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

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**PARAGON GLOBE BERHAD**

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194801000095 (1713-A)

(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED DEVELOPMENT RIGHTS AGREEMENTS BETWEEN PARAGON GLOBE PROPERTIES SDN. BHD. ("PGPSB" OR "DEVELOPER"), A WHOLLY-OWNED SUBSIDIARY OF PARAGON GLOBE BERHAD ("PGB" OR "COMPANY"), AND ISKANDAR CAPITAL SDN. BHD. ("ICSB" OR "PROPRIETOR") IN RELATION TO THE DEVELOPMENT OF 3 PARCELS OF FREEHOLD LANDS IN THE MUKIM OF PULAI, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR ("PROPOSED DEVELOPMENT RIGHTS")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**MERCURY SECURITIES SDN. BHD.**

(Registration No. 198401000672 (113193-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of PGB which is scheduled to be held at Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Thursday, 24 April 2025 at 10.00 a.m. or 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 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 Tuesday, 22 April 2025 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.

Last date and time for lodging the Form of Proxy : Tuesday, 22 April 2025 at 10.00 a.m.

Date and time of the EGM : Thursday, 24 April 2025 at 10.00 a.m.

This Circular is dated 9 April 2025

## DEFINITIONS

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

<b>Acceleration Payment Notice</b>	: Written notice by ICSB to PGPSB to accelerate the payment of the instalments which have yet to be paid to ICSB and to demand PGPSB to fully settle the remaining unpaid instalments, regardless of whether or not such instalments shall have become due and payable to ICSB on the date of the acceleration payment notice
<b>Act</b>	: Companies Act 2016
<b>Agreement(s)</b>	: Collectively, DRAs and Supplemental DRAs
<b>Board</b>	: Our Board of Directors
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
<b>CBRE WTW or Valuer</b>	: CBRE WTW Valuation & Advisory Sdn. Bhd. (Registration No. 197401001098 (18149-U))
<b>Circular</b>	: This circular to the shareholders of our Company dated 9 April 2025
<b>Conditional Period</b>	: Within 6 months from the date of the Supplemental DRAs
<b>Consideration Amount</b>	: Cash consideration in the sum of RM101,596,730.40 only for the Proposed Development Rights
<b>Comparison Approach</b>	: 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, size and shape of land, tenure, planning status, title restrictions, if any, and other relevant characteristics to arrive at the market value
<b>Developer's Corporate Approval</b>	: Approval of the shareholders of PGB for the Proposed Development Rights upon the terms and conditions of the Agreements
<b>Development</b>	: The development project of residential buildings and/or commercial buildings, together with all necessary infrastructure and public facilities in accordance with the development approvals and development concept on the Development Lands
<b>Development Lands</b>	: Collectively, Plot N1-4, Plot N1-5 and Plot 2A
<b>Directors</b>	: Directors of our Company have the meaning under Section 2(1) of the Capital Markets and Services Act 2007 and for purposes of the Proposed Development Rights includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive officer of the Company (or its subsidiary or holding company in accordance with the definition in Chapter 10 of the Listing Requirements)
<b>DRA(s)</b>	: 3 development rights agreements dated 12 November 2024 entered into between PGPSB and ICSB for the Proposed Development Rights
<b>EGM</b>	: Extraordinary general meeting
<b>Existing KMSA</b>	: The Phase 1 master plan for the development of Plot N1-4 and Plot N1-5 obtained by ICSB and approved on 16 July 2020

## DEFINITIONS (*cont'd*)

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<b>FYE</b>	: Financial year ended / ending, as the case may be
<b>ICSB or Proprietor</b>	: Iskandar Capital Sdn. Bhd. (Registration No: 201301015287 (1045120-K))
<b>Income Approach (Residual Method)</b>	: Consideration is given to the gross development value (being the estimated gross proceeds obtainable from the completed development) of the project and deducting there from the estimated costs of development including construction costs, professional fees, contribution to authorities, marketing, administrative and legal fees, financing charges, contingencies and developer's profit. The resultant answer is then deferred over the period of time required for the completion of the project to arrive at the market value
<b>KMSA</b>	: Layout planning permission ("Kebenaran Merancang Susun Atur")
<b>Land A Disposal</b>	: PBHSB had, on 8 May 2024 and 2 August 2024, entered into a conditional sale and purchase agreement and supplemental letter, respectively, with Bridge Data Centres Malaysia IV Sdn. Bhd. for the disposal 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 47.86 acres for a cash consideration of RM238.32 million
<b>Land E Disposal</b>	: PBHSB had, on 2 August 2024, entered into a conditional sale and purchase agreement with Bridge Data Centres Malaysia VI Sdn. Bhd. for the disposal 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 for a cash consideration of RM98.98 million
<b>Land F Development Rights</b>	: TDBSB and PDHSB had, on 14 August 2024, entered into the development rights agreement for the development of 2 parcels of freehold lands held under H.S.(D) 577114 PTB 24234 and H.S.(D) 577113 PTB 24233, in the Township of Johor Bahru, District of Johor Bahru, State of Johor owned by TDBSB, measuring approximately 3.51 acres and 3.62 acres respectively
<b>Listing Requirements</b>	: Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	: 25 March 2025, being the latest practicable date prior to the printing of this Circular
<b>LPS</b>	: Loss per PGB Share
<b>Mercury Securities or Principal Adviser</b>	: Mercury Securities Sdn. Bhd. (Registration No. 198401000672 (113193-W))
<b>NA</b>	: Net assets
<b>Party</b>	: Either PGPSB or ICSB
<b>Parties</b>	: Collectively, PGPSB and ICSB
<b>PBHSB</b>	: Paragon Business Hub Sdn. Bhd. (Company No. 201801003286 (1265299-H)), our wholly-owned subsidiary
<b>PDHSB</b>	: PGB Desa Heights Sdn. Bhd. (Registration No. 202401019026 (1564875-X)), our wholly-owned subsidiary

## DEFINITIONS (*cont'd*)

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<b>Plot N1-4</b>	: All that parcel of freehold land held under H.S.(D) 609000 PTD 217844, in the Mukim of Pulai, District of Johor Bahru, State of Johor owned by ICSB, measuring 16,596 square meters (approximately 4.10 acres)
<b>Plot N1-5</b>	: All that parcel of freehold land held under H.S.(D) 609004 PTD 217850, in the Mukim of Pulai, District of Johor Bahru, State of Johor owned by ICSB, measuring 46,525 square meters (approximately 11.50 acres)
<b>Plot N1-5 Development</b>	: Proposed development of residential project comprising 70 units of semi-detached houses and 2 units of bungalow
<b>Plot N1-5 and Plot 2A Development</b>	: Collectively, Plot N1-5 Development and Plot 2A Development
<b>Plot 2A</b>	: All that parcel of freehold land held under H.S.(D) 609024 PTD 217881, in the Mukim of Pulai, District of Johor Bahru, State of Johor owned by ICSB, measuring 22.632 hectares (approximately 55.92 acres) of which an on-site detention area measuring approximately 7.91 acres will not be subject to the Proposed Development Rights and shall be surrendered by ICSB to the state authority, and after deduction of the on-site detention area, the anticipated remaining parcel of Plot 2A that is subject to the Proposed Development Rights is an area measuring 19.429 hectares (approximately 48.01 acres)
<b>Plot 2A Development</b>	: Proposed development of residential project comprising 254 units of semi-detached houses and 14 bungalow land lots
<b>PGB Group or Group</b>	: Collectively, our Company and our subsidiaries
<b>PGB Landmark</b>	: PGB Landmark Sdn. Bhd. (Registration No. 202301033981 (1527904-M)), our wholly-owned subsidiary
<b>PGB Landmark Acquisition</b>	: PGB Landmark had, on 17 November 2023, entered into 8 individual conditional sale and purchase agreements with vendor 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 RM146.07 million
<b>PGB or Company</b>	: Paragon Globe Berhad (Registration No. 194801000095 (1713-A))
<b>PGB Share(s) or Share(s)</b>	: Ordinary shares in PGB
<b>PGPSB or Developer</b>	: Paragon Globe Properties Sdn. Bhd. (Registration No: 201901037555 (1346885-T)), our wholly-owned subsidiary
<b>Proposed Development Rights</b>	: The proposed development rights granted by ICSB to PGPSB for the development of the Development Lands
<b>Supplemental DRA(s)</b>	: 3 supplemental agreements to the DRAs dated 7 January 2025 entered into between PGPSB and ICSB to vary and insert certain clauses to the DRAs for the Proposed Development Rights
<b>TDBSB</b>	: Tropicana Danga Bay Sdn. Bhd. (Registration No. 201001021028 (904798-P))
<b>Unconditional Date</b>	: The date the Developer's Corporate Approval is obtained

## **DEFINITIONS (cont'd)**

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<b>Units</b>	: Individual properties units comprised within the Development or any part thereof which are to be sold to the end-purchaser(s)
<b>Valuation Certificate</b>	: Certificate of valuation of the Development Lands in relation to the Proposed Development Rights dated 10 January 2025 issued by CBRE WTW
<b>Valuation Report</b>	: Valuation reports of the Development Lands in relation to the Proposed Development Rights dated 10 January 2025 issued by CBRE WTW
<b>Valuation Date</b>	: As at 23 December 2024, being the material date of valuation of the Development Lands

## **CURRENCIES**

<b>RM and sen</b>	: Ringgit Malaysia and sen
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All references to “you” or “Shareholder” in this Circular are to the shareholders of PGB. All references to “we”, “us”, “our” and “ourselves” are in respect of PGB or the PGB Group, where relevant. References to persons shall include corporations, unless otherwise specified.

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

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

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

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

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

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## EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Development Rights. You are advised to read this Circular in its entirety for further details of the Proposed Development Rights and not to rely solely on this Executive Summary in forming a decision on the Proposed Development Rights before voting at the forthcoming EGM.

Key information	Description	Reference to Circular
<b>Summary of the Proposed Development Rights</b>	<p>The Proposed Development Rights entails the collaboration between PGPSB and ICSB where ICSB, as the registered and beneficial owner of the Development Lands, grants the exclusive development rights (as detailed in <b>Section 3 of Appendix I</b> of this Circular) to PGPSB to plan, design, construct and complete the Development on the Development Lands for the Consideration Amount which is derived from the area of the Development Lands that are subject to the development and upon the terms and conditions stated in the Agreements.</p> <p>The details on the salient terms of the Agreements and Development Lands are set out in <b>Appendix I</b> and <b>Section 2.4</b> of this Circular respectively.</p>	Section 2
<b>Basis and justification for the Consideration Amount</b>	<p>The Consideration Amount was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the market value of Development Lands as at the Valuation Date, of RM104,000,000.00 as ascribed by CBRE WTW in its Valuation Certificate.</p> <p>In arriving at the market value of Development Lands, the CBRE WTW had adopted the Comparison Approach as the principal method of valuation with Income Approach (Residual Method) as a check. The Consideration Amount represents a discount of approximately 2.31% to the indicative market value of the Development Lands of RM104,000,000.00.</p>	Section 2.3
<b>Rationale and benefits of the Proposed Development Rights</b>	Our Board views that the prospects of the Proposed Development Rights offer a strategic opportunity for our Group to leverage our expertise in property development and unlocking significant value from the prime land in Johor Bahru. By securing the Proposed Development Rights, our Group is well-positioned to transform the Development Lands into a high-quality residential and/or commercial project, capitalising on the favourable market conditions and strategic location of the Development Lands.	Section 3
<b>Approvals required and conditionality</b>	<p>The Proposed Development Rights is subject to the approval of our shareholders at our forthcoming EGM for the Proposed Development Rights.</p> <p>The Proposed Development Rights is not conditional upon any other proposal undertaken or to be undertaken by our Company.</p>	Section 7
<b>Interests of Directors, major shareholders and/or persons connected with them</b>	None of our Directors, major shareholders and/ or persons connected with them have any interest, direct or indirect, in the Proposed Development Rights.	Section 10

**EXECUTIVE SUMMARY (cont'd)**

<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Board's statement and recommendation</b>	<p>Our Board, having considered all aspects of the Proposed Development Rights including but not limited to the salient terms of the Agreements, rationale, prospects and effects of the Proposed Development Rights, is of the opinion that the Proposed Development Rights is in the best interest of our Company.</p> <p>Accordingly, our Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Development Rights to be tabled at the forthcoming EGM.</p>	Section 11

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**PARAGON GLOBE BERHAD**

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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

9 April 2025

**Board of Directors**

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

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

Leong Siew Foong (*Executive Director*)

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

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

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

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

**To: Our shareholders**

Dear Sir/ Madam,

**PROPOSED DEVELOPMENT RIGHTS**

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**1. INTRODUCTION**

On 12 November 2024, PGB announced that PGPSB and ICSB had on even date, entered into DRAs for the Proposed Development Rights.

On 7 January 2025, Mercury Securities had, on behalf of our Board, announced that PGPSB had entered into Supplemental DRAs with ICSB to vary and insert a new clause into the DRAs for the Proposed Development Rights, which include rendering the Agreements conditional upon PGPSB obtaining the Developer's Corporate Approval, and revising the timeline for PGPSB's obligations under the Agreements from "the date of the Agreements" to the "Unconditional Date".

Further details of the Proposed Development Rights are set out in the ensuing sections of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE OUR SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSED DEVELOPMENT RIGHTS, TO SET OUT OUR BOARD'S RECOMMENDATION ON THE PROPOSED DEVELOPMENT RIGHTS AND TO SEEK THE APPROVAL FROM OUR SHAREHOLDERS FOR THE RESOLUTION PERTAINING TO THE PROPOSED DEVELOPMENT RIGHTS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

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

## 2. DETAILS OF THE PROPOSED DEVELOPMENT RIGHTS

The Proposed Development Rights entails the collaboration between PGPSB and ICSB where ICSB, as the registered and beneficial owner of the Development Lands, grants the exclusive development rights (as detailed in **Section 3 of Appendix I** of this Circular) to PGPSB to plan, design, construct and complete the Development on the Development Lands for the Consideration Amount which is derived from the area of the Development Lands that are subject to the development and upon the terms and conditions stated in the Agreements.

The details on the salient terms of the Agreements and Development Lands are set out in **Appendix I** and **Section 2.4** of this Circular respectively.

### 2.1 Background information on ICSB

ICSB was incorporated in Malaysia on 7 May 2013 having its registered address at A18 & A19, Menara IIB, Persiaran Medini Sentral 1, Bandar Medini Iskandar, 79250 Iskandar Puteri, Johor and is deemed registered under the Act. ICSB is principally involved in investment holding.

As at the LPD, ICSB has an issued and paid-up share capital of RM4,117,058,482.00 comprising 10,000,002 ordinary shares, 4,092,237,233 redeemable preference shares and 17,324,844 redeemable preference shares A.

As at the LPD, the direct and indirect shareholdings of the directors and shareholders of ICSB are set out below:

Names	Nationality / Country of Incorporation	Direct		Indirect	
		No. of ordinary shares	%	No. of ordinary shares	%
<b><u>Directors</u></b>					
Haris Hardi Bin Zakaria	Malaysian	-	-	-	-
Dato’ Idzham Mohd Hashim B Zahrain Mohd Hashim	Malaysian	-	-	-	-
Fu Yueh Yee	Malaysian	-	-	-	-
Tengku Mohamad Azharuddin Bin Tengku Mohd Ariff	Malaysian	-	-	-	-
Fariza Binti Ali @ Taib	Malaysian	-	-	-	-
Marilyn Teoh May Lyn	Malaysian	-	-	-	-
<b><u>Shareholders</u></b>					
Iskandar Investment Berhad	Malaysia	5,545,792	55.46	-	-
Employees Provident Fund Board	Malaysia	2,926,596	29.27	5,545,792 <sup>(1)</sup>	55.46
Khazanah Nasional Berhad	Malaysia	1,527,614	15.28	5,545,792 <sup>(1)</sup>	55.46
Kumpulan Prasarana Rakyat Negeri Johor Sdn. Bhd.	Malaysia	-	-	5,545,792 <sup>(1)</sup>	55.46

**Note:**

- (1) *Deemed interested by virtue of interest in Iskandar Investment Berhad pursuant to Section 8 of the Act.*

ICSB is not connected in any manner to our Group.

## **2.2 Payment of the Consideration Amount**

PGPSB agrees to pay ICSB the Consideration Amount directly and progressively in 4 separate instalments (collectively, the “**Instalment(s)**”), payable at the times and in the manner as follows (“**Payment Milestones**”):

<b>Instalment Due Date(s)</b>	<b>Percentage of Consideration Amount</b>	<b>RM</b>
Upon execution of the DRAs (“ <b>Instalment 1</b> ”)	10%	10,159,673.04
Within 6 months from the Unconditional Date (“ <b>Instalment 2</b> ”)	20%	20,319,346.08
Within 12 months from the Unconditional Date (“ <b>Instalment 3</b> ”)	30%	30,479,019.12
Within 24 months from the Unconditional Date (“ <b>Instalment 4</b> ”)	40%	40,638,692.16
<b>Consideration Amount</b>	<b>100%</b>	<b>101,596,730.40</b>

Without prejudice to ICSB’s rights and remedies under the Agreements, if any Instalment (or a part thereof) shall remain outstanding after the applicable Instalment due date stipulated in the Payment Milestones, then PGPSB shall be liable to pay to ICSB late payment interest on such unpaid Instalment (or any part thereof) that remains outstanding calculated at the rate of 8% per annum on a daily basis that shall be compounded from the day immediately following the relevant Instalment due date to the date of full payment of the outstanding amount is received by ICSB. Such interest shall be paid to ICSB together with the full payment of such Instalment of the Consideration Amount.

It shall be deemed as an event of default if PGPSB fails, neglects or refuses to pay all or part of the Consideration Amount in accordance with the Payment Milestones, and ICSB shall reserve its rights as set out in **Section 6 of Appendix I** of this Circular, requiring immediate settlement of all outstanding Instalments by PGPSB within 14 business days from the date of PGPSB’s receipt of the Acceleration Payment Notice.

The acceleration payment arrangement serves as a contractual safeguard for ICSB in the event of default by PGPSB. It enables ICSB to recover the remaining unpaid Consideration Amount in a timely manner. This provision is not expected to be detrimental to our Group, as PGPSB is committed to fulfilling its payment obligations in accordance with the Payment Milestones.

### 2.3 Basis and justification for the Consideration Amount

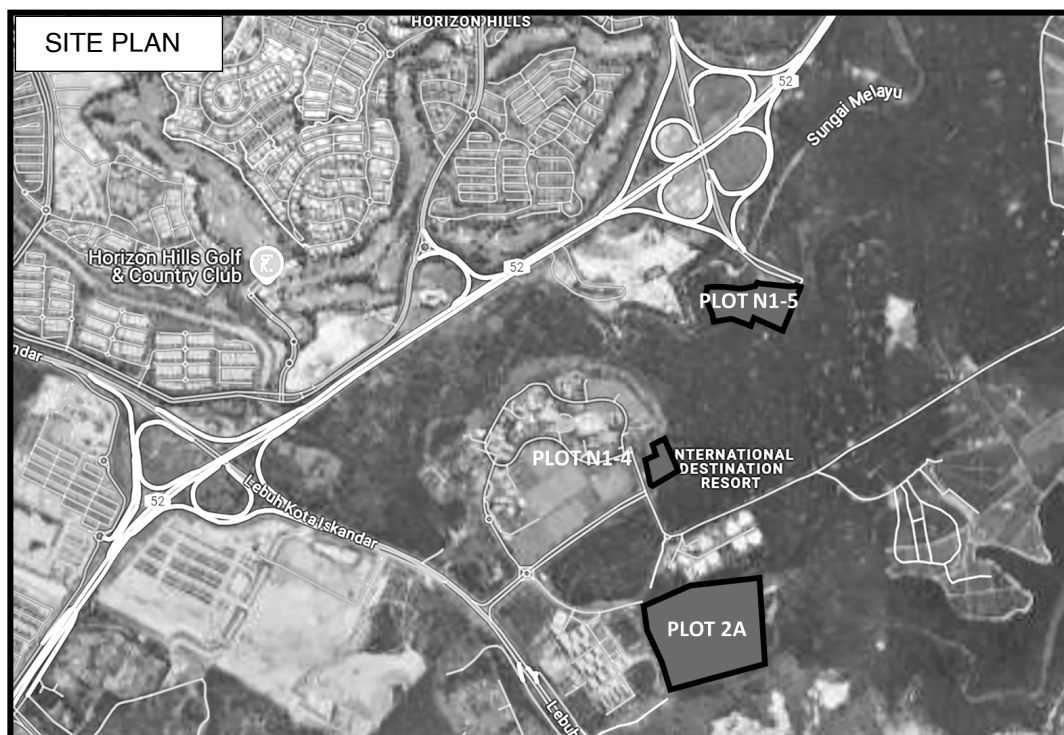
The Consideration Amount was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the market value of Development Lands as at the Valuation Date, of RM104,000,000.00 as ascribed by CBRE WTW in its Valuation Certificate.

In arriving at the market value of Development Lands, CBRE WTW had adopted the Comparison Approach as their principal method of valuation with Income Approach (Residual Method) as a check. The Consideration Amount represents a discount of approximately 2.31% to the indicative market value of the Development Lands of RM104,000,000.00.

### 2.4 Information on Development Lands

The Development Lands are situated within ICSB's freehold township known as Wawari located in Iskandar Puteri, Johor. Under the Agreements, PGPSB is appointed as the developer responsible for the Development Lands. Plot N1-4 is situated along Jalan Marlborough, off Lebuhraya Kota Iskandar, Iskandar Puteri, Johor. Plot N1-5 is positioned at next to the exit of Bukit Indah Interchange of Iskandar Coastal Highway, Iskandar Puteri, Johor, while Plot 2A is located along Jalan Raffles, off Lebuhraya Kota Iskandar, Iskandar Puteri, Johor. All plots are under the jurisdiction of the Majlis Bandaraya Iskandar Puteri.

The map indicating the location of Development Lands are set out below:



Further details of the Development Lands are summarised in the table below:

	<b>Plot N1-4</b>	<b>Plot N1-5</b>	<b>Plot 2A</b>
Registered Proprietor	:	ICSB	
Title no.	:	H.S.(D) 609004	H.S.(D) 609024
Lot no.	:	PTD 217844, in the Mukim of Pulau, District of Johor Bahru, State of Johor	PTD 217881, in the Mukim of Pulau, District of Johor Bahru, State of Johor
Valued land area	:	16,596 square meters (measuring approximately 4.10 acres)	19,429 hectares (measuring approximately 48.01 acres)
Tenure		Freehold	
Category of lands use	:	Building	Agriculture <sup>(1)</sup>
Express condition	:	<p>(i) The land is to be used as a multi-storey building for local commercial use, built according to the plans approved by the relevant local authority.</p> <p>(ii) All dirt and pollution resulting from this activity shall be channelled to such locations designated by the relevant local authority.</p> <p>(iii) All policies and conditions set and enforced from time to time by any relevant authority shall be complied with.</p>	<p>(i) The land is to be planted with oil palm.</p> <p>(ii) The landowner shall at all times take measures as directed by the land administrator to protect this land from erosion.</p> <p>(iii) If the agricultural title (without component) is to be developed in the future, the development shall refer to the Integrated Sustainable Living Smart and Low Carbon City Development Master Plan approved by the JPN Meeting 03/2019 dated 3 September 2019.</p>

	Plot N1-4	Plot N1-5	Plot 2A
Restriction in interest	<p>(i) The registered proprietor of the land is not allowed to offer or sell the units (parcels) of the building to be built on the land unless the building is constructed according to plans approved by the relevant local authority.</p> <p>(ii) Once the parcels of the building erected on the land are owned by a Bumiputera individual / Bumiputera company, the said parcels shall not thereafter be sold, leased or transferred in any manner whatsoever to a non-Bumiputera individual/non-Bumiputera company without the approval of the state authority.</p> <p>(iii) The parcels of the building erected on the land shall not be sold or transferred in any manner whatsoever to a non-citizen / foreign company without the approval of the state authority.</p>	<p>(i) The registered proprietor of the land is not allowed to offer or sell the units (parcels) of the building to be built on the land unless the building is constructed according to plans approved by the relevant local authority.</p> <p>(ii) Once the parcels of the building erected on the land are owned by a Bumiputera individual / Bumiputera company, the said parcels shall not thereafter be sold, leased or transferred in any manner whatsoever to a Non Bumiputera individual/non-Bumiputera company without the approval of the state authority.</p> <p>(iii) The parcels of the building erected on the land shall not be sold or transferred in any manner whatsoever to a non-citizen / foreign company without the approval of the state authority.</p>	N/A
Existing use	Vacant and unoccupied		
Valuation Date	23 December 2024		
Valuer	CBRE WTW		
Market value <sup>(2)</sup>	RM10,000,000.00	RM25,000,000.00	RM69,000,000.00
Encumbrances/ caveat	Nil		



**Notes:**

- (1) *The category of land use and express condition for Plot 2A will need to be changed from "Agriculture" to "Residential" or an equivalent description to facilitate the Plot 2A Development after the Unconditional Date.*
- (2) *Kindly refer to the Valuation Certificate as set out in **Appendix II** of this Circular for the market value of Development Lands as at the Valuation Date as ascribed by CBRE WTW.*

The Proposed Development Rights by PGPSB are expected to entail the Plot N1-5 and Plot 2A Development, offering buyers the unique opportunity to select their preferred design and build their own dream homes. PGPSB is currently in the process of finalising the development plans for Plot N1-4, with the expectation that it will contribute to our Group's continued growth. The development plans for Plot N1-4 are targeted to be finalised within 6 months from the Unconditional Date. While there may be changes to the Existing KMSA, PGPSB will ensure that all revisions remain in compliance with applicable planning requirements and guidelines.

The Plot 2A Development will comply with the express condition referencing the Integrated Sustainable Living Smart and Low Carbon City Development Master Plan approved on 3 September 2019. The development of Plot N1-4, Plot 2A and Plot N1-5 will be carried out independently pursuant to the Proposed Development Rights. There is no inter-conditionality or inter-dependency between these developments.

The Plot N1-5 and Plot 2A Development is expected to commence in year 2026 and is envisaged to take 7 years to complete. The estimated total gross development value of the Plot N1-5 and Plot 2A Development is approximately RM733.12 million, whilst the gross development cost is expected to be approximately RM545.03 million. Accordingly, our Group is expected to derive an estimated gross development profit of approximately RM188.09 million over the duration of the Plot N1-5 and Plot 2A Development.

## **2.5 Liabilities to be assumed**

Save for the potential bank borrowings that may be incurred to fund the Consideration Amount, corporate guarantees that our Company is required to provide to ICBSB to guarantee the due performance and observance by PGPSB of its covenants, obligations and undertakings under the Agreements, the cost of the Plot N1-5 and Plot 2A Development as set out in **Section 2.4** of this Circular as well as the working capital requirements for the development of Plot N1-4 which will be determined upon finalisation of the development plans, there are no liabilities including contingent liabilities and guarantees expected to be assumed by our Group arising from the Proposed Development Rights.

## **2.6 Additional financial commitment**

Save for the Consideration Amount and working capital requirements for the Plot N1-5 and Plot 2A Development (including the gross development cost of approximately RM545.03 million as set out in **Section 2.4** of this Circular), and the working capital requirements for the development of Plot N1-4 which will be determined upon finalisation of the development plans, there are no other additional significant financial commitments to be extended by our Group in relation to Development Lands pursuant to the Plot N1-5 and Plot 2A Development.

## **2.7 Source of funding**

The Consideration Amount is expected to be funded via a combination of internally generated funds, 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.

In addition, the funding for the Plot N1-5 and Plot 2A Development, and the working capital requirements for the development of Plot N1-4 which will be determined upon finalisation of the development plans is expected to be financed via internally generated funds and/or bank borrowings.

For information purposes, the cash and bank balances of our Group based on the unaudited consolidated statement of financial position as at 31 December 2024 is RM59.98 million.

## **3. RATIONALE AND BENEFITS OF THE PROPOSED DEVELOPMENT RIGHTS**

Our Board is of the view that the prospects of the Proposed Development Rights offer a strategic opportunity for our Group to leverage our expertise in property development and unlocking significant value from the prime land in Johor Bahru. By securing the Proposed Development Rights, our Group is well-positioned to transform the Development Lands into a high-quality residential and/or commercial project, capitalising on the favourable market conditions and strategic location of the Development Lands.

Under the terms of the Agreements, our Group is projected to realise estimated profits of RM188.09 million upon the completion of the Plot N1-5 and Plot 2A Development. This initiative will not only bolster our Group's financial position but also diversify our property portfolio with a range of high-quality products. Moreover, it reinforces our Group's presence in the property market and aligns with our long-term vision of sustainable growth and community focused development. By capitalising on the development potential of these strategically located Development Lands, the Proposed Development Rights is paving a clear path towards value creation while reinforcing our Group's competitive position in the industry.

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## **4. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS**

### **4.1 Overview of the Malaysian Economy**

The global growth for 2024 turned out higher than expected, reflecting better outturns in the major economies and stronger global trade. For 2025, the global economy is anticipated to be sustained by positive labour market conditions, moderating inflation and less restrictive monetary policy. Global trade is expected to remain broadly sustained, supported by the continued tech upcycle. However, this outlook could be affected by the uncertainty surrounding more trade and investment restrictions. The elevated policy uncertainties could also lead to greater volatility in the global financial markets.

For the Malaysian economy, the overall growth for 2024 was within expectations. Moving forward, the strength in economic activity is expected to be sustained in 2025, driven by resilient domestic expenditure. Employment and wage growth, as well as policy measures, including the upward revision of the minimum wage and civil servant salaries, will support household spending.

The robust expansion in investment activity will be sustained by the progress of multi-year projects in both the private and public sectors, the continued high realisation of approved investments, as well as the ongoing implementation of catalytic initiatives under the national master plans. These investments, supported by higher capital imports, will raise exports and expand the productive capacity of the economy.

Exports are expected to be supported by the global tech upcycle, continued growth in non-electrical and electronics goods and higher tourist spending. The growth outlook is subject to downside risks from an economic slowdown in major trading partners amid heightened risk of trade and investment restrictions, and lower-than-expected commodity production. Meanwhile, growth could potentially be higher from greater spillover from the tech upcycle, more robust tourism activity, and faster implementation of investment projects.

*(Source: Monetary Policy Statement issued on 22 January 2025, Bank Negara Malaysia)*

### **4.2 Overview of the Property Market**

The property market performance recorded an increase in Q3 2024. A total of 112,305 transactions worth RM57.31 billion were recorded, showing an increase of 3.1% in volume and 0.3% in value compared to Q3 2023, which recorded 108,933 transactions worth RM57.14 billion.

Sectoral market activity performance showed upward movements. All subsectors recorded year-on-year growths in volume of transactions; residential (70,520 units; 62.8%), commercial (12,283; 10.9%), industrial (2,498 units; 2.2%), agricultural (20,273 units; 18.1%) and development land and others (6,731 units; 6.0%). Similarly in value, the residential subsector took the lead with a 50.1% share (RM28.74 billion). This was followed by commercial (RM12.50 billion; 21.8%), industrial (RM7.17 billion; 12.5%), agricultural (RM4.9 billion; 8.5%) and development land and others (RM4 billion; 7.0%).

Southern region contributes the highest volume in overall transactions with 29,415 units, followed by northern region 29,110 units, central region 26,398 units, east coast 18,299 units and east Malaysia 9,083 units.

The affordable house with a price range of RM300,000 and below remained in demand as the numbers dominated the highest volume of the total residential transactions, increasing by 4.8% compared to Q3 2023. The price range of RM300,001 to RM500,000 came in second (-1.0%), followed by RM500,001 to RM1 million (0.4%) and more than RM1 million (6.8%).

In construction segment, the numbers of completion, start and new planned supply for residential properties in Q3 2024 recorded a growth as compared to Q3 2023. A total of 23,749 completion units (Q3 2023: 22,711 units), 32,233 units are set to start construction (Q3 2023: 25,259 units) and 32,103 new planned supply units (Q3 2023: 23,418 units) were recorded. Johor has the highest number of new residential launch units followed by Selangor and the Federal Territory of Kuala Lumpur.

The residential overhang situation improved in the Q3 2024 as the numbers reduced. There were 21,968 overhang units worth RM13.85 billion recorded in Q3 2024, reduced by 3% and 2.8% in volume and value respectively against Q2 2024 (22,642 overhang units worth RM14.24 billion).

The Federal Territory of Kuala Lumpur recorded the highest number of overhang units in the country with 3,273 units. Followed by Perak (3,039 units) and Johor (3,030 units). High-rise formed nearly 61.2% (13,455 units) of the national total residential overhang, followed by terraced houses which captured another 23.6% (5,187 units).

Overhang by price range, houses in the price range of RM300,001 to RM500,000 contributed 31.9% (7,003 units) of the national total. The price range between RM500,001 and RM1 million come in second, accounting for 29.4% (6,462 units). Meanwhile, houses in the affordable price range of below RM300,000 formed another 27.3% (5,999 units), followed by more than RM1 million which contributed 11.4% (2,504 units).

The Malaysian House Price Index (IHRM) stood 220.2 points (RM475,126 per unit) in Q3 2024, with a marginal annual growth of 0.4%. By house type, semi-detached houses recorded the highest annual growth of 2.5%, followed by terraced house of 0.4%, while high-rise and detached houses recorded a slight decrease of 0.5% and 1.2% respectively as compared to a similar period last year.

*(Source: Property Market Q3 2024 Snapshots, Valuation and Property Services Department, Ministry of Finance Malaysia)*

#### **4.3 Overview of the property market in Johor**

A memorandum of understanding on Johor-Singapore Special Economic Zone (“**JSSEZ**”) signed between Singapore’s Trade and Industry Minister and Malaysia’s Minister of Economy shows an ambitious collaborative initiation between Malaysia and Singapore aimed at boosting economic development in the southern region of Johor and the adjacent area of Singapore. It creates a more competitive and attractive environment for businesses and investors by improving transportation infrastructure such as Rapid Transit System (“**RTS**”) Link, encouraging industrial collaboration from both sides of the border and offering investment incentives to attract foreign and domestic investment in targeted industries such as manufacturing, logistics, technology and digital.

The Johor Bahru-Singapore RTS Link is a light rail stretching approximately 4km length between Johor Bahru and Singapore with two stations located in Bukit Chagar and Woodlands respectively. The modern Light Rail Transit is expected to ease traffic congestion on the Causeway by providing high volume, fast and efficient transportation system between two stations. It will be integrated with public transport systems, providing an alternative means of transportation that help to alleviate the congestion at immigration checkpoints for both countries.

The link has a capacity of 10,000 passengers per hour in each direction and travelling at about 80km/h in about five to six minutes. The train frequency is expected to be 3.6 minutes during peak hours. A new Immigration, Customs and Quarantine at Bukit Chagar allows a single-point clearance immigration system to be imposed which benefit the passengers to clear both Singapore and Malaysia immigrations only at the point of departure.

Further to the initiatives led by the Johor state government, the establishment of Forest City as a Special Financial Zone (“**SFZ**”) will attribute Johor property market to have a notable improvement. The various government’s initiatives and policies conveyed that Johor is ready to welcome industry players to expand their business in the state, bringing more investment opportunities, job creation and development projects and will be benefiting from this special economic zone.

Both JSSEZ and Forest City SFZ are the main catalysts to allow economic growth in Johor picks up at a faster pace. We believe property prices in Johor Bahru will continue to thrive in tandem with the increase of demand.

*(Source: Valuation Reports by CBRE WTW dated 10 January 2025)*

## **5. RISK FACTORS OF THE PROPOSED DEVELOPMENT RIGHTS**

The risk factors relating to the Proposed Development Rights includes, but are not limited to the following:

### **5.1 Completion risk**

The delay in completion of the Proposed Development Rights could result from factors which are beyond the control of both PGPSB and ICSB, such as delay in obtaining approvals and permits necessary and other unforeseen circumstances. Such delay could hinder or prevent the Parties from realising their entitlements under the Agreements.

The Proposed Development Rights involve the development of the Development Lands, which will be carried out independently. However, in the event that any development of the Development Lands is delayed, not materialised or discontinued due to planning, regulatory, financial or commercial constraints, this may impact our Group’s ability to fully realise the anticipated benefits from the Proposed Development Rights. To mitigate these risks, our Group will work closely with relevant authorities to address and minimise any potential delays, while maintaining flexibility to revise development plans in accordance with market conditions and regulatory requirements.

In addition, failure to fulfil the terms of the Agreements, including any breach of material obligations, is an event of default and may entitle the non-defaulting Party to terminate the Agreements and seek damages or other remedies for losses incurred. There is no assurance that our Group will realise the anticipated benefits from the Proposed Development Rights or recover all costs or losses incurred from the termination of the Agreements. To mitigate these risks, PGPSB and ICSB will work closely together to monitor the implementation and progress of the Proposed Development Rights, ensuring compliance with all obligations, covenants, and duties as set out in the Agreements.

In the event of a material breach by PGPSB, ICSB shall have the right to issue an Acceleration Payment Notice, requiring PGPSB to immediately settle the remaining unpaid Instalments, even if they are not yet due. If PGPSB fails to make the remaining unpaid Instalments within 14 business days, ICSB has the right to call upon the bank guarantees or the corporate guarantees to recover the amount due. This action, however, does not limit ICSB’s right to pursue further remedies for any additional losses incurred beyond what is covered by the guarantees. Additionally, ICSB retains the right to terminate the Agreements and forfeit 10% of the Consideration Amount as agreed liquidated damages if an event of default occurs before the delivery of the required bank guarantees or the corporate guarantees.

To mitigate such risk, the Group will continuously monitor all internal processes to ensure that payment obligations and Payment Milestones under the Agreements are met in a timely manner. The Group also maintains close coordination with ICSB to pre-empt and address any potential delays or issues. In addition, the Group has in place sound financial planning and liquidity management practices to ensure its ability to fulfil all obligations, thereby reducing the risk of default and the triggering of an Acceleration Payment Notice.

## **5.2 Counterparty risk**

The Proposed Development Rights is subject to counterparty risk as there is no assurance that the Parties to the Agreements will consistently fulfil their duties and obligations in accordance to terms and conditions as stated in the Agreements. Any breach of material obligations may entitle the non-defaulting Party to terminate the Agreements 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 the Parties will realise the anticipated benefits from the Proposed Development Rights and/or recover all costs or losses incurred arising from the termination. Parties shall endeavour to take all steps necessary to ensure continued compliance with its duties and obligation as set out in the Agreements.

## **5.3 Property development risk**

The development of Development Lands 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 residential/commercial properties in the surrounding areas of Development Lands;
- (iv) changing demands for the type of residential/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.

## **5.4 Investment risk**

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

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

## **5.5 Financing risk**

The Proposed Development Rights may be financed through a combination of bank borrowings and internally generated funds. In the event our Group obtains bank borrowings for the funding of the Proposed Development Rights, it could incur additional interest expense, which may fluctuate based on prevailing economic and capital market conditions, potentially impacting our Group's cash flows as well as profitability. 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 Development Rights in accordance with the payment milestones stipulated in the Agreements.

Our Board will actively manage these risks by closely monitoring the changes in interest rates, gearing levels and internal cash requirements to ensure effective cashflow management and that our Group's financial obligations are consistently met.

## **5.6 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 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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## 6. EFFECTS OF THE PROPOSED DEVELOPMENT RIGHTS

### 6.1 Share capital and substantial shareholders' shareholdings

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

### 6.2 NA and gearing

The Proposed Development Rights is not expected to have a material effect on the latest audited consolidated NA per share of our Group as at 31 March 2024, assuming the Proposed Development Rights had been effected on that date, unless our Group undertakes equity fund raising to fund the Consideration Amount.

The Consideration Amount is to be satisfied via a combination of internally generated funds and/or bank borrowings. The exact quantum and proportion of internally generated funds and/or bank borrowings have not been ascertained at this juncture.

However, for illustrative purposes, assuming that the Consideration Amount is fully financed via bank borrowings, the effect of the Proposed Development Rights on the gearing of our Group is as follows:

	Audited as at 31 March 2024 RM'000	(I) Adjusted for subsequent events up to the LPD <sup>(i)</sup> RM'000	(II) After (I) and the Proposed Development Rights <sup>(ii)</sup> RM'000
Share capital	259,225	259,225	259,225
Retained earnings	36,609	35,780	35,398
Other reserves	2,257	2,257	2,257
Equity attributable to owners of the Company	298,091	297,262	296,880
Non-controlling interests	498	498	498
<b>Total equity</b>	<b>298,589</b>	<b>297,760</b>	<b>297,378</b>
Number of Shares in issue ('000)	746,623	746,623	746,623
NA per Share (RM)	0.40	0.40	0.40
Total borrowings (excluding lease liabilities)	141,203	294,919	396,516
Gearing (times) <sup>(iii)</sup>	0.47	0.99	1.33

#### Notes:

(i) After accounting for the following:

(1) total expenses incurred amounting to approximately RM0.83 million in relation to the circular to shareholders dated 12 December 2024 pertaining to the:

(a) Land A Disposal;

(b) acquisition by PBHSB 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) from Semenang Realty Sdn. Bhd. for a cash consideration of RM28.56 million. This acquisition has been completed on 31 December 2024;

- (c) *acquisition by PBHSB of 2 parcels of freehold lands held under GM 757 Lot 90 and GM 1093 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, from EKL Holdings Sdn. Bhd. for a cash consideration of RM34.96 million. This acquisition has been completed on 20 January 2025;*
  - (d) *Land E Disposal; and*
  - (e) *Land F Development Rights.*
- (2) *a total of RM156.37 million facilities were drawn down by the Group subsequent to 31 March 2024 and up to the LPD, pursuant to the following transactions:*
  - (a) *on 3 November 2023, the Company's wholly-owned subsidiary, PGB Iconic Sdn. Bhd., had entered 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 Acquisition. As at the LPD, 6 out of the total 8 lands acquired in relation to the PGB Landmark Acquisition have been completed; and*
  - (c) *the Company's wholly-owned subsidiary, Builtech Acres Sdn. Bhd., had drawn down banking facilities to finance the construction of the Sepang Medical Centre.*
- (3) *Repayment of a total of RM2.65 million towards outstanding term loans previously drawn down by the Group*
- (ii) *After accounting for the following:*
  - (1) *estimated expenses of RM0.38 million relating to the Proposed Development Rights;*
  - (2) *includes the new bank borrowings of RM101.60 million to be secured and draw down pursuant to the Proposed Development Rights, assuming the Consideration Sum is fully funded via bank borrowings;*
- (iii) *Computed based on total borrowings (excluding lease liabilities) over total equity.*

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### 6.3 Loss and LPS

For illustrative purposes, assuming that the Proposed Development Rights had been effected on 1 April 2023, being the beginning of the FYE 31 March 2024, the pro forma effects of the Proposed Development Rights on the loss and LPS 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)
Less:	
- Estimated expenses relating to the Proposed Development Rights	(382)
- Estimated interest expense relating to the Proposed Development Rights <sup>(1)</sup>	(6,157)
<b>Pro forma loss after tax attributable to owners of our Company for the FYE 31 March 2024</b>	<b>(7,779)</b>
Total number of Shares in issue ('000)	746,623
Pro forma LPS (sen)	(1.04)

**Note:**

- (1) Assuming the Consideration Amount of RM101.60 million is fully funded via bank borrowings at an interest rate of 6.06% per annum.

### 6.4 Convertible securities

As at the LPD, our Company does not have any outstanding convertible securities.

## 7. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Development Rights is subject to the approval of our shareholders at the forthcoming EGM for the Proposed Development Rights.

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

## 8. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Development Rights pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities is 34.08%, computed based on the Consideration Amount compared to the net assets attributable to the owners of our Group as at FYE 31 March 2024.

Pursuant to Paragraph 10.07(1) of the Listing Requirements, shareholders' approval will be required for the Proposed Development Rights.



## 9. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the following proposals, our Board is not aware of any outstanding corporate proposals which has been announced but are pending implementation as at the LPD:

- (i) Proposed Development Rights is expected to be completed by first half of 2027;
- (ii) PGB Landmark Acquisition. As at the LPD, the acquisition of 6 out of the total 8 lands has been completed on 13 June 2024, 19 July 2024 and 6 September 2024, respectively. The acquisition of the remaining 2 lands is expected to be completed by third quarter of 2025;
- (iii) The Land A Disposal is expected to be completed by third quarter of 2025;
- (iv) The Land E Disposal is expected to be completed by third quarter of 2025; and
- (v) The Land F Development Rights is expected to be completed by first quarter of 2033.

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

None of our Directors, major shareholders and/ or persons connected with them have any interest, direct or indirect, in the Proposed Development Rights.

## 11. DIRECTORS' STATEMENT / RECOMMENDATION

Our Board, having considered all aspects of the Proposed Development Rights including but not limited to the salient terms of the Agreements, rationale, prospects and effects of the Proposed Development Rights, is of the opinion that the Proposed Development Rights is in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Development Rights to be tabled at the forthcoming EGM.

## 12. TENTATIVE TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, our Board expects that:

The tentative timetable for the Proposed Development Rights is as follows:

<b>Tentative dates</b>	<b>Events</b>
24 April 2025	EGM for the Proposed Development Rights
First half of 2027	Completion of the Proposed Development Rights
First half of 2033	Completion of the Development

### **13. EGM**

The EGM, a notice of which is enclosed in this Circular, will be held at Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Thursday, 24 April 2025 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing, with or without modification, the resolution to give effect to the Proposed Development Rights.

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 Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or by electronic lodgement via TIIH Online at <https://tiih.online> not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Please follow the procedures as 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.

### **14. FURTHER INFORMATION**

Please refer to the appendices of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of  
**PARAGON GLOBE BERHAD**

**DATO' SRI EDWIN TAN PEI SENG**  
Executive Chairman

## **SALIENT TERMS OF THE AGREEMENTS**

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The salient terms of the Agreements amongst others, are as follows:

### **1. Vacant Possession**

Subject to PGPSB's compliance of all the terms and conditions in the respective Agreements and provided that ICSB is in receipt of a sum not less than 30% of the Consideration Amount and the delivery of the bank guarantees by PGPSB to ICSB, vacant possession of the Development Lands shall be deemed to be delivered to PGPSB on an "as-is where-is" basis and clear of any structures or fixtures from the date on which PGPSB receives written notice that is issued by ICSB confirming ICSB's receipt of the bank guarantees and the payment of Instalment 1 and Instalment 2 in full, together with all other payments due to the ICSB, including any interest which may have been accrued.

### **2. Condition Precedent**

- (i) The Agreements are conditional upon PGPSB having obtained the Developer's Corporate Approval;
- (ii) PGPSB shall procure the Developer's Corporate Approval at its own costs and expenses within the Conditional Period;
- (iii) In the event that the Developer's Corporate Approval is not obtained within the Conditional Period (or any extension thereof as may be mutually agreed) for any reason whatsoever, then ICSB shall be entitled by notice in writing to PGPSB terminate the respective Agreements whereupon within 14 business days from the date of such termination notice, the Parties shall simultaneously do the following:
  - (a) ICSB shall deliver or caused to be delivered to PGPSB the original signed and stamped corporate guarantee dated 12 November 2024 and such other documents forwarded by PGPSB to ICSB which may mutually be agreed by the Parties;
  - (b) PGPSB shall deliver or cause to be delivered to ICSB the original signed, stamped and registered first limited power of attorney and all other documents which are forwarded by ICSB to PGPSB or to the financier or its solicitors (if the same has been delivered to any of them), with ICSB's interests in the Development Lands remain intact; and
  - (c) ICSB shall be entitled to forfeit a sum equivalent to 10% of the Consideration Amount as agreed liquidated damages and shall refund all other monies which PGPSB has paid to ICSB towards the payment of the Consideration Amount in accordance with the terms of the Agreements, free of interest.

Thereafter, the Agreements shall lapse and be of no further effect and the Parties shall be released from all further obligations under the respective Agreements save and except for any antecedent breach; and

- (iv) The Agreements shall become unconditional on the Unconditional Date.

## SALIENT TERMS OF THE AGREEMENTS (*cont'd*)

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### 3. Grant of Development Rights

In consideration of the Consideration Amount and PGPSB's undertaking to comply with its covenants and obligations stated in the Agreements, and subject to PGB obtaining the Developer's Corporate Approval, ICSB grants and delegates to PGPSB the following rights:

- (i) the right to design, develop, construct, build and complete the Development on the Development Lands;
- (ii) the rights to manage and implement the Development including the appointment of the subcontractors required for the Development;
- (iii) the right to market, promote and/or dispose of the Units and/or the components comprised in the Development; and
- (iv) subject to terms and conditions of the respective Agreements, the right to receive, collect, retain and demand all proceeds, payments and/or profits and/or any other form of revenue derived from the sale of the Units comprised in the Development

in accordance with the applicable laws and property development industry practices as well as on the basis of grant set out in the respective Agreements and subject to the terms and conditions of the respective Agreements.

For the avoidance of doubt, apart from the receipt of the Consideration Amount, ICSB will not be receiving any other benefits or rewards (including benefits in kind) pursuant to the Proposed Development Rights.

### 4. Development Charges

- (i) Plot 2A

PGPSB undertakes to bear the development charges as may be imposed by the appropriate authorities for Plot 2A in its entirety pursuant to the approved KMSA (including any variations, modifications, amendments and/or revisions to the approved KMSA from time to time, if any) granted in respect of the development to be undertaken on Plot 2A.

- (ii) Plot N1-4

ICSB has represented to PGPSB that the development charges which will be imposed by the appropriate authorities for Plot N1-4 pursuant to the approved Existing KMSA granted in respect of the development to be undertaken on Plot N1-4, is up to RM919,898.41 only. For clarity, ICSB shall bear the development charges only to the extent of the Existing KMSA granted or the actual development charges payable in accordance with the planning permission obtained by PGPSB for the development of Plot N1-4, whichever is lower ("**Plot N1-4 Development Charges**"), provided always, if the development charges imposed by the appropriate authorities in respect of Plot N1-4 exceed the Plot N1-4 Development Charges due to the changes to the Existing KMSA made by PGPSB ("**Plot N1-4 Excess Development Charges**"), PGPSB shall be the sole party responsible to bear, absorb, pay and settle any and all amounts of the Plot N1-4 Excess Development Charges.

The Plot N1-4 Development Charges are determined by the City Council of Iskandar Puteri pursuant to its approval letter on 18 January 2024, based on the approved layout comprising 287 units of commercial plots for low-rise retail village development.

**SALIENT TERMS OF THE AGREEMENTS (cont'd)**

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## (iii) Plot N1-5

ICSB has represented to PGPSB that the development charges which will be imposed by the appropriate authorities for Plot N1-5 pursuant to the Existing KMSA granted in respect of the residential development project to be built on Plot N1-5, is up to RM1,409,532.79 only. For clarity, ICSB shall bear the development charges only to the extent of the Existing KMSA granted or the actual development charges payable in accordance with the planning permission obtained by PGPSB for the development of Plot N1-5, whichever is lower ("**Plot N1-5 Development Charges**"), provided always, if the development charges imposed by the appropriate authorities in respect of Plot N1-5 exceed the Plot N1-5 Development Charges due to the changes to the Existing KMSA made by PGPSB ("**Plot N1-5 Excess Development Charges**"), PGPSB shall be the sole party responsible to bear, absorb, pay and settle any and all amounts of the Plot N1-5 Excess Development Charges.

The Plot N1-5 Development Charges are also determined by the City Council of Iskandar Puteri pursuant to its approval letter dated 18 January 2024, based on the approved layout comprising development of 91 units of landed strata housing (link villas).

**5. Default by ICSB**

Subject to the terms and conditions in the respective Agreements, in the event of default by ICSB, PGPSB shall be entitled by written notice to ICSB to terminate the respective Agreements and ICSB is liable to refund all monies paid towards the Consideration Amount and further pay a sum equivalent to 10% of the Consideration Amount as agreed liquidated damages within 14 business days from the date of ICSB receipt of the notice of termination.

PGPSB shall cease to have any right to terminate the respective Agreements if the Development Lands have been charged to the financier or if PGPSB has officially launches the Units. In such instances, PGPSB's only remedy is to claim against ICSB for monetary compensation up to 10% of the Consideration Amount as agreed liquidated damages.

**6. Default by PGPSB**

Subject to the terms and conditions in the respective Agreements, in the event of default by PGPSB, ICSB shall be entitled by Acceleration Payment Notice, requiring immediate settlement of all outstanding Instalments by PGPSB within 14 business days from the date of PGPSB's receipt of the Acceleration Payment Notice.

If PGPSB fails to comply with the Acceleration Payment Notice, ICSB has the right to call upon the bank guarantee or corporate guarantee for payment of the Instalments which have become due and payable to ICSB by virtue of the Acceleration of Payment Notice without prejudice to ICSB's right to seek additional recovery for any shortfall.

If an event of default occurs prior to the delivery of the bank guarantees by PGPSB, ICSB shall have the right to terminate the Agreements by serving a written notice to PGPSB. Upon such termination, ICSB shall be entitled to forfeit 10% of the Consideration Amount and claim interest at the rate of 8% per annum ("**Interest**") accrued on the Instalment, calculated on a daily basis from the due date of payment until the date of full receipt, as agreed liquidated damages, and shall refund to the PGPSB all other monies which PGPSB has paid to the ICSB towards payment of the Consideration Amount.

The inclusion of Interest was commercially agreed upon having regard to the respective roles and commercial risks assumed by each party under the Proposed Development Rights.

## VALUATION CERTIFICATE BY CBRE WTW



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

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## Report and Valuation

10 January 2025

### PRIVATE & CONFIDENTIAL

#### The Board of Directors

#### PARAGON GLOBE BERHAD

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

Dear Sirs,

**CERTIFICATE OF VALUATION OF THE DEVELOPMENT RIGHTS IN RESPECT OF LOT NOS. PTD 217844, PTD 217850 AND PTD 217881, ALL LOCATED IN MUKIM OF PULAI, DISTRICT OF JOHOR BAHRU, JOHOR FOR THE PURPOSE OF SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD ("BURSA MALAYSIA")**

We thank you for your instructions to carry out a formal valuation and to provide our opinion of the market value of the development rights in the above-mentioned subject properties for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the proposed development rights between Paragon Globe Properties Sdn Bhd ("PGPSB" or "Developer"), a wholly-owned subsidiaries of Paragon Globe Berhad ("PGB") and Iskandar Capital Sdn Bhd ("ICSB" or "Proprietor") ("Proposed Development Rights").

This Master Valuation Certificate is prepared for inclusion in the Circular to the shareholders of Paragon Globe Properties Sdn Bhd in relation to the Proposed Development Rights.

We have prepared and provided this Valuation Certificate 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 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".

We have inspected the subject properties on 23 December 2024. The material date of valuation is taken as 23 December 2024.

## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; 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 and Income Approach (Residual Method).

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, size and shape of land, tenure, planning status, title restrictions, if any, and other relevant characteristics to arrive at the market value.

Under the Income Approach (Residual Method), consideration is given to the gross development value (being the estimated gross proceeds obtainable from the completed development) of the project and deducting there from the estimated costs of development including construction costs, professional fees, contribution to authorities, marketing, administrative and legal fees, financing charges, contingencies and developer's profit. The resultant answer is then deferred over the period of time required for the completion of the project to arrive at the market value.

**OPINION OF VALUE**

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

No.	Property Details	Market Value
1	<b>Lot No. PTD 217844 Mukim of Pulai, District of Johor Bahru, Johor</b> A parcel of vacant commercial land (Our Ref : WTW/04/V/014256/24/MHR)	RM10,000,000/-
2	<b>Lot No. PTD 217850 Mukim of Pulai, District of Johor Bahru, Johor</b> A parcel of vacant residential land for stratified housing developmnt use (Our Ref : WTW/04/V/014257/24/SFT)	RM25,000,000/-
3	<b>Lot No. PTD 217881, Mukim of Pulai, District of Johor Bahru, Johor</b> A parcel of unconverted residential development land (Our Ref : WTW/04/V/014258/24/SFT)	RM69,000,000/-

Yours faithfully  
for and on behalf of  
**CBRE WTW Valuation & Advisory Sdn Bhd**  
(formerly known as C H Williams Talhar & Wong Sdn Bhd)

**Sr LO KIN WENG**

B. (Hons) Estate Mgt. MRICS, MRISM, MPEPS  
Registered Valuer (V-917)

VALUATION CERTIFICATE BY CBRE WTW (*cont'd*)

CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

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## CERTIFICATES OF VALUATION

**1. Lot No. PTD 217844, Mukim of Pulai, District of Johor Bahru, Johor**  
(Our Ref : WTW/04/V/014256/24/MHR)

**TERMS OF REFERENCE**

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

Vide the Development Rights Agreement dated 12 November 2024 entered between Iskandar Capital Sdn Bhd ("Proprietor") and Paragon Globe Properties Sdn Bhd ("Developer") ("Agreement"), the Proprietor is the registered and beneficial landowner of the freehold land described as HSD 609000, PTD 217844, in the Mukim of Pulai, District of Johor Bahru, State of Johor measuring approximately 16,596 square meters or 4.10 acres identified as "Plot N1-4" ("Development Land").

The Proprietor as the master developer has applied and obtained approval from the Appropriate Authorities in respect of the Phase 1 master plan for the development of the Development Land (*Kebenanaran Merancang Susun Atur*) ("Existing KMSA").

The Developer has extensive experience and expertise in the field of construction and property development and has agreed to develop the Development Land.

The Proprietor had entered into the Agreement to grant to the Developer the exclusive Development Rights to plan, design, construct and complete the development project of residential buildings and / or commercial buildings together with all necessary infrastructure and public facilities in accordance with the Development Approvals and Development Concept on the Development Land ("Development") in consideration of the Consideration Amount and the Developer's undertaking to comply with its covenants and obligations stated in the Agreement as well as upon the terms and conditions contained therein the Agreement.

The Consideration Amount is that portion of the monetary consideration which is payable by the Developer to the Proprietor for the grant of the Development Rights and is equivalent to RM9,822,780/- only which is derived from the area of the Development Land that is subject to the Development.

In consideration of the Consideration Amount and the Developer's undertaking to comply with its covenants and obligations stated in the Agreement, the Proprietor hereby grants and delegates to the Developer, and the Developer hereby accepts the grant and delegation of the following rights: -

- (a) the right to design, develop, construct, build and complete the Development on the Development Land;
- (b) the right to manage and implement the Development including the appointment of the Subcontractors required for the Development;
- (c) the right to market, promote and / or dispose of the Units and / or the components comprised in the Development; and
- (d) the right to receive, collect, retain and demand all proceeds, payments and / or profits and / or any other form of revenue derived from the sale of the Units comprised in the Development,

in accordance with applicable laws and property development industry practices as well as on the basis set out therein subject to the terms and conditions of the Agreement (collectively, the "Development Rights").

Subsequently, the Parties had entered into the Supplemental Agreement on 7 January 2025 to amend or vary the terms of the Agreement.



## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

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**PROPERTY IDENTIFICATION**

The Subject Property	:	Development Rights in respect of a parcel of vacant commercial land
Location	:	Along Jalan Marlborough, off Lebuhraya Kota Iskandar, Iskandar Puteri, Johor
Title No.	:	HSD 609000
Lot No.	:	PTD 217844, Mukim of Pulau, District of Johor Bahru, Johor
Provisional Land Area	:	16,596 square metres (178,638 square feet or 4.10 acres)
Registered Proprietor	:	Iskandar Capital Sdn Bhd
Category of Land Use	:	Commercial
Encumbrances	:	Nil
Date of Valuation	:	23 December 2024

**GENERAL DESCRIPTION**

The subject property is a parcel of vacant commercial land located along Jalan Marlborough, off Lebuhraya Kota Iskandar, Iskandar Puteri, Johor.

The subject site is regular in shaped with a flat terrain and have a provisional land area of 16,596 square metres (4.10 acres).

At the time of inspection, we noted that the subject site was generally cleared and ready for development and the site boundaries are demarcated by metal hoarding.

We further noted that there is a tele-communication tower is situated on the subject land.

Based on the Agreement, the Proprietor agrees and undertakes to procure the removal of the tele-communication tower at its own costs and expense. In light of the foregoing, we have disregarded the costs of removal for the tele-communication in our valuation.

We further noted that there is a tele-communication tower is situated on the subject land.

**PLANNING PROVISION**

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

The subject property forms part of the master-planned Low-Carbon Smart City development named Integrated Sustainable Living (ISL) was approved by the State Planning Committee on 3 September 2019. The approval was conveyed by Majlis Bandaraya Iskandar Puteri vide its letter bearing ref no. (6)MBIP(JPP)(BGT)5/1/3Jld.4 dated 10 October 2019.

The approved development components on the subject property as extracted from the Master Layout Plan of Integrated Sustainable Living (ISL) are as follows: -

Plot	Component	Density
N1-4	Commercial Plot (Low Rise Retail Village)	Plot Ratio 1:2

## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; 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 and Income Approach (Residual Method).

**VALUE CONSIDERATION****I. COMPARISON APPROACH**

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

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation & Property Services Department (JPPH)		
Lot No., Mukim, District and State	PTD 212702, Mukim of Pulai, District of Johor Bahru, Johor	Lot 168660, Mukim of Pulai, District of Johor Bahru, Johor	PTD 217873 & PTD 217874, Mukim of Pulai, District of Johor Bahru, Johor
Address	Along Jalan Skudai - Gelang Patah, within Taman Mutiara Rini, Skudai, Johor	Off Jalan Ceria, within Taman Nusa Idaman, Iskandar Puteri, Johor	Along Jalan Elland, Iskandar Puteri, Johor
Type	Commercial land	Commercial land	Development land zoned for commercial use
Tenure	Leasehold 991 years expiring on 4 September 2911	Freehold / Term In Perpetuity	
Land Area (sq. m)	5,283 sq. m	34,300 sq. m	125,860 sq. m
Land Area (sq. ft)	56,863 sq. ft	369,202 sq. ft	1,354,744 sq. ft
Date	06/11/2023	14/06/2022	05/12/2019
Vendor	Mutiara Rini Sdn Bhd	Nusajaya Greens Sdn Bhd	Iskandar Capital Sdn Bhd
Purchaser	Hiewa Auto Gallery Sdn Bhd	Kirana Tiara Sdn Bhd	Paragon Globe Properties Sdn Bhd
Consideration	RM5,400,000/-	RM26,595,994/-	RM60,962,220/-
Analysis (RM psm)	RM1,022 psm	RM775 psm	RM484 psm
Analysis (RM psf)	RM95 psf	RM72 psf	RM45 psf
Adjustments	Adjustments are made on time/market condition, location/accessibility, visibility/exposure, size, tenure, title conversion, plot ratio, restriction on development rights and master infrastructure ready.		
Adjusted Land Value (RM psf)	RM52 psf	RM56 psf	RM54 psf

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

The adjusted land values derived from the comparables range from RM52 per square foot to RM56 per square foot. Notwithstanding that Comparable 3 was transacted more than 5 years, the transaction is still relevant as it is located in the close vicinity to the subject property and intended for similar development use after diligent time/market condition adjustment made. We are of the view that all the above are good comparables by reason of they are among the latest comparable and located in close vicinity to the subject property.

Having to derive the market value of the Development Rights of the Development Land, we have allowed the restriction on Development Rights discount to reflect the non-ownership of the Development Land. The Development Rights is granted and delegated on the basis among others the legal and beneficial ownership and interest in respect of the Development Land shall at all times remain with the Proprietor. Therefore, we are of the opinion that a 20% discount factor is considered fair and appropriate to reflect the non-ownership of the Development Land as compared to typical land transaction and being having the privilege of owning the Development Rights of such primely located land.

## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

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**VALUE CONSIDERATION** (Cont'd)**I. COMPARISON APPROACH** (Cont'd)

Besides, plot ratio is a crucial metric that measures how intensively a plot of land can be developed. It determines the maximum gross floor area allowable for any development on the land parcel, i.e., higher plot ratio leads to higher Gross Development Value and profit of the development. We have allowed a discount of 10% per plot ratio in view of the subject property was approved for lesser floor area ratio. This rate aligns with our findings from similar land transactions in the market.

The Proprietor is the master infrastructure developer in respect of Wawari Township, including the Development Land. The Developer is granted the right to access, connect and / or tap on the master infrastructure. In light of the foregoing, downward adjustment has been made for Comparable 3 by virtue of non-availability of master infrastructure for connection.

Taking into consideration all the above factors, we have adopted a land value of RM55 per square foot for the subject property. The adopted land value is well positioned within the range of adjusted land values and represents a fair and balanced valuation for the subject property.

**II. INCOME APPROACH (RESIDUAL METHOD)**

We have proposed 32 units of 3-storey shopoffice for the subject property after taking into consideration the approved plot ratio of the land and density of other similar shopoffice developments in the market, at about 8 to 9 units per acre depending on the lot size, development concept, site layout, etc.

Vide the approval letters granted by the Authorities to the master-planned Low-Carbon Smart City development named Integrated Sustainable Living ("ISL"), the approved development components of 287 units of low-rise retail village along with 29 units of Kedai Kos Sederhana (KKS) requirement served as a reference and guide to Majlis Bandaraya Iskandar Puteri for any application of Planning Permission on the site. In light of the foregoing, the valuation has based on the proposed shopoffice development for the subject site by reason of it is a more feasible development, i.e., greater demand of shopoffice as compared to low-rise stratified retail for the locality as evidenced by other similar developments in the vicinity.

While the proposed shopoffice development is still in line with the overall approved development concept, land use and permissible gross floor area of ISL, we anticipated that there would be no impact to the valuation of the subject property, i.e., no excess development charges will be imposed to the land.

The following outlines the parameters adopted in undertaking our assessment: -

Summary of Parameters

Gross Development Value ("GDV")	RM55,272,000/- (Note 1)
Gross Development Cost ("GDC")	RM42,603,940/- (Note 2)
Developer's Profit	15% of GDV
Development Period	3 years (Note 3)
Discount Rate	8.0% per annum

Note 1:

The GDV in our valuation is arrived at by reference to the selling / transacted prices of similar properties in the neighbourhood of the subject property and the details are as follows: -

Development	Built Up Area (sq. ft)	Selling Price (RM/Unit)	Selling Price (RM/psf)
Adda Avenue 3, Taman Adda	5,374	1,550,000 - 1,700,000	288 - 316
Perjiranan 15, Bandar Dato Onn	4,620	1,988,800	430
Crest, Taman Mount Austin	4,950	1,888,000 - 1,925,000	381 - 389
Lifefhub Avenue, Vervocity	4,620	1,440,000 - 1,620,000	312 - 351
Permas Avenue, Bandar Baru Permas Jaya	5,280 - 5,440	1,670,000 - 2,050,000	316 - 377
Tropicana Uplands, Gelang Patah	5,040 - 15,000	1,392,000 - 4,607,000	276 - 307

Source: CBRE | WTW Research

## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

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**VALUE CONSIDERATION** (Cont'd)**II. INCOME APPROACH (RESIDUAL METHOD)** (Cont'd)

In view of the above, we have considered and made diligent adjustment for differences including but not limited to the time/market condition, location, visibility/exposure and size and adopted the selling price as follows: -

Development Component	Floor Area (sq. ft)	Average Selling Price (RM psf)	Average Selling Price (RM per unit)
3-storey shop/office	5,250	RM350	RM1,837,500/-

In accordance with the Johor State's Policy on Bumiputra Quota, 40% of the component in any development are subject to 15% Bumiputra discount on the sale price.

**Note 2:**

The Gross Development Cost (GDC) are based on the following material parameters: -

Items	Rate Adopted	Justification
Preliminaries	1.5% of the total site clearance and earthworks, building construction and infrastructure costs	The preliminaries cost was estimated based on our survey and enquiries with the developers.
Statutory Contributions	-	Based on information gathered from the relevant departments / agencies and records that were compiled from our previous valuations of similar property in Johor.
Survey & Sub-division	RM1,000/- per title	Based on the estimated cost for application of titles and survey plans according to the industry rate in our valuation.
Earthworks & Site Clearance	RM200,000/- per acre	The rate is in line with the industry average cost, i.e. RM150,000/- to RM350,000/- per acre depending on the physical attributes of the land including its terrain. The estimated cost is based on industry average cost by counter checked with the developers and data from our previous valuations of similar property.
Main Building & Infrastructure Costs	RM130 psf/BUA	The building costs are based on the industry average cost by counter checked with the developers and data from our previous valuations of similar property. The rates are based on the location, built-up area, development concept, number of storeys and building specification. Infrastructure costs are dependent on development mix, density, terrain, quality of the infrastructure, etc. The local infrastructure cost is estimated at about RM8 per square foot over land area. The rate is in line with the industry average cost, i.e., RM5 to RM10 per square foot.
Finance Charges	40% of the total site clearance and earthworks, building construction and infrastructure costs at 8.0% interest per annum	Based on the current Base Lending Rate (BLR) of 6.5% to 7.0% per annum plus security margin of 1.0% to 2.5% per annum.
Marketing & Legal Fees	5.0% of GDV	Based on the market rate which is in the region of 3% to 5% of the GDV.
Project Mgt & Administrative Fees	3.0% of the total site clearance and earthworks, building construction and infrastructure costs	Based on the normal rate within the industry practice.
Professional Fees	6.0% of the total site clearance and earthworks, building construction and infrastructure costs	Based on the normal rate within the industry practice.
Contingencies	5.0% of the total construction and development costs	Based on the normal rate within the industry practice.

**Note 3:**

This is the time frame required for construction and completion as well as the marketing of the units of development. The development period is essentially market derived and is also based on analysis of similar developments.

**VALUATION CERTIFICATE BY CBRE WTW (cont'd)**

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

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**RECONCILIATION OF VALUE**

We have arrived at the market value of the subject property using the Comparison Approach and Income Approach (Residual Method) as below: -

<b>Method of Valuation</b>	<b>Derivation of Value</b>
Comparison Approach	RM10,000,000/-
Income Approach (Residual Method)	RM10,000,000/-

In the absent of a clear timeline for development and a proper feasibility study have prompted us to adopt the market value as derived from the Comparison Approach for the purpose of this valuation, with the Residual Method utilised as a check.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the development rights in the subject property **ON THE BASIS(S) AND PROVISIO AS STATED IN DETAIL UNDER TERMS OF REFERENCE HEREIN** and free from all encumbrances at **RM10,000,000/- (Ringgit Malaysia : Ten Million Only)**.

## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

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**2. Lot No. PTD 217850, Mukim of Pulai, District of Johor Bahru, Johor**  
 (Our Ref : WTW/04/V/014257/24/SFT)

**TERMS OF REFERENCE**

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

Vide the Development Rights Agreement dated 12 November 2024 entered between Iskandar Capital Sdn Bhd ("Proprietor") and Paragon Globe Properties Sdn Bhd ("Developer") ("Agreement"), the Proprietor is the registered and beneficial landowner of the freehold land described as HSD 609004, PTD 217850, in the Mukim of Pulai, District of Johor Bahru, State of Johor measuring approximately 46,525 square meters or 11.50 acres identified as "Plot N1-5" ("Development Land").

The Proprietor as the master developer has applied and obtained approval from the Appropriate Authorities in respect of the Phase 1 master plan for the development of the Development Land (*Kebenaran Merancang Susun Atur*) ("Existing KMSA").

The Developer has extensive experience and expertise in the field of construction and property development and has agreed to develop the Development Land.

The Proprietor had entered into the Agreement to grant to the Developer the exclusive Development Rights to plan, design, construct and complete the development project of residential buildings together with all necessary infrastructure and public facilities in accordance with the Development Approvals and Development Concept on the Development Land ("Development") in consideration of the Consideration Amount and the Developer's undertaking to comply with its covenants and obligations stated in the Agreement as well as upon the terms and conditions contained therein the Agreement.

The Consideration Amount is that portion of the monetary consideration which is payable by the Developer to the Proprietor for the grant of the Development Rights and is equivalent to RM25,047,000/- only which is derived from the area of the Development Land that is subject to the Development.

In consideration of the Consideration Amount and the Developer's undertaking to comply with its covenants and obligations stated in the Agreement, the Proprietor hereby grants and delegates to the Developer, and the Developer hereby accepts the grant and delegation of the following rights: -

- (e) the right to design, develop, construct, build and complete the Development on the Development Land;
- (f) the right to manage and implement the Development including the appointment of the Subcontractors required for the Development;
- (g) the right to market, promote and / or dispose of the Units and / or the components comprised in the Development; and
- (h) the right to receive, collect, retain and demand all proceeds, payments and / or profits and / or any other form of revenue derived from the sale of the Units comprised in the Development,

in accordance with applicable laws and property development industry practices as well as on the basis set out therein subject to the terms and conditions of the Agreement (collectively, the "Development Rights").

Subsequently, the Parties had entered into the Supplemental Agreement on 7 January 2025 to amend or vary the terms of the Agreement.

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

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**PROPERTY IDENTIFICATION**

The Subject Property	:	Development Rights in respect of a parcel of vacant residential land for stratified housing development use
Location	:	Next to the exit of Bukit Indah Interchange of Iskandar Coastal Highway, Iskandar Puteri, Johor
Title No.	:	HSD 609004
Lot No.	:	PTD 217850, Mukim of Pulau, District of Johor Bahru, Johor
Provisional Land Area	:	46,525 square metres (500,790 square feet or 11.50 acres)
Tenure	:	Freehold / Term In Perpetuity
Registered Proprietor	:	Iskandar Capital Sdn Bhd
Category of Land Use	:	Residential
Encumbrances	:	Nil
Date of Valuation	:	23 December 2024

**GENERAL DESCRIPTION**

The subject property is a parcel of vacant residential land for stratified housing development use located next to the exit of Bukit Indah Interchange of Iskandar Coastal Highway, Iskandar Puteri, Johor.

Sungai Melayu flows through the northern boundary of the subject property and the subject site is irregular in shaped with a flat terrain.

Based on the approved Master Layout Plan, the land area of the subject property is nett of the provision for river reserve. In view of the foregoing, we anticipated there would be no impact on the proposed developments to be carried out on the subject property as well as our valuation of the land.

At the time of inspection, we noted that the subject site was covered by thick bushes and the site boundaries are not demarcated by any form of fencing.

**PLANNING PROVISION**

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

The subject property forms part of the master-planned Low-Carbon Smart City development named Integrated Sustainable Living (ISL) was approved by the State Planning Committee on 3 September 2019. The approval was conveyed by Majlis Bandaraya Iskandar Puteri vide its letter bearing ref no. (6)MBIP(JPP)(BGT)5/1/3Jld.4 dated 10 October 2019.

The approved development components on the subject property as extracted from the Master Layout Plan of Integrated Sustainable Living (ISL) are as follows: -

Plot	Component	Density
N1-5	Landed Strata Housing (Link Villa)	8 units per acre

## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; 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 and Income Approach (Residual Method).

**VALUE CONSIDERATION****I. COMPARISON APPROACH**

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

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation & Property Services Department (JPPH)		
Lot No., Mukim, District and State	Lot 169960, Mukim of Tebrau, District of Johor Bahru, Johor	PTD 206379, Mukim of Pulau, District of Johor Bahru, Johor	PTD 201594, Mukim of Pulau, District of Johor Bahru, Johor
Address	Along Jalan Seri Austin 5/1, within Taman Seri Austin, Johor Bahru, Johor	Along the Iskandar Coastal Highway, Iskandar Puteri, Johor	Along the Iskandar Coastal Highway, Iskandar Puteri, Johor
Type	Residential land	Development land zoned for residential use	
Tenure	Freehold / Term In Perpetuity		
Land Area (sq. m)	33,390 sq. m	42,700 sq. m	95,570 sq. m
Land Area (sq. ft)	359,407 sq. ft	459,619 sq. ft	1,028,706 sq. ft
Date	03/02/2020	10/01/2019	13/04/2017
Vendor	Dynasty View Sdn Bhd	Symphony Hills Sdn Bhd	Symphony Hills Sdn Bhd
Purchaser	Aksi Sepakat Sdn Bhd	Distinctive View Sdn Bhd	RA Suria Sdn Bhd
Consideration	RM17,968,500/-	RM24,818,482/-	RM55,551,420/-
Analysis (RM psm)	RM538 psm	RM581 psm	RM581 psm
Analysis (RM psf)	RM50 psf	RM54 psf	RM54 psf
Adjustments	Adjustments are made on time/market condition, location/accessibility, size, title conversion, restriction on development rights and master infrastructure ready.		
Adjusted Land Value (RM psf)	RM45 psf	RM51 psf	RM54 psf

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

The adjusted land values derived from the comparables range from RM45 per square foot to RM54 per square foot. Notwithstanding that all the comparables were transacted for more than 3 years, the transaction is still relevant as it is located in the close vicinity to the subject property and intended for similar development use after diligent time/market condition adjustment made. We are of the view that all the above are good comparables by reason of they are located in close vicinity to the subject property and intended for similar development use.

Having to derive the market value of the Development Rights of the Development Land, we have allowed the restriction on Development Rights discount to reflect the non-ownership of the Development Land. The Development Rights is granted and delegated on the basis among others the legal and beneficial ownership and interest in respect of the Development Land shall at all times remain with the Proprietor. Therefore, we are of the opinion that a 20% discount factor is considered fair and appropriate to reflect the non-ownership of the Development Land as compared to typical land transaction and being having the privilege of owning the Development Rights of such primely located land.

The Proprietor is the master infrastructure developer in respect of Wawari Township, including the Development Land. The Developer is granted the right to access, connect and / or tap on the master infrastructure. In light of the foregoing, upward adjustment has been made for Comparable Nos. 2 and 3 by virtue of non-availability of master infrastructure for connection.

Taking into consideration all the above factors, we have adopted a land value of RM50 per square foot for the subject property. The adopted land value is well positioned within the range of adjusted land values and represents a fair and balanced valuation for the subject property.



## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

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**VALUE CONSIDERATION** (Cont'd)**II. INCOME APPROACH (RESIDUAL METHOD)**

The source of the proposed development units adopted is from the Developer after taking into consideration the approved density for the land under the master-planned Low-Carbon Smart City development named Integrated Sustainable Living ("ISL").

Vide the approval letters granted by the Authorities to ISL, the approved development component of 91 units of landed strata housing (linked villa) served as a reference and guide to Majlis Bandaraya Iskandar Puteri for any application of Planning Permission on the site. In light of the foregoing, our valuation has based on the proposed development by the Developer of which will be used for application of Planning Permission in due course.

Further, the grant of development rights provides the rights for developer to design and develop the development in the condition that the excess development charges will be bear by the developer in the event of the changes to the Planning Permission including the changes of development components.

While the proposed development is still in line with the overall approved development concept, land use and density of ISL, we anticipated there would be no impact to the valuation of the subject property, i.e., no excess development charges will be imposed to the land.

The following outlines the parameters adopted in undertaking our assessment: -

**Summary of Parameters**

Gross Development Value ("GDV")	RM112,480,400/- (Note 1)
Gross Development Cost ("GDC")	RM82,695,787/- (Note 2)
Developer's Profit	15% of GDV
Development Period	2.5 years (Note 3)
Discount Rate	8.0% per annum

**Note 1:**

The GDV in our valuation is arrived at by reference to the selling / transacted prices of similar properties in the neighbourhood of the subject property and the details are as follows: -

(a) Developer's selling prices of semi-detached house in and around the locality area as follows: -

Development	Build Up (sq. ft)	Selling Price (RM/Unit)	Selling Price (RM/psf)
The Windsor @ Eco Botanic	3,786	RM2,338,000 - RM2,678,000	617 - 707
The Peak @ Horizon Hill	4,570 - 4,725	RM2,570,000 - RM3,200,000	562 - 677
Bukit Impian Residence	3,613	RM1,700,000 - RM1,830,000	470 - 506
Danga Sutera	3,257 - 3,297	RM1,593,000 - RM1,761,000	489 - 534
Setia Eco Garden (Laman Jentayu)	2,643	RM1,368,000 - RM1,544,000	517 - 584

Source: CBRE | WTW Research

(b) Developer's selling prices of detached house in and around the locality area as follows: -

Development	Build Up (sq. ft)	Selling Price (RM/Unit)	Selling Price (RM/psf)
Suria Hills	3,805	RM2,458,000 - RM3,178,000	645 - 835
Mansion 18 @ Horizon Hill	6,325 - 7,495	RM4,000,000 - RM 5,935,800	632 - 792
Setia Tropika	6,401	RM3,738,000 - RM3,798,800	584 - 593
Sunway Lenang Heights	3,800	RM2,667,000 - RM2,991,000	702 - 787

Source: CBRE | WTW Research

## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

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**VALUE CONSIDERATION** (Cont'd)**II. INCOME APPROACH (RESIDUAL METHOD)** (Cont'd)

In view of the above, we have considered and made diligent adjustments for differences including but not limited to the time/market condition, location, size and adopted the selling price as follows: -

Development Component	Floor Area (sq. ft)	Average Selling Price (RM psf)	Average Selling Price (RM per unit)
Semi-Detached (40' x80')	3,000	RM550	RM1,650,000/-
Bungalow	3,200	RM650	RM2,080,000/-

In accordance with the Johor State's Policy on Bumiputra Quota, 40% of the component in any development are subject to 15% Bumiputra discount on the sale price.

**Note 2:**

The Gross Development Cost (GDC) are based on the following material parameters: -

Items	Rate Adopted	Justification
Preliminaries	1.5% of the total site clearance and earthworks, building construction and infrastructure costs	The preliminaries cost was estimated based on our survey and enquiries with the developers.
Statutory Contributions	-	Based on information gathered from the relevant departments / agencies and records that were compiled from our previous valuations of similar property in Johor.
Survey & Sub-division	RM1,000/- per title	Based on the estimated cost for application of titles and survey plans according to the industry rate in our valuation.
Earthworks & Site Clearance	RM200,000/- per acre	The rate is in line with the industry average cost, i.e. RM150,000/- to RM350,000/- per acre depending on the physical attributes of the land including its terrain. The estimated cost is based on industry average cost by counter checked with the developers and data from our previous valuations of similar property.
Main Building & Infrastructure Costs	Semi-detached: RM180 psf/BUA Bungalow: RM220 psf/BUA	The building costs are based on the industry average cost by counter checked with the developers and data from our previous valuations of similar property. The rates are based on the location, built-up area, development concept, number of storeys and building specification. Infrastructure costs are dependent on development mix, density, terrain, quality of the infrastructure, etc. The local infrastructure cost is estimated at about RM6 per square foot over land area. The rate is in line with the industry average cost, i.e., RM5 to RM10 per square foot.
Finance Charges	40% of the total site clearance and earthworks, building construction and infrastructure costs at 8.0% interest per annum	Based on the current Base Lending Rate (BLR) of 6.5% to 7.0% per annum plus security margin of 1.0% to 2.5% per annum.
Marketing & Legal Fees	5.0% of GDV	Based on the market rate which is in the region of 3% to 5% of the GDV.
Project Mgt & Administrative Fees	3.0% of the total site clearance and earthworks, building construction and infrastructure costs	Based on the normal rate within the industry practice.
Professional Fees	6.0% of the total site clearance and earthworks, building construction and infrastructure costs	Based on the normal rate within the industry practice.
Contingencies	5.0% of the total construction and development costs	Based on the normal rate within the industry practice.

**Note 3:**

This is the time frame required for construction and completion as well as the marketing of the units of development. The development period is essentially market derived and is also based on analysis of similar developments.

## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

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**RECONCILIATION OF VALUE**

We have arrived at the market value of the subject property using the Comparison Approach and Income Approach (Residual Method) as below: -

Method of Valuation	Derivation of Value
Comparison Approach	RM25,000,000/-
Income Approach (Residual Method)	RM25,000,000/-

In the absence of a clear timeline for development and a proper feasibility study have prompted us to adopt the market value as derived from the Comparison Approach for the purpose of this valuation, with the Residual Method utilised as a check.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the development rights in the subject property **ON THE BASIS(S) AND PROVISIO AS STATED IN DETAIL UNDER TERMS OF REFERENCE HEREIN** and free from all encumbrances at **RM25,000,000/- (Ringgit Malaysia : Twenty Five Million Only)**.

VALUATION CERTIFICATE BY CBRE WTW (*cont'd*)

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**3. Lot No. PTD 217881, Mukim of Pulai, District of Johor Bahru, Johor**  
(Our Ref : WTW/04/V/014258/24/SFT)

**TERMS OF REFERENCE**

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

Vide the Development Rights Agreement dated 12 November 2024 entered between Iskandar Capital Sdn Bhd ("Proprietor") and Paragon Globe Properties Sdn Bhd ("Developer") ("Agreement"), the Proprietor is the registered and beneficial landowner of the freehold land described as HSD 609024, PTD 217881, in the Mukim of Pulai, District of Johor Bahru, State of Johor measuring approximately 22.632 hectares or 55.92 acres identified as "Plot 2A".

The Parties acknowledge and agree that: -

- (i) in respect of Plot 2A, there is an on-site detention area (*kolam tadahan*) measuring approximately 7.91 acres which will not be subject to the Development and shall be surrendered by the Proprietor to the State Authority; and
- (ii) after deduction of the on-site detention area (*kolam tadahan*), the anticipated remaining parcel of Plot 2A that is subject to the Development is an area measuring approximately 48.01 acres ("Development Land").

The Proprietor is the master infrastructure developer in respect of Wawari Township, including the Development Land.

The Developer has extensive experience and expertise in the field of construction and property development and has agreed to develop the Development Land.

The Proprietor had entered into the Agreement to grant to the Developer the exclusive Development Rights to plan, design, construct and complete the development project of residential buildings together with all necessary infrastructure and public facilities in accordance with the Development Approvals and Development Concept on the Development Land ("Development") in consideration of the Consideration Amount and the Developer's undertaking to comply with its covenants and obligations stated in the Agreement as well as upon the terms and conditions contained therein the Agreement.

The Consideration Amount is that portion of the monetary consideration which is payable by the Developer to the Proprietor for the grant of the Development Rights and is equivalent to RM66,726,950.40 only which is derived from the area of the Development Land that is subject to the Development.

In consideration of the Consideration Amount and the Developer's undertaking to comply with its covenants and obligations stated in the Agreement, the Proprietor hereby grants and delegates to the Developer, and the Developer hereby accepts the grant and delegation of the following rights: -

- (a) the right to design, develop, construct, build and complete the Development on the Development Land;
- (b) the right to manage and implement the Development including the appointment of the Subcontractors required for the Development;
- (c) the right to market, promote and / or dispose of the Units and / or the components comprised in the Development; and
- (d) the right to receive, collect, retain and demand all proceeds, payments and / or profits and / or any other form of revenue derived from the sale of the Units comprised in the Development,

**VALUATION CERTIFICATE BY CBRE WTW (cont'd)**

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**TERMS OF REFERENCE** (Cont'd)

in accordance with applicable laws and property development industry practices as well as on the basis set out therein subject to the terms and conditions of the Agreement (collectively, the "Development Rights").

Subsequently, the Parties had entered into the Supplemental Agreement on 7 January 2025 to amend or vary the terms of the Agreement.

**PROPERTY IDENTIFICATION**

The Subject Property	:	Development Rights in respect of a parcel of unconverted residential development land
Location	:	Along Jalan Raffles, off Lebuhraya Kota Iskandar, Iskandar Puteri, Johor
Title No.	:	HSD 609024
Lot No.	:	PTD 217881, Mukim of Pulai, District of Johor Bahru, Johor
Tenure	:	Freehold / Term In Perpetuity
Titled Land Area	:	22.632 hectares (55.92 acres)
Land Area Under Valuation	:	19.429 hectares (48.01 acres) <i>[after deduction of the on-site detention area measuring approximately 7.91 acres which will not be subject to the Development and shall be surrendered by the Proprietor to the State Authority]</i>
Registered Proprietor	:	Iskandar Capital Sdn Bhd
Encumbrances	:	Nil
Category of Land Use	:	Agriculture
Date of Valuation	:	23 December 2024

**GENERAL DESCRIPTION**

The subject property is a parcel of unconverted residential development land located along Jalan Raffles, off Lebuhraya Kota Iskandar, Iskandar Puteri, Johor.

The western boundary of the subject property is adjoining to the Raffles America School while the northern boundary abuts onto an unnamed metalled road. The subject site is irregular in shaped and flat in terrain.

At the time of inspection, we noted that the subject site was covered by oil palms plantation and the site boundaries are not demarcated by any form of fencing.

**PLANNING PROVISION**

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

The subject property forms part of the master-planned Low-Carbon Smart City development named Integrated Sustainable Living (ISL) was approved by the State Planning Committee on 3 September 2019.

## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

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**PLANNING PROVISION (Cont'd)**

The approval was conveyed by Majlis Bandaraya Iskandar Puteri vide its letter bearing ref no. (6)MBIP(JPP)(BGT)5/1/3Jld.4 dated 10 October 2019.

he approved development components on the subject property as extracted from the Master Layout Plan of Integrated Sustainable Living (ISL) are as follows: -

Plot	Component	Density
N10-5	Landed Strata Housing (Villa, Link Villa & Link)	12 units per acre

\*Plot N10-5 is identified as Plot 2A

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Comparison Approach and Income Approach (Residual Method).

**VALUE CONSIDERATION****I. COMPARISON APPROACH**

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

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation & Property Services Department (JPPH)		
Lot No., Mukim, District and State	Lot Nos. 192-197 & 216-221, Mukim of Pulai, District of Johor Bahru, Johor	Lot Nos. 168-173, 175 & 177-179, Mukim of Pulai, District of Johor Bahru, Johor	PTD 206379, Mukim of Pulai, District of Johor Bahru, Johor
Address	Off Jalan Skudai - Gelang Patah, to the west of Taman Mutiara Rini, Skudai, Johor	Off Jalan Skudai - Gelang Patah, to the west of Taman Mutiara Rini, Skudai, Johor	Along the Iskandar Coastal Highway, Iskandar Puteri, Johor
Type	Development land zoned for residential use		
Tenure	Freehold / Term In Perpetuity		
Land Area (sq. m)	406,319 sq. m	306,549 sq. m	42,700 sq. m
Land Area (sq. ft)	4,373,424 sq. ft	3,299,548 sq. ft	459,619 sq. ft
Date	05/04/2024	13/06/2023	10/01/2019
Vendor	Amanah Raya Berhad	Amanah Raya Berhad & Mutiara Kiara Properties Sdn Bhd	Symphony Hills Sdn Bhd
Purchaser	Venice View Development Sdn Bhd	Venice View Development Sdn Bhd	Distinctive View Sdn Bhd
Consideration	RM103,746,850/-	RM76,094,270/-	RM24,818,482/-
Analysis (RM psm)	RM255 psm	RM248 psm	RM581 psm
Analysis (RM psf)	RM24 psf	RM23 psf	RM54 psf
Adjustments	Adjustments are made on time/market condition, location/accessibility, size, restriction on development rights and master infrastructure		
Adjusted Land Value (RM psf)	RM33 psf	RM32 psf	RM35 psf

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

The adjusted land values derived from the comparables range from RM32 per square foot to RM35 per square foot. We are of the view that all the above are good comparables by reason of they are among the latest comparable and located in close vicinity to the subject property.

We are of the opinion that the size of the comparables is still flexible for a development to have an ideal development layout and maximise the efficient use of the land. Although Comparable 3 are not perfectly regular plot, but it is much more depends on their proposed development in term of the development concept, design and layout. Hence, adjustment for shape/terrain is not made to all the comparables.

VALUATION CERTIFICATE BY CBRE WTW (*cont'd*)

CBRE WTW VALUATION &amp; ADVISORY SDN BHD (197401001098)

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**VALUE CONSIDERATION** (Cont'd)**I. COMPARISON APPROACH** (Cont'd)

Having to derive the market value of the Development Rights of the Development Land, we have allowed the restriction on Development Rights discount to reflect the non-ownership of the Development Land. The Development Rights is granted and delegated on the basis among others the legal and beneficial ownership and interest in respect of the Development Land shall at all times remain with the Proprietor. Therefore, we are of the opinion that a 20% discount factor is considered fair and appropriate to reflect the non-ownership of the Development Land as compared to typical land transaction and being having the privilege of owning the Development Rights of such primely located land.

The Proprietor is the master infrastructure developer in respect of Wawari Township, including the Development Land. The Developer is granted the right to access, connect and / or tap on the master infrastructure. In light of the foregoing, upward adjustment has been made for all comparables by virtue of non-availability of master infrastructure for connection.

Taking into consideration all the above factors, we have adopted a land value of RM33 per square foot for the subject property over the land area in our valuation, i.e., 48.01 acres after deduction of the on-site detention area measuring approximately 7.91 acres which will not be subject to the Development and shall be surrendered by the Proprietor to the State Authority. The adopted land value is well positioned within the range of adjusted land values and represents a fair and balanced valuation for the subject property.

**II. INCOME APPROACH (RESIDUAL METHOD)**

The source of the proposed development units adopted is from the Developer after taking into consideration the approved density for the land under the master-planned Low-Carbon Smart City development named Integrated Sustainable Living ("ISL").

Vide the approval letters granted by the Authorities to ISL, the approved development components of 573 units of landed strata housing (linked villa) served as a reference and guide to Majlis Bandaraya Iskandar Puteri for any application of Planning Permission on the site. In light of the foregoing, our valuation has based on the proposed development by the Developer of which will be used for application of Planning Permission in due course.

Further, the grant of development rights provides the rights for developer to design and develop the development in the condition that the excess development charges will be bear by the developer in the event of the changes to the Planning Permission including the changes of development components.

While the proposed development is still in line with the overall approved development concept, land use and permissible gross floor area of ISL, we anticipated there would be no impact to the valuation of the subject property, i.e., no excess development charges will be imposed to the land.

The following outlines the parameters adopted in undertaking our assessment: -

Summary of Parameters

Gross Development Value ("GDV")	RM403,166,000/- ( <b>Note 1</b> )
Gross Development Cost ("GDC")	RM308,565,782/- ( <b>Note 2</b> )
Developer's Profit	15% of GDV
Development Period	4 years ( <b>Note 3</b> )
Discount Rate	8.0% per annum

## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



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**VALUE CONSIDERATION** (Cont'd)**II. INCOME APPROACH (RESIDUAL METHOD)** (Cont'd)**Note 1:**

The GDV in our valuation is arrived at by reference to the selling / transacted prices of similar properties in the neighbourhood of the subject property and the details are as follows: -

(a) Developer's selling prices of semi-detached house in and around the locality area as follows: -

Development	Build Up (sq. ft)	Selling Price (RM/Unit)	Selling Price (RM/psf)
The Windsor @ Eco Botanic	3,786	RM2,338,000 - RM2,678,000	617 - 707
The Peak @ Horizon Hill	4,570 - 4,725	RM2,570,000 - RM3,200,000	562 - 677
Bukit Impian Residence	3,613	RM1,700,000 - RM1,830,000	470 - 506
Danga Sutera	3,257 - 3,297	RM1,593,000 - RM1,761,000	489 - 534
Setia Eco Garden (Laman Jentayu)	2,643	RM1,368,000 - RM1,544,000	517 - 584

Source: CBRE | WTW Research

(b) Transactions of similar bungalow lots in and around the locality area as follows: -

Address	Land Area (sq. ft)	Transacted Price (RM psf)	Transaction Date
No. 53, Jalan Seri Impian 18, Taman Impian Emas	14,760	RM1,107,000/- (RM150 psf)	03/07/2024
Lot 125514, Jalan Seri Impian, Taman Impian Emas	23,681	RM3,765,120/- (RM159 psf)	22/03/2024
No. 12, Jalan Ponderosa 1/12, Taman Ponderosa	12,884	RM2,900,000/- (RM225 psf)	21/02/2024
No. 32, Jalan Ponderosa 1, Taman Ponderosa	21,980	RM4,593,820/- (RM209 psf)	22/01/2024

Source: Valuation &amp; Property Services Department (JPPH)

In view of the above, we considered and made diligent adjustments for differences including but not limited to the time/market condition, location, size and have adopted the selling price as follows: -

Development Component	No. of Unit	Floor Area/ Land Area (sq. ft)	Average Selling Price (RM psf)	Average Selling Price (RM per unit)
Semi-Detached (40'x80')	94	3,000	RM520	RM1,560,000/-
Semi-Detached (40'x80')	160	3,200	RM520	RM1,664,000/-
Bungalow Lot	9	6,000	RM180	RM1,080,000/-
Bungalow Lot	5	7,000	RM180	RM1,260,000/-

In accordance with the Johor State's Policy on Bumiputra Quota, 40% of the component in any development are subject to 15% Bumiputra discount on the sale price.



## VALUATION CERTIFICATE BY CBRE WTW (cont'd)



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**VALUE CONSIDERATION** (Cont'd)**II. INCOME APPROACH (RESIDUAL METHOD)** (Cont'd)Note 2:

The Gross Development Cost (GDC) are based on the following material parameters: -

Items	Rate Adopted	Justification
Preliminaries	1.5% of the total site clearance and earthworks, building construction and infrastructure costs	The preliminaries cost was estimated based on our survey and enquiries with the developers.
Statutory Contributions	-	Based on information gathered from the relevant departments / agencies and records that were compiled from our previous valuations of similar property in Johor.
Survey & Sub-division	RM1,000/- per title	Based on the estimated cost for application of titles and survey plans according to the industry rate in our valuation.
Earthworks & Site Clearance	RM200,000/- per acre	The rate is in line with the industry average cost, i.e. RM150,000/- to RM350,000/- per acre depending on the physical attributes of the land including its terrain. The estimated cost is based on industry average cost by counter checked with the developers and data from our previous valuations of similar property. Although the retention pond is excluded from the land valuation, but it is still considered as part of the preliminaries work for the development. Therefore, the estimated cost is based on 55.92 acres, i.e. inclusive of the retention pond land area.
Main Building & Infrastructure Costs	Semi-detached: RM180 psf/BUA	The building costs are based on the industry average cost by counter checked with the developers and data from our previous valuations of similar property. The rates are based on the location, built-up area, development concept, number of storeys and building specification. Infrastructure costs are dependent on development mix, density, terrain, quality of the infrastructure, etc. The local infrastructure cost is estimated at about RM6 per square foot over land area. The rate is in line with the industry average cost, i.e., RM5 to RM10 per square foot.
Finance Charges	40% of the total site clearance and earthworks, building construction and infrastructure costs at 8.0% interest per annum	Based on the current Base Lending Rate (BLR) of 6.5% to 7.0% per annum plus security margin of 1.0% to 2.5% per annum.
Marketing & Legal Fees	5.0% of GDV	Based on the market rate which is in the region of 3% to 5% of the GDV.
Project Mgt & Administrative Fees	3.0% of the total site clearance and earthworks, building construction and infrastructure costs	Based on the normal rate within the industry practice.
Professional Fees	6.0% of the total site clearance and earthworks, building construction and infrastructure costs	Based on the normal rate within the industry practice.
Contingencies	5.0% of the total construction and development costs	Based on the normal rate within the industry practice.

Note 3:

This is the time frame required for construction and completion as well as the marketing of the units of development. The development period is essentially market derived and is also based on analysis of similar developments.

Based on our research and survey, the average take-up rate of similar developments in the surrounding area is in the range of about 70% - 80% depending on the factors such as location, selling price, total number in units, tenure and etc.

Generally, the 4 years development period assumed in the valuation is the time frame required for construction and completion as well as the marketing of the units of development. We are of the opinion that the period assumed is a reasonable period which 254 units semi-detached house and 14 units bungalow lot can be constructed and sold within 4 years.

**VALUATION CERTIFICATE BY CBRE WTW (cont'd)**

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

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**RECONCILIATION OF VALUE**

We have arrived at the market value of the subject property using the Comparison Approach and Income Approach (Residual Method) as below: -

<b>Method of Valuation</b>	<b>Derivation of Value</b>
Comparison Approach	RM69,000,000/-
Income Approach (Residual Method)	RM70,000,000/-

In the absent of a clear timeline for development and a proper feasibility study have prompted us to adopt the market value as derived from the Comparison Approach for the purpose of this valuation, with the Residual Method utilised as a check.

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the development rights in the subject property **ON THE BASIS(S) AND PROVISIO AS STATED IN DETAIL UNDER TERMS OF REFERENCE HEREIN** and free from all encumbrances at **RM69,000,000/- (Ringgit Malaysia : Sixty Nine Million Only)**.

## 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. CONSENT AND CONFLICT OF INTERESTS

#### 2.1 Principal Adviser

Mercury Securities, being the Principal Adviser for the Proposed Development Rights, 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.

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

#### 2.2 Independent valuer

CBRE WTW, being the independent valuer for the Development 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 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 Development Lands.

### 3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

#### 3.1 Material commitments

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

<b>Capital commitments</b>	<b>RM'000</b>
<b>Contracted but not provided for:</b>	
(i) Capital expenditure in respect of investment property under construction	45,707 <sup>(1)</sup>
(ii) Commitment in respect of addition of lands held for property development	209,511 <sup>(2)</sup>
	<b>255,218</b>

**Notes:**

- (1) *The commitment pertains to the contracts awarded by our subsidiary, Builtech Acres Sdn. Bhd., in 2020, 2022 and 2023 with a total contracted sum of RM103.06 million to various suppliers for Sepang Medical Centre located in Sepang-Nilai township, which is targeted for completion by second quarter of 2025. Additionally, it also includes contracts awarded by our subsidiary, Paragon Platinum Sdn. Bhd., in 2023 and 2024, amounting to RM29.91 million, to various suppliers for Desa 27, located in Mukim of Plentong with targeted completion by third quarter of 2026.*
- (2) *The commitment is in respect of the PGB Landmark Acquisitions, Land F Development Rights and Proposed Development Rights as set out in **Section 2.2** of this Circular.*

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

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

<u>Contingent liabilities</u>	<u>RM'000</u>
<b>Secured:</b>	
Bank guarantee given to third parties	<u>513</u>

**4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, our Board is not aware of any material litigation, claims or arbitration involving the Development Lands, either as plaintiff or defendant, and our Board is not aware of any proceedings, pending or threatened, involving the Development 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 FYEs 31 March 2023 and 31 March 2024, and our Company's latest unaudited consolidated results for the 9-month financial period ended 31 December 2024;
- (iii) the Agreements;
- (iv) the Valuation Certificate as set out in **Appendix II** of this Circular; and
- (v) the letter of consent and declaration of conflict of interest referred to in **Section 2** of **Appendix III** of this Circular.



**PARAGON GLOBE BERHAD**

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194801000095 (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 Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Thursday, 24 April 2025 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, to pass, with or without modifications, the following resolution:

### **ORDINARY RESOLUTION 1**

**PROPOSED DEVELOPMENT RIGHTS AGREEMENTS BETWEEN PARAGON GLOBE PROPERTIES SDN. BHD. (“PGPSB” OR “DEVELOPER”), A WHOLLY-OWNED SUBSIDIARY OF PARAGON GLOBE BERHAD (“PGB” OR “COMPANY”), AND ISKANDAR CAPITAL SDN. BHD. (“ICSB” OR “PROPRIETOR”) IN RELATION TO THE DEVELOPMENT OF 3 PARCELS OF FREEHOLD LANDS IN THE MUKIM OF PULAI, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR (“PROPOSED DEVELOPMENT RIGHTS”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to PGPSB for the proposed development of 3 parcels of freehold lands, held under H.S.(D) 609000 PTD 217844 (“**Plot N1-4**”), H.S.(D) 609004 PTD 217850 (“**Plot N1-5**”) and H.S.(D) 609024 PTD 217881 (“**Plot 2A**”), in the Mukim of Pulai, District of Johor Bahru, State of Johor, upon such terms and conditions set out in the 3 development rights agreements (“**DRAs**”) dated 12 November 2024 and 3 supplemental agreements to the DRAs dated 7 January 2025 between PGPSB and ICSB (collectively, “**Agreements**”).

**AND THAT** the Board of Directors of PGB (“**Board**”) be and is hereby authorised and empowered to take all such steps and to enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as the Board deems fit, necessary, expedient and/or appropriate in order to implement, finalise and give full effect to this ordinary resolution and the terms and conditions of the Agreements 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 PGPSB and our Company.”

**BY ORDER OF THE BOARD  
PARAGON GLOBE BERHAD**

**LEONG SIEW FOONG (MAICSA 7007572)**  
Company Secretary

Johor Bahru  
9 April 2025

**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 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://tiah.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 17 April 2025 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).*

**Personal Data Privacy:**

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*



**PARAGON GLOBE BERHAD**

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194801000095 (1713-A)  
(Incorporated in Malaysia)

**FORM OF PROXY**

(Before completing the form please refer to the notes below)

No. of Shares held	CDS Account No.

I/We \_\_\_\_\_ NRIC/ Registration No. \_\_\_\_\_  
(FULL NAME IN BLOCK CAPITALS)

of \_\_\_\_\_ Tel No. \_\_\_\_\_  
(ADDRESS)

being a member of **PARAGON GLOBE BERHAD** ("COMPANY"), hereby appoint:

Proxy 1 – Full name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			

\*and/or delete if inapplicable

Proxy 2 – Full name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			

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 Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor Darul Takzim, Malaysia on Thursday, 24 April 2025 at 10.00 a.m. or at any adjournment thereof. My/our proxy(ies) shall vote as follows:

	Resolutions	For	Against
<b>Ordinary Resolution 1</b>	Proposed Development Rights		

Please indicate with an "X" in the appropriate box how you wish your vote to be cast. If no specific direction as to voting is given, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

Dated this .....day of.....2025

\_\_\_\_\_  
Signature of Member/Common Seal



**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 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 17 April 2025 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).*

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 9 April 2025.



Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Share Registrar  
**PARAGON GLOBE BERHAD**  
(Registration 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**

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194801000095 (1713-A)  
(Incorporated in Malaysia)

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

Day and Date : Thursday, 24 April 2025  
Time : 10.00 a.m.  
Venue : Grand Paragon Hotel  
No. 18, Jalan Harimau  
Taman Century  
80250 Johor Bahru  
Johor Darul Takzim, Malaysia

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### **REGISTRATION**

The registration counter will be open at 9.00 a.m. on Thursday 24 April 2025 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 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.

## ELECTRONIC LODGMENT OF FORM OF PROXY

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

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password.</li> <li>Select the corporate event: <b>PARAGON GLOBE BERHAD 2025 EGM - SUBMISSION OF FORM OF PROXY</b>.</li> <li>Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.</li> <li>Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> <li>Review and confirm your proxy(ies) appointment.</li> <li>Print the Form of Proxy for your record.</li> </ul>
<b>ii. Steps for Corporate or Institutional Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Under e-Services, the authorised or nominated representative of the corporate or institutional shareholder selects <b>"Create Account by Representative of Corporate Holder"</b>.</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul> <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>

Procedure	Action
Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> <li>▪ Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>▪ Select the corporate event: <b>“PARAGON GLOBE BERHAD 2025 EGM – SUBMISSION OF FORM OF PROXY”</b></li> <li>▪ Agree to the Terms &amp; Conditions and Declaration.</li> <li>▪ Proceed to download the file format for “Submission of Form of Proxy” in accordance with the Guidance Note set therein.</li> <li>▪ Prepare the file for the appointment of proxy(ies) by inserting the required data.</li> <li>▪ Login to TIIH Online, select corporate event: <b>“PARAGON GLOBE BERHAD 2025 EGM – SUBMISSION OF FORM OF PROXY”</b>.</li> <li>▪ Proceed to upload the duly completed proxy appointment file.</li> <li>▪ Select “Submit” to complete your submission.</li> <li>▪ Print the confirmation report of your submission for your record.</li> </ul>

## 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 17 April 2025 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.

## 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 <a href="mailto:nor.faeayzah@vistra.com">nor.faeayzah@vistra.com</a>
	Ms Damia Insyirah	603-2783 9249 <a href="mailto:damia.insyirah@vistra.com">damia.insyirah@vistra.com</a>
Fax Number	603-2783 9222	
Email	<a href="mailto:is.enquiry@vistra.com">is.enquiry@vistra.com</a>	