PARAGON GLOBE BERHAD ("PGB" OR THE "COMPANY")

PROPOSED DISPOSAL BY PGB LANDMARK SDN BHD ("PLSB" OR THE "VENDOR"), A WHOLLY-OWNED SUBSIDIARY OF PGB, OF 2 PARCELS OF FREEHOLD LANDS HELD UNDER H.S.(D) 646688, PTD 5868 (PREVIOUSLY KNOWN AS H.S.(D) 602898, PTD 5868) AND H.S.(D) 646687, PTD 5401 (PREVIOUSLY KNOWN AS H.S.(D) 602455, PTD 5401), IN THE MUKIM OF TANJUNG KUPANG, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR TO DAYONE DATA CENTERS MALAYSIA III SDN BHD ("DDCM" OR THE "PURCHASER") FOR A TOTAL CASH CONSIDERATION OF RM398,107,091.20 ("PROPOSED DISPOSAL")

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1. INTRODUCTION

On behalf of the Board of Directors of PGB ("**Board**"), UOB Kay Hian (M) Sdn Bhd ("**UOBKH**") wishes to announce that PLSB, a wholly-owned subsidiary of PGB, had, on 23 June 2026, entered into a conditional sale and purchase agreement ("**SPA**") with DDCM for the proposed disposal of 2 parcels of freehold land held under:-

(i) H.S.(D) 646688, PTD 5868 (previously known as H.S.(D) 602898, PTD 5868), located in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor, measuring approximately 22.5736 hectares (equivalent to approximately 2,429,802.08 square feet ("**sq ft**")) ("**Land 1**"); and

(ii) H.S.(D) 646687, PTD 5401 (previously known as H.S.(D) 602455, PTD 5401), located in the Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor, measuring approximately 3.8446 hectares (equivalent to approximately 413,829.30 sq ft) ("**Land 2**"),

(collectively referred to as the "**Disposal Lands**"), for a total cash consideration of RM398,107,091.20 ("**Disposal Consideration**").

The Proposed Disposal forms part of PGB and its subsidiaries' (collectively referred to as "**PGB Group**" or "**Group**") ongoing strategy to optimise its landbank portfolio through the selective monetisation of certain land assets. The Board is of the view that the Proposed Disposal provides the Group with an opportunity to realise the value of the Disposal Lands for cash at the Disposal Consideration, while strengthening the Group's financial flexibility to support its funding requirements and facilitate the execution of its strategic priorities moving forward.

Further details of the Proposed Disposal are set out in the ensuing sections of this announcement.

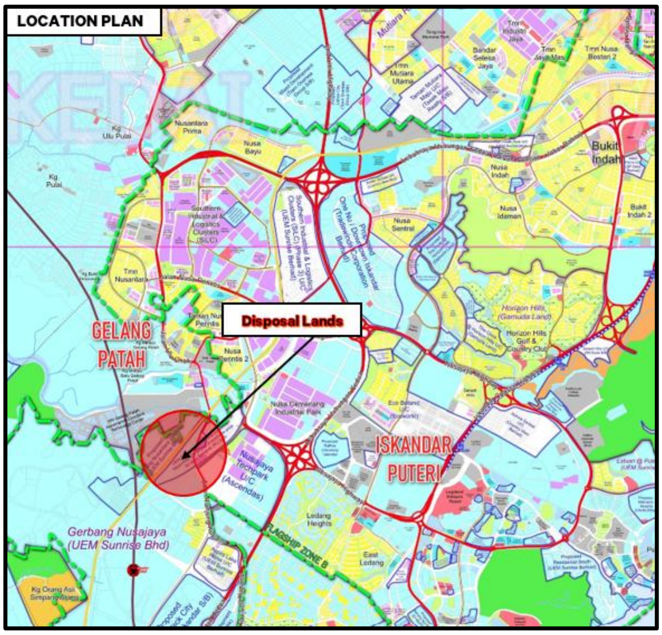
2. DETAILS OF THE PROPOSED DISPOSAL

The Proposed Disposal entails the disposal by PLSB of the Disposal Lands to DDCM for the Disposal Consideration, with vacant possession on an "as is where is" and "willing buyer willing seller" basis and free from encumbrances, subject to all conditions and restrictions-in-interest endorsed on the titles, implied conditions affecting the Disposal Lands and the terms and conditions of the SPA.

Further information on the Disposal Lands and the salient terms of the SPA are set out in **Section 2.1** and **Appendix I** of this announcement respectively.

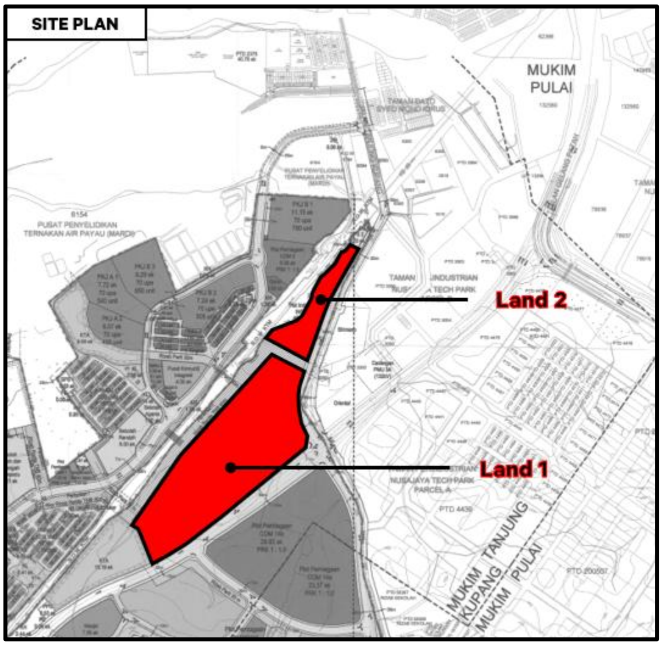
2.1 Information on the Disposal Lands

The Disposal Lands are located along Jalan Gelang Patah – Tanjung Kupang, within Gerbang Nusajaya, Iskandar Puteri, Johor. Geographically, the Disposal Lands are sited approximately 25 kilometres due south-west of the Johor Bahru City Centre and approximately 7 kilometres from Sultan Abu Bakar Customs, Immigration and Quarantine Complex.



(Location plan of the Disposal Lands)

The Disposal Lands are situated within Flagship B (Iskandar Puteri) of the Johor-Singapore Special Economic Zone (JS-SEZ) and form part of Gerbang Nusajaya. Notable completed and ongoing developments within Gerbang Nusajaya include Nusajaya Tech Park (Taman Teknologi Nusajaya) and Laman Tasik Aspira (Aspira Lakehomes, Aspira Parkhomes, Aspira Square, Aspira Gardens, 68 Avenue, Aspira Place and Aspira Hills).



(Site plan of the Disposal Lands)

Details of the Disposal Lands are as follows:-

		Land 1	Land 2
Registered proprietor	:	PLSB	
Title / Lot no.	:	H.S.(D) 646688, PTD 5868	H.S.(D) 646687, PTD 5401
Location	:	Mukim of Tanjung Kupang, District of Johor Bahru, State of Johor	
Tenure	:	Freehold / Term in perpetuity	
Land area	:	22.5736 hectares (equivalent to approximately 2,429,802.08 sq ft)	3.8446 hectares (equivalent to approximately 413,829.30 sq ft)
Category of land use	:	Agricultural	
Express conditions	:	(i) This land shall be planted with oil palm crops and orchid plants. (ii) The classification of this title as agricultural category of land use is for the purpose of registering under a block title whose development components have been determined, but public reserves such as open spaces and others have not yet been released and will only be handed over during the implementation of the actual development. This land with the agricultural category of land use does not refer to the actual agricultural land. (iii) The term of the block title is 5 years from the date of registration, and the individual titles must be registered after that date. If the term of the block title expires, the application to renew the block ownership period is subject to the prescribed fees and penalties. (iv) The title classified as agricultural category of land use is a block title for which planning permission has been approved, whereby the developer / landowner, if intending to sell / transfer the land, the new buyer is subject to the approval conditions imposed based on the approved planning permission plan. This also applies for the purpose of transferring approval, which must be obtained first before the land transfer is made.	
Restriction-in-interest	:	The land contained in this title cannot be sold or transferred by any means to non-citizens / foreign companies without the consent of the State Authority.	
Encumbrances	:	Subject to charges in favour of United Overseas Bank (Malaysia) Bhd vide presentation numbers 88805/2024 and 88806/2024, both registered on 27 August 2024 as security for the financial facility granted to PLSB.(1)	Subject to charges in favour of United Overseas Bank (Malaysia) Bhd vide presentation numbers 88790/2024 and 88791/2024, both registered on 27 August 2024 as security for the financial facility granted to PLSB.(1)
Other endorsement	:	Subject to a registrar's caveat vide presentation number 8323/2026 registered on 26 February 2026.	
Existing use	:	Vacant and unoccupied	
Independent valuer	:	CBRE WTW Valuation & Advisory Sdn Bhd ("**CBRE**" or "**Valuer**")	
Date of inspection	:	18 May 2026	
Date of valuation	:	18 May 2026	
Method of valuation	:	Comparison approach	
Audited net book value ("**NBV**") (as at 31 March 2025)	:	RM59,200,481	RM10,873,904
Market value appraised by the Valuer as at 18 May 2026	:	RM398,000,000	

Note:-

*(1) Following the surrender and re-alienation of the Disposal Lands, new titles were issued in place of the former titles. The legal charges previously registered against the former titles were not endorsed on the new titles due to the change in title particulars. As at the date of the SPA, PLSB is in the process of perfecting the charges with the relevant land office or land registry ("**Relevant Land Authority**").*

2.2 Information on the Purchaser

DDCM was incorporated in Malaysia under the Companies Act 2016 on 15 December 2022 as a private limited company under the name of GDS IDC Services III (Malaysia) Sdn Bhd and subsequently assumed its present name on 30 December 2024.

DDCM is principally engaged in activities of providing infrastructure for hosting, data processing services and related activities as well as other information technology service activities.

As at 5 June 2026, being the latest practicable date prior to this announcement ("**LPD**"), DDCM has an issued share capital of RM3,000,000 comprising 3,000,000 ordinary shares.

As at the LPD, the directors of DDCM are Yan, Yan, Wang Anyu and Khoo Gee Choo.

DDCM is a wholly-owned subsidiary of WG Data Hub Sdn Bhd, which is a third-party entity that is not connected in any manner with the Group.

2.3 Basis and justification for the Disposal Consideration

The Disposal Consideration was arrived at on a "willing buyer willing seller" basis after taking into consideration the following factors:-

(i) the market value of the Disposal Lands of RM398.00 million as appraised by the Valuer based on its valuation of the Disposal Lands on 18 May 2026, as set out in the Valuer's valuation letter dated 9 June 2026 ("**Valuation Letter**"). The Disposal Consideration represents a marginal premium of RM0.11 million or 0.03% to the appraised market value of the Disposal Lands;

(ii) the estimated net pro forma gain of RM189.72 million to be derived from the Proposed Disposal as further detailed in **Section 2.7** of this announcement; and

(iii) the rationale and justifications of the Proposed Disposal as set out in **Section 4** of this announcement.

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2.4 Mode of settlement

Pursuant to the terms of the SPA, the Disposal Consideration shall be satisfied entirely in cash in the following manner:-

Percentage of the Disposal Consideration	Timing of settlement	Amount (RM)
2.00% (“**Earnest Deposit**”)	Paid to the Vendor prior to the execution of the SPA on 2 April 2026	7,962,141.82
8.00% (“**Balance Deposit**”)	To be paid to the Vendor within 14 business days from the parties’ execution of the SPA	31,848,567.30
10.00% (“**First Payment**”)	To be paid to the Vendor within 14 business days from the Purchaser’s receipt of the approval from Data Centre Task Force (“**DCTF**”), Ministry of Investment, Trade and Industry, Malaysia (MITI) or Malaysian Investment Development Authority (MIDA), as the case may be (“**DCTF Approval**”)[1][2]	39,810,709.12
30.00% (“**Second Payment**”)	To be paid to the Vendor within 14 business days from the Purchaser’s receipt of the Vendor’s written notice granting early access to the Disposal Lands or any part thereof (“**Early Access**”)[1][2]	119,432,127.36
10.00% (“**Third Payment**”)	To be paid to the Vendor within 14 business days from the Purchaser’s receipt of documentary proof of payment of the relevant charges under Form 5A or other equivalent form under the National Land Code (Revised 2020) (“**NLC**”) in relation to the approval for the change of category of land use of the Disposal Lands[1][2]	39,810,709.12
15.00% (“**Fourth Payment**”)	To be paid progressively to the Vendor within 14 business days from each relevant payment trigger under the agreed Infrastructure Works (as defined in Note 3 below) milestones[1][2]	59,716,063.68
10.00% (“**Fifth Payment**”)	To be paid to the Vendor within 14 business days from the Purchaser’s receipt of the new titles issued in respect of the Disposal Lands, duly certified by the Vendor’s solicitors[1][2]	39,810,709.12
15.00% (“**Sixth Payment**”)[4]	To be paid to the Vendor within 14 business days from the date the SPA becomes unconditional (“**Unconditional Date**”) in accordance with the payment and redemption mechanics under the SPA, where applicable[2]	59,716,063.68
	Total	**398,107,091.20**

Notes:-

(1) *The parties agreed that the First Payment to the Fifth Payment may be made non-sequentially and the Purchaser shall pay each payment upon satisfaction of the relevant payment trigger under the SPA, notwithstanding the order of such payments.*

(2) *Any late payment by the Purchaser beyond the relevant payment period is subject to such extension as may be provided in the SPA or mutually agreed by the parties, provided that late payment interest at the rate of 8.00% per annum, calculated on a daily basis will be imposed on the amount outstanding from the day immediately following the expiry of the relevant payment period until full payment is made.*

(3) *The "**Infrastructure Works**" means the infrastructure works to be undertaken by the Vendor, at its own cost and expense, in accordance with the agreed milestones, infrastructure layout and in compliance with the Purchaser's prevailing standards, specifications and technical requirements, designs and plans pursuant to the SPA. The Fourth Payment shall be paid progressively based on the agreed Infrastructure Works milestones under the SPA.*

(4) *Where applicable, part or all of the Sixth Payment may be applied towards the redemption of the Disposal Lands from the existing chargee in accordance with the SPA and any such amount shall form part of the Disposal Consideration.*

2.5 Original cost and date of investment

The original cost and date of investment of the Disposal Lands are as follows:-

Disposal Lands	**Date of investment**(1)	**Original cost of investment (RM'000)**	(2)(3)**Audited NBV as at 31 March 2025 (RM'000)**
Land 1	17 November 2023	54,356	59,200
Land 2	17 November 2023	9,989	10,874

Notes:-

(1) *The date of investment refers to the date of the sale and purchase agreements entered into by PLSB for the acquisition of the respective Disposal Lands.*

(2) *Based on the latest audited consolidated financial statements of PGB for the financial year ended ("**FYE**") 31 March 2025.*

(3) *The audited NBV is inclusive of transaction costs and development costs incurred and capitalised by PLSB on the respective Disposal Lands.*

2.6 Liabilities to remain with PGB

Save for the obligations to be incurred pursuant to the SPA as set out in **Appendix I** of this announcement, there are no other liabilities, including contingent liabilities in relation to the Disposal Lands which will remain with the Group pursuant to the Proposed Disposal.

In addition, no guarantees have been given by the Group to the Purchaser in relation to the Proposed Disposal, save for the Group's obligations pursuant to the SPA as set out in **Appendix I** of this announcement.

2.7 Expected gain arising from the Proposed Disposal

The Proposed Disposal is expected to result in an estimated net pro forma gain to the Group, details of which are set out below:-

		RM'000
Disposal Consideration		398,107
(Less):	Audited NBV of the Disposal Lands as at 31 March 2025	(70,074)
	Estimated expenses in relation to the Proposed Disposal	(397)
	Estimated cost of development of the Disposal Lands(1)	(78,000)
Estimated gross pro forma gain		**249,636**
(Less):	Estimated income tax based on the statutory corporate tax rate of 24.00%(2)	(59,913)
Estimated net pro forma gain(3)		**189,723**

Notes:-

*(1) The estimated cost of development of the Disposal Lands relates to the estimated cost to be incurred by PLSB for the Infrastructure Works to be carried out on the Disposal Lands based on the terms and conditions of the SPA, as set out in **Appendix I** of this announcement.*

(2) For information purposes, real property gains tax does not apply as PLSB is in the business of property development and is hence liable to income tax on the sale of the Disposal Lands.

(3) The actual gain arising from the Proposed Disposal will depend on the NBV of the Disposal Lands at the time of completion, actual development cost incurred, actual expenses incurred and actual tax payable in relation to the Proposed Disposal.

2.8 Cash Company or Practice Note 17 ("PN 17") Company

Based on the latest audited financial statements of the Company for the FYE 31 March 2025, the Proposed Disposal is not expected to result in PGB becoming a cash company or a PN 17 company under the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad.

3. UTILISATION OF PROCEEDS

The Proposed Disposal is expected to raise total gross cash proceeds of approximately RM398.11 million and is expected to be utilised in the following manner:-

Details of utilisation		Estimated timeframe for utilisation*	RM'000	%
(i)	Funding of ongoing projects	Within 36 months	146,000	36.67
(ii)	Estimated cost of development in relation to the Proposed Disposal	Within 18 months	78,000	19.59
(iii)	Acquisition of new land banks and/or other properties	Within 24 months	57,096	14.34
(iv)	Repayment of bank borrowings	Within 18 months	56,000	14.07
(v)	Working capital requirements	Within 24 months	60,614	15.23
(vi)	Estimated expenses in relation to the Proposed Disposal	Within 5 months	397	0.10
Total			**398,107**	**100.00**

Notes:-

* *From the date of the completion of the Proposed Disposal.*

(i) <u>Funding of ongoing projects</u>

The Group intends to utilise up to approximately RM146.00 million of the proceeds to fund its ongoing property development projects. The proceeds earmarked for the ongoing projects are expected to be utilised towards, amongst others, payments to contractors, suppliers, material costs, development-related costs as well as payments to the relevant authorities.

At this juncture, the Company has not determined the specific allocation of proceeds for each project. The actual utilisation of proceeds will depend on the actual funding requirements, stage of development and progress of the respective projects at the relevant time, as well as the timing of completion of the Proposed Disposal. Accordingly, the allocation of proceeds between the ongoing projects may be adjusted as and when required.

In the event the amount required for the ongoing projects is higher than budgeted, any deficit will be funded through the Group's internally generated funds and/or progress billings to be received. Conversely, if the amount required is lower than estimated, the balance proceeds will be channelled towards general working capital requirements of the Group.

(ii) <u>Estimated cost of development in relation to the Proposed Disposal</u>

*The Company intends to utilise up to approximately RM78.00 million of the proceeds to fund the estimated cost of development in relation to the Proposed Disposal, including the Infrastructure Works and other related costs to be incurred by PLSB pursuant to the SPA as stated in **Sections 2.4** and **2.7** of this announcement. The estimated breakdown is as follows:-*

	RM'000
Infrastructure Works[(a)]	*55,000*
Professional fees and other expenses directly attributable to the development in relation to the Proposed Disposal[(b)]	*23,000*
Total	***78,000***

***Notes**:-*

(a) Comprising construction costs, subcontractor costs and other related costs to be incurred for the Infrastructure Works pursuant to the SPA.

(b) Comprising amongst others, fees payable to relevant authorities, professional fees and other development-related expenses directly attributable to the Proposed Disposal.

In the event the amount required to fund the estimated cost of development in relation to the Proposed Disposal is higher than budgeted, any deficit will be funded through the Group's internally generated funds. Conversely, if the amount required is lower than estimated, the balance proceeds will be channelled towards the Group's general working capital and funding requirements of ongoing projects.

(iii) <u>Acquisition of new land banks and/or other properties</u>

The Group intends to utilise up to approximately RM57.10 million of the proceeds for the acquisition of new land banks and/or other properties which are suitable for property development and/or investment purposes to support the Group's strategic objectives of growth and long-term value creation.

As at the LPD, the Group has not identified any specific suitable land banks and/or other properties to be acquired. The Group will continue to explore suitable opportunities in strategic locations within Malaysia, taking into consideration, amongst others, location, development potential, market conditions, funding requirements and potential value creation to the Group and its shareholders as well as the expected return on investment.

The Group may engage external property agents and/or other professional advisers, where necessary, to assist in sourcing and evaluating suitable opportunities. Any decision to acquire new suitable land banks and/or other properties will only be undertaken after due assessment, feasibility study and consideration of the Group's funding requirements and capital structure at the relevant time. The Company will make the necessary announcements and/or seek shareholders' approval, where required, in accordance with the Listing Requirements.

In the event the amount required for the acquisitions of new land banks and/or other properties is higher than budgeted, any deficit will be funded through the Group's internally generated funds and/or bank borrowings. Conversely, if the amount required is lower than estimated, the balance proceeds will be channelled towards the Group's general working capital and funding requirements of ongoing projects.

(iv) ***Repayment of bank borrowings***

As at the LPD, the Group's total bank borrowings stood at approximately RM547.78 million. The details of the outstanding bank borrowings are as follows:-

Name of financier	***RM'000***
United Overseas Bank (Malaysia) Bhd	*316,934*
Maybank Islamic Berhad	*156,181*
Small Medium Enterprise Development Bank Malaysia Berhad	*74,665*
Total	***547,780***

The Group intends to utilise up to approximately RM56.00 million of the proceeds for the partial repayment of existing bank borrowings of the Group, which were drawn down in July 2024 and will mature between October 2028 and August 2031. The actual allocation of proceeds for repayment may vary depending on the outstanding balances of the relevant bank borrowings at the time of repayment.

The repayment of bank borrowings is expected to improve the Group's gearing from 0.73 times as at 31 March 2025 to 0.40 times as set out in ***Section 6.2*** *of this announcement. The repayment is also expected to generate interest savings of approximately RM3.17 million per annum based on the average interest rate of 5.63% per annum.*

In the event the amount required for the repayment of bank borrowings is higher than budgeted, any deficit will be funded through the Group's internally generated funds. Conversely, if the amount required is lower than estimated, the balance proceeds will be channelled towards the Group's general working capital and funding requirements of ongoing projects.

(v) ***Working capital requirements***

The Company intends to utilise up to approximately RM60.61 million of the proceeds to pay for the income tax arising from the expected pro forma gain from the Proposed Disposal and to support the Group's working capital requirements.

The proceeds earmarked for working capital requirements are expected to be channelled towards general administrative and daily operational expenses such as staff-related costs, utilities, statutory payments and other overhead expenditures. The actual utilisation of the amount allocated for such general administrative and daily operational expenses will depend on the operating and funding requirements at the time of utilisation.

Notwithstanding the above, on a best estimate basis, the allocation for working capital requirements is as follows:-

	RM'000
Estimated income tax arising from the expected gain from the Proposed Disposal as stated in ***Section 2.7*** *of this announcement*	*59,913*
General administrative and daily operational expenses	*701*
Total	***60,614***

(vi) ***Estimated expenses in relation to the Proposed Disposal***

The proceeds earmarked for the estimated expenses in relation to the Proposed Disposal will be utilised as follows:-

	RM'000
Professional fees and other direct expenses in relation to the Proposed Disposal, including fees payable to the Principal Adviser, solicitors, Valuer and other professional advisers	*366*
Other incidental expenses in relation to the Proposed Disposal, including fees payable to authorities, printing, despatch, advertising costs, expenses to convene the extraordinary general meeting and miscellaneous expenses	*31*
Total	***397***

In the event the estimated expenses are higher than budgeted, any deficit will be funded through the portion of the proceeds allocated for working capital or through the Group's internally generated funds. Conversely, if the amount required is lower than estimated, the balance proceeds will be channelled towards general working capital requirements of the Group.

Pending the utilisation of proceeds from the Proposed Disposal for the above purposes, the proceeds will be placed in deposits with licensed financial institutions and/or short-term money market instruments. Any interest derived from such deposits and/or gains arising from such short-term money market instruments will be used as additional working capital of the Group.

4. RATIONALE AND JUSTIFICATIONS OF THE PROPOSED DISPOSAL

The Proposed Disposal forms part of the Group's ongoing strategy to optimise its landbank portfolio through the selective monetisation of certain land assets. As a property developer, the Group continuously reviews its landholdings to ensure that they remain aligned with its long-term development plans, prevailing market conditions, project priorities and overall resource allocation strategy.

The Proposed Disposal provides the Group with an opportunity to realise the value of the Disposal Lands for cash at the Disposal Consideration, while unlocking value from its investment in the Disposal Lands. The Group is expected to record an estimated net pro forma gain of RM189.72 million from the Proposed Disposal as set out in **Section 2.7** of this announcement. This is expected to increase the net assets ("**NA**") of the Group and strengthen its overall financial position.

In addition, the Proposed Disposal is expected to generate gross cash proceeds of approximately RM398.11 million, which will provide the Group with greater flexibility to redeploy capital in accordance with the proposed utilisation of proceeds as set out in **Section 3** of this announcement. This will enable the Group to support its funding requirements, strengthen its financial flexibility and facilitate the execution of the Group's strategic priorities moving forward.

In particular, approximately RM56.00 million has been earmarked for the partial repayment of outstanding bank borrowings. Such repayment is expected to reduce the Group's gearing as set out in **Section 6.2** of this announcement and generate potential interest savings of approximately RM3.17 million per annum. This is expected to further enhance the Group's liquidity and working capital position.

5. RISK FACTORS

The risk factors relating to the Proposed Disposal include, but are not limited to, the following:-

5.1 Non-completion risk

The completion of the Proposed Disposal is conditional upon the fulfilment of the conditions precedent under the SPA as disclosed in **Appendix I** of this announcement ("**Conditions Precedent**"). In the event any of the Conditions Precedent is not fulfilled or mutually waived by the parties, to the extent permissible by laws, within the stipulated timeframe, the Proposed Disposal may be delayed or terminated, and the potential benefits arising from the Proposed Disposal, including the proposed utilisation of proceeds as disclosed in **Section 3** of this announcement, may be deferred or may not materialise.

Notwithstanding the above, the Company will take all reasonable steps within its control to ensure that the Conditions Precedent are satisfied within the stipulated timeframe to facilitate the completion of the Proposed Disposal.

5.2 Financial risks

The Group may be subject to certain financial risks pursuant to the SPA, including the risk that the estimated cost of development to be incurred by PLSB in relation to the Disposal Lands may exceed the budgeted amount due to, amongst others, delays in obtaining approvals from the relevant authorities, changes in development requirements and/or unforeseen circumstances.

In this respect, the Group will monitor the progress of the relevant works and take reasonable steps to manage the implementation timeline and cost exposure in accordance with the terms of the SPA.

5.3 Opportunity cost

Upon completion of the Proposed Disposal, the Group will dispose of the Disposal Lands and will therefore forego any potential future appreciation in the value of the Disposal Lands.

Notwithstanding the above, the Proposed Disposal is expected to result in an estimated net pro forma gain to the Group as detailed in **Section 2.7** of this announcement. The proceeds from the Proposed Disposal are intended to be utilised for the purposes set out in **Section 3** of this announcement, which are expected to strengthen the Group's financial position and support its business requirements.

5.4 Compulsory acquisition risk prior to completion of the Proposed Disposal

Under the Land Acquisition Act 1960, the relevant state authority has the power to compulsorily acquire any land in Malaysia for certain purposes. In the event any part of the Disposal Lands is compulsorily acquired prior to completion of the Proposed Disposal, the compensation payable may be lower than the Disposal Consideration, depending on the market value of the affected land at the relevant time and the assessment prescribed under the applicable laws.

However, this risk is mitigated by the fact that, as at the LPD, the Disposal Lands are not subject to any compulsory acquisition notification issued by the relevant authority.

6. EFFECTS OF THE PROPOSED DISPOSAL

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Disposal will not have any effect on the issued share capital and substantial shareholders' shareholdings of PGB as the Proposed Disposal will be fully satisfied in cash and does not involve the issuance of new ordinary shares in PGB ("**PGB Share(s)**" or "**Share(s)**").

6.2 NA, NA per Share and gearing

For illustration purposes only, based on the latest audited consolidated statements of financial position of the Group as at 31 March 2025 and assuming that the Proposed Disposal had been completed on 31 March 2025, the pro forma effects of the Proposed Disposal on the audited consolidated NA, NA per Share and gearing of the Group are as follows:-

	Audited as at 31 March 2025 (RM'000)	**Pro forma I After the Proposed Disposal (RM'000)**
Share capital	259,225	259,225
Reserves	144,490	(1)334,213
Shareholders' equity/NA	**403,715**	**593,438**
Non-controlling interest	515	515
Total equity	**404,230**	**593,953**
Number of PGB Shares in issue ('000)	746,623	746,623
NA per Share (RM)	**0.54**	**0.79**
Total borrowings (RM'000)	294,919	(2)238,919
Gearing (times)(3)	**0.73**	**0.40**

Notes:-

*(1) After accounting for the estimated net pro forma gain of approximately RM189.72 million from the Proposed Disposal as set out in **Section 2.7** of this announcement.*

*(2) After adjusting for the proposed repayment of bank borrowings of approximately RM56.00 million from the proceeds of the Proposed Disposal as set out in **Section 3** of this announcement.*

(3) Computed based on total borrowings over shareholders' equity/NA.

6.3 Earnings and earnings per Share ("EPS")

Save for the expected pro forma gain arising from the Proposed Disposal as further detailed in **Section 2.7** of this announcement, the Proposed Disposal is not expected to have any other material effect on the earnings and EPS of the Group for the financial year ending 31 March 2027.

For illustrative purposes only, based on the latest audited consolidated statements of profit or loss and other comprehensive income of the Group for the FYE 31 March 2025, and assuming that the Proposed Disposal had been effected on 1 April 2024, being the beginning of the FYE 31 March 2025, the pro forma effects of the Proposed Disposal on the earnings and EPS of the Group are as follows:-

	Audited as at 31 March 2025	**Pro forma I After the Proposed Disposal**
Profit after tax ("**PAT**") attributable to the owners of the Company (RM'000)	105,624	(1)298,514
Number of PGB Shares in issue ('000)	746,623	746,623
EPS (sen)(2)	14.15	39.98

Notes:-

(1) After accounting for the following:-

*(a) estimated net pro forma gain of approximately RM189.72 million from the Proposed Disposal as set out in **Section 2.7** of this announcement; and*

(b) estimated interest savings of approximately RM3.17 million from the partial repayment of existing bank borrowings using proceeds from the Proposed Disposal.

(2) Computed based on the PAT attributable to the owners of the Company divided by the number of PGB Shares in issue.

7. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 98.61%, computed based on the Disposal Consideration compared with the latest audited consolidated NA attributable to the owners of the Company as at 31 March 2025.

8. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Disposal is subject to the following approvals being obtained:-

(i) the approval of the shareholders of PGB for the Proposed Disposal at an extraordinary general meeting to be convened;

(ii) the approvals, consents and/or confirmations to be obtained by the Purchaser pursuant to the SPA as set out in **Appendix I** of this announcement;

(iii) the approvals, consents and/or confirmations to be obtained by the Vendor pursuant to the SPA as set out in **Appendix I** of this announcement; and

(iv) any other relevant authorities/parties, if any.

The Proposed Disposal is not conditional upon any other proposal undertaken or to be undertaken by PGB.

9. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Disposal, being the subject matter of this announcement, and the following proposals, the Board is not aware of any outstanding corporate proposals which have been announced but are pending completion as at the LPD:-

(i) the proposed disposal by Paragon Business Hub Sdn Bhd, a wholly-owned subsidiary of PGB, of part of a parcel of freehold land held under Geran 80943 Lot 2699, in the Mukim of Plentong, District of Johor Bahru, State of Johor, measuring approximately 47.86 acres, to Bridge Data Centres Malaysia IV Sdn Bhd for a cash consideration of RM238.32 million ("**Proposed Disposal to BDC**"), which is expected to be completed by second half of 2026. Please refer to the circular to shareholders dated 12 December 2024 for further details of the Proposed Disposal to BDC; and

(ii) the development rights agreements between Paragon Globe Properties Sdn Bhd, a wholly-owned subsidiary of PGB, and Iskandar Capital Sdn Bhd 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**"), which is expected to be completed by first half of 2027. Please refer to the circular to shareholders dated 9 April 2025 for further details of the Proposed Development Rights.

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

None of the Directors, major shareholders of PGB and/or persons connected with them has any interest, direct or indirect, in the Proposed Disposal.

11. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Disposal, including but not limited to the terms of the SPA, the market value of the Disposal Lands, the basis and justifications for the Disposal Consideration, the rationale and justifications of the Proposed Disposal and the risks associated with the Proposed Disposal, is of the view that the Proposed Disposal is in the best interest of the Company and the Group.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Subject to all required approvals being obtained, the Proposed Disposal is expected to be completed in the second half of 2027.

13. APPLICATION TO THE RELEVANT AUTHORITIES

The applications to the relevant authorities in relation to the Proposed Disposal are expected to be submitted within 2 months from the date of this announcement.

14. PRINCIPAL ADVISER

UOBKH has been appointed as the Principal Adviser for the Proposed Disposal.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA and the Valuation Letter are available for inspection at the Company's registered office at Level 10-02, Grand Paragon Hotel, No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor during normal business hours from Monday to Friday, except public holidays, for a period of not less than 3 months from the date of this announcement.

This announcement is dated 23 June 2026.

SALIENT TERMS OF THE SPA

The salient terms of the SPA are as follows:-

1. SALE AND PURCHASE OF THE DISPOSAL LANDS

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Disposal Lands for the Disposal Consideration, on an "as is where is" and "willing buyer willing seller" basis and free from encumbrances, subject to all conditions and restrictions-in-interest endorsed on the titles, implied conditions affecting the Disposal Lands and the terms and conditions of the SPA.

2. CONDITIONS PRECEDENT

The completion of the SPA is conditional upon the satisfaction of the following Conditions Precedent:-

2.1 Purchaser's Conditions Precedent

The Conditions Precedent to be fulfilled by the Purchaser at its own cost and expense:-

(i) the written approval and endorsement from the relevant authority on the proposed layout plan in respect of the Purchaser's proposed development on the Disposal Lands;

(ii) the written approval from Town and Country Planning Department of the State of Johor (PLANMalaysia) in respect of the Purchaser's proposed development on the Disposal Lands;

(iii) the DCTF Approval in respect of the Purchaser's proposed development on the Disposal Lands;

(iv) the approval from the Purchaser's board of directors for the proposed acquisition of Disposal Lands from the Vendor; and

(v) the written approval from Johor State Authority for the acquisition of Disposal Lands by the Purchaser pursuant to Section 433B of the NLC ("**Foreign Consent Approval**").

2.2 Vendor's Conditions Precedent

The Conditions Precedent to be fulfilled by the Vendor at its own cost and expense:-

(i) where applicable, the confirmation from the Relevant Land Authority by way of an official land search conducted on the new titles, evidencing that the registrar's caveat lodged on the Disposal Lands is removed, ineffective or invalid;

(ii) the issuance of the Form 5A or other equivalent form under the NLC from the Relevant Land Authority for the change of category of land use of the Disposal Lands;

(iii) the issuance of new titles to the Disposal Lands in the Vendor's name, with express conditions permitting data centre usage and free from encumbrances, save and except for the existing charge(s), in accordance with the SPA; and

(iv) the approval from PGB's shareholders in an extraordinary general meeting to be convened and approval from the Board for the Proposed Disposal ("**Vendor's Corporate Approvals**"), to be obtained within 9 months from the date of the SPA.

2.3 Conditions Precedent Period and Unconditional Date

(i) Save for the Vendor's Corporate Approvals to be obtained by the Vendor in accordance with the timeline stated in **Section 2.2(iv)** of **Appendix I** of this announcement, the Conditions Precedent are to be fulfilled, complied or waived by the parties, to the extent permissible by law, within 12 months from the date of the SPA ("**Conditions Precedent Period**"), with an automatic extension of 3 months from the expiry of the Conditions Precedent Period or any further extended period as may be mutually agreed by the parties in writing ("**Extended Conditions Precedent Period**").

(ii) The SPA shall become unconditional on the date on which the last Conditions Precedent is fulfilled or waived in accordance with the terms of the SPA.

2.4 If any of the Conditions Precedent is not fulfilled due to the default of the Vendor and not waived by the expiry of the Extended Conditions Precedent Period, the Purchaser shall be entitled to terminate the SPA by a written notice to the Vendor, whereupon the Vendor shall:-

(i) refund all monies paid by the Purchaser towards the Disposal Consideration and any late payment interest (less such portion of the Fourth Payment which represents the value of the certified completed Infrastructure Works as at the date of the termination notice); and

(ii) if applicable, pay the Purchaser late performance damages in respect of the outstanding Infrastructure Works in accordance with the SPA ("**Late Performance Damages**") and levy fees paid by the Purchaser to the Relevant Land Authority for the Foreign Consent Approval.

2.5 If any of the Conditions Precedent is not fulfilled due to the default of the Purchaser and is not waived by the expiry of the Extended Conditions Precedent Period, the Vendor shall be entitled to terminate the SPA by a written notice to the Purchaser, whereupon the Vendor shall refund all monies paid by the Purchaser towards the Disposal Consideration (less any late payment interest and such portion of the Fourth Payment which represents the value of the certified completed Infrastructure Works as at the date of the termination notice).

2.6 If any of the Conditions Precedent is not fulfilled not attributable to the default of any party and not waived by the expiry of the Extended Conditions Precedent Period, either party shall be entitled to terminate the SPA by a written notice to the other party, whereupon the Vendor shall refund all monies paid by the Purchaser towards the Disposal Consideration and any late payment interest (less such portion of the Fourth Payment which represents the value of the certified completed Infrastructure Works as at the date of the termination notice).

3. DISPOSAL CONSIDERATION AND MODE OF SETTLEMENT

The Disposal Consideration and mode of settlement are set out in **Section 2.4** of this announcement.

4. EARLY ACCESS, DELIVERY OF VACANT POSSESSION AND APPORTIONMENT OF OUTGOINGS

4.1 Notwithstanding that the Conditions Precedent have not been fulfilled, the Vendor, shall within 7 business days from the date of the Purchaser's written request, grant Early Access to the Purchaser to carry out the Infrastructure Works and such other construction works as the Purchaser deems necessary. The Early Access will be granted upon the Vendor issuing a written notice of its agreement to the Purchaser of (a) the Early Access and (b) the delivery of vacant possession of the Disposal Lands to the Purchaser on an "as is where is" basis, in accordance with the terms and conditions of the SPA.

4.2 Upon payment of the Disposal Consideration and the late payment interest (if any) by the Purchaser, the Vendor shall deliver vacant possession of the Disposal Lands together with the Infrastructure Works and additional works (if applicable) completed thereon to the Purchaser. The date when the Vendor delivers the vacant possession of the Disposal Lands shall be the "**Vacant Possession Date**".

4.3 The outgoings payable in respect of the Disposal Lands shall be apportioned between the Vendor and the Purchaser as at the Vacant Possession Date.

5. INFRASTRUCTURE WORKS

The Vendor shall carry out and complete the Infrastructure Works on the Disposal Lands in accordance with the agreed milestones, infrastructure layout and the Purchaser's prevailing standards, specifications, technical requirements, designs and plans as set out in the SPA.

SALIENT TERMS OF THE SPA (CONT'D)

6. DEFAULT BY THE VENDOR

In the event of default by the Vendor, the Purchaser shall be entitled to seek specific performance of the SPA together with costs and expenses or to terminate the SPA in accordance with the terms of the SPA.

Upon termination, the Vendor shall (a) refund all monies paid by the Purchaser towards the Disposal Consideration including the late payment interest (if applicable) less such portion of Fourth Payment which represents the value of the certified completed Infrastructure Works as at the date of the Purchaser's termination notice and (b) pay to the Purchaser a sum equivalent to the Earnest Deposit and Balance Deposit as agreed liquidated damages, Late Performance Damages (if applicable) and levy fees paid by the Purchaser to the Relevant Land Authority for the Foreign Consent Approval (if applicable) and the Purchaser shall return all documents delivered to the Purchaser, re-deliver vacant possession to the Vendor and withdraw any private caveat lodged by the Purchaser.

Thereafter, the SPA shall be terminated and cease to have any further effect and neither party shall have any further claim against the other under the SPA except for any antecedent breach of the SPA.

7. DEFAULT BY THE PURCHASER

In the event of default by the Purchaser, the Vendor shall be entitled to seek specific performance of the SPA together with costs and expenses or to terminate the SPA in accordance with the terms of the SPA.

Upon termination, the Purchaser shall return all documents delivered to the Purchaser, re-deliver vacant possession to the Vendor, remove any construction works on the Disposal Lands and withdraw any private caveat lodged by the Purchaser and the Vendor shall refund all monies paid by the Purchaser towards the Disposal Consideration, less the Earnest Deposit, the Balance Deposit, any late payment interest and such portion of the Fourth Payment which represents the value of the certified completed Infrastructure Works as at the date of the Vendor's termination notice.

Thereafter, the SPA shall be terminated and cease to have any further effect and neither party shall have any further claim against the other under the SPA except for any antecedent breach of the SPA.