

Paragon Union Berhad's Subsidiary, Paragon Metal Sdn Bhd, enters into a Joint Venture with Japan's Largest Aluminium Recycler, Asahi Seiren Co., Ltd.

Formation of Paragon Asahi Seiren Sdn Bhd to capture a global USD160+ billion market, aligning with Malaysia's New Industrial Master Plan (NIMP) 2030 goals for a circular economy.

KUALA LUMPUR, Jan 7, 2026 – Paragon Union Bhd (KL:PARAGON), through its wholly-owned subsidiary Paragon Metal Sdn Bhd (Paragon Metal), announced the signing of a definitive agreement with Asahi Seiren Co., Ltd. (Asahi Seiren), Japan's largest secondary aluminium producer, to establish a joint venture entity, Paragon Asahi Seiren Sdn Bhd. The entity will be 60% owned by Paragon Metal and remaining 40% owned by Asahi Seiren.

The partnership brings together Paragon Metal's extensive local market knowledge and industrial footprint with Asahi Seiren's 90 years of unparalleled expertise and advanced technological capabilities in aluminium recycling. Asahi Seiren is renowned across Asia for its innovative and environmentally sound processing technologies, serving a global client base that demands high-quality, sustainable materials.

This strategic move positions the company to capitalize on the rapidly expanding global recycled aluminium market, which is forecast to grow from USD107 billion in 2023 to over USD160 billion by 2032. This joint venture directly addresses the urgent demand for low-carbon materials, as producing recycled aluminium requires just 5% of the energy and cuts greenhouse gas (GHG) emissions by up to 95% compared to primary production. With Southeast Asia emerging as a key growth region, Paragon Asahi Seiren is perfectly timed to meet rising demand from the automotive, construction, and sustainable packaging sectors.

Furthermore, this initiative is in direct support of Malaysia's national strategic frameworks, including the New Industrial Master Plan 2030 (NIMP 2030) and the upcoming 13th Malaysia Plan (RMK-13). The joint venture's focus on creating high-value materials from industrial waste strongly aligns with the national mission to advance green manufacturing, embrace the circular economy, and reduce carbon emissions.

Mr. Andrew Koon, Executive Chairman of Paragon Union Bhd, stated, "This joint venture through our subsidiary, Paragon Metal, is a landmark achievement. Partnering with a world-class leader like Asahi Seiren allows us to deploy cutting-edge technology to create significant value, not just for our shareholders, but for the broader economy. This initiative directly aligns with our ESG framework, enhances our value chain, and positions us to serve the next generation of sustainable industries, which also directly contributes to the national agenda under NIMP 2030, creating significant economic value while championing environmental stewardship."

Representing Asahi Seiren Co., Ltd., **Mr. Yoshifumi Taniyama, President and CEO of Asahi Seiren**, remarked, "We see tremendous potential in the Malaysian market and are confident that Paragon Metal is the ideal partner for us as we expand in Southeast Asia. For nine decades, Asahi Seiren has been at the forefront of maximising resource recovery and promoting environmental stewardship. We are committed to transferring our proprietary knowledge and technologies to Paragon Asahi Seiren, ensuring it operates at the highest global standards of efficiency and sustainability, supporting Malaysia's ambitious industrial and environmental goals."

The joint venture is expected to create long-term shareholder value by tapping into a resilient and growing market. The increasing global emphasis on sustainable supply chains and

responsible sourcing makes recycled aluminium a critical commodity. This partnership enables Paragon to expand its earnings base while reinforcing its credentials as a forward-looking, ESG-compliant corporation.

The collaboration will strengthen the market positioning of both Paragon Metal and Asahi Seiren, creating a powerful synergy that combines operational excellence with technological innovation. The outlook for the venture is positive, with plans to scale operations to meet future demand.

About Paragon Metal Sdn Bhd

Paragon Metal Sdn Bhd is a wholly-owned subsidiary of Paragon Union Bhd, specialising in recycled metal trading, scheduled waste management and aluminium dross recovery through its majority-owned subsidiary, Metahub Industries Sdn Bhd. The company continues to pursue strategic opportunities for innovation and growth, aligning its business expansion with national economic priorities and environmental sustainability goals.

About Asahi Seiren Co., Ltd.

Founded in 1935, Asahi Seiren Co., Ltd. is Japan's largest secondary aluminium producer and aluminium scrap buyer, with an annual capacity of 240,000 tons for each. Headquartered in Osaka, Japan, the company operates globally, providing advanced technological solutions for resource recovery and environmental management. As a pioneer in the industry, the company supplies high-quality aluminium alloys to major automotive and industrial clients. Its R&D centre continues the legacy of Japan's primary alloy research, driving innovation in resource recovery. It also produces flux for steelmaking and secondary aluminium alloys, promoting effective use of aluminium scrap and dross, aiming for zero emissions and environmental sustainability.