and common infrastructure on or before 28 February 2025 ("**Land A Roads CP**");
- (vi) Purchaser A obtaining the written confirmation from EPU stating that no approval from EPU is required pursuant to the EPU Guidelines for the sale and purchase of Plot 2 and Plot 3 of Land A on or before 31 December 2024 or within 6 months from the date the Land A Title CP is satisfied, whichever is later ("**Land A EPU Confirmation**");
- (vii) subject to Purchaser A's obtainment of the Land A EPU Confirmation, Purchaser A obtaining approval from the state authority to purchase Plot 2 and Plot 3 of Land A pursuant to Section 433B of the NLC on or before 31 December 2024 or within 6 months from the date the Land A Title CP is satisfied, whichever is later ("**Land A Section 433B Approval**"); and
- (viii) PBHSB obtaining PGB Shareholders' Approval at the EGM for the Proposed Land A Disposal on or before 31 December 2024.

Land A SPA shall become unconditional on the Land A Unconditional Date.

3.2.4 Default by Purchaser A

If Purchaser A fails to complete the sale and purchase in accordance with the terms of the Land A SPA, PBHSB shall give to Purchaser A, a written notice to remedy such breach within 10 business days and upon the expiration of such notice, PBHSB shall be entitled to either by notice in writing to Purchaser A to (i) specific performance of the Land A SPA; or (ii) terminate the Land A SPA.

Upon termination thereof and within 7 business days from PBHSB's notice, consequences of termination in the Land A SPA would apply and thereafter PBHSB shall be free to deal with the Land A and neither party shall have any other claim whatsoever against the other save for antecedent breaches.

3.2.5 Default by PBHSB

If PBHSB fails to complete the sale and purchase in accordance with the terms of the Land A SPA, Purchaser A shall give to PBHSB, a written notice to remedy such breach within 10 business days and upon the expiration of such notice, Purchaser A shall be entitled to either by notice in writing to PBHSB to (i) specific performance of the Land A SPA; or (ii) terminate the Land A SPA.

Upon termination thereof and within 7 business days from Purchaser A's notice, consequences of termination in the Land A SPA would apply and thereafter PBHSB shall be free to deal with the Land A and neither party shall have any other claim whatsoever against the other save for antecedent breaches.

3.3 Original cost and date of investment

The original cost of investment by PBHSB on Land A is RM53.83 million* and the date of investment is 9 November 2022 (being the date of the sale and purchase agreement entered into by PBHSB to purchase Master Land A).

The estimated cost of development in relation to the Proposed Land A Disposal to be borne by PBHSB pursuant to the terms and conditions of the Land A SPA as set out in **Section 3.2** of this Circular is estimated to be approximately RM79.39 million as set out in **Note (i)** of **Section 3.4** of this Circular.

Note:

* For information purposes, on 10 November 2023, PBHSB completed the acquisition of Master Land A for a purchase consideration of RM71.50 million. On 19 April 2023, PBHSB completed the acquisition of Lot 300 Land for a purchase consideration of RM9.52 million.

Master Land A and Lot 300 Land are contiguous to each other with a combined area of 46.2353 hectares (approximately 114.25 acres). The net sellable land size for Master Land A and Lot 300 Land is approximately 76.88 acres ("**Net Sellable Land Size**").

As Land A is part of Master Land A, our Group considered the total purchase consideration, transaction costs and development costs incurred and capitalised by PBHSB of RM86.46 million for Master Land A and Lot 300 Land ("**Capitalised Cost**"), RM53.83 million was the original cost apportioned for Land A, which is derived as below:

| <u>Original cost of investment apportioned for Land A</u> | <u>RM'million</u> |
|---|-------------------|
| Capitalised Cost (A) | 86.46 |
| Net Sellable Land Size (acres) (B) | 76.88 |
| Land A (acres) (C) | 47.86 |
| Original cost of investment (C)/(B) x (A) | <u>53.83</u> |

3.4 Utilisation of proceeds

Our Company proposes to utilise the proceeds from the Proposed Land A Disposal as follows:

| Purpose | Note | Proposed utilisation RM'000 | Actual utilisation RM'000 | Unutilised proceeds RM'000 | Estimated timeframe for utilisation from receipt of proceeds |
|---|-------|-----------------------------|---------------------------|----------------------------|--|
| Estimated development costs in relation to the Proposed Land A Disposal | (i) | 79,388 | 22,161 | 57,227 | Within 18 months |
| Repayment of bank borrowings | (ii) | 57,000 | - | 57,000 | Within 12 months |
| Funding of acquisition of lands | (iii) | 37,481 | 34,833 | 2,648 | Within 24 months |
| Funding of on-going projects | (iv) | 38,000 | 11,886 | 26,114 | Within 24 months |
| Working capital | (v) | 26,073 | - | 26,073 | Within 24 months |
| Estimated expenses relating to the Proposed Land A Disposal | (vi) | 375 | 290 | 85 | Within 5 months |
| Total | | 238,317 | 69,170 | 169,147 | |

Notes:

(i) Estimated development costs in relation to the Proposed Land A Disposal

Pursuant to the terms and conditions of the Land A SPA, PBHSB shall bear the cost of development in relation to the Proposed Land A Disposal, the cost of which is estimated as follows:

| | RM'000 |
|--|---------------|
| Professional fees and other expenses directly attributable to the development in relation to the Proposed Land A Disposal ^(a) | 17,968 |
| Master and common infrastructure works ^(b) | 61,420 |
| Total | 79,388 |

Notes:

^(a) Comprising fees payable to local authorities and professionals.

^(b) Comprising construction costs and subcontractor costs mainly for earthwork, main drain, road and drainage as well as reinforced concrete retaining wall.

Any deviation in the amount utilised for the cost of development for the Proposed Land A Disposal will be adjusted to/ from the amount allocated for the working capital of our Group.

(ii) Repayment of bank borrowings

As at the LPD, our Group's total bank borrowings consisted of term loans amounting to approximately RM279.21 million. The details of the outstanding term loans are as below:

| Name of financier | RM'000 |
|--|----------------|
| Maybank Islamic Berhad | 83,600 |
| Small Medium Enterprise Development Bank Malaysia Berhad | 34,285 |
| United Overseas Bank (Malaysia) Bhd | 119,326 |
| Al Rajhi Banking & Investment Corporation (Malaysia) Bhd | 42,000 |
| Total | 279,211 |

Our Group intends to utilise proceeds of up to RM57.00 million from the Land A Disposal Consideration for partial repayment of an outstanding term loan. This term loan was drawn down in November 2023 to partially finance the acquisition of Master Land A and Lot 300 Land and will mature in November 2032.

Based on the average effective interest rate of 5.38% per annum, the partial repayment of the term loan is expected to result in an annual interest savings of approximately RM3.07 million. Any deviation in the amount utilised for the repayment of bank borrowings will be adjusted to/ from the amount allocated for working capital.

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(iii) **Funding of acquisition of lands**

Our Company intends to utilise the proceeds of up to RM37.48 million from the Proposed Land A Disposal to fund the purchase consideration of the following lands to be acquired and/or have been acquired by our Group:

| Lands | Total purchase consideration RM'000 | Considerations paid as at the LPD RM'000 | Remaining purchase consideration is intended to be financed by: | |
|---------------------------|--|---|---|---|
| | | | Bank borrowings to be secured and drawdown RM'000 | A portion of proceeds from Proposed Land A Disposal RM'000 |
| PGB Landmark Acquisitions | 146,072 | 115,087 | 25,819 ^(a) | 16,331 ^(b) |
| Land C | 13,500 | 13,500 ^(c) | - | 12,150 ^(b) |
| Land B | 28,563 | 2,856 | 19,994 | 5,504 ^(b) |
| Lands D | 34,957 | 3,496 | 24,470 | 3,496 ^(b) |
| Total | 223,092 | 134,939 | 70,283 | 37,481 |

Notes:

- (a) On 28 May 2024, our Group has obtained a new term loan of RM109.55 million for the PGB Landmark Acquisitions, for which RM83.73 million has been drawn down as at the LPD.
- (b) The amount included the proceeds received so far from the Proposed Land A Disposal of RM190.65 million as at the LPD, for which RM37.48 million have been utilised and reserved to pay the considerations for the acquisition of the lands.
- (c) On 2 July 2024, our Group has completed the acquisition of Land C by utilising the Land A Balance Deposit received from the Proposed Land A Disposal.

(iv) **Funding of on-going projects**

As at the LPD, our Group has 2 on-going projects located in Pekan Nenas, Johor. Among these projects, up to RM38.00 million of the proceeds from the Proposed Land A Disposal are intended to fund the construction of detached factories and shop offices and related cost of 2 specific projects which are Pekan Sentral Phase 3 and Detached Factories Type D2 projects.

The nature and status of the projects are as follows:

| No | Description of project | Estimated utilisation from the receipts of proceeds RM'000 | Estimated gross development cost* RM'000 | Balance gross development cost required to completion RM'000 | Commencement date |
|----|--|---|---|---|-------------------|
| 1. | Pekan Sentral Phase 3 - comprising 48 units detached factories | 18,000 | 31,786 | 7,278 | 22 January 2024 |
| 2. | 5 units Detached Factories Type D2 | 20,000 | 32,792 | 22,682 | 5 April 2024 |

Note:

- * *Based on the estimations of our Group's management. Due to the likelihood of adjustment in the development plan over the development period, our Group is unable to provide an accurate gross development cost for the above projects.*

In the event the funds needed for our Group's on-going projects are higher than budgeted, any deficit will be funded through our Group's internally generated funds. Conversely, if the amount required is less than estimated, the balance proceeds will be channelled towards general working capital requirements of our Group.

(v) Working Capital

Our Company intends to utilise the proceeds of up to RM26.07 million from the Proposed Land A Disposal to pay the income tax arising from the expected gain from the Proposed Land A Disposal and support our Group's working capital requirements, as set out below:

| | RM'000 |
|--|---------------|
| <i>Estimated income tax arising from the expected gain from the Proposed Land A Disposal as set out in Note (i) of Section 14.2 of this Circular</i> | 25,134 |
| <i>Working capital for general administrative and operational expenses.</i> | 939 |
| Total | 26,073 |

The actual breakdown of the working capital expenses is subject to our Group's operational requirements arising at the time of utilisation and as such can only be determined at a later stage. Any balance/ shortfall required to fund the working capital will be financed through our Group's internally generated funds and/ or bank borrowings.

(vi) Estimated expenses relating to the Proposed Land A Disposal

The breakdown of the estimated expenses for the Proposed Land A Disposal is as set out below:

| | RM'000 |
|---|---------------|
| <i>Professional fees which include, amongst others, advisory fees payable to the principal adviser, solicitors and Valuer in relation to the Proposed Land A</i> | 338 |
| <i>Other incidental expenses in relation to the Proposed Land A Disposal such as fees payable to authorities, printing, despatch, advertising costs, expenses to convene extraordinary general meeting and miscellaneous expenses</i> | 37 |
| Total | 375 |

Any deviation in the amount utilised for the estimated expenses for the Proposed Land A Disposal will be adjusted to/ from the amount allocated for the working capital of our Group.

As at the LPD, our Group has utilised RM69.17 million out of the Land A Disposal Consideration. In the event the Proposed Land A Disposal is not completed, our Group plans to replenish the utilised funds through internally generated funds and securing additional bank borrowings, if necessary. Our Group remains committed to prudent financial planning and will ensure sufficient liquidity to meet our obligations effectively while recovering the utilised sum.

Pending the utilisation of proceeds from the Proposed Land A Disposal, the proceeds will be placed as deposits with licensed financial institutions or short-term money market instruments, as our Board deems fit.

The interest derived from the deposits with the financial institutions and/ or any gains arising from the short-term money market instruments will be used for working capital purposes. The actual breakdown of the said proceeds to be utilised for each component of working capital as disclosed above cannot be determined at this juncture and will be dependent on the specific working capital requirements at the time of utilisation.

3.5 Basis and justification for the Land A Disposal Consideration

The Land A Disposal Consideration of RM238.32 million was arrived based on a willing-buyer willing-seller basis after taking into consideration, among others, the Market Value of Land A as at the date of valuation on 6 September 2024 of RM238.00 million as ascribed by the Valuer in its Master Valuation Certificate as set out in **Appendix I** of this Circular.

In arriving at the Market Value of Land A, the Valuer had adopted the Comparison Approach as the method of valuation. The Comparison Approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, terrain, size and shape of land, tenure, planning status, title restrictions and other relevant characteristics to arrive at the market value. This Comparison Approach was used as the only method of valuation after taking into consideration that Land A comprises 3 parcels of vacant industrial land to be used for main incoming substation/TNB reserve, private utility building and light industrial plot (data centre) without any planning approval granted and that there are adequate comparable sales which can be relied upon.

We are of the view that the Land A Disposal Consideration of RM238.32 million is justifiable as it represents a premium of 0.13% to the Market Value of Land A of RM238.00 million.

3.6 Liabilities to be assumed

Save for the obligations to be incurred pursuant to the Land A SPA as set out in **Section 3.2** of this Circular, there are no liabilities, including contingent liabilities, in relation to Land A which will remain with our Group pursuant to the Proposed Land A Disposal.

In addition, there are no guarantees given by our Group to Purchaser A pursuant to the Proposed Land A Disposal, save for our Group's obligations pursuant to the Land A SPA as set out in **Section 3.2** of this Circular.

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4. DETAILS OF THE PROPOSED LAND B ACQUISITION

The Proposed Land B Acquisition involves the acquisition of Land B and is subject to the terms and conditions of the Land B SPA. Pursuant to the Land B SPA, Vendor B has agreed to sell, and PBHSB has agreed to purchase, Land B free from all and any encumbrances, caveats and with vacant possession on an “as is where is” basis but subject to all conditions of title, whether express or implied, and restriction-in interest affecting Land B and upon the terms and conditions contained therein. Further information on Land B is set out in **Section 8** of this Circular.

4.1 Background information on Vendor B

Vendor B is a private limited company incorporated in Malaysia on 3 October 2018, having its registered address at No. 171, Jalan Sri Pelangi, Taman Pelangi, 80400 Johor Bahru, Johor and is deemed registered under the Act. Vendor B is principally involved in the provision of investment advisory services and other service activities.

As at the LPD, Vendor B has an issued share capital of RM500,001 comprising 500,001 ordinary shares. Vendor B is wholly owned by Ang Yam Fung, a Malaysian who also serves as a director of Vendor B.

Vendor B is not connected in any manner to our Group (including PBHSB).

4.2 Salient terms of the Land B SPA

The salient terms and conditions of the Land B SPA are as follows:

4.2.1 Payment of Land B Purchase Consideration

The details of the payment schedule in respect of the Land B Purchase Consideration are as follows:

| Payment Schedule | Percentage of Land B Purchase Consideration (%) | RM |
|---------------------------------------|--|----------------------|
| Land B Earnest Deposit | 2.00 | 571,262.66 |
| Land B Balance Deposit | 8.00 | 2,285,050.66 |
| Land B Balance Purchase Consideration | 90.00 | 25,706,819.88 |
| Land B Purchase Consideration | 100.00 | 28,563,133.20 |

The Land B Purchase Consideration shall be payable by PBHSB in the following manner:

- (i) Land B Earnest Deposit has been paid to Vendor B prior to the execution of the Land B SPA;
- (ii) Land B Balance Deposit has been paid upon execution of the Land B SPA. Land B Balance Deposit after deduction of retention sum⁽¹⁾ shall be released to Vendor B; and
- (iii) Land B Balance Purchase Consideration to be paid to Vendor B within 1 month from the Land B Unconditional Date.

Note:

⁽¹⁾ The retention sum was retained in compliance with the provisions of Section 21B of the Real Property Gains Tax Act 1976 and subsequently paid to the Director General of the Inland Revenue Board of Malaysia on 19 July 2024.

4.2.2 Special conditions in the Land B SPA

- (i) The sale and purchase of Land B is subject to and conditional upon the procurement by PBHSB of PGB Shareholders' Approval;
- (ii) PBHSB shall use its best endeavours to obtain the PGB Shareholders' Approval within Land B Cut-Off Date;
- (iii) In the event the PGB Shareholders' Approval is not obtained or is rejected on or before the Land B Cut-Off Date, the Land B SPA shall be deemed to be mutually terminated and the Land B Deposit shall be refunded to PBHSB within 7 days from the expiry of the Land B Cut-Off Date and thereafter neither party shall have any claim in whatsoever manner against the other party; and
- (iv) The Land B SPA shall become unconditional and effective from the Land B Unconditional Date, which date shall in any event not be later than the Land B Cut-Off Date.

4.2.3 Vacant possession

Vacant possession of Land B shall be delivered to PBHSB within 3 days from the Land B Completion Date.

Provided always that in the event Vendor B shall fail to deliver vacant possession of Land B to PBHSB within 3 days, Vendor B shall pay to PBHSB interest at the rate of 8% per annum on the Land B Purchase Consideration calculated on daily basis from the Land B Completion Date to the Land B Vacant Possession Date.

4.2.4 Default by Vendor B

In the event Vendor B, not due to PBHSB's prior breach of any material conditions of Land B SPA, fails for any reason whatsoever to complete the sale of Land B in accordance with the terms of the Land B SPA, PBHSB shall be entitled to (i) enforce specific performance; or (ii) serve Land B Notice of Election and accept a sum equivalent to 10% of the Land B Purchase Consideration as agreed liquidated damages. Vendor B shall refund all monies (including late payment interest and all sums paid upon apportionment pursuant to Land B SPA) paid by PBHSB to Vendor B or the PGB's Solicitors, as the case may be, and to pay the agreed liquidated damages on or before the expiry of 7 days from the date of service of the Land B Notice of Election.

PBHSB shall then withdraw, remove or cancel all encumbrance including but not limited to private caveat created over Land B if the same has been lodged against Land B, and to return all relevant documents forwarded to PGB's Solicitors as stakeholder if the same shall has/have been delivered. Thereafter, neither party shall have any further claims against the other for costs, damages, compensation or otherwise except for any antecedent breach of the provisions of the Land B SPA.

4.2.5 Default by PBHSB

In the event PBHSB, not due to Vendor B's prior breach of any material conditions in Land B SPA, fails, refuses and/or neglects to pay the Land B Balance Purchase Consideration or commits any breach of the terms of Land B SPA or fails to perform all or any of the PBHSB's covenants or before payment in full of Land B Purchase Consideration, enters into liquidation whether compulsory or voluntary, Vendor B may annul the sale of Land B forthwith terminate the Land B SPA. Upon termination, Vendor B shall be entitled to dispose of Land B and forfeit the Land B Deposit as agreed liquidated damages. Vendor B shall prior to the expiry of 7 days from the date of termination of the Land B SPA, refund all other sum (if any) paid by PBHSB towards the Land B Purchase Consideration free of interest.

PBHSB shall then, at its own costs and expenses, withdraw any private caveat entered or to remove any encumbrance created over Land B if the same has been lodged against Land B and to return all relevant documents forwarded to PGB's Solicitors as stakeholder if the same have been delivered and to re-transfer Land B to Vendor B and/or discharge the charge over Land B if the transfer and/or charge in favour of PBHSB's financier has/have been registered. Thereafter, neither party shall have any further claims against the other for costs, damages, compensation or otherwise except for any antecedent breach of the provisions of the Land B SPA.

4.3 Basis and justification for the Land B Purchase Consideration

The Land B Purchase Consideration of RM28,563,133.20 was arrived based on a willing-buyer willing-seller basis after taking into consideration, among others, the Market Value of Land B as at 22 November 2024 of RM29.00 million as ascribed by the Valuer in its Update Valuation Certificate as set out in **Appendix I** of this Circular.

In arriving at the Market Value of Land B, the Valuer had adopted the Comparison Approach as the method of valuation. This Comparison Approach was used as the only method of valuation after taking into consideration that Land B is a parcel of vacant industrial land without any planning approval granted and that there are adequate comparable sales in the vicinity of Land B which can be relied upon.

We are of the view that the Land B Purchase Consideration of RM28,563,133.20 is justifiable as it represents a discount of approximately 1.51% to the Market Value of Land B of RM29.00 million.

4.4 Liabilities to be assumed

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

4.5 Additional financial commitment

Save for the Land B Purchase Consideration and working capital requirements for the Acquired Lands Proposed Development (including the gross development cost of approximately RM226.72 million as further set out in **Section 8.9** of this Circular), there are no other additional significant financial commitments to be extended by our Group in relation to Land B pursuant to the Proposed Land B Acquisition.

4.6 Source of funding

The Land B Purchase Consideration is expected to be funded via a combination of bank borrowings and proceeds from the Proposed Land A Disposal and Proposed Land E Disposal. Further information on the utilisation of proceeds from the Proposed Land A Disposal and Proposed Land E Disposal is set out in **Section 3.4** and **Section 6.4** of this Circular.

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

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5. DETAILS OF THE PROPOSED LANDS D ACQUISITION

The Proposed Lands D Acquisition involves the acquisition of Lands D and is subject to the terms and conditions of the Lands D SPA. Pursuant to the Lands D SPA, Vendor D has agreed to sell, and PBHSB has agreed to purchase, Lands D free from all and any encumbrances and with vacant possession on an “en bloc” and “as is where is” basis subject to all conditions of title, whether expressed or implied, the restriction-in interest and category of use affecting Lands D. Further information on Lands D is set out in **Section 8** of this Circular.

5.1 Background information on Vendor D

Vendor D is a private limited company incorporated in Malaysia on 25 March 1994, having its registered address at No. 87-2, Jalan Pudu Ulu, 56100 Kuala Lumpur, Wilayah Persekutuan and is deemed registered under the Act. Vendor D is principally involved in the provision of housing development, commission agents and investment holdings.

As at the LPD, Vendor D has an issued share capital of RM5,000,000.00 comprising 5,000,000 ordinary shares.

The direct and indirect shareholdings of the directors and shareholders of Vendor D as at the LPD are set out below:

| Names | Nationality | Direct | | Indirect | |
|--------------------------------|-------------|------------------------|-------|------------------------|---|
| | | No. of ordinary shares | % | No. of ordinary shares | % |
| <u>Directors</u> | | | | | |
| Er Kok Leong @ Er Chai Tuan | Malaysian | 2,750,000 | 55.00 | - | - |
| Lau Yi Yean @ Low Yee Wan | Malaysian | 750,000 | 15.00 | - | - |
| Er Wee Choong | Malaysian | 750,000 | 15.00 | - | - |
| <u>Shareholder</u> | | | | | |
| Er Hui Meng | Malaysian | 750,000 | 15.00 | - | - |

Vendor D is not connected in any manner to our Group (including PBHSB).

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5.2 Salient terms of the Lands D SPA

The salient terms of the Lands D SPA are as follows:

5.2.1 Payment of Lands D Purchase Consideration

The purchase consideration for Property 1 is RM20,054,698.96 whereas the purchase consideration for Property 2 is RM14,902,434.82. The details of the payment schedule in respect of the Lands D Purchase Consideration are as follows:

| Payment Schedule | Percentage of Lands D Purchase Consideration (%) | RM |
|--|---|----------------------|
| Lands D Earnest Deposit | 2.00 | 673,872.46 |
| Upon execution of the Lands D SPA, the following are to be paid: | | |
| - Lands D Balance Deposit | 5.00 | 1,773,126.91 |
| - Lands D Retention Sum | 3.00 | 1,048,714.01 |
| Lands D Balance Purchase Consideration | 90.00 | 31,461,420.40 |
| Lands D Purchase Consideration | 100.00 | 34,957,133.78 |

The Lands D Purchase Consideration shall be payable by PBHSB in the following manner:

- (i) Lands D Earnest Deposit has been paid to Vendor D prior to the execution of the Lands D SPA;
- (ii) Lands D Balance Deposit has been paid upon execution of the Lands D SPA, to Vendor D's Solicitors, as stakeholder;
- (iii) Lands D Retention Sum has been paid upon execution of the Lands D SPA to PGB's Solicitors to be forwarded to the Director General of Inland Revenue towards account of Vendor D's real property gains tax;
- (iv) Lands D Balance Purchase Consideration to be paid to Vendor D within Lands D Completion Period; and
- (v) In the event PBHSB is unable to pay the Lands D Balance Purchase Consideration within the Lands D Completion Period, Vendor D shall automatically grant PBHSB the Lands D Extended Completion Period subject to PBHSB paying to Vendor D the Lands D Interest on the outstanding Lands D Balance Purchase Consideration calculated on daily basis from the day next following the expiry of the Lands D Completion Period until the full payment of the outstanding Lands D Balance Purchase Consideration, and such Lands D Interest shall be paid together with the outstanding Lands D Balance Purchase Consideration prior to the expiry of Lands D Extended Completion Period.

5.2.2 Lands D Conditions Precedent

- (i) The sale and purchase of Lands D is subject to and conditional upon the procurement by PBHSB of PGB Shareholders' Approval;
- (ii) PBHSB shall use its best endeavours to obtain the PGB Shareholders' Approval within the Lands D Cut-Off Date;
- (iii) In the event the PGB Shareholders' Approval is not obtained or is rejected on or before the Lands D Cut-Off Date, the Lands D SPA shall be deemed to be mutually terminated and the Lands D Deposit shall be refunded to PBHSB within 7 days from the expiry of the Lands D Cut-Off Date and thereafter neither party shall have any claim in whatsoever manner against the other party; and
- (iv) The Lands D SPA shall become unconditional and effective from the Lands D Unconditional Date, which date shall in any event not be later than the Lands D Cut-Off Date.

5.2.3 Vacant possession

Vacant possession of Lands D shall be delivered by Vendor D to PBHSB on an "as is where is" basis on the Lands D Vacant Possession Date failing which Vendor D shall pay to PBHSB the agreed liquidated damages at a sum of 8% per annum on the Lands D Purchase Consideration calculated on a daily basis from the expiry of the said 7 days to the actual date of delivery of vacant possession of Lands D by Vendor D to PBHSB.

5.2.4 Default by Vendor D

In the event Vendor D fails, refuses and/or neglects to complete the Lands D SPA or to transfer the Lands D to PBHSB notwithstanding that PBHSB has performed and completed its obligations under Lands D SPA, PBHSB may elect to require Vendor D to refund all monies paid by PBHSB towards the Lands D Purchase Consideration (after deducting the applicable tax and the Lands D Interest, if any) free of interest and to pay to PBHSB a further sum of RM3,495,713.38 being the agreed liquidated damages upon PBHSB having fulfilled its termination obligations whereupon Lands D SPA shall be treated as null and void and of no further effect and neither party shall have any claim whatsoever against the other.

In the event that the Lands D Transfer has been duly stamped, PBHSB shall be allowed to first apply to the collector of stamp duty for a refund of the stamp duty paid on Lands D Transfer before returning the same to Vendor D. Alternatively, PBHSB shall be entitled to affirm Lands D SPA and seek specific performance and reliefs therefrom.

5.2.5 Default by PBHSB

In the event PBHSB fails, refuses and/or neglects to pay the Lands D Balance Purchase Consideration, the Lands D Interest (if any) and the applicable tax (where applicable) by the expiry of the Lands D Extended Completion Period or if PBHSB shall become bankrupt or enter into any composition or arrangement with any creditors or suffer any execution or being a company which enters into liquidation whether compulsory or voluntary notwithstanding that Vendor D has performed and completed its obligations under the Lands D SPA, Vendor D may, at its absolute discretion, elect either:

- (i) to terminate the Lands D SPA and upon such termination, the Lands D Deposit shall be forfeited absolutely to Vendor D without any prior notice as agreed liquidated damages and all other money paid by PBHSB towards the Lands D Purchase Consideration (after deducting the Lands D Deposit, the applicable tax (where applicable) and the Lands D Interest, if any) shall be refunded free of interest to PBHSB upon PBHSB having fulfilled its termination obligations; or
- (ii) to seek specific performance of the Lands D SPA or to claim damages at PBHSB's own costs and expense.

5.3 Basis and justification for the Lands D Purchase Consideration

The Lands D Purchase Consideration of RM34.96 million was arrived based on a willing-buyer willing-seller basis after taking into consideration, among others, the indicative Market Value of Lands D as at 17 July 2024 of RM34.00 million as ascribed by the Valuer in its Master Valuation Certificate as set out in **Appendix I** of this Circular.

In arriving at the Market Value of Lands D, the Valuer had adopted the Comparison Approach as the method of valuation. This Comparison Approach was used as the only method of valuation after taking into consideration that Lands D are 2 contiguous parcels of vacant development land without any planning approval being granted and that there are adequate comparable sales in the vicinity of Lands D which can be relied upon.

We are of the view that the Lands D Purchase Consideration of RM34.96 million is justifiable as it represents a premium of approximately 2.82% to the Market Value of Lands D of RM34.00 million.

5.4 Liabilities to be assumed

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

5.5 Additional financial commitment

Save for the Lands D Purchase Consideration and working capital requirements for the Acquired Lands Proposed Development (including the gross development cost of approximately RM226.72 million as further set out in **Section 8.9** of this Circular), there are no other additional significant financial commitments to be extended by our Group in relation to Lands D pursuant to the Proposed Lands D Acquisition.

5.6 Source of funding

The Lands D Purchase Consideration is expected to be funded via a combination of bank borrowings and proceeds from the Proposed Land A Disposal and Proposed Land E Disposal. Further information on the utilisation of proceeds from the Proposed Land A Disposal and Proposed Land E Disposal is set out in **Section 3.4** and **Section 6.4** of this Circular.

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

6. DETAILS OF THE PROPOSED LAND E DISPOSAL

The Proposed Land E Disposal entails the disposal of Land E, free from all encumbrances, trespassers, occupiers, squatters and encroachments and with vacant possession at the Land E Disposal Consideration, subject to the terms and conditions contained in the Land E SPA. Further information on Land E is set out in **Section 8** of this Circular.

The Proposed Land E Disposal is not expected to result in PGB becoming a cash company and/ or a Practice Note 17 company under the Listing Requirements.

6.1 Background information on Purchaser E

Purchaser E is a private limited company incorporated in Malaysia on 14 June 2024, having its registered address at Wisma Goshen, 2nd Floor, 60, 62 & 64 Jalan SS 22/21, Damansara Jaya, Petaling Jaya, 47400 Selangor and is deemed registered under the Act. Purchaser E is principally involved in activities for providing infrastructure for hosting, data processing services and related activities.

As at the LPD, Purchaser E has an issued share capital of RM1,000,000.00 comprising 1,000,000 ordinary shares.

The direct and indirect shareholdings of the directors and shareholders of Purchaser E as at the LPD are set out below:

| Names | Nationality | Direct | | Indirect | |
|------------------------------------|----------------------------------|------------------------|--------|--------------------------|--------|
| | | No. of ordinary shares | % | No. of ordinary shares | % |
| <u>Directors</u> | | | | | |
| Chong Kah Khen (Zhong Jiaqing) | Singaporean | - | - | - | - |
| Ezatul Yulisma Binti Mohd Azman | Malaysian | - | - | - | - |
| Fan, Xinyue | People's Republic of China | - | - | - | - |
| <u>Shareholders</u> | | | | | |
| BDCMHVI | Malaysia | 1,000,000 | 100.00 | - | - |
| BDC (Malaysia) Holdco Pte. Ltd. | Singapore | - | - | 1,000,000 ⁽¹⁾ | 100.00 |

Note:

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

Purchaser E is not connected in any manner to our Group (including PBHSB).

6.2 Salient terms of the Land E SPA

The salient terms of the Land E SPA are as follows:

6.2.1 Agreement to Sell

PBHSB agrees to sell and Purchaser E agrees to purchase Land E for the Land E Disposal Consideration upon the terms in the Land E SPA and subject to the conditions (i) that PBHSB shall complete the earthworks and Land E shall be free from all encumbrances, trespassers, occupiers, squatters, encroachments and cleared of any structures including place of worship and/or religious structure, save for any encumbrances entered by or attributable to Purchaser E; (ii) fulfilment of the conditions precedent in the Land E SPA; and (iii) each of PBHSB's warranties remains true and accurate as at the date of the Land E SPA, each payment date, the Land E Unconditional Date and the completion date.

6.2.2 Payment of Land E Disposal Consideration

The Land E Disposal Consideration is to be settled entirely in cash in the following manner:

| Payment Schedule | Percentage of Land E Disposal Consideration (%) | RM |
|--|--|----------------------|
| Land E Earnest Deposit has been paid prior to the execution of the Land E SPA | 2.50 | 2,478,400.65 |
| Land E Balance Deposit has been paid upon execution of the Land E SPA | 7.50 | 7,419,672.81 |
| To be paid to PBHSB within 7 business days from the date of Purchaser E's acceptance or deemed acceptance of vacant possession of Plot F and a notice has been received by Purchaser E stating that the earthworks required for Plot F has been completed by PBHSB | 40.00 | 39,592,293.84 |
| To be paid to PBHSB within 7 business days from the date of Purchaser E's acceptance or deemed acceptance of vacant possession of Plot E and a notice has been received by Purchaser E stating that the earthworks required for Plot E has been completed by PBHSB | 40.00 | 39,592,293.84 |
| To be paid to PBHSB's Disposal Solicitors as stakeholder within 7 business days from the Land E Unconditional Date | 10.00 | 9,898,073.46 |
| Land E Disposal Consideration | 100.00 | 98,980,734.60 |

Note:

- (i) As at the LPD, PBHSB has received RM89.08 million which constitutes 90% of the Land E Disposal Consideration from Purchaser E.

6.2.3 Land E Conditions Precedent

The Land E SPA is conditional upon and subject to the following conditions being fulfilled by PBHSB and Purchaser E within the respective period:

- (i) PBHSB obtaining 1 separate document of title to Land E which is subject to the category of industrial land use and the express condition which permits Land E to be used as a medium industrial plot, on or before (a) 31 December 2024 or (b) within 4 months upon the Master Land A KML Endorsement, whichever is later ("**Land E Title CP**");
- (ii) the Land A SPA becoming unconditional in accordance with the terms as confirmed by Purchaser E to PBHSB in writing on or before 30 June 2025 ("**Land A SPA CP**");
- (iii) Purchaser E obtaining the written confirmation from EPU stating that no approval from EPU is required pursuant to the EPU Guidelines for the sale and purchase of Land E within 6 months from the date the Land E Title CP is satisfied ("**Land E EPU Confirmation**");
- (iv) subject to Purchaser E's obtainment of the Land E EPU Confirmation, Purchaser E obtaining approval from the state authority to purchase Land E pursuant to Section 433B of the NLC within 6 months from the date the Land E Title CP is satisfied ("**Land E Section 433B Approval**");
- (v) PBHSB obtaining PGB Shareholders' Approval at the EGM for the Proposed Land E Disposal on or before 31 December 2024; and
- (vi) The Land E SPA shall become unconditional on the Land E Unconditional Date.

6.2.4 Default by Purchaser E

If Purchaser E fails to complete the sale and purchase in accordance with the terms of the Land E SPA, PBHSB shall give to Purchaser E a notice in writing to remedy such breach within 10 business days and upon the expiration of such notice PBHSB shall be entitled to either by notice in writing to Purchaser E to (i) specific performance of the Land E SPA; or (ii) terminate the Land E SPA.

Upon termination thereof and within 7 business days from PBHSB's notice, consequences of termination in the Land E SPA would apply and thereafter PBHSB shall be free to deal with Land E and neither party shall have any other claim whatsoever against the other save for antecedent breaches.

6.2.5 Default by PBHSB

If PBHSB fails to complete the sale and purchase in accordance with the terms of the Land E SPA, Purchaser E shall give to PBHSB a notice in writing to remedy such breach within 10 business days and upon the expiration of such notice, Purchaser E shall be entitled to either by notice in writing to PBHSB to (i) specific performance of the Land E SPA, or (ii) terminate the Land E SPA.

Upon termination thereof and within 7 business days from Purchaser E's notice, consequences of termination in Land E SPA would apply and thereafter PBHSB shall be free to deal with Land E and neither party shall have any other claim whatsoever against the other save for antecedent breaches.

6.3 Original cost and date of investment

The original cost of investment by PBHSB on Land E is RM22.22 million* and the date of investment is 9 November 2022 (being the date of the sale and purchase agreement entered into by PBHSB to purchase Master Land A).

The estimated cost of development in relation to the Proposed Land E Disposal to be borne by PBHSB pursuant to the terms and conditions of the Land E SPA as set out in **Section 6.2** of this Circular respectively is estimated to be approximately RM32.78 million as set out in **Note (i)** of **Section 6.4** of this Circular.

Note:

* As Land E is also part of Master Land A, RM22.22 million of the Capitalised Cost (as defined in **Section 3.3** of this Circular) was the original cost apportioned for Land E, which is derived as below:

| <u>Original cost of investment apportioned for Land E</u> | <u>RM'million</u> |
|--|--------------------------|
| Capitalised Cost (A) | 86.46 |
| Net Sellable Land Size (acres) (B) | 76.88 |
| Land E (acres) (C) | 19.76 |
| Original cost of investment (C)/(B) x (A) | <u>22.22</u> |

Further information on Master Land A and Lot 300 Land is set out in **Section 3.3** of this Circular

6.4 Utilisation of proceeds

Our Company proposes to utilise the proceeds from the Proposed Land E Disposal as follows:

| Purpose | Note | Proposed utilisation RM'000 | Actual utilisation RM'000 | Unutilised proceeds RM'000 | Estimated timeframe for utilisation from receipt of proceeds |
|---|-------------|--|--------------------------------------|---------------------------------------|---|
| Estimated development costs in relation to the Proposed Land E Disposal | (i) | 32,775 | 9,149 | 23,626 | Within 18 months |
| Funding of acquisition of lands | (ii) | 55,222 | 13,506 | 41,716 | Within 36 months |
| Working capital | (iii) | 10,831 | - | 10,831 | Within 24 months |
| Estimated expenses relating to the Proposed Land E Disposal | (iv) | 153 | 109 | 44 | Within 5 months |
| Total | | 98,981 | 22,764 | 76,217 | |

Notes:**(i) Estimated development costs in relation to the Proposed Land E Disposal**

Pursuant to the terms and conditions of the Land E SPA, PBHSB shall bear the cost of development in relation to the Proposed Land E Disposal, the cost of which is estimated as follows:

| | RM'000 |
|--|---------------|
| Professional fees and other expenses directly attributable to the development in relation to the Proposed Land E Disposal ^(a) | 7,418 |
| Master and common infrastructure works ^(b) | 25,357 |
| Total | 32,775 |

Notes:

(a) Comprising fees payable to local authorities and professionals.

(b) Comprising construction costs and subcontractor costs mainly for earthwork, main drain, road and drainage as well as reinforced concrete retaining wall.

Any deviation in the amount utilised for the cost of development for the Proposed Land E Disposal will be adjusted to/ from the amount allocated for the working capital of our Group.

(ii) Funding of acquisition of lands

Our Company intends to utilise the proceeds of up to RM55.22 million from the Proposed Land E Disposal to fund the purchase consideration of the following lands to be acquired and/or have been acquired by our Group:

| Lands | Total purchase consideration | Considerations paid as at the LPD | Remaining purchase consideration is intended to be financed by: | |
|---|-------------------------------------|--|--|--|
| | | | Bank borrowings to be secured and drawdown | A portion of proceeds from Proposed Land E Disposal |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| PGB Landmark Acquisitions | 146,072 | 115,087 | 25,819 ^(a) | 5,166 ^(b) |
| Land B | 28,563 | 2,856 | 19,994 | 3,065 ^(b) |
| Lands D | 34,957 | 3,496 | 24,470 | 6,991 ^(b) |
| Land F | 102,458 | 15,369 | 76,844 | 25,615 ^(b) |
| Future land acquisitions and development rights exercises | - | - | - | 14,385 ^(c) |
| Total | 312,050 | 136,808 | 147,127 | 55,222 |

Notes:

(a) On 28 May 2024, our Group has obtained a new term loan of RM109.55 million with an estimated interest cost of RM1.48 million for the PGB Landmark Acquisitions, for which RM83.73 million has been drawn down as at the LPD.

(b) The amount included the proceeds received so far from the Proposed Land E Disposal of RM89.08 million as at the LPD, for which RM40.83 million have been utilised and reserved to pay the considerations for the acquisition of the lands and the consideration for the Land F Development Rights as at the LPD.

- (c) Our Company intends to utilise RM14.39 million of the proceeds received from the Proposed Land E Disposal for future land acquisitions and development rights exercises which have yet to be determined as at the date of this Circular. By retaining this sum, it ensures financial flexibility and allowing us to respond to potential opportunities that align with our strategic goals. Utilisation of funds as further funding for Land B, Lands D or Land F acquisitions at this stage would reduce our ability to act on unforeseen strategic opportunities and may impact our Group's capacity to diversify and expand our portfolio effectively.

(iii) Working Capital

Our Company intends to utilise the proceeds of up to RM10.83 million from the Proposed Land E Disposal to pay the income tax arising from the expected gain from the Proposed Land E Disposal and support our Group's working capital requirements, as set out below:

| | RM'000 |
|---|---------------|
| Estimated income tax arising from the expected gain from the Proposed Land E Disposal as set out in Note (i) of Section 14.2 of this Circular. | 10,519 |
| Working capital for general administrative and operational expenses. | 312 |
| Total | 10,831 |

The actual breakdown of the working capital expenses is subject to our Group's operational requirements arising at the time of utilisation and as such can only be determined at a later stage. Any balance/ shortfall required to fund the working capital will be financed through our Group's internally generated funds and/ or bank borrowings.

(iv) Estimated expenses relating to the Proposed Land E Disposal

The breakdown of the estimated expenses for the Proposed Land E Disposal is as set out below:

| | RM'000 |
|--|---------------|
| Professional fees which include, amongst others, advisory fees payable to the principal adviser, solicitors and Valuer in relation to the Proposed Land E Disposal | 152 |
| Other incidental expenses in relation to the Proposed Land E Disposal such as fees payable to authorities, printing, despatch, advertising costs, expenses to convene extraordinary general meeting and miscellaneous expenses | 1 |
| Total | 153 |

Any deviation in the amount utilised for the estimated expenses for the Proposed Land E Disposal will be adjusted to/ from the amount allocated for the working capital of our Group.

As at the LPD, our Group has utilised RM22.76 million out of the Land E Disposal Consideration. In the event the Proposed Land E Disposal is not completed, our Group plans to replenish the utilised funds through internally generated funds and securing additional bank borrowings, if necessary. Our Group remains committed to prudent financial planning and will ensure sufficient liquidity to meet our obligations effectively while recovering the utilised sum.

Pending the utilisation of proceeds from the Proposed Land E Disposal, the proceeds will be placed as deposits with licensed financial institutions or short-term money market instruments, as our Board deems fit.

The interest derived from the deposits with the financial institutions and/ or any gains arising from the short-term money market instruments will be used for working capital purposes. The actual breakdown of the said proceeds to be utilised for each component of working capital as disclosed above cannot be determined at this juncture and will be dependent on the specific working capital requirements at the time of utilisation.

6.5 Basis and justification in arriving at the Land E Disposal Consideration

The Land E Disposal Consideration of RM98.98 million was arrived based on a willing-buyer willing-seller basis after taking into consideration the Market Value of Land E as at the date of valuation on 17 July 2024 of RM106.30 million as appraised by the Valuer in its Master Valuation Certificate as stated in **Appendix I** of this Circular.

In arriving at the Market Value of Land E, the Valuer had adopted the Comparison Approach as the method of valuation. This Comparison Approach was used as the only method of valuation after taking into consideration that Land E is a parcel of vacant industrial land to be used for main medium industrial plot (data centre) without any planning approval granted and that there are adequate comparable sales which can be relied upon.

We are of the view that the Land E Disposal Consideration of RM98.98 million is justifiable after considering the rationale for Proposed Land E Disposal as set out in **Section 9** of this Circular and the estimated net pro forma gain of RM33.31 million from the Proposed Land E Disposal as set out in **Section 14.2** of this Circular.

6.6 Liabilities to be assumed

Save for the obligations to be incurred pursuant to the Land E SPA as set out in **Section 6.2** of this Circular, there are no liabilities, including contingent liabilities, in relation to Land E which will remain within our Group pursuant to the Proposed Land E Disposal.

In addition, there are no guarantees given by our Group to Purchaser E pursuant to the Proposed Land E Disposal, save for our Group's obligations pursuant to the Land E SPA as set out in **Section 6.2** of this Circular.

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7. DETAILS OF THE PROPOSED LAND F DEVELOPMENT RIGHTS

The Proposed Land F Development Rights entails the collaboration between PDHSB and Proprietor F where Proprietor F, as the registered proprietor and beneficial owner of Land F, grants the Land F Development Rights. In consideration of Proprietor F granting the Land F Development Rights to PDHSB, PDHSB must pay to Proprietor F the Land F GDV Consideration Sum which is equivalent to 10% of the GDV of the Proposed Land F Development Rights payable at the times and manner as set out in the Land F Development Rights Agreement.

Alternatively, if circumstances such as the need for greater autonomy in managing the development process, reducing reliance on Proprietor F's performance, or aligning the project more closely with PDHSB's strategic objectives, PDHSB can elect Land F Elective Option, free of encumbrances (save for encumbrances and caveats which is/are caused by and/or attributable to PDHSB and any person/party claiming under or against PDHSB) and with vacant possession to PDHSB but subject to the existing conditions of title (whether express or implied), restriction-in-interest, category of land use and such other endorsements on the titles to Land F, in accordance with the Land F Development Rights Agreement as set out in **Sections 7.2.7 to 7.2.10** of this Circular. Further information of Land F is set out in **Section 8** of this Circular.

7.1 Background information on Proprietor F

Proprietor F is a private limited company incorporated in Malaysia on 17 June 2010, having its registered address at Unit 1301, Level 13, Tropicana Gardens Office Tower, No. 2A, Persiaran Surian, Tropicana Indah, 47810 Petaling Jaya, Selangor and is deemed registered under the Act. Proprietor F is principally involved in property development, investment holding and property investment.

As at the LPD, Proprietor F has an issued share capital of RM3,454,421,870.00 comprising 1,000,000 ordinary shares and 3,453,421,870 preference A shares.

The direct and indirect shareholdings of the directors and shareholders of Proprietor F as at the LPD are set out below:

| Names | Nationality | Direct | | Indirect | |
|-----------------------------------|-------------|------------------------|---|------------------------|----------------------|
| | | No. of ordinary shares | % | No. of ordinary shares | % |
| <u>Directors</u> | | | | | |
| Tan Sri Dato' Tan Chee Sing | Malaysian | - | - | 600,000 | 60.00 ⁽¹⁾ |
| Tan Sri Dato' Lim Kang Hoo | Malaysian | - | - | 400,000 | 40.00 ⁽²⁾ |
| Lim Chen Heng | Malaysian | - | - | - | - |
| Tan Sri Datuk Seri Lim Keng Cheng | Malaysian | - | - | - | - |
| Jeffrey Tan Siew Yang | Malaysian | - | - | - | - |
| Lee Gia Yuann | Malaysian | - | - | - | - |
| Loo Teck Jee | Malaysian | - | - | - | - |
| <u>Alternate Directors</u> | | | | | |
| Khoo Thian Shyang | Malaysian | - | - | - | - |
| Lim Fang Ching | Malaysian | - | - | - | - |

| Names | Nationality | Direct | | Indirect | |
|-------------------------------|-------------|------------------------|-------|------------------------|----------------------|
| | | No. of ordinary shares | % | No. of ordinary shares | % |
| <u>Shareholders</u> | | | | | |
| GCD | Malaysia | 400,000 | 40.00 | - | - |
| TDBL | Malaysia | 600,000 | 60.00 | - | - |
| TCB | Malaysia | - | - | 600,000 | 60.00 ⁽³⁾ |
| Danga Bay Sdn. Bhd. | Malaysia | - | - | 400,000 | 40.00 ⁽²⁾ |
| Iskandar Waterfront Sdn. Bhd. | Malaysia | - | - | 400,000 | 40.00 ⁽²⁾ |

Notes:

- (1) Deemed interested by virtue of his interest in TCB pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of his/its interest in GCD pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of its interest in TDBL pursuant to Section 8 of the Act. TCB is a company incorporated in Malaysia and is listed on the Main Market of Bursa Securities.

Proprietor F is not connected in any manner to our Group (including PDHSB).

7.2 Salient terms of the Land F Development Rights Agreement

The salient terms of the Land F Development Rights Agreement are as follows:

7.2.1 Payment of Land F GDV Consideration Sum

In consideration of Proprietor F appointing PDHSB as the sole and exclusive developer of the Proposed Land F Development Rights and granting the Development Rights to PDHSB, PDHSB agrees to pay Proprietor F the Land F GDV Consideration Sum payable at the times and in the manner are as follows:

| Payment Schedule | Percentage of Land F GDV Consideration Sum (%) | RM |
|--------------------------------------|--|-----------------------|
| Land F Initial Payment | 15.00 | 15,368,704.11 |
| Land F Balance GDV Consideration Sum | 85.00 | 87,089,323.32 |
| Land F GDV Consideration Sum | 100.00 | 102,458,027.43 |

The Land F GDV Consideration Sum shall be payable by PDHSB in the following manner:

- (i) Land F Initial Payment has been paid to Proprietor F upon execution of the Land F Development Rights Agreement;
- (ii) Land F Balance GDV Consideration Sum to be paid to Proprietor F within the Land F GDV Consideration Sum Payment Period with an automatic extension of the Land F GDV Consideration Sum Extended Payment Period; and
- (iii) If PDHSB fails to pay the Land F Balance GDV Consideration Sum to Proprietor F on or before the expiry of the Land F GDV Consideration Sum Payment Period, Proprietor F grants PDHSB the Land F GDV Consideration Sum Extended Payment Period to pay the Land F Balance GDV Consideration Sum, subject to PDHSB paying to Proprietor F late payment interest at the rate of 8% per annum calculated on daily basis on such part of the Land F Balance GDV Consideration Sum remaining unpaid from the day immediately following the expiry of the Land F GDV Consideration Sum Payment Period until the date when the Land F Balance GDV Consideration Sum is fully paid to Proprietor F.

7.2.2 Land F Conditions Precedent

Subject to any waiver by PDHSB in writing, the Land F Development Rights Agreement is conditional upon and subject to the following being fulfilled or obtained:

- (i) Land F2 Approval on or before 3 months from the date of Land F2 Submission subject to an automatic extension of time of a further period of 3 months from the day following the expiry of the initial 3 months if any of such approval is not granted within the initial 3 months.

The Land F2 Submission shall be made by PDHSB at its costs and expenses within 2 months from the date of the Land F Development Rights Agreement and Proprietor F shall be responsible to procure the Land F2 Approval provided always that PDHSB shall have submitted and provided to the relevant authority all the relevant forms, documents, information, plans, designs and payments as may be required by the relevant authority and PDHSB shall have complied with all existing approvals, the applicable law, guidelines, policies, rules and regulations as may be required by the relevant authority;

- (ii) Land F1 Approval on or before 3 months from the date of Land F1 Submission subject to an automatic extension of time of a further period of 3 months from the day following the expiry of the initial 3 months if any of such approval is not granted within the initial 3 months.

The Land F1 Submission shall be made by PDHSB at its costs and expenses within 3 months from the date of the Land F Development Rights Agreement and Proprietor F shall be responsible to procure the Land F1 Approval provided always that PDHSB shall have submitted and provided to the relevant authority all the relevant forms, documents, information, plans, designs and payments as may be required by the relevant authority and PDHSB shall have complied with all existing approvals, the applicable law, guidelines, policies, rules and regulations as may be required by the relevant authority;

- (iii) PDRC Approval on or before 3 months from the date of Land F1 Submission and Land F2 Submission (whichever is the later) subject to an automatic extension of time of a further period of 3 months from the day following the expiry of the initial 3 months if any of such approval is not granted within the initial 3 months.

The submission for the application(s) for PDRC Approval shall be made by Proprietor F at the costs and expenses of PDHSB. Proprietor F shall be responsible to procure the PDRC Approval. PDHSB shall bear all the costs, expenses and service charges imposed in relation to the said approval;

- (iv) the grant of the letter of no objection from Jabatan Diraja Johor for the Proposed Land F Development Rights in accordance with the provisions of the Land F Development Rights Agreement on or before 2 months from the date of the Land F1 Submission and Land F2 Submission, whichever is later.

Proprietor F shall be responsible to approach and procure from Jabatan Diraja Johor for the said letter of no objection at Proprietor F's costs and expenses;

- (v) PKPJ Approval on or before 6 months from the date of the Land F Development Rights Agreement:

- (a) to pay to the Johor Land Registry, 1% GDV Payment agreeing to a waiver to satisfy or the non-applicability of the requirement to provide for affordable serviced apartments (Pangsapuri Perkhidmatan Mampu Milik);

PDHSB shall pay for the 1% GDV Payment in the manner and within the time and comply with all the terms and conditions as required by the relevant authority, in the event it is payable in accordance with the Land F Development Rights Agreement; or

- (b) in lieu of the requirement to pay the 1% GDV Payment, the approval of PKPJ for the affordable serviced apartments (Pangsapuri Perkhidmatan Mampu Milik) to be priced above RM350,000.00 per unit.

The submission for the application(s) for the PKPJ Approval shall be made by Proprietor F at the costs and expenses of PDHSB and Proprietor F shall be responsible to procure the PKPJ Approval provided always that PDHSB shall have prepared and provided to Proprietor F to be submitted to the relevant authority all the relevant forms, documents, information, plans, designs and payments as may be required by the relevant authority and PDHSB shall have complied with all the applicable law, guidelines, policies, rules and regulations as may be required by the relevant authority; and

- (c) PDHSB, having obtained the PGB Shareholders' Approval for entering into the Land F Development Rights Agreement on or before 6 months from the date of the Land F Development Rights Agreement.

- (vi) The Land F Development Rights Agreement shall become unconditional on the Land F Unconditional Date.

7.2.3 The Grant of Land F Development Rights

Subject to the Land F Cut-Off Date having taken place and there shall be no breach of any of the provisions Land F Development Rights Agreement by PDHSB, Proprietor F agrees to grant to PDHSB the sole and exclusive right (a) to develop the Proposed Land F Development Rights which includes but not limited to the right to develop, plan, design, construct, market, determine sale prices, sell, assign, collect all proceeds (including sale proceeds, lease rental proceeds, tenancy rental proceeds and all income derived from the development carried out on Land F), all of which PDHSB will be legally and beneficially entitled to, and to charge, encumber, create any form of security interest, grant leases, tenancies, licenses, easements, right of way and in any manner to commercially deal with Land F or any part thereof and/or components of properties developed/to be developed by PDHSB on Land F, in accordance with the approved plans and all the relevant approvals, consents and permissions of the relevant authority and upon and subject always to such terms and conditions of the Land F Development Rights Agreement; and (b) to retain the sales proceeds of the units from the Proposed Land F Development Rights in accordance with the provisions of the Land F Development Rights Agreement, for PDHSB's absolute benefit.

7.2.4 Sale Price

The sale price for each component and unit in the Proposed Land F Development Rights will be determined by PDHSB and where applicable be subject to such price as determined by the relevant authority in accordance with such prevailing rules, regulations and/or policies relating to the Proposed Land F Development Rights.

7.2.5 Default by Proprietor F

If Proprietor F commits any breach of any of the terms and conditions of the Land F Development Rights Agreement, PDHSB will be entitled to serve a notice in writing to Proprietor F specifying the relevant breach and require Proprietor F to remedy the breach within 14 business days from the date of such notice or such further period as may be mutually agreed by the parties and if Proprietor F fails to remedy/rectify such breach within the prescribed period, then PDHSB may give notice in writing to Proprietor F of its option to either enforce for specific performance of the Land F Development Rights Agreement together with all reliefs flowing therefrom or to terminate the Land F Development Rights Agreement.

Where PDHSB exercises its rights to terminate the Land F Development Rights Agreement, upon termination, PDHSB shall at its own costs and expense fulfil its termination obligations, including (i) return and redeliver to Proprietor F all the documents forward by Proprietor F or Proprietor F's solicitors to PDHSB and PGB's Solicitors with Proprietor F's interest in and to Land F remaining intact and free from encumbrances; (ii) where vacant possession of Land F has been delivered, to redeliver vacant possession of Land F to Proprietor F in its original state and conditions as it was prior to such delivery to PDHSB; (iii) withdraw or remove and cause to be withdrawn or removed any caveats and any other form of encumbrances affecting Land F which are lodged or caused by or attributable to PDHSB and/or all those claiming under and/or against PDHSB and PDHSB shall provide to Proprietor F copies of supporting documents issued by the relevant land registry/office as evidence of such removal or withdrawal; and (iv) cancel, withdraw or remove and cause to be cancelled, withdrawn or removed all approvals, consents and permissions granted by the relevant authorities and any relevant parties (including but not limited to the Land F1 Approval, Land F2 Approval, PDRC Approval, PKPJ Approval, layout plans, approved plans, SIFUS, APDL and the submissions and applications in relation thereto, and PDHSB shall provide Proprietor F the supporting documents issued by the relevant authority as evidence of such cancellation, withdrawal or removal.

Proprietor F shall refund to PDHSB all monies paid by PDHSB to Proprietor F towards account of Land F GDV Consideration Sum, free of interest and pay to PDHSB a sum equivalent to the Land F Initial Payment as agreed liquidated damages, within 14 business days from the date of Proprietor F's receipt of PDHSB's termination notice and PDHSB's fulfilment of its termination obligations. Thereafter, the Land F Development Rights Agreement shall cease to have any further force and effect and neither party will have any further claim against the other party for any costs, damages, compensation or otherwise in respect of or arising from the Land F Development Rights Agreement save and except for any antecedent breach.

7.2.6 Default by PDHSB

If PDHSB (i) fails, refuses or wilfully neglects to pay the Land F GDV Consideration Sum on or before the expiry of the Land F GDV Consideration Sum Payment Period or the Land F GDV Consideration Sum Extended Payment Period or any monies required to be paid under Land F Development Rights Agreement; (ii) breaches or fails to comply with or perform any covenant, obligation or provision of the Land F Development Rights Agreement; (iii) an order is made or a resolution is passed for the winding up of PDHSB; or (iv) PDHSB goes into liquidation whether compulsorily or voluntarily or suffers its goods to be taken in execution or becomes insolvent or compounds or makes arrangement with its creditors or does any act which materially jeopardises its ability to fulfil its obligations under the Land F Development Rights Agreement, and fails to remedy/rectify such breach, failure, refusal or neglect within 14 business days from the date of PDHSB or PGB's Solicitors' receipt of the written demand from Proprietor F or Proprietor F's solicitors specifying the said breach, failure, refusal or neglect or such further period as may be mutually agreed by the parties, then Proprietor F shall be entitled to give written notice to PDHSB of its option to either enforce for specific performance of the Land F Development Rights Agreement together with all relief flowing therefrom or to terminate the Land F Development Rights Agreement.

Where Proprietor F exercises its rights to terminate the Land F Development Rights Agreement, upon termination, the Land F Initial Payment shall be irrevocably forfeited to Proprietor F as agreed liquidated damages and PDHSB shall at its own costs and expense fulfil its termination obligations, including (i) return and redeliver to Proprietor F all the documents forwarded by Proprietor F or Proprietor F's solicitors to PDHSB and PGB's Solicitors with Proprietor F's interest in and to Land F remaining intact and free from encumbrances; (ii) where vacant possession of Land F has been delivered to PDHSB, to redeliver vacant possession of Land F to Proprietor F in its original state and conditions as it was prior to such delivery to PDHSB; (iii) withdraw or remove and cause to be withdrawn or removed any caveats and any other form of encumbrances affecting Land F which are lodged or caused by or attributable to PDHSB and/or all those claiming under and/or against PDHSB and PDHSB shall provide to Proprietor F copies of supporting documents issued by the relevant land registry/office as evidence of such removal or withdrawal; and (iv) to cancel, withdraw or remove and cause to be cancelled, withdrawn or removed all the approvals, consents and permissions granted by the relevant authority and any relevant parties (including but not limited to the Land F1 Approval, Land F2 Approval, PDRC Approval, PKPJ Approval, layout plans, approved plans, SIFUS and APDL) and the submissions and applications in relation thereto and PDHSB shall provide to Proprietor F the supporting documents issued by the relevant authority as evidence of such cancellation, withdrawal or removal.

Proprietor F shall refund to PDHSB all monies paid by PDHSB to Proprietor F towards account of the Land F GDV Consideration Sum (less the Land F Initial Payment forfeited), free of interest within 30 business days from the date of Proprietor F's termination notice and PDHSB's fulfilment of its termination obligations. Thereafter, the Land F Development Rights Agreement shall cease to have any further force and effect and neither party will have any further claim against the other party for any costs, damages, compensation or otherwise in respect of or arising from the Land F Development Rights Agreement save and except for any antecedent breach.

7.2.7 Land F Elective Option and Land F Elective Option Consideration Sum

- (i) As an alternative to the grant of the Development Rights and the payment of the Land F GDV Consideration Sum, Proprietor F irrevocably grants PDHSB a Land F Elective Option and subject to the terms and conditions in the Land F Development Rights Agreement.
- (ii) PDHSB shall exercise the option to elect for the Land F Elective Option within 3 months from the Land F Unconditional Date, by way of Land F Election Notice, failing which this option to elect for the Land F Elective Option shall lapse.
- (iii) The payment of Land F Elective Option Consideration Sum will be on "as-a-whole" (en-bloc) basis for the Land F and the Land F Initial Payment shall form part payment towards the payment of the Land F Elective Option Consideration Sum.
- (iv) From the date of Land F Election Notice, Proprietor F shall transfer the Land F free of encumbrances (save for those encumbrances and caveats which is/are caused by and/or attributable to PDHSB and any person/party claiming under or against PDHSB) and with vacant possession to PDHSB but subject to the existing conditions of title (whether express or implied), restriction-in-interest (if any), category of land use and such other endorsements on the titles to the Land F and upon and subject to the terms and conditions in the Land F Development Rights Agreement.

7.2.8 Payment of Balance of Land F Elective Option Consideration Sum

PDHSB shall pay the Land F Elective Option Balance Consideration Sum to Proprietor F within the Land F Payment Period with a further automatic extension of the Land F Extended Payment Period to pay the Land F Elective Option Balance Consideration Sum, subject to PDHSB paying to Proprietor F late payment interest at the rate of 8% per annum calculated on a daily basis on such part of the Land F Elective Option Balance Consideration Sum remaining unpaid from the day immediately following the expiry of the Land F Payment Period until the date when the Land F Elective Option Balance Consideration Sum is fully paid to Proprietor F.

7.2.9 Vacant Possession under the Land F Elective Option

- (i) Vacant possession of the Land F will be deemed delivered to PDHSB on an "as is where is" basis on Land F Completion Date.
- (ii) Upon such delivery of vacant possession of the Land F to PDHSB, the entirety of the risk of, in and to the Land F shall pass from Proprietor F to PDHSB.
- (iii) PDHSB shall be solely responsible (at its costs and expenses) to inform all the relevant authority (including but not limited to the local authority under the Local Government Act 1976) of the change of ownership of the Land F and to submit all relevant forms and documents in relation thereto within 14 business days from the Land F Completion Date.

7.2.10 Continuing Obligations under Land F Elective Option

Notwithstanding the registration of the transfer of the Land F to PDHSB, subject to the Land F Completion Date having taken place, Proprietor F hereby undertakes to perform and observe the following until the completion of the Proposed Land F Development Rights:

- (a) to allow and procure all requisite approvals from the relevant authority and/or the master developer of Danga Bay development (at PDHSB's own costs and expenses) for PDHSB to tap into the master infrastructure free of all fees, charges and/or costs to Proprietor F unless the same is charged by the relevant authority which shall be borne by PDHSB and provided that such infrastructure have been surrendered to the relevant authority and provided further that if upgrading of any of the master infrastructure is required for the purpose of the Proposed Land F Development Rights, such upgrading works shall be carried out by PDHSB after procuring the approvals and consents of the relevant authority and/or the said master developer, at the costs and expenses of PDHSB and if there is any other terms, conditions and requirements imposed by the relevant authority and/or the said master developer in relation and/or incidental to the tapping into the master infrastructure, such terms and conditions shall be fulfilled by PDHSB at its costs and expenses;
- (b) to use its best endeavour to assist PDHSB to maintain the Land F1 Approval, Land F2 Approval, PKPJ Approval and PDRC Approvals;
- (c) to assist PDHSB in their submissions and applications in relation to **Section 7.2.10(b)** of this Circular including but not limited to execute and perform such further deeds, documents, acts and things as reasonably required in respect of the same;
- (d) within 10 business days from the Land F Completion Date, to execute and deliver to PDHSB or PGB's Solicitors a full power of attorney to enable PDHSB as attorney of Proprietor F to attend to and deal with the Land F1 Approval, Land F2 Approval, PKPJ Approval and PDRC Approval concerning the Proposed Land F Development Rights; and
- (e) subject to the Land F Completion Date having taken place, to allow PDHSB to all requisite access including but not limited to the Land F Road Portion to facilitate the construction by PDHSB of the road (including drain, kerb, underground pipe (sewerage and water reticulation) (if applicable) and street lightings) on the Land F Road Portion as a continuation to the said existing road constructed by Proprietor F in accordance to the design and construction specifications in compliance with all applicable laws, policies, rules and regulations of the relevant authority and acceptable for surrender to Majlis Bandaraya Johor Bahru in due course provided always that PDHSB shall from time to time at their own costs and expenses make good and reinstate any area accessed by them to its original state, nature and condition. Proprietor F and PDHSB shall each bear 50% of the construction costs incurred by PDHSB for the Land F Road Portion. Proprietor F shall pay Proprietor F's portion of the construction costs to PDHSB within 14 business days from Proprietor F's receipt of PDHSB's written notice confirming the completion of the Land F Road Portion provided always that PDHSB shall prior to awarding the contract for the Land F Road Portion notify Proprietor F in writing of the construction costs for the Land F Road Portion.

In the event Proprietor F is not agreeable to the same, the parties shall mutually nominate an independent quantity surveyor to determine the construction costs for the Land F Road Portion and such quantum determined by the said independent quantity surveyor shall be final and binding on both parties and provided further that any upgrading and/or additional works required by the relevant authority in respect of any existing road adjacent to the Land F shall be borne by PDHSB.

7.3 Basis and justification for the Land F Consideration Sum

The Land F Consideration Sum of RM102.46 million was arrived based on a willing-buyer willing-seller basis after taking into consideration, among others, the indicative Market Value of Land F as at 7 August 2024 of RM115.00 million as ascribed by the Valuer in its Master Valuation Certificate as set out in **Appendix I** of this Circular.

In arriving at the Market Value of Land F, the Valuer had adopted the Comparison Approach as the method of valuation*. The Land F Consideration Sum of RM102.46 million represents a discount of approximately 10.91% to the Market Value of Land F of RM115.00 million.

Note:

* *The Valuer had attempted to value the development rights in relation to the Proposed Land F Development Rights on Land F by using the Income Approach (Residual Method). The Income Approach (Residual Method) takes into account the subject under the valuation which is the development rights, that includes the rights, liabilities, duties and burdens provided by or arising from the terms, conditions and covenants contained in the development rights agreement*

However, the subject properties have not been approved for any proposed development by the relevant authorities yet, nor any preliminary drawings (proposed layout plan, building plan, etc) that consists of more information of the proposed development have been prepared by the Proprietor F and PDHSB, respectively. In view of all the information of the Land F Proposed Development is at a very preliminary stage and therefore the Valuer is of the view that the market value derived by the Income Approach (Residual Method) is less reliable and the Income Approach (Residual Method) is deemed less suitable and appropriate in the valuation of Land F.

The Valuer has observed that, while the subject under the valuation is the Land F Development Rights in respect of Land F, PGB's Solicitors has opined that PDHSB's interest, rights and benefits in Land F are that of a beneficial owner after full payment of the Land F GDV Consideration Sum in accordance to the terms and conditions of the Land F Development Rights Agreement.

The Valuer has also observed that the mode of settlement, i.e. payment and payment period of the Land F GDV Consideration Sum by PDHSB to Proprietor F for the Land F Development Rights is very similar with consideration payment by a purchaser to a vendor in a normal property transaction that is subject to conditions precedent.

*In addition, based on the special conditions in the Land F Development Rights Agreement (as set out in **Section 7.2.7 to 7.2.10** in this Circular) in respect of Land F, Proprietor F irrevocably grants PDHSB, the Land F Elective Option upon and subject to the terms and conditions as stipulated in the Land F Development Rights Agreement.*

Taking into consideration of the above, PDHSB's interest, rights and benefits in Land F are comparable and alike to a beneficial owner of the properties. Therefore, the Valuer is of the opinion that the Comparison Approach is a suitable and appropriate valuation approach to be adopted in the valuation of Land F.

7.4 Liabilities to be assumed

Save for the potential bank borrowings that may be incurred to fund the Land F Consideration Sum, corporate guarantee that PGB is required to provide to Proprietor F to guarantee the due performance and observance by PDHSB's covenants, obligations and undertakings under the Land F Development Rights Agreement as well as the cost of the Land F Proposed Development as set out in **Section 8.9** of this Circular, there are no liabilities including contingent liabilities and guarantees expected to be assumed by our Group arising from the Proposed Land F Development Rights.

7.5 Additional financial commitment

Save for the Land F Consideration Sum and working capital requirements for the Proposed Land F Development (including the gross development cost of approximately RM1,151.73 million as set out in **Section 8.9** of this Circular), there are no other additional significant financial commitments to be extended by our Group in relation to Land F pursuant to the Proposed Land F Development Rights.

7.6 Source of funding

The Land F Consideration Sum is expected to be funded via a combination of internally generated funds, proceeds from the Proposed Land E Disposal and/or bank borrowings. The exact quantum and the resultant proportion of internal funds and/or bank borrowings has not been ascertained at this juncture. Further information on the utilisation of proceeds from the Proposed Land E Disposal is set out in **Section 6.4** of this Circular.

In addition, the funding for the Land F Proposed Development is expected to be financed via internally generated funds and/or bank borrowings.

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8. INFORMATION ON THE LANDS

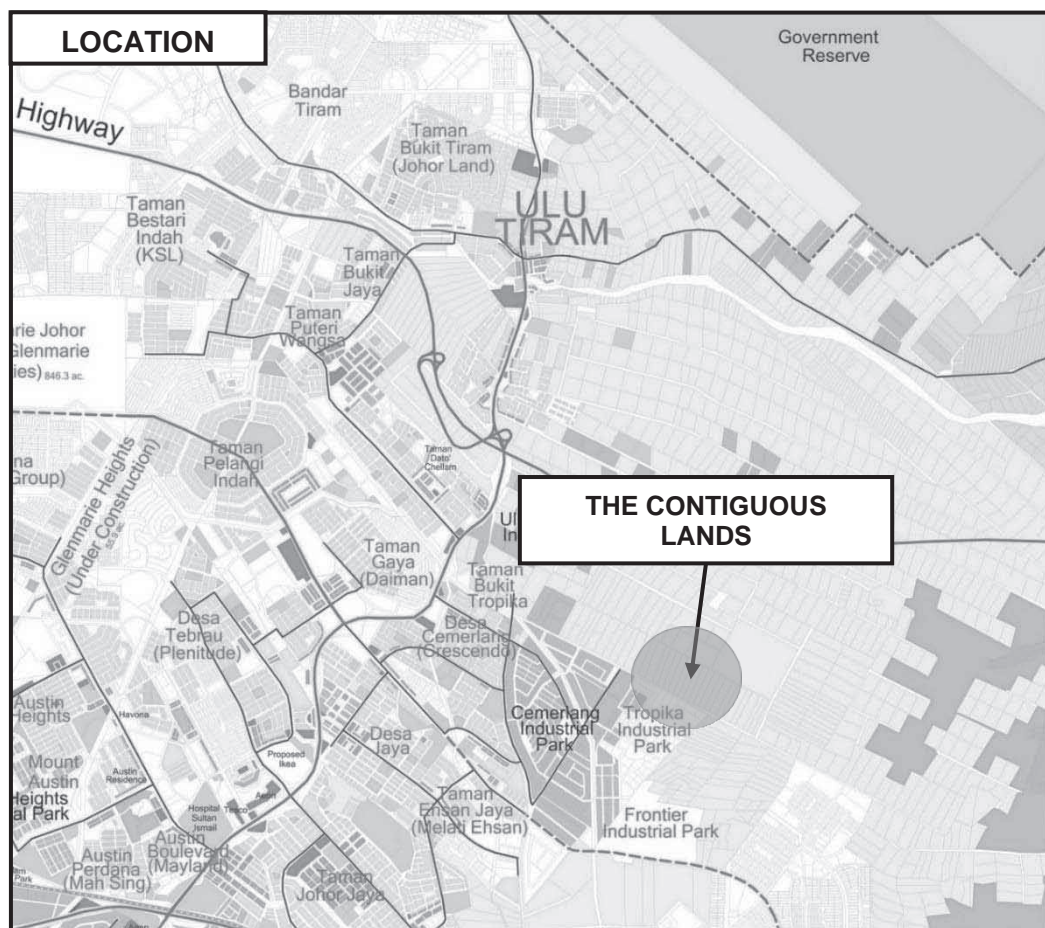
8.1 Location of Land A, Land B, Land C, Lands D and Land E

Land A, Land B and Lands D are located approximately 450 meters off Jalan Indah Gemilang, Ulu Tiram, Johor while Land C and Land E is located approximately 640 meters off the same road. The Contiguous Lands are sited approximately 20 kilometers by road due north-east of the Johor Bahru city centre. Ulu Tiram Town is located about 5 kilometers to the north-west.

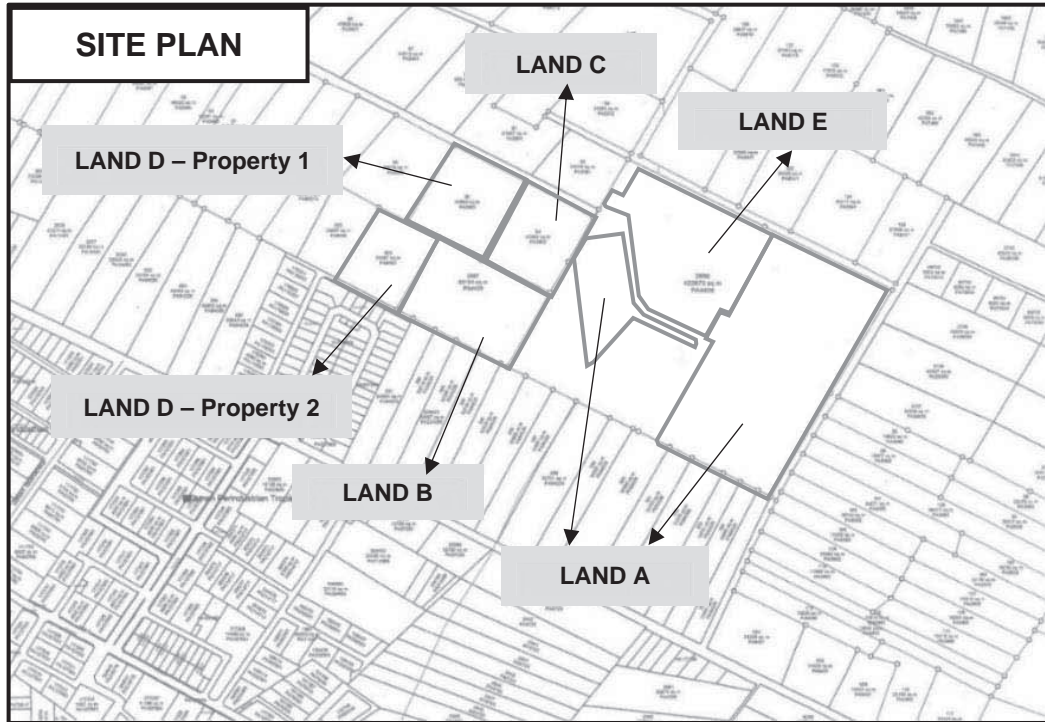
The Contiguous Lands are easily accessible from the Johor Bahru city centre via Tebrau Highway, Johor Bahru – Kota Tinggi main road, Jalan Cemerlang, Persiaran Cemerlang thence onto Jalan Indah Gemilang for about 2 kilometres before turning left onto a motorable gravelled road leading to the eastern boundary of the Contiguous Lands.

Alternatively, the Contiguous Lands can also be accessible from the Johor Bahru city centre via the Eastern Dispersal Link, exiting at the Pandan Interchange onto Johor Bahru – Kota Tinggi main road followed by the above-mentioned routes.

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



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



8.2 Location of Land F

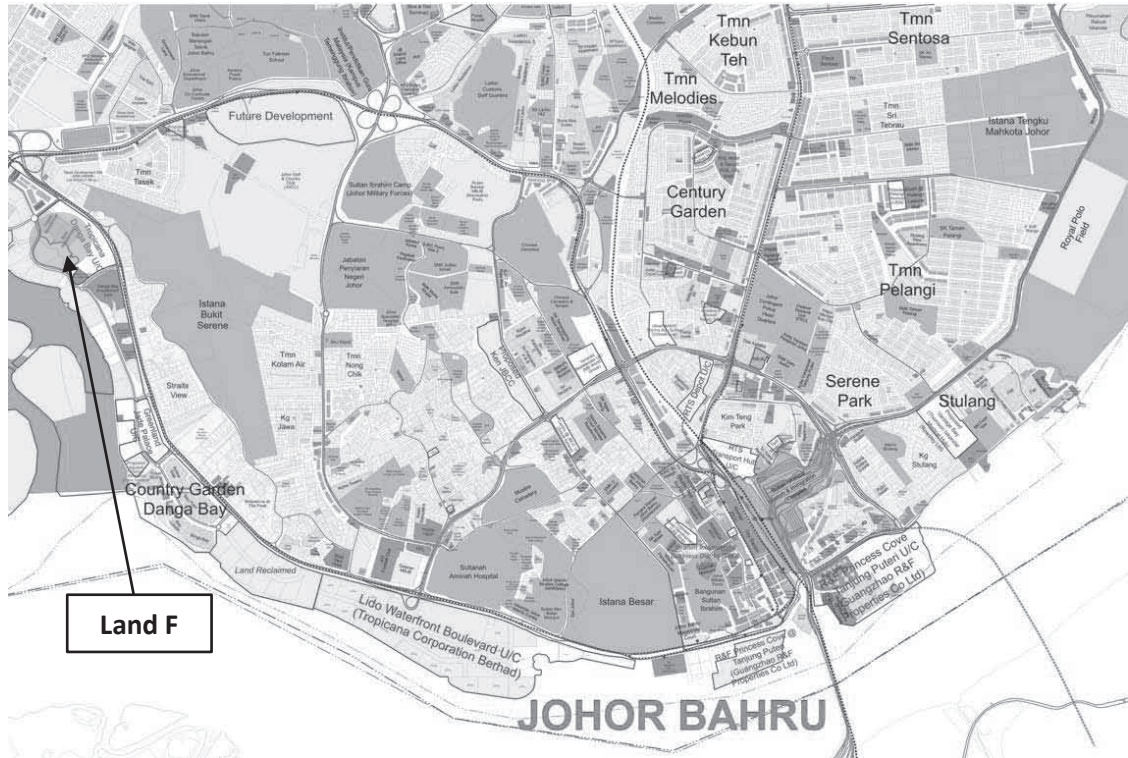
Land F comprises 2 contiguous parcels of vacant commercial land located along Persiaran Abu Bakar Sultan, within the renowned Danga Bay integrated waterfront development, Johor Bahru, Johor.

Land F is strategically located within the Flagship A: Johor Bahru City of Iskandar Malaysia development corridor. The CBD of Johor Bahru city is sited about 7 kilometres by road to the south-east of Land F.

Land F is easily accessible from Johor Bahru city centre via Persiaran Abu Bakar Sultan (part of the Iskandar Coastal Highway). Alternatively, it is also accessible from the Johor Bahru CBD via inner ring road (Jalan Lingkaran Dalam) and thereafter onto Persiaran Abu Bakar Sultan.

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The map indicating the location of Land F is set out below:



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8.3 Details of Land A

Details of Land A are as follows:

| | | |
|--|---|--|
| Registered owner | : | PBHSB |
| Title no. of Master Land A | : | GRN 80943 |
| Lot no. of Master Land A | : | Lot 2699, in the Mukim of Plentong, District of Johor Bahru, State of Johor |
| Land area of Master Land A | : | 42.2896 hectares (measuring approximately 104.50 acres or 4,552,010 square feet) |
| Land area of Land A | : | 47.86 acres (measuring approximately 2,084,781.60 square feet) (a) Plot 1, measuring approximately 3.675 acres; (b) Plot 2, measuring approximately 6.580 acres; and (c) Plot 3, measuring approximately 37.605 acres |
| Tenure of Land A | : | Individual title when issued will convey a freehold interest |
| Category of land use | : | Agriculture Pursuant to the terms of the Land A SPA, individual title when issued will convey industrial category of land use ⁽ⁱ⁾ |
| Express condition ⁽ⁱ⁾ | : | (i) The land should be planted with orchard crops; and (ii) The landowner must at all times take measures according to the order required by the land administrator to protect this land from erosion. |
| Restriction in interest | : | None |
| Existing use | : | Vacant and unoccupied |
| Valuation date | : | 6 September 2024 |
| Valuer | : | CBRE WTW |
| Net book value as at FYE 31 March 2024 | : | RM53,826,180.00 |
| Market Value | : | RM238,000,000.00 |
| Encumbrances/ Caveat | : | (i) Charged to Maybank Islamic Berhad vide presentation no.: 106748/2023 presented on 18 October 2023 (ii) Private caveat registered by Purchaser A vide presentation no.: 26413/2024 on 16 June 2024 |

Note:

⁽ⁱ⁾ PBHSB shall fulfil the Land A Title CP as set out in **Section 3.2.3(i)** of this Circular.

8.4 Details of Land B

Details of Land B are as follows:

| | | |
|-------------------------|---|---|
| Registered owner | : | Semenang |
| Title no. | : | HS(D) 631308 |
| Lot no. | : | PTD 250799, in the Mukim of Plentong, District of Johor Bahru, Johor |
| Land area | : | 60,111 square metres (measuring approximately 14.85 acres) |
| Tenure | : | Freehold / Term in perpetuity |
| Category of land use | : | Industrial |
| Express condition | : | (i) This land shall be used for medium industrial factories purposes and other related uses, and to be built according to the plans approved by the relevant local authority; (ii) All dirt and pollution resulting from this activity shall be channelled/ disposed of at the locations designated by the relevant authority; and (iii) All policies and conditions set and enforced from time to time by the relevant authority must be adhered to. |
| Restriction in interest | : | This land cannot be sold or transferred in any manner to non-citizens/ foreign companies without the approval of the state authority. |
| Existing use | : | Vacant and unoccupied |
| Valuation date | : | 22 November 2024 |
| Valuer | : | CBRE WTW |
| Market Value | : | RM29,000,000.00 |
| Encumbrances/ Caveat | : | Private caveat registered by PBHSB vide presentation no.: 26318/2024 on 13 June 2024 |

8.5 Details of Land C

Details of Land C are as follows:

| | | |
|-------------------------|---|--|
| Registered owner | : | PBHSB |
| Title no. | : | Geran Mukim 462 |
| Lot no. | : | Lot 94, in the Mukim of Plentong, District of Johor Bahru, State of Johor |
| Land area | : | 3.9836 hectares (measuring approximately 9.84 acres) |
| Tenure | : | Freehold |
| Category of land use | : | Agriculture |
| Express condition | : | (i) This land should be planted with cocoa plantation. (ii) The landowner must at all times takes measures according to the order required by the land administrator to protect this land from erosion. |
| Restriction in interest | : | None |
| Existing use | : | Vacant and unoccupied |
| Market Value | : | RM13,500,000.00 |
| Encumbrances/ Caveat | : | None |

8.6 Details of Lands D

Details of Lands D are as follows:

| | <u>Property 1</u> | <u>Property 2</u> |
|-------------------------|--|--|
| Registered owner | : EKL Holdings | |
| Title no. | : GM 757 | GM 1083 |
| Lot no. | : Lot 90, in the Mukim of Plentong, District of Johor Bahru, State of Johor | Lot 923, in the Mukim of Plentong, District of Johor Bahru, State of Johor |
| Lands area | : 4.4895 hectares (measuring approximately 11.09 acres) | 3.3361 hectares (measuring approximately 8.24 acres) |
| Tenure | : Freehold / Term in perpetuity | |
| Category of lands use | : Agriculture | |
| Express condition | : (i) This land should be planted with rubber plants and orchards/fruits; and (ii) The landowner must at all times take measures according to the order required by the land administrator to protect this land from erosion. | (i) This land should be planted with rubber plants; and (ii) The landowner must at all times take measures according to the order required by the land administrator to protect this land from erosion. |
| Restriction in interest | : None | |
| Existing use | : Vacant and unoccupied | |
| Valuation date | : 17 July 2024 | |
| Valuer | : CBRE WTW | |
| Market Value | : RM34,000,000.00 | |
| Encumbrances/ Caveat | : Private caveat registered by PBHSB vide presentation no.: 819/2024 on 1 August 2024 | |

8.7 Details of Land E

Details of Land E are as follows:

| | | |
|--|---|--|
| Registered owner | : | PBHSB |
| Title no. of Master Land A | : | Geran 80943 |
| Lot no. of Master Land A | : | Lot 2699, in the Mukim of Plentong, District of Johor Bahru, State of Johor |
| Land area of Master Land A | : | 42.2896 hectares (measuring approximately 104.50 acres or 4,552,010 square feet) |
| Land area of Land E | : | 19.759 acres (measuring approximately 860,702.04 square feet) identified as below: (i) Plot E measuring approximately 8.723 acres; and (ii) Plot F measuring approximately 11.036 acres. |
| Tenure of Land E | : | Individual title when issued will convey a freehold interest |
| Category of land use | : | Agriculture Pursuant to the terms of the Land E SPA, individual title when issued will convey industrial category of land use ⁽ⁱ⁾ |
| Express condition ⁽ⁱ⁾ | : | (i) This land should be planted with orchard crops; and (ii) The landowner must at all times take measures according to the order required by the land administrator to protect this land from erosion. |
| Restriction in interest | : | None |
| Existing use | : | Vacant and unoccupied |
| Valuation date | : | 17 July 2024 |
| Valuer | : | CBRE WTW |
| Net book value as at FYE 31 March 2024 | : | RM22,222,137.00 |
| Market Value | : | RM106,300,000.00 |
| Encumbrances/ Caveat | : | (i) Charged to Maybank Islamic Berhad vide presentation no.: 106748/2023 presented on 18 October 2023 (ii) Private caveat registered by Purchaser A vide presentation no.: 26413/2024 on 16 June 2024 |

Note:

⁽ⁱ⁾ PBHSB shall fulfil the Land E Title CP as set out in **Section 6.2.3(i)** of this Circular.

8.8 Details of Land F

Details of Land F are as follows:

| | <u>Land F1</u> | <u>Land F2</u> |
|-------------------------|--|--|
| Registered Proprietor | : Proprietor F | |
| Title no. | : HS(D) 577114 | HS(D) 577113 |
| Lot no. | : PTB 24234, in the Township of Johor Bahru, District of Johor Bahru, State of Johor | PTB 24233, in the Township of Johor Bahru, District of Johor Bahru, State of Johor |
| Lands area | : 14,213.58 square metres (measuring approximately 3.51 acres) | 14,630.85 square metres (measuring approximately 3.62 acres) |
| Tenure | : Freehold / Term in perpetuity | |
| Category of lands use | : Building | |
| Express condition | : (i) This land must be used as a multi-storey building for commercial purposes (such as service apartments, offices, hotels, shopping centres, office shops, and SOHO), and must be built according to plans approved by the relevant local authority; | |
| | (ii) All dirt and pollution resulting from this activity shall be channelled/disposed of at the locations designated by the relevant authority; and | |
| | (iii) All policies and conditions set and enforced from time to time by the relevant authority must be adhered to. | |
| Restriction in interest | : (i) The landowner is not allowed to offer or sell any units (parcels) of the building to be constructed on this land until the building has begun construction according to the plans approved by the relevant local authority. | |
| | (ii) Any units built on this land, once transferred to a Bumiputera individual or Bumiputera company, cannot subsequently be sold, leased, or transferred in any manner to a non-Bumiputera individual or non-Bumiputera company without the consent of the state authority. | |
| | (iii) Units built on this land cannot be sold or transferred in any manner to non-citizens or foreign companies without the consent of the state authority. | |
| Existing use | : Vacant and unoccupied | |
| Valuation date | : 7 August 2024 | |
| Valuer | : CBRE WTW | |
| Market Value | : RM115,000,000 | |
| Encumbrances/ Caveat | : Private caveat registered by PDHSB vide presentation no.: 45077/2024 on 1 October 2024 | |

8.9 Details of Acquired Lands Proposed Development and Land F Proposed Development

Our Group intends to revise the proposed developments on Land B and Land C as announced on 30 May 2024 and 7 June 2024 respectively, and develop the Acquired Lands, which are all contiguous to each other, under 1 proposed development project.

The Acquired Lands Proposed Development is expected to commence in March 2025 and is envisaged to take 3 years to complete. The estimated total gross development value of the Acquired Lands Proposed Development is approximately RM293.52 million, whilst its gross development cost is expected to be approximately RM226.72 million. Accordingly, our Group is expected to derive an estimated gross development profit of approximately RM66.80 million over the duration of the Acquired Lands Proposed Development.

The Land F Proposed Development is expected to commence in February 2025 and is envisaged to take 4 years to complete. The estimated total gross development value of the Land F Proposed Development is approximately RM1,486.18 million, whilst its gross development cost is expected to be approximately RM1,151.73 million. Accordingly, our Group is expected to derive an estimated gross development profit of approximately RM334.45 million over the duration of the Land F Proposed Development.

As at the LPD, no planning permissions and building plans have been obtained from the relevant authorities for the Acquired Lands Proposed Development and Land F Proposed Development.

For information purposes, PBHSB shall surrender a part of Land C measuring approximately 0.483 acres to the relevant land authority as part of the conditions precedent in Land A SPA as set out in **Section 3.2.3(ii)** of this Circular.

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9. RATIONALE AND BENEFITS OF THE PROPOSED LAND A DISPOSAL AND PROPOSED LAND E DISPOSAL

The Proposed Land A Disposal and Proposed Land E Disposal are expected to allow our Group to achieve the following:

- (i) provide an opportunity for our Group to unlock and realise the value of Land A and Land E in the near term (i.e., by 3rd quarter of 2025, being the expected date of completion of the Proposed Land A Disposal and Proposed Land E Disposal). In this respect, our Group is expected to record an estimated gross pro forma gain and net pro forma gain from the Proposed Land A Disposal and Proposed Land E Disposal of RM148.56 million and RM112.91 million respectively as set out in **Note (i)** of **Section 14.2** of this Circular.

For information purposes, as set out in the circular to shareholders dated 10 February 2023, Master Land A and Lot 300 Land are intended for future property development purposes. The estimated total gross development value of the Master Land A and Lot 300 Land Development Project ranges from RM652.00 million to RM686.80 million, whilst its gross development cost is expected to range from RM519.90 million to RM529.60 million. Accordingly, our Group is expected to derive an estimated gross development profit of between RM132.10 million to RM157.20 million over the duration of the Master Land A and Lot 300 Land Development Project of 8 to 10 years, based on the indicative minimum and maximum selling prices of each unit of RM1.40 million and RM22.40 million respectively. In addition, the operation of hostel is expected to generate an estimated gross revenue of RM46.80 million in the first 10 years assuming full occupancy rate of 1,950 workers with an estimated monthly rental income of RM200.00 per worker.

As at the LPD, PBHSB has submitted planning permission application for Master Land A and Lot 300 Land and is pending the approval of Majlis Bandaraya Johor Bahru.

After completion of the Proposed Land A Disposal and the Proposed Land E Disposal, our Group will hold the remaining net sellable land size totalling 9.257 acres of Master Land A and Lot 300 Land. PBHSB will be making revisions to the Master Land A and Lot 300 Land Development Project for future development which is expected to yield development profit, and contribute positively to our Group.

- (ii) allow our Group to improve our financial position. The estimated net pro forma gain on the Proposed Land A Disposal and Proposed Land E Disposal of RM79.59 million and RM33.31 million as set out in **Note (i)** of **Section 14.2** of this Circular, respectively is expected to increase the net assets of our Group; and
- (iii) enable our Group to raise gross proceeds of approximately RM238.32 million and RM98.98 million from the Proposed Land A Disposal and Proposed Land E Disposal, respectively for purposes set out in **Section 3.4** and **Section 6.4** of this Circular, respectively. As some proceeds are earmarked for the repayment of bank borrowings, our Group anticipates potential finance/ interest costs savings as well as reduction in gearing level as illustrated in **Section 14** of this Circular. This in turn will alleviate the risk of indebtedness and repayment obligation, thereby improving the liquidity position of our Group moving forward.

10. RATIONALE AND BENEFITS OF THE PROPOSED LAND B ACQUISITION, LAND C ACQUISITION AND PROPOSED LANDS D ACQUISITION

The Proposed Land B Acquisition, Land C Acquisition and Proposed Lands D Acquisition represent an opportunity for our Group to accumulate strategic lands for property development and/or investment purposes. The Acquired Lands are situated in an emerging prime location with positive industrial development potential. Furthermore, the Proposed Land B Acquisition, Land C Acquisition and Proposed Lands D Acquisition is coherent with our Group's objective to create greater economic value and further enhance our presence in the property market in Johor.

The sizeable Acquired Lands will fit various industrial properties upon development. Furthermore, the Acquired Lands are easily accessible from various regions of Johor Bahru. The strategic location with good connectivity is expected to augur well for future development thus enhancing the prospects of our Group in the future.

Johor Bahru is considered one of the fastest-growing cities in Malaysia after the federal capital Kuala Lumpur. The Proposed Land B Acquisition, Land C Acquisition and Proposed Lands D Acquisition would be further enhanced by the improving infrastructure and strengthening security aspects of the city that has good potential to be developed into a metropolis.

11. RATIONALE AND BENEFITS OF THE PROPOSED LAND F DEVELOPMENT RIGHTS

Our Board views that the prospects of the Proposed Land F Development Rights are favourable as Land F is strategically located in Johor Bahru as stated in **Section 8.2** of this Circular.

Based on the terms of the Land F Development Rights Agreement, our Group is projected to earn estimated profits of RM334.45 million upon the completion of the Land F Proposed Development. The Proposed Land F Development Rights represents an opportunity for our Group to capitalise on the potential and prospects of Land F that will bring a positive impact to the financial position of our Group, as well as further enhance our Group's presence and strength in the property market with diverse mix of property products in our portfolio.

As part of the conditions precedent under this Land F Development Rights Agreement, Proprietor F is required to secure necessary approvals as stated in **Section 7.2** of this Circular. This ensures the development can commence without undue delays, streamlining the project's initiation and enhancing overall efficiency. This proactive measure is crucial for mitigating risks associated with regulatory compliance and aligns both parties towards a successful and timely project completion.

12. INDUSTRY OVERVIEW AND PROSPECTS OF THE LANDS

12.1 Overview of the Malaysian economy

The Malaysian economy advanced by 5.9% in the second quarter of 2024 (1Q 2024: 4.2%). The growth is driven by stronger domestic demand and further expansion in exports. Household spending increased amid sustained positive labour market conditions and larger policy support. Investment activity was underpinned by continued progress in multi-year projects and capacity expansion by firms. Exports improved amid higher external demand and positive spillovers from the global tech upcycle. Most supply-side sectors registered higher growth. The manufacturing sector was supported by broad-based improvement across all clusters, particularly in electrical and electronics. The services sector recorded strong growth, driven by consumer and business-related subsectors. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.9% (1Q 2024: 1.5%).

Headline and core inflation averaged 1.8% in the first half of 2024. During the quarter, both headline and core inflation edged higher to 1.9% (1Q 2024: 1.7% and 1.8% respectively). This was largely driven by higher housing and utilities inflation at 3.1% (1Q 2024: 2.6%). The share of Consumer Price Index items recording monthly price increases was higher at 49.4% during the quarter (1Q 2024: 44.2%; second quarter average from 2011-2019: 43.9%), reflecting in part the price adjustments during the festive season and several policy measures by the Government during the period. Headline and core inflation are expected to edge higher in 2H 2024 mainly due to the rationalisation of diesel subsidies. However, the impact will remain manageable given mitigation measures by the Government to minimise cost impact to businesses. For the rest of the year, upside risks to inflation depend on the extent of the spillover effects from further domestic policy measures on subsidies and price controls to broader price trends, as well as global commodity prices and financial market developments. Overall, headline and core inflation for the year are projected to remain within the forecast ranges of 2.0% - 3.5% and 2.0% - 3.0% respectively.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2024, Bank Negara Malaysia)

12.2 Overview of the Malaysian property market

The Malaysian economy advanced by 5.9% in Q2 2024 (Q1 2024: 4.2%), driven by stronger domestic demand and further expansion in exports. Other factors that acted as catalysts to the growth were robust expansion in investment activities and higher tourist arrivals as well as improvement in manufacturing and services sector. On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 2.9% as compared with Q1 2024 (1.5%).

Correspondingly, the property market has improved in H1 2024, indicated by higher growth in market activity and positive performance in all sub-sectors. Total volume and value of transactions expanded by 8.0% in volume and 23.8% in value to 198,906 transactions worth RM105.65 billion as compared to H1 2023 (184,140 transactions worth RM85.37 billion). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value.

According to the Malaysia Institute of Economic Research latest edition, Q1 2024, the CSI decreased cautiously in Q1 2024, reduced to 87.1% points (Q4 2023: 89.4 points). CSI witnessed a slight decrease due to expected financial slips and sluggish employment, expected inflation among consumers remaining cautious, and consumer spending plans are on hold. Nevertheless, the BSI indicates differently, as the index increased gradually to 94.3% points (Q4 2023: 89.0%; Q3 2023: 79.7 points). Business confidence has increased in Q1 2024, mainly due to sales and domestic orders picked up, as well as the Expected Index improved. Contrarily, capital investments were reduced. Both CSI and BSI, on the same note, are approaching the optimism 100 points threshold.

The growth in H1 2024 property market is highly supported by the implementation of various government initiatives and sustained positive labour market conditions. Several initiatives outlined under Budget 2023 and 2024 by the government to a certain extent helped improve property market activities.

These are: (i) the full stamp duty exemption on the instrument of transfer and loan agreement for the purchase of the first residential home priced up to RM500,000 by Malaysian citizens remained until 31 December 2025; (ii) establish a high-tech industrial area in Kerian, Northern Perak, to widen the E&E cluster ecosystem in the Northern Region; (iii) the allocation of RM546 million to continue the implementation of 36 Program Perumahan Rakyat, including new project in Kluang, Johor, and another 15 PPR projects, are expected to be completed, and this is expected to benefit 5,100 potential new residents; (iv) the allocation of RM358 million will be channelled to continue the construction of 3,500 housing units under the 14 Program Rumah Mesra Rakyat; (v) provide guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan, which will benefit 40,000 borrowers; (vi) imposing a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in Malaysia; and (vii) ease the requirements of Malaysia My Second Home programme to attract more tourists and foreign investors to Malaysia.

Overnight Policy Rate was stagnant at 3.0% since May 2023, after an increase by 0.25 basis points from 2.75%. The monetary policy stance remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects, vigilant to ongoing developments to inform the assessment on the domestic inflation and growth trajectories and will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability. The current level of borrowing rate is seen heading to pre-pandemic rate at 3.00% in 2019, which the latest announced was in 11 July 2024.

On the demand side, the total of loan applications and approvals for residential purchase in H1 2024 indicate a slight increase of 1.6% and 0.3% respectively. For the non-residential property, the amount of loan application and total loan approval saw similar pattern, increased by 8.4% and 8.7% respectively. The percentage of loans approvals against loans applications for the purchase of residential property and non-residential property stood at 41.8% and 49.2% in H1 2024.

(Source: Property Market Report First Half 2024, Valuation and Property Services Department, Ministry of Finance Malaysia)

12.3 Overview of the property market in Johor

The state property market saw positive changes in 2023 as shown by increased market and construction activity. There were 62,811 transactions worth RM37.88 billion recorded in 2023, showing an increase in transactions volume and value of 34.3% and 50.7% respectively (2022: 46,785 transactions worth RM25.14 billion). Johor dominated the highest transactions in southern region as compared to Negeri Sembilan and Melaka. Residential properties remained the major sub-sector, accounting for 64.6% of total market activity, followed by the agriculture sub-sector with 16.0% market share.

Market activity of all sub-sectors is in good mode. The commercial subsector increased by 68.0%, followed by the residential (44.4%), industrial (39.2%) and development land (11.2%) sub-sectors. Meanwhile, the agriculture sub-sector declined slightly (3.9%). In terms of transaction value, all sub-sectors recorded increase.

In 2023, serviced apartment/SOHO in the Southern Region recorded 3,346 transactions worth RM1.89 billion, formed 30.4% of transactions volume and 22.3% of the total value commercial property. By state, Johor contributed the highest market volume market share with 91.0% (3,046 transactions).

The serviced apartments/SOHO overhang and unsold situation improved as the numbers decreased (2022: 14,463 of overhang units; 2023: 12,057 of overhang units). The sub-sector construction activity was encouraging. Start and New planned supply increased substantially. As at end-2023, there were 97,016 existing units with another 22,047 units in the incoming supply and 27,932 units in the planned supply.

In 2023, the industrial sub-sector recorded 1,573 transactions worth RM4.68 billion, increased by 39.2% in volume and 13.2% in value (2022: 1,130 transactions worth RM4.13 billion).

The industrial overhang and unsold situation improved as the numbers decreased. The sub-sector construction activity was encouraging. Start and New planned supply increased substantially. As at end-2023, there were 19,205 existing industrial units with another 508 units in the incoming supply and 70 units in the planned supply.

(Source: Valuation Reports)

12.4 Prospects of the Proposed Land B Acquisition, Land C Acquisition and Proposed Lands D Acquisition

Our Board is of the view that the Proposed Land B Acquisition, Land C Acquisition and Proposed Lands D Acquisition would provide our Group with opportunities to create greater economic value and increase the earnings potential of our Group over the medium to long term as the Acquired Lands have promising development potential. The Acquired Lands are strategically located at the central of Johor Bahru and surrounded with the different type of industrial properties.

Hence, it is the intention of our Board to develop the Acquired Lands into a well-conceptualised industrial area. Our Board is of the view that the Proposed Land B Acquisition, Land C Acquisition and Proposed Lands D Acquisition will contribute to the continued growth and is expected to enhance the future revenue stream as well as contribute positively to the future earnings of our Group. As at the LPD, our Group has approximately 335.55 acres of land bank for development. Upon completion of the Proposals, our Group's land bank is expected to be approximately 309.25 acres.

13. RISK FACTORS

13.1 Completion risk

Proposed Land A Disposal and Proposed Land E Disposal

The completion of the Proposed Land A Disposal and Proposed Land E Disposal is conditional upon the fulfilment of the conditions precedent as set out in **Section 3.2** and **Section 6.2** of this Circular, respectively. If any one or more of the conditions precedent is not fulfilled within the stipulated time as set out in the Land A SPA and Land E SPA, or any further extension of time as agreed by PBHSB and Purchaser A (for Land A) or PBHSB and Purchaser E (for Land E), the Land A SPA or Land E SPA may be terminated. As such, there can be no assurance that the conditions precedent can be fulfilled, nor that the Proposed Land A Disposal and Proposed Land E Disposal can be completed within the time period permitted under the Land A SPA and Land E SPA, respectively.

In addition, should a delay or non-completion of the Proposed Land A Disposal and Proposed Land E Disposal occur, our Group may not be able to realise the benefits that may accrue to it from the proposed utilisation of proceeds as disclosed in **Section 3.4** and **Section 6.4** of this Circular, respectively.

Notwithstanding the above, our Company will endeavour to ensure the conditions precedent are met within the timeframe stipulated in the Land A SPA and Land E SPA to facilitate the timely completion of the Proposed Land A Disposal and Proposed Land E Disposal.

Proposed Land B Acquisition and Proposed Lands D Acquisition

The completion of the Proposed Land B Acquisition and Proposed Lands D Acquisition is conditional upon the fulfilment of the conditions precedent in the Land B SPA and Lands D SPA as set out in **Section 4.2** and **Section 5.2** of this Circular, respectively. There can be no assurance that the fulfilment of the conditions precedent in the Land B SPA and Lands D SPA will be satisfied or obtained as the case may be, within the stipulated timeframe or that any of the termination events will not occur. Any delay in the fulfilment of the conditions precedent in the Land B SPA and Lands D SPA may lead to a delay in the completion and/or termination of the Land B SPA and Lands D SPA, respectively. In turn, our Group will not be able to achieve the intended benefits of the Proposed Land B Acquisition and Proposed Lands D Acquisition.

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

Proposed Land F Development Rights

The delay in completion of the Proposed Land F Development Rights could result from factors which are beyond the control of PDHSB and Proprietor F, such as delay in obtaining approvals and permits necessary, the availability and adequacy of raw materials and labour, adverse weather conditions, labour shortage and other unforeseen circumstances. Such delay could hinder or prevent the parties from receiving its entitlements under the Land F Development Rights Agreement. Failure to fulfil the terms of the Land F Development Rights Agreement, including any breach of material obligations, is an event of default and may entitle the non-defaulting party to terminate the Land F Development Rights Agreement and seek damages or other remedies for losses incurred.

There is no assurance that our Group will realise the anticipated benefits from the Proposed Land F Development Rights or recover all costs or losses incurred from the termination of the Land F Development Rights Agreement. To mitigate these risks, PDHSB and Proprietor F will work closely together to monitor the implementation and progress of the Proposed Land F Development Rights, ensuring compliance with all obligations, covenants, and duties set out in the Land F Development Rights Agreement. In the event of a material breach by PDHSB, Proprietor F may enforce specific performance or terminate the Land F Development Rights Agreement, as set out in **Section 7.2.6** of this Circular.

13.2 Counterparty risk

The Proposed Land F Development Rights is subject to counterparty risk as there is no assurance that the parties to the Land F Development Rights Agreement will consistently fulfil their duties and obligations in accordance to terms and conditions as stated therein. Any breach of material obligations may entitle the non-defaulting party to terminate the Land F Development Rights Agreement and take necessary actions to claim damages or seek other remedies for any losses incurred as a result of the default or breach. As such, there is no assurance that Proprietor F will realise the anticipated benefits from the Proposed Land F Development Rights and/or recover all costs or losses incurred arising from the termination.

Proprietor F shall endeavour to take all steps necessary to ensure continued compliance with its duties and obligation as set out in the Land F Development Rights Agreement.

13.3 Opportunity cost

With the Proposed Land A Disposal and Proposed Land E Disposal, PBHSB will be disposing Land A together with Land E and foregoing any potential future appreciation in its value. The proceeds from the Proposed Land A Disposal and Proposed Land E Disposal are expected to strengthen our Group's principal business and provide overall benefit to our Group.

The Proposed Land A Disposal and Proposed Land E Disposal will result in an estimated net pro forma gain of RM79.59 million and RM33.31 million as set out in **Note (i) of Section 14.2** of this Circular, respectively. The proceeds from the Proposed Land A Disposal and Proposed Land E Disposal would be utilised for purposes set out in **Section 3.4** and **Section 6.4** of this Circular, respectively which is expected to strengthen our Group's existing financial position thus benefiting our Group.

13.4 Property development risk

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

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

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

13.5 Investment risk

Upon completion of the Proposed Land B Acquisition, Land C Acquisition, Proposed Lands D Acquisition and Proposed Land F Development Rights, our Group will be subject to inherent risks associated with property investment such as general economic downturn of the global and/or the Malaysian economy.

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

To mitigate such risk, our Board has exercised due care in considering the potential risks and benefits associated with the Proposed Land B Acquisition, Land C Acquisition, Proposed Lands D Acquisition and Proposed Land F Development Rights. Our Board believes that the Proposed Land B Acquisition, Land C Acquisition, Proposed Lands D Acquisition and Proposed Land F Development Rights will benefit our Group, taking into consideration, amongst others, the prospects of the Acquired Lands and Land F.

13.6 Financing risk

Proposed Land A Disposal and Proposed Land E Disposal

Our Group may be subject to certain financial risks pursuant to the Land A SPA and Land E SPA such as cost of development to be incurred in relation to the Proposed Land A Disposal and Proposed Land E Disposal to be borne by PBHSB pursuant to the terms and conditions of the Land A SPA and Land E SPA respectively, may exceed the budgeted cost if there is a delay in obtaining approvals from the regulators and unexpected circumstances. In this respect, our Group has ensured adequate work force has been allocated to the Proposed Land A Disposal and Proposed Land E Disposal to ensure the agreed timeline is adhered to.

Proposed Land B Acquisition, Proposed Lands D Acquisition and Proposed Land F Development Rights

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

In addition, any utilisation of internally generated funds may result in a reduction of our Group's working capital, which may have an adverse effect on the cash flow position of our Group. Nevertheless, there is no assurance that our Group will be able to secure or obtain necessary funding required for the Proposed Land B Acquisition, Proposed Lands D Acquisition and Proposed Land F Development Rights in accordance with the payment milestones stipulated in the Land B SPA, Lands D SPA and Land F Development Rights Agreement, respectively.

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

13.7 Compulsory acquisition risk

Under the Land Acquisition Act 1960, the relevant state authority has the power to compulsorily acquire any land in Malaysia for certain purposes. In the event of any compulsory acquisition of property, the amount of compensation to be awarded is based on the fair market value of such property which is assessed on the basis prescribed in the Land Acquisition Act 1960 and other relevant laws.

If any part of the Lands is compulsorily acquired by the relevant state authority prior to completion of the Proposed Land A Disposal and Proposed Land E Disposal and/or at a point in time when the fair market value of the Lands has decreased, the level of compensation payable to our Group may be less than the Land A Disposal Consideration, Land B Purchase Consideration, Land C Purchase Consideration, Lands D Purchase Consideration, Land E Disposal Consideration or Land F Consideration Sum, respectively. This may have an adverse effect on the financial position of our Group.

However, the risk of compulsory acquisition of the Lands is mitigated by the fact that, presently, the Lands are not subject to any compulsory acquisition notifications issued.

13.8 Acquisition risk

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

13.9 Performance of the property market

The property development and construction business are highly dependent on the supply and demand factors which are predominantly affected by the prevailing economic conditions, competition with other property developers and government regulations. Any adverse developments affecting the property market such as the decrease in demand in properties and a drop in the property rental market may have an adverse impact on the business operations and cash flow of our Group.

Furthermore, there may be a possibility of the occurrence of property overhang at the time of completion of the Proposed Land B Acquisition, Proposed Lands D Acquisition and Proposed Land F Development Rights and/or our Group's future property development project (if any). This will affect the sale of our Group's future development and as a consequence affect our Group's future financial performance.

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

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14. EFFECTS OF THE PROPOSALS

14.1 Share capital and substantial shareholders' shareholdings

The Proposals will not have any effect on the issued share capital and the substantial shareholders' shareholdings of our Company as the Proposals will be fully satisfied in cash and does not involve the issuance of new PGB Shares.

14.2 Earnings and EPS

For illustrative purposes, assuming that the Proposals were effected on 1 April 2023, being the beginning of the FYE 31 March 2024, the pro forma effects of the Proposals on the earnings and EPS of our Group are as follows:

| | RM'000 |
|--|----------------|
| Audited loss after tax attributable to owners of our Company for the FYE 31 March 2024 | (1,240) |
| Add: | |
| - Estimated net pro forma gain from the Proposed Land A Disposal ⁽ⁱ⁾ | 79,594 |
| - Estimated net pro forma gain from the Proposed Land E Disposal ⁽ⁱ⁾ | 33,311 |
| - Interest savings from the partial repayment of the term loan from the proceeds of the Proposed Land A Disposal | 3,068 |
| - Estimated net gross development profit from Proposed Land F Development Rights | 254,178 |
| Less: | |
| - Estimated expenses relating to the: | |
| ▪ Land C Acquisition | (18) |
| ▪ Proposed Land B Acquisition | (124) |
| ▪ Proposed Lands D Acquisition | (103) |
| ▪ Proposed Land F Development Rights | (266) |
| Pro forma gain after tax attributable to owners of our Company for the FYE 31 March 2024 | 368,400 |
| Total number of Shares in issue ('000) | 746,623 |
| Pro forma profit per Share (sen) | 49.34 |

Note:

- (i) The estimated net pro forma gain from the Proposed Land A Disposal and Proposed Land E Disposal are computed as below:

| | Proposed Land A Disposal | Proposed Land E Disposal | Total |
|--|---|---|----------------|
| | RM'000 | RM'000 | RM'000 |
| Disposal Consideration | 238,317 | 98,981 | 337,298 |
| Less: | | | |
| - Audited net book value as at FYE 31 March 2024 | (53,826) | (22,223) | (76,049) |
| - Estimated development cost | (79,388) | (32,775) | (112,163) |
| - Estimated expenses | (375) | (153) | (528) |
| Estimated gross pro forma gain | 104,728 | 43,830 | 148,558 |
| Less: | | | |
| - Estimated income tax (based on the statutory corporate income tax rate of 24.00%)* | (25,134) | (10,519) | (35,653) |
| Estimated net pro forma gain | 79,594 | 33,311 | 112,905 |

Note:

* For information purposes, tax is computed based on the statutory income tax rate as PBHSB is in the business of property development, and hence is liable for income tax on the sale of the Land A and Land E.

14.3 Convertible securities

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

14.4 NA and gearing

For illustrative purposes, based on the audited consolidated statements of financial position of our Group as at 31 March 2024, the pro forma effects of the Proposals on the NA and gearing of our Group assuming the Proposals had been effected as at 31 March 2024, are set out below:

| | | (I) | (II) |
|--|--|--|--|
| | Audited as at 31 March 2024 RM'000 | After Land C Acquisition, Proposed Land A Disposal, Proposed Land B Acquisition, Proposed Lands D Acquisition and Proposed Land E Disposal ⁽ⁱ⁾ RM'000 | After (I), adjusted for subsequent events up to the LPD and Proposed Land F Development Rights ⁽ⁱⁱ⁾ RM'000 |
| Share capital | 259,225 | 259,225 | 259,225 |
| Retained earnings | 36,609 | 149,269 | 403,181 |
| Other reserves | 2,257 | 2,257 | 2,257 |
| Equity attributable to owners of our Company | 298,091 | 410,751 | 664,663 |
| Non-controlling interests | 498 | 498 | 498 |
| Total equity | 298,589 | 411,249 | 665,161 |
| Number of Shares in issue ('000) | 746,623 | 746,623 | 746,623 |
| NA per Share (RM) | 0.40 | 0.55 | 0.89 |
| Total borrowings (excluding lease liabilities) | 141,203 | 128,667 | 536,561 |
| Gearing (times) ⁽ⁱⁱⁱ⁾ | 0.47 | 0.31 | 0.81 |

Notes:

- (i) *After accounting for the following:*
- (1) *total expenses incurred amounting to approximately RM0.25 million for the Land C Acquisition, Proposed Land B Acquisition and Proposed Lands D Acquisition;*
 - (2) *estimated net pro forma gain of RM79.59 million and RM33.31 million from the Proposed Land A Disposal and the Proposed Land E Disposal, respectively including the estimated expenses of RM0.38 million and RM0.15 million as set out in **Note (i)** of **Section 14.2** of this Circular, respectively; and*
 - (3) *includes the new term loans of RM44.46 million to be secured and drawn down pursuant to the Proposed Land B Acquisition and Proposed Lands D Acquisition and the proposed repayment of bank borrowings of RM57.00 million as set out in **Section 3.4** of this Circular.*
- (ii) *After accounting for the following:*
- (1) *total expenses incurred amounting to approximately RM0.26 million for the Proposed Land F Development Rights.*
 - (2) *estimated net gross development profit of approximately RM254.18 million over the duration of the Proposed Land F Development Rights as set out in **Section 14.2** of this Circular.*
 - (3) *a total of RM138.01 million facilities were drawn down subsequent to 31 March 2024 up to the LPD by our Group pursuant to the following transaction:*
 - (a) *on 3 November 2023, our Company's wholly-owned subsidiary, PGB Iconic Sdn. Bhd., had enter into a sale and purchase agreement for the acquisition of a piece of freehold land in the Township of Johor Bahru, District of Johor Bahru, State of Johor for a total cash consideration of RM16.54 million. The transaction was completed on 22 April 2024;*
 - (b) *PGB Landmark Acquisitions; and*
 - (c) *our Company's subsidiary, Builtech Acres Sdn. Bhd., drawdown banking facilities to finance the construction of the Sepang Medical Centre.*
 - (4) *includes the remaining term loans secured of RM25.82 million to be drawdown for the PGB Landmark Acquisitions.*
 - (5) *includes the new term loans of RM244.07 million to be secured and draw down pursuant to the Proposed Land F Development Right and Land F Proposed Development.*
- (iii) *Computed based on total borrowings (excluding lease liabilities) over total equity.*

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15. PERCENTAGE RATIO

On 14 August 2024, our Company had announced the Proposed Land F Development Rights for which the highest percentage ratio applicable pursuant to Paragraph 10.02(g) of the Listing Requirements is 34.37%, computed based on the Land F Consideration Sum compared to the audited consolidated NA of PGB as at 31 March 2024.

On 2 August 2024, our Company had announced the Proposed Land E Disposal for which the highest percentage ratio applicable pursuant to Paragraph 10.02(g) of the Listing Requirements is 33.20%, computed based on the Land E Disposal Consideration compared to the audited consolidated NA of PGB as at 31 March 2024.

On 29 July 2024, our Company had announced the Proposed Lands D Acquisition for which the highest percentage ratio applicable pursuant to Paragraph 10.02(g) of the Listing Requirements is 11.68%, computed based on the Lands D Purchase Consideration compared to the audited consolidated NA of PGB as at 31 March 2023.

On 7 June 2024, our Company had announced the Land C Acquisition for which the highest percentage ratio applicable pursuant to Paragraph 10.02(g) of the Listing Requirements is 4.51%, computed based on the Land C Purchase Consideration compared to the audited consolidated NA of PGB as at 31 March 2023.

On 30 May 2024, our Company had announced the Proposed Land B Acquisition for which the highest percentage ratio applicable pursuant to Paragraph 10.02(g) of the Listing Requirements is 9.54%, computed based on the Land B Purchase Consideration compared to the audited consolidated NA of PGB as at 31 March 2023.

On 8 May 2024, our Company had announced the Proposed Land A Disposal for which the highest percentage ratio applicable pursuant to Paragraph 10.02(g) of the Listing Requirements is 79.62%, computed based on the Land A Disposal Consideration compared to the audited consolidated NA of PGB as at 31 March 2023.

Taking into consideration Paragraph 10.12 and Practice Note 14 of the Listing Requirements on aggregation of transactions, the Land C Acquisition, Proposed Land A Disposal, Proposed Land B Acquisition, Proposed Lands D Acquisition and Proposed Land E Disposal will be aggregated for the purposes of computation of percentage ratios.

Accordingly, the highest percentage ratio applicable to the Proposed Land E Disposal is 138.55%, computed based on the aggregate of the Land C Purchase Consideration, Land A Disposal Consideration, Land B Purchase Consideration and the Lands D Purchase Consideration compared to the audited consolidated NA of PGB for the FYE 31 March 2023 of approximately RM299.33 million and Land E Disposal Consideration compared to the audited NA of PGB for the FYE 31 March 2024 of approximately RM298.09 million. Accordingly, the Proposed Land E Disposal, taking into consideration of the aggregate of the Land C Purchase Consideration, Land A Disposal Consideration, Land B Purchase Consideration and the Lands D Purchase Consideration, is a very substantial transaction pursuant to Paragraph 10.02(n) of the Listing Requirements.

Further, the Proposed Land E Disposal is not a Major Disposal (as defined under the Listing Requirements) as the Proposed Land E Disposal will not result in us triggering the criteria for a cash company under Paragraph 8.03 and Practice Note 16 of the Listing Requirements, the criteria for inadequate level of operations under Paragraph 8.03A of the Listing Requirements, and any criteria prescribed under Paragraph 8.04 and Practice Note 17 of the Listing Requirements.

Pursuant to Paragraph 10.12 of the Listing Requirements, shareholders' approval will be required for the Proposals.

16. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals is subject to the following approvals being obtained:

- (i) the PGB Shareholders' Approval at the EGM to be convened for the Proposals;
- (ii) Land A Title CP and Land E Title CP;
- (iii) Land A Application to TNB CP;
- (iv) Land A Roads CP;
- (v) Land A EPU Confirmation and Land E EPU Confirmation;
- (vi) Land A Section 433B Approval and Land E Section 433B Approval;
- (vii) Land F1 Approval and Land F2 Approval;
- (viii) PDRC Approval for Land F;
- (ix) the grant of a letter of no objection from Jabatan Diraja Johor in accordance with the Land F Development Rights Agreement;
- (x) PKPJ Approval for Land F; and
- (xi) the approvals/ consents of any other relevant authorities and/ or parties, if required.

Land C Acquisition is not subject to the PGB Shareholders' Approval or any relevant authorities.

As at the LPD, none of the above approvals have been obtained.

Collectively, the Proposals are not conditional upon any other proposal undertaken or to be undertaken by our Company, except for Proposed Land E Disposal which is conditional upon the Land A SPA in relation to the Proposed Land A Disposal being unconditional.

The Proposed Land A Disposal is not conditional upon any other proposal undertaken or to be undertaken by our Company.

The Proposed Land B Acquisition is not conditional upon any other proposal undertaken or to be undertaken by our Company.

The Proposed Lands D Acquisition is not conditional upon any other proposal undertaken or to be undertaken by our Company.

The Proposed Land E Disposal is conditional upon the Land A SPA in relation to the Proposed Land A Disposal being unconditional.

The Proposed Land F Development Rights is not conditional upon any other proposal undertaken or to be undertaken by our Company.

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

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

18. DIRECTORS' STATEMENT

Our Board, having considered all aspects of the Proposals including but not limited to the rationale and benefits of the Proposals, the salient terms of the Land A SPA, Land B SPA, Lands D SPA, Land E SPA together with Land F Development Rights Agreement, the prospects of the Land B, Lands D and Land F as well as the effects of the Proposals, is of the opinion that the Proposals are in the best interest of our Company. Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

19. CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

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

20. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to all relevant approvals being obtained, the Proposed Land A Disposal and Proposed Land E Disposal is expected to be completed by 3rd quarter of 2025. The Proposed Land B Acquisition is expected to be completed within 8 months from the date of the Land B SPA and the Lands D Acquisition is expected to be completed within 6 months from the date of the Lands D SPA. The Proposed Land F Development Rights is expected to be completed within 8.5 years from the date of the Land F Development Rights Agreement.

The tentative timeline for the Proposals is as follows:

| Tentative timeline | Event |
|---------------------------------|--|
| 27 December 2024 | EGM |
| End of December 2024 | Completion of the Proposed Land B Acquisition and Proposed Lands D Acquisition |
| 3 rd quarter of 2025 | Completion of the Proposed Land A Disposal and the Proposed Land E Disposal |
| 1 st quarter of 2033 | Completion of the Proposed Land F Development Rights |

21. EGM

The EGM, a notice of which is enclosed in this Circular, will be held at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Friday, 27 December 2024 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing, with or without modification, the resolutions to give effect to the Proposals.

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

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

22. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of
PARAGON GLOBE BERHAD

DATO' SRI EDWIN TAN PEI SENG
Executive Chairman

MASTER VALUATION CERTIFICATE



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)
 (Formerly known as C.H. Williams Taikor & Wong Sdn Bhd)

18.01, Level 18
 South Tower, Mid Valley Southkey
 Persiaran Southkey 1
 80150 Johor Bahru
 Johor Darul Takzim
 Malaysia

Report and Valuation

7 October 2024

PRIVATE & CONFIDENTIAL

**The Board of Directors
 PARAGON BUSINESS HUB SDN BHD
 & PGB DESA HEIGHTS SDN BHD**

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

T + (6 07) 224 3388
 F + (6 07) 224 9769
 E johorbahru@cbre-wtw.com.my
 W www.cbre-wtw.com.my

Dear Sirs,

**CERTIFICATE OF VALUATION OF LANDS IN RELATION TO THE PROPOSED
 LAND A DISPOSAL, PROPOSED LAND B ACQUISITION, PROPOSED LANDS
 D ACQUISITION, PROPOSED LAND E DISPOSAL AND PROPOSED LAND F
 DEVELOPMENT RIGHTS FOR THE PURPOSE OF SUBMISSION TO BURSA
 MALAYSIA SECURITIES BERHAD ("BURSA MALAYSIA")**

We thank you for your instructions to carry out a formal valuation on the above-mentioned properties and to provide our opinion of the market value of the properties for the purpose of submission to Bursa Malaysia in relation to the following:

- a) proposed disposal by Paragon Business Hub Sdn Bhd ("PBHSB"), a wholly owned subsidiary of Paragon Globe Berhad ("PGB"), of vacant industrial land to be used for main incoming substation/TNB reserve, private utility buildings and light industrial plot (data centre) held under Parent Lot 2699, Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 47.86 acres ("**Proposed Land A Disposal**")
- b) proposed acquisition by PBHSB, a wholly owned subsidiary of PGB, of vacant industrial land held under Lot No. PTD 250799 (Formerly Lot 2687), Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 60,111 square metres ("**Proposed Lands B Acquisition**");
- c) proposed acquisition by PBHSB, a wholly owned subsidiary of PGB, of two (2) contiguous parcels of vacant development land held under Lot Nos. 90 & 923, Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 7.8256 hectares ("**Proposed Lands D Acquisition**");
- d) proposed disposal by PBHSB, a wholly owned subsidiary of PGB, of vacant industrial land to be used for data centre held under Parent Lot 2699, Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 19.759 acres ("**Proposed Land E Disposal**");
- e) proposed acquisition of the development rights by PGB Desa Heights Sdn Bhd (the "Developer") from Tropicana Danga Bay Sdn Bhd (the "Proprietor") in respects of two contiguous parcels of vacant commercial land held under Lot Nos. PTB 24233 & PTB 24234, Township of Johor Bahru, District of Johor Bahru, State of Johor measuring approximately 28,844.431 square metres (7.127 acres) in total ("**Proposed Lands F Development Rights**")

MASTER VALUATION CERTIFICATE (cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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This Master Valuation Certificate is prepared for inclusion in the Circular to the shareholders of PGB in relation to the Proposed Disposal, Proposed Acquisitions and Proposed Development Rights.

The valuation has been prepared in accordance with the requirements stipulated in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

For all intents and purposes, this Master Valuation Certificate should be read in conjunction with the full Report and Valuation.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards (MVS) to be "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

METHOD OF VALUATION

In arriving at the market value of the subject properties, we have adopted the Comparison Approach as the only method of valuation.

The Comparison Approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, terrain, size and shape of land, tenure, planning status, title restrictions if any and other relevant characteristics to arrive at the market value.

We have compiled and analysed sale evidences in the localities of the subject properties. In arriving at our opinion of value of the subject properties using the Comparison Approach, the selected suitable sale evidences among others are considered and adopted.

The transactions data adopted in our valuation are from Valuation and Property Services Department (JPPH) and Bursa Malaysia Company Announcements which can be relied upon with significant level of certainty.

MASTER VALUATION CERTIFICATE (cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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OPINION OF VALUE

The table below is a summary of Market Values for the properties valued: -

| No. | Property Details | Market Value |
|-----|--|-----------------|
| 1 | 47.86-acre of vacant industrial land held under Parent Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor Vacant industrial land to be used for main incoming substation/TNB reserve, private utility buildings and light industrial plot (data centre) (Our Ref : WTW/04/V/013719/24/SFT/TSZ) | RM238,000,000/- |
| 2 | Lot No. PTD 250799 (Formerly Lot 2687), Mukim of Plentong, District of Johor Bahru, Johor Vacant industrial land (Our Ref : WTW/04/V/013898/24/SFT) | RM29,000,000/- |
| 3 | Lot Nos. 90 & 923, Mukim of Plentong, District of Johor Bahru, Johor Two (2) contiguous parcels of vacant development land (Our Ref : WTW/04/V/014090/24/SFT) | RM34,000,000/- |
| 4 | 19-759-acre of vacant industrial land held under Parent Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor Vacant industrial land to be used for data centre (Our Ref : WTW/04/V/014092/24/TSZ) | RM106,300,000/- |
| 5 | The development rights in respect of Lot Nos. PTB 24233 & PTB 24234, Township of Johor Bahru, District of Johor Bahru, Johor Two (2) contiguous parcels of vacant commercial land (Our Ref : WTW/04/V/014159/24/SFT) | RM115,000,000/- |

Yours faithfully
for and on behalf of

CBRE WTW Valuation & Advisory Sdn Bhd
(formerly known as CH Williams Talhar & Wong Sdn Bhd)

Sr CHONG SHEK HEONG
M. Com. (Applied Finance), B. Bus. (Property), MRISM
Registered Valuer (V-0951)

MASTER VALUATION CERTIFICATE (cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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CERTIFICATES OF VALUATION

- 1. 47.86-acre of vacant industrial land held under Parent Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor**
(Our Ref : WTW/04/V/013719/24/SFT/TSZ)

TERMS OF REFERENCE

To assess the market value of the above captioned property for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the Proposed Disposal.

Vide the Sale and Purchase Agreement dated 8 May 2024 entered between Paragon Business Hub Sdn Bhd ("Vendor") and Bridge Data Centres Malaysia IV Sdn Bhd ("Purchaser") ("Agreement"), the Vendor is the legal, registered and beneficial owner of all that piece of freehold land held under Geran 80943, Lot 2699, Mukim of Plentong, District of Johor Bahru, State of Johor measuring 42.2896 hectares/104.50 acres ("Master Land").

The Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Vendor parts of the Master Land measuring approximately 47.86 acres (2,084,781.6 square feet) in total area ("Land") as shaded in RED and identified as Plot 1 (measuring approximately 3.675 acres) ("Plot 1"), Plot 2 (measuring approximately 6.580 acres) ("Plot 2") and Plot 3 (measuring approximately 37.605 acres) ("Plot 3") in the plan annexed to Schedule 1A therein and upon the terms and subject to the conditions in the Agreement: -

- i. that the Vendor shall complete the Earthworks and the Land shall be free from all Encumbrances, trespassers, occupiers, squatters, encroachments and cleared of any structures including place of worship and/or religious structure, save for any Encumbrances entered by or attributable to the Purchaser; and
- ii. subject to the fulfilment of the Conditions Precedent.

The completion of the Agreement by the parties shall be conditional upon the satisfaction of among others, the following conditions: -

- a. the Vendor obtaining three (3) separate documents of title to the Land (collectively, "Title") which are subject to the category of industrial land use and subject to the following respective express condition (subject to the approval of the Relevant Authorities): -
 - i. Plot 1 - Tanah ini hendaklah digunakan sebagai Pencawang Masuk Utama/Rizab TNB.
 - ii. Plot 2 - Tanah ini hendaklah digunakan sebagai bangunan utiliti swasta, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.
 - iii. Plot 3 - Tanah ini hendaklah digunakan sebagai plot industri ringan (pusat data), dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.

("Title Conditions") ("Title CP");

- b. the Vendor surrendering the TNB Land to the Relevant Land Authority ("TNB Land CP");
- c. the Vendor granting the right of way ("ROW") to the Purchaser for the Purchaser to apply for the approval from the Relevant Authorities for the Purchaser to reticulate the utilities required for the Land, including but not limited to the 11kV power supply cables, the water supply pipes and the fibre-optic cablings between the 275kV consumer landing station and the Land ("ROW CP");

MASTER VALUATION CERTIFICATE (cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Page 5

TERM OF REFERENCE (Cont'd)

- d. the Vendor seeking consent from TNB to allow the reticulation of the buried telecommunication duct-bank across the 275kV power transmission's right of way owned by TNB, to allow telecommunication service providers to route their fibre optic cabling into the data centre development plot ("Application to TNB") ("Application to TNB CP");
- e. the Vendor:
 - i. obtaining the approval from the Relevant Authorities pertaining to (i) the Vendor's construction of all the Roads in accordance with the specifications as agreed upon by the Purchaser, and (ii) the Vendor's construction of all master and common infrastructure conditions serving the Land ("Master and Common Infrastructure") (collectively, "Roads Approvals");
 - ii. completing the construction of the Outer Roads; and
 - iii. completing the construction of the Road in Land and the Master and Common Infrastructure and to procure a supporting letter from the Relevant Authorities confirming the completion of the Master and Common Infrastructure;

(collectively, "Roads CP").

Having regard to the foregoing, as instructed, the valuation is carried out based on the following **BASIS(S)**:-

- 1. THE SUBJECT PROPERTY UNDER VALUATION IS THE PLOTS DELINEATED IN RED IN THE SITE PLAN.**
- 2. INDIVIDUAL MARKETABLE AND REGISTRABLE TITLES WITH THE CATEGORY OF INDUSTRIAL LAND USE AND SUBJECT TO EXPRESS CONDITION WHICH PERMITS THE LAND TO BE USED FOR MAIN INCOMING SUBSTATION/TNB RESERVE, PRIVATE UTILITY BUILDINGS AND LIGHT INDUSTRIAL PLOT (DATA CENTRE) ARE ISSUED TO THE SUBJECT PROPERTY.**
- 3. THE SUBJECT PROPERTY HAS A LAND AREA OF ABOUT 47.86 ACRES (2,084,781.6 SQUARE FEET).**
- 4. THE SUBJECT PROPERTY HAS A TERM IN PERPETUITY.**
- 5. THE EARTHWORKS ON THE SUBJECT PROPERTY HAS BEEN COMPLETED AND FREE FROM ALL ENCUMBRANCES, TRESPASSERS, OCCUPIERS, SQUATTERS, ENCROACHMENTS AND CLEARED OF ANY STRUCTURES INCLUDING PLACE OF WORSHIP AND/OR RELIGIOUS STRUCTURE.**
- 6. THE APPROVAL FROM THE RELEVANT AUTHORITIES TO RETICULATE THE UTILITIES REQUIRED, INCLUDING BUT NOT LIMITED TO THE 11kV POWER SUPPLY CABLES, THE WATER SUPPLY PIPES AND THE FIBRE-OPTIC CABLING BETWEEN THE 275kV CONSUMER LANDING STATION AND THE SUBJECT PROPERTY HAS BEEN OBTAINED.**
- 7. ALL THE ROADS, MASTER AND COMMON INFRASTRUCTURES SERVING THE SUBJECT PROPERTY ARE COMPLETED.**

OUR VALUATION IS BASED ON THE ABOVE INFORMATION / DOCUMENTS PROVIDED TO US WHICH ARE PRESUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE INFORMATION / DOCUMENTS ARE INVALID / INCORRECT.

MASTER VALUATION CERTIFICATE (cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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PROPERTY IDENTIFICATION

| | | |
|---------------------------|---|---|
| The Subject Property | : | Vacant industrial land to be used for main incoming substation/TNB reserve, private utility buildings and light industrial plot (data centre) |
| Location | : | Located approximately 450 metres off Jalan Indah Gemilang, Ulu Tiram, Johor |
| Parent Title No. | : | GRN 80943 |
| Parent Lot No. | : | Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor |
| Titled Land Area | : | 42.2896 hectares (104.50 acres or 4,552,010 square feet) |
| Land Area Under Valuation | : | 47.86 acres (2,084,781.6 square feet) |
| Tenure Under Valuation | : | Upon the issuance of Individual title the property will convey a Freehold interest in the subject property |
| Registered Proprietor | : | Paragon Business Hub Sdn Bhd |
| Category of Land Use | : | Individual title when issued will convey industrial category of land use |
| Date of Valuation | : | 6 September 2024 |

GENERAL DESCRIPTION

The subject property forms part of the Lot 2699 is located approximately 450 metres off Jalan Indah Gemilang, Ulu Tiram, Johor.

The subject property comprises three (3) parcels of industrial land identified as Plots 1 to 3 with the individual land area as follows: -

| Plot No. | Approximate Land Area (acre) |
|-----------------|-------------------------------------|
| Plot 1 | 3.675 |
| Plot 2 | 6.580 |
| Plot 3 | 37.605 |
| Total | 47.860 |

The lands are generally flat to undulating in terrain and lies at about the level of the motorable gravelled road branches off from Jalan Indah Gemilang.

At the time of our inspection, we noted that the subject sites were generally cleared with some part covered by thick bushes and overgrown with wild trees.

We further noted that an existing overhead TNB electricity supply lines are running along the western boundaries of Plots 1 and 2 of the subject property.

The site boundaries are basically not demarcated by any form of fencing.

MASTER VALUATION CERTIFICATE (cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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PLANNING PROVISION

In accordance with the Johor Bahru and Kulai District Local Plan, 2025 (Replacement), the subject property is located close proximity to lands proposed for industrial development use.

Vide a letter issued by Jabatan Perancangan Bandar dan Desa Negeri Johor bearing ref no. JPBD.J1/123/8 Jld.13() dated 31 March 2024, we noted that the parent lot, viz. Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor has been approved for conversion of land use activity from Light Industry to Medium Industry.

METHOD OF VALUATION

In arriving at the market value of the subject property, we have adopted the Comparison Approach.

We have adopted the Comparison Approach as the only method of valuation considering the subject property comprises three (3) parcels of vacant industrial land to be used for data centre without any planning approval granted. Furthermore, there are adequate sale comparables which can be relied upon.

VALUE CONSIDERATION

In arriving at the market value of the subject property, we have considered the following market evidences:-

| Details | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 |
|------------------------------------|---|---|---|---|
| Source | Bursa Malaysia Company Announcement | | | |
| Lot No., Mukim, District and State | Lot Nos. 663, 664, 804, 807 and part of parent lot nos. 917, 920 & 1114, Mukim of Pulai, District of Johor Bahru, Johor | Part of land held under Lot No. 2699, Mukim of Plentong, District of Johor Bahru, Johor | Lot No. PTD 227197, Mukim of Pulai, District of Johor Bahru, Johor | Lot Nos. 169185 to 169188 & Lot Nos. 169193 to 169195 (Land 1) & Lot Nos. 169189 to 169192 (Land 2), Mukim of Pulai, District of Johor Bahru, Johor |
| Location | Located adjoining to Taman Nusa Bayu, Gelang Patah, Johor | Located approximately 640 metres of Jalan Indah Gemilang, Ulu Tiram, Johor | Located along Jalan Mega 1, Nusa Cemerlang Industrial Park (NCIP), Iskandar Puteri, Johor | Along Jalan Mega 1, Nusa Cemerlang Industrial Park, Iskandar Puteri, Johor |
| Type | Vacant industrial land | | | |
| Tenure | Freehold / Term in Perpetuity | | | |
| Land Area (sq. m) | 277,035.92 sq m | 79,961.91 sq. m | 82,810.90 sq. m | 82,496.48 sq. m |
| Land Area (sq. ft) | 2,981,987 sq ft | 860,702 sq. ft | 891,368 sq. ft | 887,984 sq. ft |
| Land Area (acre) | 68.46 ac | 19.76 ac | 20.46 ac | 20.39 ac |
| Date | 26/08/2024 | 02/08/2024 | 11/06/2024 | 13/05/2024 |
| Vendor | Tropicana Firstwide Sdn Bhd | Paragon Business Hub Sdn Bhd | Panoramic Industrial Development Sdn Bhd | Pentagon Land Sdn Bhd & Greenhill SiLC Sdn Bhd |
| Purchaser | NTT Global Data Centres JHB1 Campus Sdn Bhd +6 | Bridge Data Centres Malaysia VI Sdn Bhd | Digital Halo Pte Ltd | Digital Hyperscale Malaysia Sdn Bhd |
| Consideration | RM383,131,544/- | RM98,980,735/- | RM115,877,876 | RM209,844,456/- |
| Analysis (RM psm) | RM1,383 psm | RM1,238 psm | RM1,434 psm | RM1,485 psm |
| Analysis (RM psf) | RM128 psf | RM115 psf | RM133 psf | RM138 psf |
| Adjustments | Adjustments are made on time/market condition, location/accessibility and size | | | |
| Adjusted Land Value (RM psm) | RM1,314 psm | RM1,238 psm | RM1,291 psm | RM1,370 psm |

Notes: "psm" denotes per square metre
"psf" denotes per square foot

MASTER VALUATION CERTIFICATE (cont'd)


CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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VALUE CONSIDERATION (Cont'd)

The adjusted land values derived from the above comparables range from RM1,238 to RM1,370 per square metre. Comparable Nos. 1, 3 and 4 are considered as good comparable by reason of they are among the latest sales transactions.

We have adopted the land value at RM1,330 per square metre for Plot 2 and Plot 3 of the subject property as a fair representation. We are not ascribed any value to Plot 1 in view of the land is to be used as main incoming substation/TNB reserved and to be surrendered to the relevant authority.

While the transactions of Comparable Nos. 1 to 4 have not been fully completed, based on the announcement on Bursa Securities' website, we note that Sale and Purchase Agreements ("SPAs") have been signed between the vendors and purchasers of the respective transactions. The signed SPAs demonstrate that the parties have serious intention to complete the transactions. We consider these comparables reliable, as the key terms, including the price and conditions that are similar with the subject property, have already been agreed upon. These agreements provide a sound basis for comparison, despite the pending completion subject to the fulfilments of the conditions precedent as stipulated in the respective SPAs.

Additionally, we also noted that the transacted land prices for Comparable Nos. 1 to 4 are generally in the range of other completed data centre land transactions in Iskandar Malaysia, such as those in Nusajaya Tech Park and Nusa Cemerlang Industrial Park. This further validates the market positioning and relevance of these comparables in the context of the subject property.

We did not consider Comparable No. 2 as the best comparable despite the fact that it is located adjoining the subject property and there is no adjustment was made. Comparable No. 2 represents an additional lot purchased by the same buyer on 2 August 2024 at an agreed price which is same price as the subject property.

It is important to note that the agreed land price for Comparable 2 was established and agreed upon between the vendor and buyer earlier during negotiations in March / April 2024 that in the event if the buyer decided to purchase the remaining land in the development, the land price shall be at the same as the subject property. As such, we are of the view that the pre-agreed land price of Comparable No. 2 may not accurately reflect the current market value of the subject property.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **ON THE BASIS(S) AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** and free from all encumbrances at **RM238,000,000/- (Ringgit Malaysia: Two Hundred And Thirty Eight Million Only).**

MASTER VALUATION CERTIFICATE (cont'd)

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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2. Lot No. PTD 250799 (Formerly Lot 2687), Mukim of Plentong, District of Johor Bahru, Johor
(Our Ref : WTW/04/V/013898/24/SFT)

TERMS OF REFERENCE

To assess the market value of the above captioned property for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the Proposed Acquisition.

PROPERTY IDENTIFICATION

| | | |
|-----------------------|---|---|
| The Subject Property | : | Vacant industrial land |
| Location | : | Located approximately 450 metres off Jalan Indah Gemilang, Ulu Tiram, Johor |
| Title No. | : | HSD 631308 (Formerly GRN 37983) |
| Lot No. | : | PTD 250799 (Formerly Lot 2687), Mukim of Plentong, District of Johor Bahru, Johor |
| Provisional Land Area | : | 60,111 square metres (647,029 square feet or 14.854 acres) |
| Tenure | : | Freehold / Term In Perpetuity |
| Registered Proprietor | : | Semenang Realty Sdn Bhd |
| Category of Land Use | : | Industrial |
| Date of Valuation | : | 27 May 2024 |

GENERAL DESCRIPTION

The subject site is rectangular in shape with a provisional land area of about 60,111 square metres (647,029 square feet or 14.854 acres).

The land is generally flat to undulating in terrain and lies at about the level of the neighbouring lots.

At the time of our inspection, we noted that the subject site was generally covered by thick bushes and overgrown with wild trees.

The site boundaries are basically not demarcated by any form of fencing.

PLANNING PROVISION

The subject property is designated for medium industrial use as per the Express Condition in the document of title.

MASTER VALUATION CERTIFICATE (cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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METHOD OF VALUATION

In arriving at the market value of the subject property, we have adopted the Comparison Approach.

We have adopted the Comparison Approach as the only method of valuation considering the subject property is a parcel of vacant industrial land without any planning approval granted. Furthermore, there are adequate sale comparables in the vicinity of the subject property which can be relied upon.

VALUE CONSIDERATION

In arriving at the market value of the subject property, we have considered the following market evidences:-

| Details | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 |
|------------------------------------|--|--|---|---|
| Source | Valuation & Property Services Department | | | |
| Lot No., Mukim, District and State | Lot Nos. 83305, 138 & 139, Mukim of Plentong, District of Johor Bahru, Johor | PTD 248527 Mukim of Plentong, District of Johor Bahru, Johor | Lot Nos. 143 & 144, Mukim of Plentong, District of Johor Bahru, Johor | Lot Nos. 291 & 292, Mukim of Plentong, District of Johor Bahru, Johor |
| Address | Along Jalan Tropika, Ulu Tiram, Johor | Along Jalan Tropika, Ulu Tiram, Johor | Off MP 11 1/4 Jalan Kota Tinggi, Ulu Tiram, Johor | Along Jalan Indah Gemilang, Ulu Tiram, Johor |
| Type | Vacant industrial land | | | |
| Tenure | Freehold / Term in perpetuity | | | |
| Land Area (sq. m) | 62,282.00 sq. m | 43,705.50 sq. m | 87,098.00 sq. m | 49,068.00 sq. m |
| Land Area (sq. ft) | 670,397 sq. ft | 470,442 sq. ft | 937,514 sq. ft | 528,163 sq. ft |
| Date | 30/05/2023 | 07/10/2022 | 29/09/2021 | 01/09/2020 |
| Vendor | Apollo Food Industries (M) Sdn Bhd | Cheng Tay Chin +1 | Berjaya Land Development Sdn Bhd | Brilliant Propel Sdn Bhd |
| Purchaser | Ha Teng Holdings Sdn Bhd | Oren Land Sdn Bhd | Plato Industry (M) Sdn Bhd | Nihon Pigment Sdn Bhd |
| Consideration | RM33,870,852/- | RM23,590,570/- | RM45,427,856/- | RM25,351,920/- |
| Analysis (RM psm) | RM544 psm | RM540 psm | RM522 psm | RM517 psm |
| Analysis (RM psf) | RM51 psf | RM50 psf | RM48 psf | RM48 psf |
| Adjustments | Adjustments are made on time/market condition, location/accessibility and size | | | |
| Adjusted Land Value (RM psm) | RM479 psm | RM475 psm | RM545 psm | RM455 psm |

Notes: "psm" denotes per square metre
"sqm" denotes square metres

The adjusted land values derived from the above comparables range from RM455 to RM545 per square metre. We have considered Comparable Nos. 1 and 2 as the good comparables by reason of they are the latest sales transactions.

We have adopted the land value at RM480 per square metre for the subject property as a fair representation.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, transfer and free from all encumbrances at **RM29,000,000/- (Ringgit Malaysia : Twenty Nine Million Only)**.

MASTER VALUATION CERTIFICATE (cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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3. Lot Nos. 90 & 923, Mukim of Plentong, District of Johor Bahru, Johor
(Our Ref : WTW/04/V/014090/24/SFT)

TERMS OF REFERENCE

To assess the market value of the above captioned properties for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the Proposed Acquisition.

PROPERTY IDENTIFICATION

| The Subject Properties | : | Two (2) contiguous parcels of vacant development land | | | | | | | | | | | | |
|--|----------|---|------------|----------|----------------------|--------|--------|--------|---------|---------|--------|-------|--|------------------------------------|
| Location | : | Located approximately 450 metres off Jalan Indah Gemilang, Ulu Tiram, Johor | | | | | | | | | | | | |
| Title Nos. / Lot Nos. / Titled Land Area | : | <table border="1"> <thead> <tr> <th>Title Nos.</th> <th>Lot Nos.</th> <th>Land Area (hectares)</th> </tr> </thead> <tbody> <tr> <td>GM 757</td> <td>Lot 90</td> <td>4.4895</td> </tr> <tr> <td>GM 1083</td> <td>Lot 923</td> <td>3.3361</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total</td> <td>7.8256 hectares (19.3376 acres)</td> </tr> </tbody> </table> | Title Nos. | Lot Nos. | Land Area (hectares) | GM 757 | Lot 90 | 4.4895 | GM 1083 | Lot 923 | 3.3361 | Total | | 7.8256 hectares (19.3376 acres) |
| Title Nos. | Lot Nos. | Land Area (hectares) | | | | | | | | | | | | |
| GM 757 | Lot 90 | 4.4895 | | | | | | | | | | | | |
| GM 1083 | Lot 923 | 3.3361 | | | | | | | | | | | | |
| Total | | 7.8256 hectares (19.3376 acres) | | | | | | | | | | | | |
| | | All in Mukim of Plentong, District of Johor Bahru, Johor | | | | | | | | | | | | |
| Tenure | : | Freehold / Term In Perpetuity | | | | | | | | | | | | |
| Registered Proprietor | : | EKL Holdings Sdn Bhd | | | | | | | | | | | | |
| Encumbrances | : | Nil | | | | | | | | | | | | |
| Category of Land Use | : | Agriculture | | | | | | | | | | | | |
| Date of Valuation | : | 17 July 2024 | | | | | | | | | | | | |

GENERAL DESCRIPTION

The subject properties are two (2) contiguous parcels of vacant development land located approximately 450 metres off Jalan Indah Gemilang, Ulu Tiram, Johor.

Together, the subject properties have a total land area of about 7.8256 hectares (19.3376 acres) and made up of the following lots: -

| Lot Nos. | Land Area | |
|----------|-----------|--------|
| | (hectare) | (acre) |
| Lot 90 | 4.4895 | 11.09 |
| Lot 923 | 3.3361 | 8.24 |

The subject sites are regular in shaped and generally flat to undulating in terrain and lies at about the level of the neighbouring lots.

At the time of our inspection, we noted that the subject sites were generally overgrown with wild trees.

The site boundaries are basically not demarcated by any form of fencing.

MASTER VALUATION CERTIFICATE (cont'd)



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PLANNING PROVISION

The subject properties are designated for agricultural use as per the Express Condition in the document of titles.

In accordance with the Johor Bahru and Kulai District Local Plan, 2025 (Replacement), the subject properties are located in close proximity to lands that are proposed for industrial development use.

Our verbal enquiries with the Planning Department of Majlis Bandaraya Johor Bahru (MBJB) revealed that industrial development on the subject properties can be considered and subject to approval from the relevant Authorities.

METHOD OF VALUATION

In arriving at the market value of the subject properties, we have adopted the Comparison Approach.

We have adopted the Comparison Approach as the only method of valuation considering the subject properties are two (2) contiguous parcels of vacant development land without any planning approval being granted by the relevant Authorities. Furthermore, there are adequate sale comparables in the vicinity of the subject properties which can be relied upon.

VALUE CONSIDERATION

In arriving at the market value of the subject properties, we have considered the following market evidences: -

| Details | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 |
|------------------------------------|---|---|--|---|
| Source | Bursa Malaysia Company Announcement | | Valuation & Property Services Department | |
| Lot No., Mukim, District and State | Lot No. PTD 250799, Mukim of Plentong, District of Johor Bahru, Johor | Lot 94, Mukim of Plentong, District of Johor Bahru, Johor | Lot 183, Mukim of Plentong, District of Johor Bahru, Johor | Lot Nos. 2037 & 2038, Mukim of Plentong, District of Johor Bahru, Johor |
| Address | Off Jalan Indah Gemilang, Ulu Tiram, Johor | Off Jalan Indah Gemilang, Ulu Tiram, Johor | Along Jalan Ban Foo, Ulu Tiram, Johor | Along Jalan Indah Gemilang, Ulu Tiram, Johor |
| Type | Vacant industrial land | Development land zoned for industrial use | Vacant industrial land | Development land zoned for industrial use |
| Tenure | Freehold / Term in perpetuity | | | |
| Land Area (sq. m) | 60,111.00 sq. m | 39,836.00 sq. m | 44,140.00 sq. m | 64,188.73 sq. m |
| Land Area (sq. ft) | 647,029 sq. ft | 428,791 sq. ft | 475,119 sq. ft | 690,921 sq. ft |
| Date | 30/05/2024 | 03/04/2024 | 06/11/2023 | 01/03/2023 |
| Vendor | Semenang Realty Sdn Bhd | Ng Kok Kiang, Ng Kok Seng & Ng Lo Meng | Lim Chye Teng | Ng Nam Bee Marketing Pte Ltd & Ng Chee Meng |
| Purchaser | Paragon Business Hub Sdn Bhd | Paragon Business Hub Sdn Bhd | MOHM Chemical Sdn Bhd | Omni Development Sdn Bhd |
| Consideration | RM28,563,133/- | RM13,500,000/- | RM14,727,340/- | RM28,046,512/- |
| Analysis (RM psm) | RM475 psm | RM339 psm | RM334 psm | RM437 psm |
| Analysis (RM psf) | RM44 psf | RM31 psf | RM31 psf | RM41 psf |
| Adjustments | Adjustments are made on time/market condition, location, accessibility, size, title conversion, marriage value factor and etc | | | |
| Adjusted Land Value (RM psm) | RM428 psm | RM427 psm | RM438 psm | RM452 psm |

Notes: "psm" denotes per square metre
"sqm" denotes square metres

MASTER VALUATION CERTIFICATE (cont'd)**CBRE WTW VALUATION & ADVISORY SDN BHD** (197401001098)

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VALUE CONSIDERATION (Cont'd)

The adjusted land values derived from the above comparables range from RM427 to RM452 per square metre. In selecting the most appropriate comparable, we have prioritised Comparable Nos. 1 and 2. These comparables are the most recent sales transactions among those considered, which ensured that our valuation reflects the latest market conditions and trends.

Recent transactions provide a more accurate and current reflection of market value, thereby enhancing the reliability of our assessment. Given that Comparable Nos. 1 and 2 offer up-to-date data, they are particularly relevant for establishing a fair land value.

While the transactions of Comparable Nos. 1 and 2 have not been fully completed, based on the announcement on Bursa Securities' website, we noted that Sale and Purchase Agreements ("SPAs") have been signed between the vendors and purchasers of the respective transactions. The signed SPAs demonstrate that the parties have serious intention to complete the transactions. We have considered these comparables reliable, as the key terms, including the price and conditions that are similar with the subject properties, have already been agreed upon. These agreements provide a sound basis for comparison, despite the pending completions subject to the fulfilments of the conditions precedent as stipulated in the respective SPAs.

Based on our analysis, we have adopted a land value of RM430 per square metre for the subject properties. This value is positioned within the range of other completed transactions of industrial lands and lands with industrial development potential in the locality and surrounding of the subject properties and represents a fair and balanced valuation that considers the latest market data provided by the selected comparable.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject properties free from all encumbrances at **RM34,000,000/- (Ringgit Malaysia : Thirty Four Million Only)**.

MASTER VALUATION CERTIFICATE (cont'd)

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4. 19.759-acre of vacant industrial land held under Parent Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor
(Our Ref : WTW/04/V/014092/24/TSZ)

TERMS OF REFERENCE

To assess the market value of the above captioned property for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the Proposed Disposal.

Vide the Sale and Purchase Agreement dated 2 August 2024 entered between Paragon Business Hub Sdn Bhd ("Vendor") and Bridge Data Centres Malaysia VI Sdn Bhd ("Purchaser") ("Agreement"), the Vendor is the legal, registered and beneficial owner of all that piece of freehold land held under Geran 80943, Lot 2699, Mukim of Plentong, District of Johor Bahru, State of Johor measuring 42.2896 hectares/104.50 acres ("Master Land").

The Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Vendor parts of the Master Land measuring approximately 19.759 acres (860,702.04 square feet) in total area ("Land") as shaded in YELLOW and identified as Plot E (measuring approximately 8.723 acres) ("Plot E") and Plot F (measuring approximately 11.036 acres) ("Plot F") in the plan annexed to Schedule 1 therein and upon the terms and subject to the conditions in the Agreement: -

- iii. that the Vendor shall complete the Earthworks and the Land shall be free from all Encumbrances, trespassers, occupiers, squatters, encroachments and cleared of any structures including place of worship and/or religious structure, save for any Encumbrances entered by or attributable to the Purchaser; and
- iv. subject to the fulfilment of the Conditions Precedent.

The completion of the Agreement by the parties shall be conditional upon the satisfaction of among others, the following condition: -

- a. the Vendor obtaining one (1) separate document of title to the Land ("Title") which are subject to the category of industrial land use and subject to the following express condition (subject to the approval of the Relevant Authorities): -

Tanah ini hendaklah digunakan sebagai plot industri sederhana dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.

("Title Condition") ("Title CP").

Having regard to the foregoing, as instructed, the valuation is carried out based on the following **BASIS(S):-**

- 1. THE SUBJECT PROPERTY UNDER VALUATION IS THE PLOTS DELINEATED IN YELLOW IN THE SITE PLAN.**
- 2. INDIVIDUAL MARKETABLE AND REGISTRABLE TITLE WITH THE CATEGORY OF INDUSTRIAL LAND USE AND SUBJECT TO EXPRESS CONDITION WHICH PERMITS THE LAND TO BE USED FOR DATA CENTRE IS ISSUED TO THE SUBJECT PROPERTY.**
- 3. THE SUBJECT PROPERTY HAS A LAND AREA OF ABOUT 19.759 ACRES (860,702.04 SQUARE FEET).**
- 4. THE SUBJECT PROPERTY HAS A TERM IN PERPETUITY.**

MASTER VALUATION CERTIFICATE (cont'd)



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TERMS OF REFERENCE (Cont'd)

5. THE EARTHWORKS ON THE SUBJECT PROPERTY HAS BEEN COMPLETED AND FREE FROM ALL ENCUMBRANCES, TRESPASSERS, OCCUPIERS, SQUATTERS, ENCROACHMENTS AND CLEARED OF ANY STRUCTURES INCLUDING PLACE OF WORSHIP AND/OR RELIGIOUS STRUCTURE.

6. ALL THE ROADS, MASTER AND COMMON INFRASTRUCTURES SERVING THE SUBJECT PROPERTY ARE COMPLETED.

OUR VALUATION IS BASED ON THE ABOVE INFORMATION / DOCUMENTS PROVIDED TO US WHICH ARE PRESUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE INFORMATION / DOCUMENTS ARE INVALID / INCORRECT.

PROPERTY IDENTIFICATION

| | | |
|---------------------------|---|--|
| The Subject Property | : | Vacant industrial land to be used for data centre |
| Location | : | Located approximately 640 metres off Jalan Indah Gemilang, Ulu Tiram, Johor |
| Parent Title No. | : | GRN 80943 |
| Parent Lot No. | : | Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor |
| Titled Land Area | : | 42.2896 hectares (104.50 acres or 4,552,010 square feet) |
| Land Area Under Valuation | : | 19.759 acres (860,702.04 square feet) |
| Tenure Under Valuation | : | Upon the issuance of Individual title the property will convey a Freehold interest in the subject property |
| Registered Proprietor | : | Paragon Business Hub Sdn Bhd |
| Category of Land Use | : | Individual title when issued will convey industrial category of land use |
| Date of Valuation | : | 17 July 2024 |

MASTER VALUATION CERTIFICATE (cont'd)

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GENERAL DESCRIPTION

The subject property forms part of the Lot 2699 is located approximately 640 metres off Jalan Indah Gemilang, Ulu Tiram, Johor.

The subject property comprises two (2) parcels of industrial land identified as Plots E and F with the individual land area as follows: -

| Plot | Approximate Land Area (acre) |
|--------------|-------------------------------------|
| Plot E | 8.723 |
| Plot F | 11.036 |
| Total | 19.759 |

The lands are generally flat to undulating in terrain and lies at about the level of the neighbouring lots

At the time of our inspection, we noted that the subject site was generally cleared with some part covered by bushes and wild trees.

The site boundaries are basically not demarcated by any form of fencing.

PLANNING PROVISION

In accordance with the Johor Bahru and Kulai District Local Plan, 2025 (Replacement), the subject property is located close proximity to lands proposed for industrial development use.

Vide a letter issued by Jabatan Perancangan Bandar dan Desa Negeri Johor bearing ref no. JPBD.J1/123/8 Jld.13() dated 31 March 2024, we noted that the parent lot, viz. Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor has been approved for conversion of land use activity from Light Industry to Medium Industry.

METHOD OF VALUATION

In arriving at the market value of the subject property, we have adopted the Comparison Approach.

We have adopted the Comparison Approach as the only method of valuation considering the subject property comprises two (2) parcels of vacant industrial land to be used for data centre without any planning approval granted. Furthermore, there are adequate sale comparables which can be relied upon.

MASTER VALUATION CERTIFICATE (cont'd)



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VALUE CONSIDERATION

In arriving at the market value of the subject property, we have considered the following market evidences:-

| Details | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 | Comparable 5 |
|------------------------------------|--|---|--|---|--|
| Source | Bursa Malaysia Company Announcement | | | | |
| Lot No., Mukim, District and State | Lot No. PTD 227197, Mukim of Pulai, District of Johor Bahru, Johor | Lot Nos. 169185 to 169188 & Lot Nos. 169193 to 169195 (Land 1) & Lot Nos. 169189 to 169192 (Land 2), Mukim of Pulai, District of Johor Bahru, Johor | Part of land held under Lot No. 2699, Mukim of Plentong, District of Johor Bahru, Johor ⁽¹⁾ | Part of lands held under PTD 209486 (Land 1) & PTD 224339 to PTD 224344 (Land 2) & other lands being the open space identified as PTD 224345 and reserved road (Land 3), Mukim of Pulai, District of Johor Bahru, Johor | Lot Nos. 150591 to 150594 & 150599 to Lot 150600 (Parcel A) & PTD 223761 to PTD 223762 & PTD 223780 to PTD 223781 (Parcel B), Mukim of Pulai, District of Johor Bahru, Johor |
| Location | Located along Jalan Mega 1, Nusa Cemerlang Industrial Park, Iskandar Puteri, Johor | Located in i-Tech Valley within Phase 3 of SiLC, Iskandar Puteri, Johor | Located about 450 metres off Jalan Indah Gemilang, Ulu Tiram, Johor | Located along Jalan Mega 2, Nusa Cemerlang Industrial Park, Iskandar Puteri, Johor | Located along Jalan Mega 1, Nusa Cemerlang Industrial Park, Iskandar Puteri, Johor |
| Type | Vacant industrial land | | | | |
| Tenure | Freehold / Term in Perpetuity | | | | |
| Land Area (sq. m) | 82,810.90 sq m | 141,269.00 sq. m | 178,810.52 sq. m | 243,998.96 sq. m | 82,496.48 sq. m |
| Land Area (sq. ft) | 891,368 sq ft | 1,520,605 sq. ft | 1,924,699 sq. ft | 2,626,380 sq. ft | 887,984 sq. ft |
| Land Area (acre) | 20.46 ac | 34.91 ac | 44.19 ac | 60.29 ac | 20.39 ac |
| Date | 11/06/2024 | 13/05/2024 | 08/05/2024 | 17/11/2023 | 15/11/2023 |
| Vendor | Panoramic Industrial Development Sdn Bhd | Pentagon Land Sdn Bhd & Greenhill SILC Sdn Bhd | Paragon Business Hub Sdn Bhd | Panoramic Industrial Development Sdn Bhd | Panoramic Industrial Development Sdn Bhd |
| Purchaser | Digital Halo Pte Ltd | Digital Hyperspace Malaysia Sdn Bhd | Bridge Data Centres Malaysia IV Sdn Bhd | Microsoft Payments (Malaysia) Sdn Bhd | Yu Ao Sdn Bhd |
| Consideration | RM115,877,876/- | RM209,844,456/- | RM238,317,196/- | RM315,165,649/- | RM112,773,950/- |
| Analysis (RM psm) | RM1,399 psm | RM1,485 psm | RM1,333 psm | RM1,292 psm | RM1,367 psm |
| Analysis (RM psf) | RM130 psf | RM138 psf | RM124 psf | RM120 psf | RM127 psf |
| Adjustments | Adjustments are made on time/market condition, location/accessibility and size | | | | |
| Adjusted Land Value (RM psm) | RM1,259 psm | RM1,337 psm | RM1,333 psm | RM1,350 psm | RM1,353 psm |

Notes: "psm" denotes per square metre
"psf" denotes per square foot

⁽¹⁾ Analysed based on net land area by excluding the area to be used as main incoming substation/TNB reserve and to be surrendered to the relevant authority.

The adjusted land values derived from the above comparables range from RM1,259 to RM1,353 per square metre. We have considered Comparable 3 as the best benchmark for valuing the subject property, which is an additional lot acquired by the purchaser following the acquisition of Comparable 3.

The value of the subject property is closely aligned with Comparable 3. Since the subject property was purchased after Comparable 3, this lot serves as a significant reference point due to its similar location and attributes.

MASTER VALUATION CERTIFICATE (cont'd)

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VALUE CONSIDERATION (Cont'd)

Comparable 3 effectively reflects the market trends and valuation characteristics that are pertinent to the subject property. Its proximity and similarity in key features make it an ideal comparison for determining the market value of the subject property.

Based on our analysis, we have adopted the land value at RM1,330 per square metre for the subject property. This value is positioned within the range of adjusted land values and represents a fair valuation that considers the latest market data provided by the selected comparable.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property **ON THE BASIS(S) AND PROVISO AS STATED IN DETAIL UNDER THE TERMS OF REFERENCE HEREIN** and free from all encumbrances at **RM106,300,000/- (Ringgit Malaysia : One Hundred Six Million and Three Hundred Thousand Only).**

MASTER VALUATION CERTIFICATE (cont'd)

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5. The development rights in respect of Lot Nos. PTB 24233 & PTB 24234, Township of Johor Bahru, District of Johor Bahru, Johor
(Our Ref : WTW/04/V/014159/24/SFT)

TERMS OF REFERENCE

To assess the market value of the development rights in the above-mentioned properties for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the proposed acquisition of the development rights by PGB Desa Heights Sdn Bhd (the "Developer") from Tropicana Danga Bay Sdn Bhd (the "Proprietor").

Vide the Development Rights Agreement ("DRA") dated 14 August 2024 entered into between the Proprietor and the Developer, the Proprietor is the registered proprietor and beneficial owner of the two (2) parcels of freehold land held under HSD 577114 PTB 24234 and HSD 577113 PTB24233, Township of Johor Bahru, District of Johor Bahru, State of Johor measuring approximately 28,844.431 square metres (7.127 acres) in total ("Development Land").

The Proprietor and Developer have agreed that in consideration of the premise of the DRA, the Proprietor appoints the Developer as the sole and exclusive developer of the Development Land and grants to the Developer the Development Rights and the Developer accepts the appointment to develop, construct and complete the Development in accordance with the Approved Plans and all the relevant approvals, consents and permissions of the Relevant Authority at the costs and expenses of the Developer and upon the terms, conditions and covenants contained in the DRA.

The Developer's interests, rights and benefits in the Properties are that of a beneficial owner after full payment of the GDV Consideration Sum at RM102,458,027.43 in accordance to the term and conditions of the DRA, delivery to the Proprietor of the stamped original PGB Corporate Guarantee 2 and the stamped original PGB Letter of Indemnity.

The completion of the Agreement by the parties shall be conditional upon the fulfilment of the following conditions precedent: -

- i. the grant of the Planning Permission (Erection Building) (Kebenaran Merancang (Pendirian Bangunan)) for Land B and Building Plans of Land B by the Relevant Authority on or before 3 months from the date of Land B Submission subject to an automatic extension of time of a further period of 3 months from the day following the expiry of the initial 3 months if any of such approval is not granted within the initial 3 months.
- ii. the grant of the Planning Permission (Erection of Building) (Kebenaran Merancang (Pendirian Bangunan)) for Land A and Building Plans for Land A by the Relevant Authority on or before 3 months from the date of Land A Submission subject to an automatic extension of time of a further period of 3 months from the day following the expiry of the initial 3 months if any of such approval is not granted within the initial 3 months.
- iii. the grant of the approval by Jawatankuasa Penilaian, Perancangan dan Reka Bentuk (Planning Design and Review Committee) Johor in respect of Bumiputera quota allocation and the foreign quota allocation on such terms and conditions identical to the existing approval in respect thereof as recited in this Agreement (collectively "PDRC Approval") on or before 3 months from the date of Land A Submission and Land B Submission (whichever is later) subject to an automatic extension of time of a further period of 3 months from the day following the expiry of the initial 3 months if any of such approval is not granted within the initial 3 months.

MASTER VALUATION CERTIFICATE (cont'd)


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TERM OF REFERENCE (Cont'd)

- iv. the grant of the letter of no objection from Jabatan Diraja Johor for the Development in accordance with the provisions of this Agreement on or before 2 months from the date of the Land A Submission and Land B Submission, whichever is later.
- v. the grant of the approval in relation to the Development by the Relevant Authority (the "PKPJ Approval") on or before 6 months from the date of this Agreement: -
 - (a) to pay to the Johor Land Registry 1% of the GDV ("1% GDV Payment") in consideration of PKPJ agreeing to a waiver to satisfy or the non-applicability of the requirement to provide for affordable serviced apartments (Pangsapuri Perkhidmatan Mampu Milik); or
 - (b) in lieu of the requirement to pay the 1% GDV Payment, the approval of PKPJ for the affordable serviced apartments (Pangsapuri Perkhidmatan Mampu Milik) to be priced above RM350,000 per unit.
- vi. the Developer, having obtained the approval of the shareholders of PGB for the entering into Agreement on or before 6 months from the date of this Agreement.

As an alternative to the grant of the Development Rights and the payment of the GDV Consideration Sum, the Proprietor irrevocably grants the Developer an option to elect to pay the Proprietor the sum of RM102,458,027.43 only (the "Consideration Sum") and to take a transfer of the Development Land in the Developer's favour (collectively the "Elective Option") upon and subject to the terms and conditions hereinafter appearing.

Legal Opinion from the Appointed Solicitors as to the treatment of the acquisition of the Developer as an acquisition of an Asset

The Market Value of the Development Rights of the Development Land is dependent on the nature of legal rights secured by the acquirer via the Development Rights Agreement (DRA). For this, we have perused the letter from the appointed solicitors, Messrs. Dennis Nik & Wong bearing Reference No. C5438/LLM/LHM/as dated 8 August 2024, a certified true copy of which is attached as **Appendix C** and summarised as follows: -

As stated in Point 4, having assessed the Developer's interest in the DRA, the solicitors are of the view that the Developer's interest, rights and benefits in the Development Land are that of a beneficial owner after full payment of the Gross Development Value (GDV) Consideration Sum in accordance to the terms and conditions of the DRA, delivery to the Proprietor of the stamped original Developer Corporate Guarantee 2 and the stamped original Developer Letter of Indemnity.

As stated in Point 5.1, it was highlighted that under the provisions of Clause 13B.1 of the DRA, the beneficial ownership of the Development Land will pass to the Developer and the Proprietor will hold the Development Land as bare trustee for the absolute benefit of the Developer, once the Proprietor receipt of the stamped original Developer Corporate Guarantee 2 and the stamped original Developer Letter of Indemnity subject to there shall be no breach of any of the provisions herein by the Developer.

As stated in Point 5.2, it also highlighted that under the provisions of Clause 13A.2 of the DRA, within 10 Business Days from the Cut-off Date and the Proprietor's receipt of the stamped original Developer Corporate Guarantee 2 and the stamped original Developer Letter of Indemnity and subject to the Developer's compliance with the provisions of DRA, the Proprietor shall execute and deliver to the Developer or Developer's Solicitors a full power of attorney in respect of the Development Land in the form as set out in Appendix 'C' in DRA for the purpose of enabling the Developer to attend to all that is provided therein at the costs and expenses of the Developer.

MASTER VALUATION CERTIFICATE (cont'd)

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TERM OF REFERENCE (Cont'd)

As stated in Point 5.3, it was opined that the irrevocable Power of Attorney given for valuable consideration confers upon the Developer absolute powers over the Development Land.

The Developer's right to the Development Land is adequately protected by the DRA, the Power of Attorney and by law as illustrated in the aforesaid appointed Solicitors' letter.

Premised on the foregoing, we are of the opinion that the market value of the Development Rights is as good as the market value of the properties/assets.

AS INSTRUCTED, THE VALUATION IS CARRIED OUT BASED ON THE FOLLOWING BASIS(S): -

- 1. THE SUBJECT PROPERTIES ARE TWO (2) CONTIGUOUS PARCELS OF VACANT COMMERCIAL LAND WITH ALLOWABLE PLOT RATIO OF 1 : 6;**
- 2. THERE IS A HEIGHT RESTRICTION OF 45 LEVELS FOR THE BUILDINGS TO BE ERECTED ON THE DEVELOPMENT LAND;**
- 3. 95% FOREIGN QUOTA ALLOCATION APPROVAL IN RESPECT OF SERVICED APARTMENTS TO BE ERECTED ON THE DEVELOPMENT LAND WITH THE MINIMUM SELLING PRICE THRESHOLD OF RM400,000.00 PER PARCEL UNIT FOR FOREIGN OWNERSHIP;**
- 4. THE 35% BUMIPUTERA QUOTA REDUCTION IN RESPECT OF THE SERVICED APARTMENTS TO BE ERECTED ON THE DEVELOPMENT LAND, SUBJECT TO A PENALTY PAYMENT EQUIVALENT TO 10% OF THE SELLING PRICE FOR THE RELEVANT UNITS OF THE SERVICED APARTMENTS INVOLVED IN THE 35% BUMIPUTERA QUOTA REDUCTION.**
- 5. ALLOCATION OF 1 UNIT OF CAR PARK FOR 1 UNIT OF SERVICED APARTMENT TO BE ERECTED ON THE DEVELOPMENT LAND.**

IT IS TO BE NOTED THAT OUR VALUATION IS BASED ON THE ABOVE BASIS(S), WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS(S) ARE INVALID / INCORRECT.

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE BASIS(S) AS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON THE BASIS(S) THAT ARE NOT YET OR FULLY REALISED.

(This paragraph is required in accordance with Standard 9 of the Malaysian Valuation Standards.)

PROPERTY IDENTIFICATION

The Subject Properties : Two (2) contiguous parcels of vacant commercial land

Location : Located along Persiaran Abu Bakar Sultan, within the renowned Danga Bay integrated waterfront development, Johor Bahru, Johor

Title Nos. / Lot Nos. / Provisional Land Area :

| Title Nos. | Lot Nos. | Land Area (sq. metres) | Land Area (acres) |
|------------|-----------|------------------------|-------------------|
| HSD 577113 | PTB 24233 | 14,630.85 | 3.62 |
| HSD 577114 | PTB 24234 | 14,213.581 | 3.51 |
| Total | | 28,844.431 | 7.13 |

All in Township of Johor Bahru, District of Johor Bahru, Johor

MASTER VALUATION CERTIFICATE (cont'd)

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PROPERTY IDENTIFICATION (Cont'd)

Tenure : Freehold / Term In Perpetuity
 Registered Proprietor : Tropicana Danga Bay Sdn Bhd
 Category of Land Use : Building
 Date of Valuation : 7 August 2024

GENERAL DESCRIPTION

The subject properties are two (2) contiguous parcels of vacant commercial land located along Persiaran Abu Bakar Sultan, within renowned Danga Bay integrated waterfront development, Johor Bahru, Johor.

Together, the subject properties have a total land area of about 28,844.431 square metres (7.13 acres) and made up of the following lots: -

| Lot Nos. | Land Area | |
|-----------|--------------|---------|
| | (sq. metres) | (acres) |
| PTB 24233 | 14,630.85 | 3.62 |
| PTB 24234 | 14,213.581 | 3.51 |

The subject sites are near rectangular in shaped and generally flat in terrain and lie at about the frontage metalled roads level.

They are located across a 20-metre-wide dual carriageway namely Jalan Danga 1/1 at their western boundaries while Persiaran Abu Bakar Sultan at their eastern boundaries. The north-western boundary of PTB 24233 abuts to an existing metalled service road, Jalan Danga 2.

At the time of our inspection, we noted that the subject sites were generally cleared. The site boundaries are bounded by light undergrowth and wild trees and basically demarcated by metal hoardings.

Part of Lot No. PTB 24234 was erected upon with temporary buildings and structures previously being utilized as the construction site office and stores.

PLANNING PROVISION

The subject properties are designated for commercial use as per the Express Condition in the document of titles.

Based on the Approved Master Layout Plan ("KML") issued by Majlis Bandaraya Johor Bahru bearing Reference No. MBBJ/U/2012/12/SNT/KM/50 dated 23 April 2013, the subject properties have been approved for mixed commercial development use with a plot ratio of 1 : 4.

METHOD OF VALUATION

It is a normal practise that valuer to adopt Income Approach (Residual Method) as the appropriate approach of valuation in valuing the market value of the development rights of a property for the reason that the Income Approach (Residual Method) taken into account the subject under the valuation is the development rights, which include the rights, liabilities, duties and burdens provided by or arising from the terms, conditions and covenants contained in the development rights agreement.

MASTER VALUATION CERTIFICATE (cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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METHOD OF VALUATION (Cont'd)

In addition, value of the development rights in respect of a property is usually being established and agreed by the parties, namely proprietor and developer, based on an agreed gross development value (GDV) consideration and entitlement from a proposed development that has obtained planning approval and/or development order with detailed information of the development such as development components, type of development, nos. of block and unit, sizes of development and products, height of building(s), specifications, etc. that have been approved by the relevant Authorities.

While in this valuation exercise, the subject properties have not been approved for any planning approval by the relevant Authorities yet, nor any preliminary drawing i.e. proposed layout plan, building plan, etc. that consists of more information of the proposed development have been prepared by the proprietor and developer, respectively. We were only made to understand by the developer, PGB Desa Heights Sdn Bhd that their preliminary plan is to propose a development that will comprise four (4) serviced apartment tower blocks with a total number of 2,552 units (each block consists of 638 serviced apartment units in four (4) types with floor area sizes ranging from 453 square feet to 984 square feet) on the subject properties. All these information of the proposed development is very preliminary without any further supporting drawing, plan and other supporting document(s).

We have attempted to value the development rights in relation to the proposed development on the subject properties by using the Income Approach (Residual Method). However, in view of all the information of the proposed development is at a very preliminary stage, and therefore we are of the view that the market value derived by the Income Approach (Residual Method) is less reliable and the Income Approach (Residual Method) is deemed less suitable and appropriate in the valuation of the subject properties.

While the subject under the valuation is the development rights in respect of the two parcels of commercial land, the solicitors for the developer, i.e. Messrs. Dennis Nik & Wong, has vide its letter bearing Reference No. C5438/LLM/LHM/as dated 8 August 2024 (as attached in the report as **Appendix C**) wrote to opine that premised upon the terms and conditions of the DRA, the Developer's interest, rights and benefits in the properties are that of a beneficial owner after full payment of the GDV Consideration Sum in accordance to the terms of conditions of the DRA, delivery to the Proprietor of the stamped original PGB Corporate Guarantee 2 and the stamped original PGB Letter of Indemnity. The solicitor's opinion is further supported by Clause 13B.1, 13A.2 and the extensive powers granted to the Developer in respect of the properties under the Full Power of Attorney as provided in the DRA.

We have also observed that the mode of settlement, i.e. payment and payment period of GDV Consideration Sum by the Developer to the Proprietor for the development rights in this valuation (15% of GDV Consideration as initial payment upon execution of the DRA, 85% as Balance GDV Consideration payable within a period of 4 months from the Unconditional Date, and an automatic extension of 1 month period that subject to a late payment interest) is very similar with consideration payment by the purchaser to the vendor in a normal property transaction(s) that are subject to conditions precedent (10% Deposit Payment upon execution of Sale & Purchase Agreement "SPA", 90% as Balance Payment on Completion Date that is usually 3 months from the fulfilment of the conditions precedent of the SPA, and an automatic extension of 1 month period that subject to a later payment interest).

In addition, based on the Special Conditions in the DRA in respect of the subject properties, it is stated in Clause 2. Elective Option and Consideration Sum, as an alternative to the grant of the Development Rights and the payment of the GDV Consideration Sum, the Proprietor irrevocably grants the Developer an option to elect to pay the Proprietor the Consideration Sum of RM102,458,027.43 only and to take a transfer of the Development Land in the Developer's favour, upon and subject to the terms and conditions stipulated therein. The Developer could exercise the option to elect the Elective Option by way of notice in writing to the Proprietor within 3 months from the Unconditional Date of the DRA.

MASTER VALUATION CERTIFICATE (cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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METHOD OF VALUATION (Cont'd)

Taking into consideration of the above, the Developer's interest, rights and benefits in the subject properties are comparable and alike to a beneficial owner of the properties. Therefore, we are of the opinion that the Comparison Approach is a suitable and appropriate valuation approach to be adopted in the valuation of the subject properties.

The Comparison Approach entails analysing recent transactions and asking prices of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, terrain, water front / strait front premium, size and shape of land, tenure, planning status, title restrictions if any and other relevant characteristics to arrive at the market value.

We have compiled and analysed sale evidences in and around the locality of the subject properties. In arriving at our opinion of value of the subject properties using the Comparison Approach, the selected suitable sale evidences among others are considered and adopted.

VALUE CONSIDERATION

In arriving at the market value of the subject properties, we have considered the following market evidences:-

| Details | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 |
|------------------------------------|--|---|--|---|
| Source | Bursa Malaysia Company Announcement | | Valuation & Property Services Department | |
| Lot No., Mukim, District and State | Lot 16996, Mukim of Plentong, District of Johor Bahru, Johor | Lot No. PTD 24461 Township of Johor Bahru, District of Johor Bahru, Johor | Lot 1223 Township of Johor Bahru, District of Johor Bahru, Johor | Lot Nos. PTB 24599, PTB 24600 & PTB 24601 Township of Johor Bahru, District of Johor Bahru, Johor |
| Address | Along Jalan Tebrau, within Taman Pelangi, Johor Bahru, Johor | Along Jalan Senyum, Johor Bahru, Johor | Along Jalan Trus, Johor Bahru, Johor | Within Lido Waterfront Boulevard, Persiaran Abu Bakar, Johor Bahru, Johor |
| Type | Vacant commercial land | | | |
| Tenure | Freehold / Term in perpetuity | | | |
| Land Area (sq. m) | 26,329.00 sq. m | 11,687.68 sq. m | 1,910.00 sq. m | 47,024.00 sq. m |
| Land Area (sq. ft) | 283,403 sq. ft | 125,805 sq. ft | 20,555 sq. ft | 506,165 sq. ft |
| Date | 22/03/2024 | 12/09/2023 | 05/12/2022 | 07/12/2020, 01/07/2020 & 12/12/2019 |
| Vendor | Pelangi Sdn Bhd | Bewell Realty Sdn Bhd | Toh Kiat Hong | Lido Waterfront Boulevard Sdn Bhd |
| Purchaser | Maxim Global Berhad | Crescendo Landmark Sdn Bhd | Boutique House Sdn Bhd | China Communications Construction Company (M) Sdn Bhd |
| Consideration | RM167,000,000/- | RM71,500,000/- | RM14,800,000/- | RM303,686,224/- |
| Analysis (RM psm) | RM6,343 psm | RM6,118 psm | RM7,750 psm | RM6,458 psm |
| Analysis (RM psf) | RM589 psf | RM568 psf | RM720 psf | RM600 psf |
| Adjustments | Adjustments are made on time/market condition, location/accessibility, visibility, size, planning approval, plot ratio, infrastructure, restriction on development rights and special approval on bumi & foreign quota | | | |
| Adjusted Land Value (RM psm) | RM4,123 psm | RM3,946 psm | RM4,011 psm | RM4,521 psm |
| Adjusted Land Value (RM psf) | RM383 psf | RM367 psf | RM373 psf | RM420 psf |

Notes: "psm" denotes per square metre
"psf" denotes per square foot

MASTER VALUATION CERTIFICATE (cont'd)

**CBRE WTW VALUATION & ADVISORY SDN BHD** (197401001098)

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VALUE CONSIDERATION (Cont'd)

The adjusted land values derived from the comparables range from RM3,946 per square metre (RM367 per square foot) to RM4,521 per square metre (RM420 per square foot). In selecting the most appropriate comparables, we have prioritized Comparable Nos. 1 and 2. These comparables are the most recent sales transactions among those considered, which ensures that our valuation reflects the latest market conditions and trends.

Recent transactions provide a more accurate and current reflection of market values, thereby enhancing the reliability of our assessment. Given that Comparable Nos. 1 and 2 offer up-to-date data, they are particularly relevant for establishing a fair land value.

Based on this analysis, we have adopted a land value of RM3,983 per square metre (RM370 per square foot) for the subject properties. This value is positioned within the range of adjusted land values and represents a fair and balanced valuation that considers the latest market data provided by the selected comparables.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the development rights in the subject properties **ON THE BASIS AS STATED IN DETAIL UNDER TERMS OF REFERENCE HEREIN** and free from all encumbrances at **RM115,000,000/- (Ringgit Malaysia : One Hundred And Fifteen Million Only)**.

UPDATE VALUATION CERTIFICATE



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)
(formerly known as C T Williams Tullur & Wang Sdn Bhd)

18.01, Level 18
 South Tower, Mid Valley Southkey
 Persiaran Southkey 1
 80150 Johor Bahru
 Johor Darul Takzim
 Malaysia

Report and Valuation

Our ref : WTW/04/V/014407/24/SFT

25 November 2024

PRIVATE & CONFIDENTIAL

The Board of Directors

PARAGON BUSINESS HUB SDN BHD

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 Taman Century
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 Johor

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 E johorbahru@cbre-wtw.com.my
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Dear Sirs,

**UPDATE CERTIFICATE OF VALUATION OF
 LOT NO. PTD 250799 (FORMERLY LOT 2687)
 MUKIM OF PLENTONG
 DISTRICT OF JOHOR BAHRU, JOHOR
 FOR SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD**

We refer to your instructions to review our valuation on the above-mentioned property in providing our opinion of the Market Value of the property for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the proposed acquisition by Paragon Business Hub Sdn Bhd ("PBHSB"), a wholly owned subsidiary of Paragon Globe Berhad ("PGB") of the above-mentioned property ("Proposed Acquisition").

A Report and Valuation on the above-mentioned property was previously prepared by us under reference no. WTW/04/V/013898/24/SFT dated 30 May 2024. This Update Valuation Certificate should be read in conjunction with the said full Report and Valuation and Update Valuation dated 25 November 2024.

We have re-inspected the property on 22 November 2024 and is taken as the material date of valuation.

We have prepared and provided this Update Valuation which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

The basis of the valuation is Market Value which is defined by the Malaysian Valuation Standards (MVS) to be "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

UPDATE VALUATION CERTIFICATE (cont'd)

CBRE WTW VALUATION & ADVISORY SDNBHD (197401001098)

Our ref : WTW/04/V/014407/24/SFT

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TERMS OF REFERENCE

The update valuation is conducted based on same Terms of Reference as stated in our valuation report dated 30 May 2024.

GENERAL DESCRIPTION

At the date of inspection 22 November 2024, we noted that the subject site was generally cleared and part of the land are covered by thick bushes. Others remained unchanged since our last date of valuation.

**PARTICULARS OF TITLE**

Brief particulars of title of the subject property as extracted from records at the Registry of Lands and Mines, Kota Iskandar, Iskandar Puteri, Johor on 25 November 2024 are as follows: -

| | | |
|-----------------------|---|-------------------------------|
| Title No. | : | HSD 631308 |
| Lot No. | : | PTD 250799 |
| Mukim | : | Plentong |
| District | : | Johor Bahru |
| State | : | Johor |
| Annual Rent | : | RM22,274/- |
| Land Area | : | 60,111 square metres |
| Tenure | : | Freehold / Term In Perpetuity |
| Category of Land Use | : | Industrial |
| Registered Proprietor | : | Semenang Realty Sdn Bhd |

UPDATE VALUATION CERTIFICATE (cont'd)



CBRE WTW VALUATION & ADVISORY SDNBHD (197401001098)

Our ref : WTW/04/V/014407/24/SFT

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PARTICULARS OF TITLE* (Cont'd)

Encumbrances : Nil

Other

Endorsements : ¹ Private Caveat on Land lodged by Paragon Business Hub Sdn Bhd

Express

Conditions : i) Tanah ini hendaklah digunakan untuk kilang bagi tujuan Perusahaan Sederhana dan kegunaan lain yang berkaitan dengannya, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan.

ii) Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan / dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan.

iii) Segala dasar dan syarat yang telah ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi.

Restriction

In Interest : Tanah ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada Bukan Warganegara/Syarikat Asing tanpa persetujuan Pihak Berkuasa Negeri.

The above search at the relevant Registry Office / Land Office is conducted to establish particulars of title relevant to this valuation only. We cannot accept any responsibility for their accuracy and / or legal validity. We recommend that further legal advice be sought to verify the above.

Note(s) : -

*The particulars of title dated 25 November 2024 revealed that all details remained unchanged except endorsement stated in ¹

PLANNING PROVISION

The status of the planning as provision as stated in our valuation report dated 30 May 2024 remained unchanged.

MARKET CONDITION

Generally, economic indicators show an upward trend in the market with gross domestic product (GDP) growth and a notable increase in data centre land transactions compared to previous years, reflecting heightened interest and investment in the sector. A review of the property market between May 2024 and November 2024 reveals overall stable to slight improvement in market conditions. In our opinion, the valuations of the subject property conducted in May 2024 and November 2024 have remained consistent and unchanged.

METHOD OF VALUATION

We have adopted the same method of valuation as per our previous valuation report dated 30 May 2024. Furthermore, there are adequate new sale comparables in the vicinity of the subject property which can be relied upon.

UPDATE VALUATION CERTIFICATE (cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Our ref : WTW/04/V/014407/24/SFT

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VALUE CONSIDERATION

In arriving at the market value of the subject property, we have considered the following market evidences:-

| Details | Comparable 1 | Comparable 2 | Comparable 3 | Comparable 4 |
|------------------------------------|--|--|--|--|
| Source | Bursa Malaysia Company Announcement | | Valuation & Property Services Department | |
| Lot No., Mukim, District and State | Lot Nos. 90 & 923, Mukim of Plentong, District of Johor Bahru, Johor | Lot 94 Mukim of Plentong, District of Johor Bahru, Johor | Lot Nos. 83305, 138 & 139, Mukim of Plentong, District of Johor Bahru, Johor | PTD 248527 Mukim of Plentong, District of Johor Bahru, Johor |
| Address | Off Jalan Indah Gemilang, Ulu Tiram, Johor | Off Jalan Indah Gemilang, Ulu Tiram, Johor | Along Jalan Tropika, Ulu Tiram, Johor | Along Jalan Tropika, Ulu Tiram, Johor |
| Type | Development land zoned for industrial use | | Vacant industrial land | |
| Tenure | Freehold / Term in perpetuity | | | |
| Land Area (sq. m) | 78,256.00 sq. m | 39,836.00 sq. m | 62,282.00 sq. m | 43,705.50 sq. m |
| Land Area (sq. ft) | 842,340 sq. ft | 428,791 sq. ft | 670,397 sq. ft | 470,442 sq. ft |
| Date | 29/07/2024 | 03/04/2024 | 30/05/2023 | 07/10/2022 |
| Vendor | EKL Holdings Sdn Bhd | Ng Kok Kiang, Ng Kok Seng & Ng Lo Meng | Apollo Food Industries (M) Sdn Bhd | Cheng Tay Chin +1 |
| Purchaser | Paragon Business Hub Sdn Bhd | Paragon Business Hub Sdn Bhd | Ha Teng Holdings Sdn Bhd | Oren Land Sdn Bhd |
| Consideration | RM34,957,134/- | RM13,500,000/- | RM33,870,852/- | RM23,590,570/- |
| Analysis (RM psm) | RM447 psm | RM339 psm | RM544 psm | RM540 psm |
| Analysis (RM psf) | RM42 psf | RM31 psf | RM51 psf | RM50 psf |
| Adjustments | Adjustments are made on time/market condition, location/accessibility, size, title conversion, marriage value factor and land area affected by TNB transmission line | | | |
| Adjusted Land Value (RM psm) | RM491 psm | RM480 psm | RM500 psm | RM497 psm |

Notes: "psm" denotes per square metre
"sqm" denotes square metres

The adjusted land values derived from the above comparables range from RM480 to RM500 per square metre. In selecting the most appropriate comparable, we have prioritised Comparable Nos. 1 and 2. These comparable are the most recent sales transactions among those considered, which ensured that our valuation reflects the latest market conditions and trends.

Recent transactions provide a more accurate and current reflection of market value, thereby enhancing the reliability of our assessment. Given that Comparable Nos. 1 and 2 offer up-to-date data, they are particularly relevant for establishing a fair land value.

While the transaction of Comparable 1 has not been fully completed, based on the announcement on Bursa Securities' website, we noted that Sale and Purchase Agreement ("SPA") has been signed between the vendor and purchaser. The signed SPA demonstrate that the parties have serious intention to complete the transaction. We have considered this comparable reliable, as the key terms, including the price and conditions that are similar with the subject property, have already been agreed upon. This agreement provides a sound basis for comparison, despite the pending completions subject to the fulfilments of the conditions precedent as stipulated in the SPA.

UPDATE VALUATION CERTIFICATE (cont'd)



CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Our ref : WTW/04/V/014407/24/SFT

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VALUE CONSIDERATION (Cont'd)

Further, we noted that Comparable 2 has been completed and was purchased prior to the sale of 47.86 acre land held under Parent Lot 2699, Mukim of Plentong, District of Johor Bahru, Johor. The conditional SPA is entered between Paragon Business Hub Sdn Bhd and Bridge Data Centres Malaysia IV Sdn Bhd on 8 May 2024 which the land is transacted as an industrial plot for data centre use, with the agreed master and common infrastructures serving the land are completed. The approval from the relevant authorities to reticulate the utilities required, including but not limited to the 11kV power supply cable, the water supply pipes and the fibre optic cabling between the 275 kV consumer landing station and the land has been obtained.

A positive adjustment is made to Comparable 2 as it was transacted prior to the announcement. The transacted land price of Comparable 2 did not reflect the anticipated rise in appeal and value of the land in the area due to increase in demand and expected improvements of the common infrastructures such as road and drainage that serves the immediate locality. This adjustment is essential to accurately represent the current market conditions post-announcement, ensuring a fair assessment that accounts for the benefits arising from it. Additionally, the transaction price of Comparable 1 also indicates an upward trend in land price following the announcement, further support this upward adjustment.

Comparable 1 is adjacent to the subject property (PTD 250799) and Comparable 2 (Lot 94). The combination of these lands offers greater opportunity for a substantial and proper industrial park development which create a marriage value factor to Comparable 1 during the transaction. Therefore, we made negative adjustment to the price of Comparable 1 to exclude the marriage value element.

Based on our analysis, we have adopted a land value of RM485 per square metre for the subject property. This value is positioned within the range of other completed transactions of industrial lands and lands with industrial development potential in the locality and surrounding of the subject property and represents a fair and balanced valuation that considers the latest market data provided by the selected comparable.

VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to sell, transfer and free from all encumbrances at **RM29,000,000/- (Ringgit Malaysia : Twenty Nine Million Only).**

Yours faithfully
for and on behalf of

CBRE WTW Valuation & Advisory Sdn Bhd

(formerly known as C H Williams Talhar & Wong Sdn Bhd)

Sr CHONG SHEK HEONG

M. Com. (Applied Finance), B. Bus (Property), MRISM
Registered Valuer (V-0951)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER



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 Malaysia

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

Date: 27 November 2024

Our Ref: BDO/JS/SYS/vhlv

Dear Sir/Madam,

**Paragon Globe Berhad (“PGB” or the “Company”) and its subsidiaries (“Group”)
 Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as
 at 31 March 2024**

We have completed our assurance engagement to report on the compilation of the pro forma consolidated statements of financial position of the Group as at 31 March 2024 (“Pro Forma Statements of Financial Position”) and its related notes prepared by the Board of Directors of the Group.

The Pro Forma Statements of Financial Position together with the accompanying notes thereon, for which we have stamped for purpose of identification, have been compiled by the Board of Directors of the Company (“Board of Directors”) for inclusion in the Circular to be issued in connection with the Group’s:

- (i) Proposed acquisition by Paragon Business Hub Sdn Bhd (“PBHSB”), a wholly-owned subsidiary of PGB, of a parcel of freehold land held under Geran Mukim 462 Lot 94, in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 9.84 acres (“Land C” marked in site plan attached) for purchase consideration of RM13.500 million;
 (“Land C Acquisition”)
- (ii) Proposed disposal by PBHSB, a wholly-owned subsidiary of PGB, of part of a parcel of freehold land held under Geran 80943 Lot 2699, in the Mukim of Plentong, District of Johor Bahru, State of Johor, measuring in aggregate approximately 47.86 acres (“Land A” marked in site plan attached) to Bridge Data Centres Malaysia IV Sdn. Bhd. for cash consideration of RM238.317 million;
 (“Proposed Land A Disposal”)
- (iii) Proposed acquisition by PBHSB, a wholly-owned subsidiary of PGB, of a parcel of freehold land held under HS(D) 631308 PTD 250799, in the Mukim of Plentong, District of Johor Bahru, State of Johor, measuring approximately 14.85 acres (“Land B” marked in site plan attached) for a purchase consideration of RM28.563 million;
 (“Proposed Land B Acquisition”)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)



- (iv) Proposed acquisition by PBHSB, a wholly-owned subsidiary of PGB, of 2 parcels of freehold land held under GM 757 Lot 90 ("Land D - Property 1" marked in site plan attached) and GM 1083 Lot 923 ("Land D - Property 2" marked in site plan attached), both in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 11.09 acres and 8.24 acres respectively (collectively, Lands D), for a total purchase consideration of RM34.957 million; and ("Proposed Lands D Acquisition")
- (v) Proposed disposal by PBHSB, a wholly-owned subsidiary of PGB, of part of a parcel of freehold land held under Geran 80943 Lot 2699, in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 19.759 acres ("Land E" marked in site plan attached) to Bridge Data Centres Malaysia VI Sdn. Bhd. for cash consideration of RM98.981 million. ("Proposed Land E Disposal")

The applicable criteria on the basis of which the Board of Directors have compiled the Pro Forma Statements of Financial Position are described in the Notes thereon to the Pro Forma Statements of Financial Position.

The Pro Forma Statements of Financial Position has been compiled by the Board of Directors to illustrate the impact of the events or transactions as set out in the Notes to the Pro Forma Statements of Financial Position on the financial position of the Group as at 31 March 2024. As part of this process, information about the Group's consolidated statements of financial position has been extracted by the Board of Directors from the Group's audited consolidated financial statements for the year ended 31 March 2024.

Directors' Responsibility for the Pro Forma Statements of Financial Position

The Board of Directors are solely responsible for compiling the Pro Forma Statements of Financial Position on the basis as described in the Notes thereon to the Pro Forma Statements of Financial Position as at 31 March 2024.

Our Independence and Quality Management

We are independent of the Group 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.

The firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance and Related Services Engagements* and accordingly requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

**Reporting Accountants' Responsibility**

Our responsibility is to express an opinion, about whether the Pro Forma Statements of Financial Position have been compiled, in all material respects, by the Board of Directors on the basis described in Notes to the Pro Forma Statements of Financial Position.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Statements of Financial Position on the basis set out in Notes thereon to the Pro Forma Statements of Financial Position.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom those reports or opinion were addressed by us at the dates of their issue.

The purpose for inclusion of the Pro Forma Statements of Financial Position included in the Shareholders' Circular of the Company is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at that date would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Statements of Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Statements of Financial Position reflect the proper application of those adjustments to the unadjusted statements of financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT
31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)**



Opinion

In our opinion, the Pro Forma Statements of Financial Position of the Group have been compiled, in all material respects, on the basis set out in the Notes thereon to the Pro Forma Statements of Financial Position as at 31 March 2024.

Other Matters

This report has been prepared solely for the purpose stated above, in connection with the abovementioned Land C Acquisition, Proposed Land A Disposal, Proposed Land B Acquisition, Proposed Lands D Acquisition and Proposed Land E Disposal. As such, this Report should not be used for any other purpose without our prior written consent. Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'R. [unclear]', written over the printed name 'BDO PLT'.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

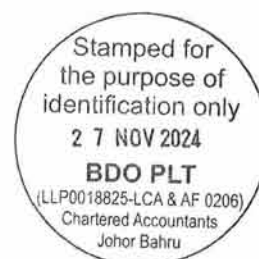
*Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position*

1. INTRODUCTION AND BASIS OF PREPARATION**1.1 Basis of preparation**

The Pro Forma Statements of Financial Position ("Pro Forma SOFP") have been prepared based on audited consolidated statements of financial position of the Group as at 31 March 2024, which were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards, and in a manner consistent with the format of financial statements and accounting policies of the Group.

The Pro Forma SOFP have been prepared for illustrative purposes only to show the effects of the transactions as set out in Note 2.1 on the audited consolidated statements of financial position of the Group as at 31 March 2024 had the transactions been effected on 31 March 2024, and should be read in conjunction with the notes thereon. Due to its nature, the Pro Forma SOFP is not necessarily indicative of the financial position of the Group that would have been attained had the effects of the transactions as set out in Note 2.1 actually occurred at the respective dates. Further, such information does not purport to predict the future financial position of the Group.

The audited consolidated statements of financial position of the Group for the financial period ended 31 March 2024 used in the preparation of the Pro Forma SOFP was not subject to any audit qualification.

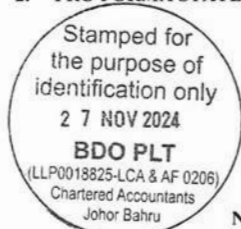


PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (continued)

| | Note | As at 31 March 2024 RM'000 | Adjustments RM'000 | Pro Forma I After the Land C Acquisition | | Pro Forma II After Pro Forma I and Proposed Land A Disposal | | Pro Forma III After Pro Forma II and Proposed Land B | | Pro Forma IV After Pro Forma III and Proposed Lands D | | Pro Forma V After Pro Forma IV and Proposed Land E | |
|--|-------|-------------------------------------|-----------------------|--|----------|--|-----------------------|--|-----------------------|---|-----------------------|--|-----------------------|
| | | | | RM'000 | RM'000 | RM'000 | Adjustments RM'000 | RM'000 | Adjustments RM'000 | RM'000 | Adjustments RM'000 | RM'000 | Adjustments RM'000 |
| EQUITY AND LIABILITIES | | | | | | | | | | | | | |
| Equity attributable to owners of the parent | | | | | | | | | | | | | |
| Share capital | | 259,225 | - | 259,225 | - | 259,225 | - | 259,225 | - | 259,225 | - | 259,225 | |
| Retained earnings | 2.2.3 | 36,609 | (18) | 36,591 | 79,594 | 116,185 | (124) | 116,061 | (103) | 115,958 | 33,311 | 149,269 | |
| Capital reserves | | 2,257 | - | 2,257 | - | 2,257 | - | 2,257 | - | 2,257 | - | 2,257 | |
| | | 298,091 | (18) | 298,073 | 79,594 | 377,667 | (124) | 377,543 | (103) | 377,440 | 33,311 | 410,751 | |
| Non-controlling interest | | 498 | - | 498 | - | 498 | - | 498 | - | 498 | - | 498 | |
| TOTAL EQUITY | | 298,589 | (18) | 298,571 | 79,594 | 378,165 | (124) | 378,041 | (103) | 377,938 | 33,311 | 411,249 | |
| Non-current liabilities | | | | | | | | | | | | | |
| Borrowings | 2.2.4 | 139,453 | - | 139,453 | (57,000) | 82,453 | 19,994 | 102,447 | 24,470 | 126,917 | - | 126,917 | |
| Lease liabilities | | 704 | - | 704 | - | 704 | - | 704 | - | 704 | - | 704 | |
| Deferred tax liabilities | | 5,307 | - | 5,307 | - | 5,307 | - | 5,307 | - | 5,307 | - | 5,307 | |
| | | 145,464 | - | 145,464 | (57,000) | 88,464 | 19,994 | 108,458 | 24,470 | 132,928 | - | 132,928 | |

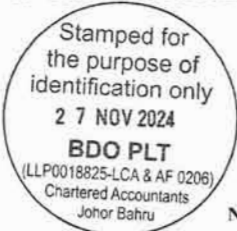


PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (continued)

| | Note | As at 31 March 2024 RM'000 | Adjustments RM'000 | Pro Forma I After the Land C Acquisition RM'000 | Adjustments RM'000 | Pro Forma | Pro Forma | Pro Forma | Pro Forma | Pro Forma |
|--|------|-------------------------------------|-----------------------|--|-----------------------|---|--|---|---|-----------|
| | | | | | | II After Pro Forma I and Proposed Land A Disposal RM'000 | III After Pro Forma II and Proposed Land B Acquisition RM'000 | IV After Pro Forma III and Proposed Lands D Acquisition RM'000 | V After Pro Forma IV and Proposed Land E Disposal RM'000 | |
| EQUITY AND LIABILITIES (continued) | | | | | | | | | | |
| Current liabilities | | | | | | | | | | |
| Trade and other payables | | 23,381 | - | 23,381 | - | 23,381 | - | 23,381 | - | 23,381 |
| Borrowings | | 1,750 | - | 1,750 | - | 1,750 | - | 1,750 | - | 1,750 |
| Lease liabilities | | 848 | - | 848 | - | 848 | - | 848 | - | 848 |
| Contract liabilities | | 437 | - | 437 | - | 437 | - | 437 | - | 437 |
| | | 26,416 | - | 26,416 | - | 26,416 | - | 26,416 | - | 26,416 |
| TOTAL LIABILITIES | | 171,880 | - | 171,880 | (57,000) | 114,880 | 19,994 | 134,874 | 24,470 | 159,344 |
| TOTAL EQUITY AND LIABILITIES | | 470,469 | (18) | 470,451 | 22,594 | 493,045 | 19,870 | 512,915 | 24,367 | 537,282 |
| Net assets | | 298,589 | | 298,571 | | 378,165 | | 378,041 | | 377,938 |
| Number of ordinary shares ('000) | | 746,623 | | 746,623 | | 746,623 | | 746,623 | | 746,623 |
| Net assets attributable to equity holders per ordinary shares (RM) | | 0.40 | | 0.40 | | 0.51 | | 0.51 | | 0.51 |
| | | | | | | | | | | 0.55 |



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

*Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position*

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (continued)

2.1 Pro Forma adjustments to the Pro Forma Statements of Financial Position

2.1.1 Pro Forma I

Pro Forma I incorporated the effects of Land C Acquisition for purchase consideration of RM13.500 million in its cash reserve without borrowing.

PBHSB had completed the acquisition on 2 July 2024.

2.1.2 Pro Forma II

Pro Forma II incorporates the effects of Pro Forma I and the Proposed Land A Disposal for cash consideration of RM238.317 million.

2.1.3 Pro Forma III

Pro Forma III incorporated the effects of Pro Forma II and the Proposed Land B Acquisition for purchase consideration of RM28.563 million.

The proposed acquisition is to be funded partly by bank borrowings based on the assumption that 70% financing on the proposed acquisition price.

| | RM'000 |
|---|---------------|
| Cash payments | 8,569 |
| Bank borrowings (70% of the Sales and Purchase Agreement ("SPA") price) | 19,994 |
| | <u>28,563</u> |

2.1.4 Pro Forma IV

Pro Forma IV incorporated the effects of Pro Forma III and the Proposed Lands D Acquisition for a total purchase consideration of RM34.957 million.

The proposed acquisition is to be funded partly by bank borrowings based on the assumption that 70% financing on the proposed acquisition price.

| | RM'000 |
|--|---------------|
| Cash payments | 10,487 |
| Bank borrowings (70% of the SPA price) | 24,470 |
| | <u>34,957</u> |

2.1.5 Pro Forma V

Pro Forma V incorporates the effects of Pro Forma IV and the Proposed Land E Disposal for cash consideration of RM98.981 million.



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

*Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position*

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (continued)

2.2 Notes to the Pro Forma Statements of Financial Position

2.2.1 Inventories

| | Note | RM'000 | RM'000 |
|--|----------|--------|---------------------|
| Current Assets | | | |
| Audited as at 31 March 2024 | | | 129,024 |
| Land C Acquisition | 2.1.1 | 13,500 | |
| Estimated stamp duty directly attributable to the Land C Acquisition | 2.2.2 | 524 | |
| Estimated other cost directly attributable to the Land C Acquisition | 2.2.2 | 62 | 14,086 |
| Pro Forma I | | | |
| Book value of Land A - Proposed Land A Disposal | 2.2.3(b) | | 143,110 (53,826) |
| Pro Forma II | | | |
| Proposed Land B Acquisition | 2.1.3 | 28,563 | 89,284 |
| Estimated stamp duty directly attributable to the Proposed Land B Acquisition | 2.2.2 | 1,127 | |
| Estimated other cost directly attributable to the Proposed Land B Acquisition | 2.2.2 | 106 | 29,796 |
| Pro Forma III | | | |
| Proposed Lands D Acquisition | 2.1.4 | 34,957 | 119,080 |
| Estimated stamp duty directly attributable to the Proposed Lands D Acquisition | 2.2.2 | 1,366 | |
| Estimated other cost directly attributable to the Proposed Lands D Acquisition | 2.2.2 | 128 | 36,451 |
| Pro Forma IV | | | |
| Book value of Land E - Proposed Land E Disposal | 2.2.3(f) | | 155,531 (22,223) |
| Pro Forma V | | | |
| | | | 133,308 |



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

*Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position*

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (continued)

2.2 Notes to the Pro Forma Statements of Financial Position (continued)

2.2.2 Cash and Bank Balances

| | Note | RM'000 | RM'000 |
|--|-------|----------|-----------------|
| Audited as at 31 March 2024 | | | 25,389 |
| Payment for Land C Acquisition | 2.1.1 | (13,500) | |
| Estimated stamp duty directly attributable to the Land C Acquisition | 2.2.1 | (524) | |
| Estimated other cost directly attributable to the Land C Acquisition | 2.2.1 | (62) | |
| Estimated expenses for Land C Acquisition | 2.2.3 | (18) | <u>(14,104)</u> |
| Pro Forma I | | | 11,285 |
| Proceeds from Proposed Land A Disposal | 2.1.2 | 238,317 | |
| Estimated tax payable for the Proposed Land A Disposal | 2.2.3 | (25,134) | |
| Estimated expenses for the Proposed Land A Disposal | | (79,763) | |
| Repayment of borrowings using proceeds from Proposed Land A Disposal | 2.2.4 | (57,000) | <u>76,420</u> |
| Pro Forma II | | | 87,705 |
| Payment for Proposed Land B Acquisition | 2.1.3 | (8,569) | |
| Estimated stamp duty directly attributable to the Proposed Land B Acquisition | 2.2.1 | (1,127) | |
| Estimated other cost directly attributable to the Proposed Land B Acquisition | 2.2.1 | (106) | |
| Estimated expenses for Proposed Land B Acquisition | 2.2.3 | (124) | <u>(9,926)</u> |
| Pro Forma III | | | 77,779 |
| Payment for Proposed Lands D Acquisition | 2.1.4 | (10,487) | |
| Estimated stamp duty directly attributable to the Proposed Lands D Acquisition | 2.2.1 | (1,366) | |
| Estimated other cost directly attributable to the Proposed Lands D Acquisition | 2.2.1 | (128) | |
| Estimated expenses for Proposed Lands D Acquisition | 2.2.3 | (103) | <u>(12,084)</u> |
| Pro Forma IV | | | 65,695 |
| Proceeds from Proposed Land E Disposal | 2.1.5 | 98,981 | |
| Estimated tax payable for the Proposed Land E Disposal | 2.2.3 | (10,519) | |
| Estimated expenses for the Proposed Land E Disposal | | (32,928) | <u>55,534</u> |
| Pro Forma V | | | <u>121,229</u> |



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (continued)

2.2 Notes to the Pro Forma Statements of Financial Position (continued)

2.2.3 Retained Earnings

| | Note | RM'000 | RM'000 |
|---|-------|-----------------|------------------|
| Audited as at 31 March 2024 | | | 36,609 |
| Estimated expenses for the Land C Acquisition | a | | <u>(18)</u> |
| Pro Forma I | | | 36,591 |
| Proceeds from Proposed Land A Disposal | 2.1.2 | 238,317 | |
| Estimated costs for the Proposed Land A Disposal | b | (133,589) | |
| Estimated tax payable for the Proposed Land A Disposal | c | <u>(25,134)</u> | <u>79,594</u> |
| Pro Forma II | | | 116,185 |
| Estimated expenses for the Proposed Land B Acquisition | d | | <u>(124)</u> |
| Pro Forma III | | | 116,061 |
| Estimated expenses for the Proposed Lands D Acquisition | e | | <u>(103)</u> |
| Pro Forma IV | | | 115,958 |
| Proceeds from Proposed Land E Disposal | 2.1.5 | 98,981 | |
| Estimated costs for the Proposed Land E Disposal | f | (55,151) | |
| Estimated tax payable for the Proposed Land E Disposal | g | <u>(10,519)</u> | <u>33,311</u> |
| Pro Forma V | | | <u>149,269</u> |
| (a) Estimated expenses for the Land C Acquisition | | | RM'000 |
| | | | <u>18</u> |
| (b) Estimated costs for the Proposed Land A Disposal | | | RM'000 |
| | | | 53,826 |
| Book value of Land A | | | 338 |
| Legal and professional fees | | | 37 |
| Other direct expenses | | | <u>79,388</u> |
| Estimated development costs | | | <u>133,589</u> |
| (c) Estimated tax payable for the Proposed Land A Disposal | | | RM'000 |
| | | | 238,317 |
| Disposal consideration | | | <u>(133,589)</u> |
| Estimated costs for the Proposed Land A Disposal | | | <u>104,728</u> |
| Chargeable income | | | <u>25,134</u> |
| Estimated tax payable for the Proposed Land A Disposal at 24% | | | <u>25,134</u> |



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

*Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position*

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (continued)

2.2 Notes to the Pro Forma Statements of Financial Position (continued)

2.2.3 Retained Earnings (continued)

(d) Estimated expenses for the Proposed Land B Acquisition

| | RM'000 |
|-----------------------------|---------------|
| Legal and professional fees | 121 |
| Other direct expenses | 3 |
| | <u>124</u> |

(e) Estimated expenses for the Proposed Lands D Acquisition

| | RM'000 |
|-----------------------------|---------------|
| Legal and professional fees | 96 |
| Other direct expenses | 7 |
| | <u>103</u> |

(f) Estimated costs for the Proposed Land E Disposal

| | RM'000 |
|-----------------------------|---------------|
| Book value of Land E | 22,223 |
| Legal and professional fees | 152 |
| Other direct expenses | 1 |
| Estimated development costs | 32,775 |
| | <u>55,151</u> |

(g) Estimated tax payable for the Proposed Land E Disposal

| | RM'000 |
|---|-----------------|
| Disposal consideration | 98,981 |
| Estimated costs for the Proposed Land E Disposal | <u>(55,151)</u> |
| Chargeable income | <u>43,830</u> |
| Estimated tax payable for the Proposed Land E Disposal at 24% | <u>10,519</u> |



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

*Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position*

2. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024 (continued)

2.2 Notes to the Pro Forma Statements of Financial Position (continued)

2.2.4 Borrowings

| | Note | RM'000 |
|--|-------|-----------------|
| Non-current liabilities | | |
| Audited as at 31 March 2024 | | 139,453 |
| Adjustments | | <u>-</u> |
| Pro Forma I | | 139,453 |
| Repayment of borrowings using proceeds from Proposed Land A Disposal | 2.2.2 | <u>(57,000)</u> |
| Pro Forma II | | 82,453 |
| Bank borrowings for the Proposed Land B Acquisition | 2.1.3 | <u>19,994</u> |
| Pro Forma III | | 102,447 |
| Bank borrowings for the Proposed Lands D Acquisition | 2.1.4 | <u>24,470</u> |
| Pro Forma IV | | 126,917 |
| Adjustments | | <u>-</u> |
| Pro Forma V | | <u>126,917</u> |



PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

*Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position*

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Paragon Globe Berhad in accordance with a resolution dated 27 November 2024.

Signed on behalf of the Board of Directors.


.....
Dato' Sri Edwin Tan Pei Seng
Director

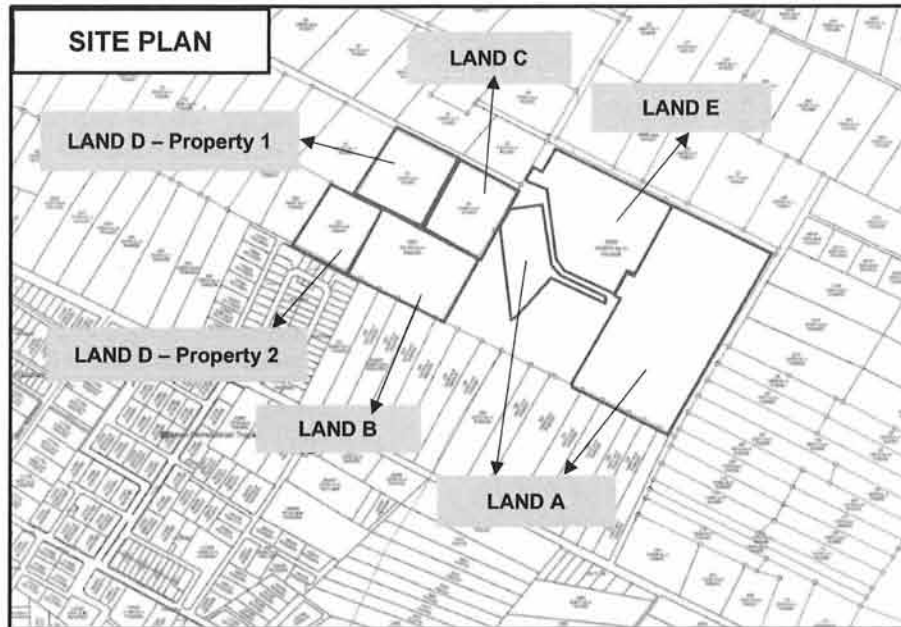
Johor Bahru
27 November 2024


.....
Dato' Sri Godwin Tan Pei Poh
Director

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF PGB GROUP AS AT 31 MARCH 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER (cont'd)

Paragon Globe Berhad (194801000095 (1713-A))
Pro Forma Statements of Financial Position

APPENDIX I: SITE PLAN



FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. CONSENTS AND CONFLICT OF INTEREST**2.1 TA Securities**

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

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

2.2 CBRE WTW

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

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

2.3 Reporting Accountants

BDO PLT, being the Reporting Accountants for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, letters and all references thereto in the form and context in which they appear in this Circular.

BDO PLT confirms that as at 27 November 2024, it is not aware of any circumstances that exists or is likely to exist which would give rise to a conflict of interest situation in its capacity as reporting accountants for the Proposals.

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FURTHER INFORMATION (cont'd)

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES
3.1 Material commitments

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

| Capital commitments | RM'000 |
|---|------------------------|
| Contracted but not provided for: | |
| (i) Capital expenditure in respect of investment property under construction | 28,192 ⁽¹⁾ |
| (ii) Commitment in respect of addition of lands held for property development | 266,680 ⁽²⁾ |
| Total | 294,872 |

Notes:

⁽¹⁾ The commitment pertains to the contracts awarded by our subsidiary, *Builtech Acres Sdn. Bhd.*, in 2020, 2022 and 2023 at a total contracted sum of RM 103.06 million to various suppliers for *Sepang Medical Centre* located in *Sepang-Nilai* township and targeted to be completed by first quarter of 2025.

⁽²⁾ The commitment is in respect of the *PGB Landmark Acquisitions, Proposed Land B Acquisition, Proposed Lands D Acquisition, Proposed Land F Development Rights* as set out in **Sections 4, 5 and 7** of this Circular as well as the *Proposed Development Rights*.

3.2 Contingent liabilities

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

| Contingent liabilities | RM'000 |
|---------------------------------------|---------------|
| Secured: | |
| Bank guarantee given to third parties | 513 |

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FURTHER INFORMATION *(cont'd)*

4. MATERIAL LITIGATIONS, CLAIMS OR ARBITRATION

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

5. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) our Company's constitution;
- (ii) our Company's audited consolidated financial statements for the past two (2) FYEs 31 March 2023 and 31 March 2024, and our Company's latest unaudited consolidated results for the 3-month financial period ending 30 June 2024;
- (iii) Land A SPA, Land B SPA, Land C SPA, Lands D SPA, Land E SPA and Land F Development Rights Agreement;
- (iv) Valuation Reports, Master Valuation Certificate and Update Valuation Certificate referred to in **Appendix I** of this Circular;
- (v) Pro Forma Consolidated Statements of Financial Position of PGB Group as at 31 March 2024 together with the Reporting Accountants letter referred to in **Appendix II** of this Circular; and
- (vi) letters of consent referred to in **Section 2** of this **Appendix III**.

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PARAGON GLOBE BERHAD

百丽环球

19480100095 (1713-A)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Paragon Globe Berhad (“**PGB**” or the “**Company**”) will be held at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Friday, 27 December 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, to pass, with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

- (i) **PROPOSED DISPOSAL BY PARAGON BUSINESS HUB SDN. BHD. (“PBHSB”), A WHOLLY-OWNED SUBSIDIARY OF PGB, OF PART OF A PARCEL OF FREEHOLD LAND HELD UNDER GERAN 80943 LOT 2699, IN THE MUKIM OF PLENTONG, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR (“MASTER LAND A”) MEASURING APPROXIMATELY 47.860 ACRES (“LAND A”) TO BRIDGE DATA CENTRES MALAYSIA IV SDN. BHD. (“BDCIV” OR “PURCHASER A”) FOR A CASH CONSIDERATION OF RM238,317,195.60 (“PROPOSED LAND A DISPOSAL”);**
- (ii) **PROPOSED ACQUISITION BY PBHSB, A WHOLLY-OWNED SUBSIDIARY OF PGB, OF ALL THAT PARCEL OF FREEHOLD LAND HELD UNDER HS(D) 631308 PTD 250799 (FORMERLY KNOWN AS GERAN 37983 LOT 2687), IN THE MUKIM OF PLENTONG, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR MEASURING 60,111 SQUARE METRES (APPROXIMATELY 14.85 ACRES) (“LAND B”) FROM SEMENANG REALTY SDN. BHD. (“SEMENANG” OR “VENDOR B”) FOR A CASH CONSIDERATION OF RM28,563,133.20 (“PROPOSED LAND B ACQUISITION”);**
- (iii) **PROPOSED ACQUISITIONS BY PBHSB, A WHOLLY-OWNED SUBSIDIARY OF PGB, OF 2 PARCELS OF FREEHOLD LANDS HELD UNDER GM 757 LOT 90 AND GM 1083 LOT 923, BOTH IN THE MUKIM OF PLENTONG, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR MEASURING 4.4895 HECTARES (APPROXIMATELY 11.09 ACRES) AND 3.3361 HECTARES (APPROXIMATELY 8.24 ACRES) RESPECTIVELY (“LANDS D”) FROM EKL HOLDINGS SDN. BHD. (“EKL HOLDINGS” OR “VENDOR D”) FOR A TOTAL CASH CONSIDERATION OF RM34,957,133.78 (“PROPOSED LANDS D ACQUISITION”);**
- (iv) **PROPOSED DISPOSAL BY PBHSB, A WHOLLY-OWNED SUBSIDIARY OF PGB, OF PART OF A PARCEL OF FREEHOLD LAND HELD UNDER MASTER LAND A MEASURING APPROXIMATELY 19.759 ACRES (“LAND E”) TO BRIDGE DATA CENTRES MALAYSIA VI SDN. BHD. (“BDCVI” OR “PURCHASER E”) FOR A CASH CONSIDERATION OF RM98,980,734.60 (“PROPOSED LAND E DISPOSAL”); AND**

- (v) **PROPOSED DEVELOPMENT RIGHTS BETWEEN PGB DESA HEIGHTS SDN. BHD. (“PDHSB”), A WHOLLY-OWNED SUBSIDIARY OF PGB, AND TROPICANA DANGA BAY SDN. BHD. (“TDBSB” OR “PROPRIETOR F”) OF 2 PARCELS OF FREEHOLD LANDS HELD UNDER HS(D) 577114 PTB 24234 AND HS(D) 577113 PTB 24233, BOTH IN THE TOWNSHIP OF JOHOR BAHRU, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR OWNED BY PROPRIETOR F MEASURING 14,213.58 SQUARE METRES (APPROXIMATELY 3.51 ACRES) AND 14,630.85 SQUARE METRES (APPROXIMATELY 3.62 ACRES) RESPECTIVELY (“LAND F”) (“PROPOSED LAND F DEVELOPMENT RIGHTS”).**

(COLLECTIVELY PROPOSED LAND A DISPOSAL, PROPOSED LAND B ACQUISITION, PROPOSED LANDS D ACQUISITION, PROPOSED LAND E DISPOSAL AND PROPOSED LAND F DEVELOPMENT RIGHTS ARE REFERRED TO AS THE “PROPOSALS”)

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to PBHSB to dispose Land A to Purchaser A for a disposal consideration of RM238,317,195.60, upon such terms and conditions set out in the conditional sale and purchase agreement dated 8 May 2024 and supplemental letter dated 2 August 2024 entered into between PBHSB and Purchaser A (“**Land A SPA**”).

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to PBHSB to acquire Land B from Vendor B for a cash consideration of RM28,563,133.20, upon such terms and conditions set out in the conditional sale and purchase agreement dated 30 May 2024 and supplemental letter dated 26 July 2024 entered into between PBHSB and Vendor B (“**Land B SPA**”).

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to PBHSB to acquire Lands D from Vendor D for a total cash consideration of RM34,957,133.78, upon such terms and conditions set out in the conditional sale and purchase agreement dated 29 July 2024 between PBHSB and Vendor D (“**Lands D SPA**”).

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to PBHSB to dispose Land E to Purchaser E for a disposal consideration of RM98,980,734.60, upon such terms and conditions set out in the conditional sale and purchase agreement dated 2 August 2024 between PBHSB and Purchaser E (“**Land E SPA**”).

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to PDHSB and Proprietor F for the proposed development of Land F, upon such terms and conditions set out in the development rights agreement dated 14 August 2024 between PDHSB and Proprietor F (“**Land F Development Rights Agreement**”).

AND THAT the Board of Directors of PGB (“**Board**”) be and is hereby authorised and empowered to take all such steps and to enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as the Board deems fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to these ordinary resolutions and the terms and conditions of the Land A SPA, Land B SPA, Lands D SPA, Land E SPA and Land F Development Rights Agreement with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities and/or as the Board deems fit, appropriate and in the best interest of PBHSB, PDHSB and our Company.”

BY ORDER OF THE BOARD

LEONG SIEW FOONG (MAICSA 7007572)

Company Secretary

Johor Bahru
12 December 2024

Notes:

- (1) *A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote at the EGM. Each member entitled to vote may vote in person or by proxy or by attorney or in case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place.*
- (2) *Where a member entitled to vote on a resolution has appointed more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.*
- (3) *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.*
- (4) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds ordinary shares in the Company for omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (5) *Every member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the meeting of members and that such proxy need not be a member.*
- (6) *The Form of Proxy shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur or in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to submit proxy appointment electronically via TIIH Online at <https://tiih.online> not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the EGM for the electronic lodgement of Form of Proxy.*
- (7) *For the purpose of determining who shall be entitled to attend and vote at the EGM, the Company shall be requesting the Record of Depositors as at 18 December 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).*



PARAGON GLOBE BERHAD

百丽环球

194801000095 (1713-A)
(Incorporated in Malaysia)

FORM OF PROXY

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

or failing #him/#her, the CHAIRMAN OF THE MEETING as my/our proxy(ies) to vote for me/us and on my/our behalf at the EGM of the Company at Level 2, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Friday, 27 December 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:

Table with 3 columns: ORDINARY RESOLUTIONS, FOR, AGAINST. Rows include PROPOSED LAND A DISPOSAL, PROPOSED LAND B ACQUISITION, PROPOSED LANDS D ACQUISITION, PROPOSED LAND E DISPOSAL, PROPOSED LAND F DEVELOPMENT RIGHTS.

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

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

Table with 2 columns: Proportion, %. Rows include First Proxy, Second Proxy, TOTAL (100%).

Signed this _____ day of _____ 2024

Signature

Notes:

- (1) A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote at the EGM. Each member entitled to vote may vote in person or by proxy or by attorney or in case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place.
(2) Where a member entitled to vote on a resolution has appointed more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.
(3) The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney duly authorised in writing.
(4) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds ordinary shares in the Company for omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
(5) Every member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the meeting of members and that such proxy need not be a member.
(6) The Form of Proxy shall be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur or in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, to submit proxy appointment electronically via TIH Online at https://tih.online not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Please follow the procedures as set out in the Administrative Guide for the EGM for the electronic lodgement of Form of Proxy.
(7) For the purpose of determining who shall be entitled to attend and vote at the EGM, the Company shall be requesting the Record of Depositors as at 18 December 2024 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend and vote at this meeting and appoint proxy(ies).



Fold this flap for sealing

Then fold here

AFFIX
STAMP

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

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PARAGON GLOBE BERHAD

百 丽 环 球

194801000095 (1713-A)
(Incorporated in Malaysia)

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

Day and Date : Friday, 27 December 2024
Time : 10.00 a.m.
Venue : Level 2, Grand Paragon Hotel
No. 18, Jalan Harimau
Taman Century
80250 Johor Bahru
Johor Darul Takzim, Malaysia

REGISTRATION

The registration counter will be open at 9.00 a.m. on Friday, 27 December 2024 and will remain open until the conclusion of the EGM or such time as may be determined by the Chairman of the meeting. Shareholders or proxies are requested to present their original MyKAD or Passport (for non-Malaysians) to the registration staff for verification purposes. Please ensure the original MyKAD or Passport is returned to you thereafter.

Please take note that no person will be allowed to register on behalf of another person, even with the original MyKAD or Passport of that person. Upon verification, shareholders or proxies are required to write their names and sign on the Attendance List placed on the registration table. Shareholders or proxies will also be given the voting slip for voting purposes. No person will be allowed to enter the meeting hall without the identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.

PROXY

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

(i) In hard copy form

In case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company’s Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. (“**Tricor**”) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic form

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

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

ELECTRONIC LODGMENT OF FORM OF PROXY

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

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

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

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

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose determining who shall be entitled to attend the EGM, the Company will be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 18 December 2024 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting and appoint proxy(ies).

POLL VOTING

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

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

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

NO DOOR GIFT/FOOD VOUCHER

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

NO RECORDING OR PHOTOGRAPHY

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

PERSONAL BELONGINGS

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

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

ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar during office hours on Mondays to Fridays from 9.a.m. to 5.30 p.m. (except Public Holidays):

| Tricor Investor & Issuing House Services Sdn. Bhd. | | |
|---|--|---|
| Telephone Number | General Line | 603-2783 9299 |
| Contact Person | Ms Nor Faeayzah | 603-2783 9274 nor.faeayzah@vistra.com |
| | Ms Damia Insyirah | 603-2783 9249 damia.insyirah@vistra.com |
| Fax Number | 603-2783 9222 | |
| Email | is.enquiry@vistra.com | |