

# Announcement

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY  
TRANSACTIONS PARAGON UNION BERHAD ("PUB" OR THE "COMPANY") JOINT VENTURE  
SHAREHOLDERS' AGREEMENT BETWEEN PARAGON METAL SDN. BHD., A WHOLLY-OWNED  
SUBSIDIARY OF PUB AND ASAHI SEIREN CO., LTD. ("ASCL") ("JOINT VENTURE")

PARAGON UNION BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	PARAGON UNION BERHAD ("PUB" OR THE "COMPANY") JOINT VENTURE SHAREHOLDERS' AGREEMENT BETWEEN PARAGON METAL SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF PUB AND ASAHI SEIREN CO., LTD. ("ASCL") ("JOINT VENTURE")

We refer to the Company's earlier announcement dated 1 December 2025.

The Board of Directors ("Board") of the Company wishes to announce that Paragon Metal Sdn. Bhd. [Registration No. 202101017573 (1417873-H)] ("PMSB"), a wholly-owned subsidiary of the Company, has on 6 January 2026 entered into a Joint Venture Shareholders' Agreement ("JVA") with Asahi Seiren Co. Ltd (Registration No.: 122001017599) ("ASCL") to jointly establish a joint venture company to provide comprehensive consulting services and on-site support in the aspects of technical, operational and profit management in relation to the recycling of aluminum dross and aluminum scraps, in accordance with the terms and conditions set out in the JVA. ("Joint Venture").

Please refer to the attachment for further details of the Joint Venture.

This announcement is dated 6 January 2026.

## Announcement Info

Company Name	PARAGON UNION BERHAD
Stock Name	PARAGON
Date Announced	06 Jan 2026
Category	General Announcement for PLC
Reference Number	GA1-06012026-00046

## **TRANSACTIONS (CHAPTER 10)**

### **NON-RELATED PARTY TRANSACTIONS**

**PARAGON UNION BERHAD ("PUB" OR THE "COMPANY")**

**JOINT VENTURE SHAREHOLDERS' AGREEMENT BETWEEN PARAGON METAL SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF PUB AND ASAHI SEIREN CO., LTD. ("ASCL") ("JOINT VENTURE")**

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### **1.0 INTRODUCTION**

The Board of Directors ("Board") of the Company wishes to announce that Paragon Metal Sdn. Bhd. [Registration No. 202101017573 (1417873-H)] ("PMSB"), a wholly-owned subsidiary of the Company, has on 6 January 2026 entered into a Joint Venture Shareholders' Agreement ("JVA") with Asahi Seiren Co. Ltd (Registration No.: 122001017599) ("ASCL") to jointly establish a joint venture company to provide comprehensive consulting services and on-site support in the aspects of technical, operational and profit management in relation to the recycling of aluminum dross and aluminum scraps, in accordance with the terms and conditions set out in the JVA. ("Joint Venture").

PMSB and ASCL shall be collectively referred to as the "Parties", and individually as the "Party".

### **2.0 INFORMATION ON PMSB**

PMSB was incorporated in Malaysia on 10 May 2021 as a private limited company, with its registered address at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan. The principal activity of PMSB is recycled metal trading, scheduled waste management and aluminum dross recovery.

As of the date of this announcement, the issued and paid-up capital of PMSB is RM1,000,000.00 divided into 1,000,000 ordinary shares. The directors of PMSB are Mr. Koon Hoi Chun and Mr. Wong Ee-Coln. PMSB is a wholly-owned subsidiary of the Company.

### **3.0 INFORMATION ON ASCL**

ASCL was incorporated in Japan on 11 December 1953 as a limited liability company with its address at 9-37 Ota, Yao-shi, Osaka 581-0037 Japan. ASCL is primarily involved in the business of aluminum recycling.

As at the date of this announcement, the total paid-up capital of ASCL is JPY 80,000,000.00 divided into 160,000 shares. The Directors of ASCL are Mr. Yoshifumi Taniyama, Mr. Nobuhide Matsui, Mr. Takashi Nakano, and Mr. Kiyoshi Mori. The major shareholders of ASCL are Asako Sangyo Co., Ltd and Asahi Seiren Employee Shareholding Association, who hold 21.83% and 38.10% respectively.

### **4.0 SALIENT TERMS OF THE JVA**

#### **4.1 Details of the JVA**

Paragon Asahi Seiren Sdn Bhd [Registration No. 202501060246 (1661652-M)] has been incorporated on 30 December 2025 ("the JV Co") for the purpose of undertaking the Joint Venture Operations. The principal activities of the JV Co is to provide consultancy services in relation to the recycling of aluminium dross and aluminium scraps, and other technical consultancy services, and profit management. The Directors of JV Co are Mr. Yoshifumi Taniyama, Mr. Burns Ian Douglas, Mr. Koon Hoi Chun, Mr. Wong Ee-Coln and Mr. Koon Hon Hoong.

#### **4.1.1 Equity Proportion of the JV Co**

Pursuant to the JVA, the issued share capital of the JV Co shall be RM500,000.00 comprising 500,000 ordinary shares to be held in the following proportion:-

<b>Shareholders</b>	<b>Capital Outlay (RM)</b>	<b>No. of Ordinary Shares</b>	<b>%</b>
PMSB	300,000.00	300,000	60
ASCL	200,000.00	200,000	40
<b>TOTAL</b>	<b>500,000.00</b>	<b>500,000</b>	<b>100</b>

The Parties agree that the proportion of Ordinary Shares set out above shall be fixed unless varied in accordance with the provisions of the JVA or by mutual agreement in writing.

#### **4.1.2 New issue of Shares**

Other than as specified in the JVA, any new issue of shares by the JV Co is to be first offered to the Parties in proportion to their respective interests of shareholdings in the JV Co as set out in Section 4.1.1 of this announcement.

#### **4.1.3 The Board of the JV Co**

Unless otherwise agreed by the Parties hereto, the board of directors of the JV Co shall at all times comprise of five (5) members as follows:-

- i. Three (3) Directors from PMSB; and
- ii. Two (2) Directors from ASCL.

#### **4.1.4 Chairman**

The Chairman of the Board will be nominated by PMSB, and the Chairman shall chair all meetings of the Board and all Shareholders' meetings at which he / she is present, failing which, the Directors present at the relevant meeting shall elect from among themselves one Director to chair such meeting.

#### **4.1.5 Board Meeting Quorum**

The quorum for any Board meeting (including any adjourned Board meetings) shall be a majority of the Directors present in person or by their alternates, and such quorum shall in all cases include at least one (1) Director nominated by ASCL who is present in person or by his alternate.

#### **4.1.6 Transfer of Shares**

Shareholders are restricted from selling, transferring, pledging or otherwise disposing of their shares in the Company without the prior written approval of all Shareholders. Any transfer made in breach of the JVA shall be invalid and have no effect against the Company or the other Shareholders.

Where transfer is permitted, the incoming shareholder must execute a deed of adherence to be bound by the terms of the JVA. In addition, no shareholder may create or allow any encumbrance over its shares without the prior written consent of the other shareholder, such consent not to be unreasonably withheld.

#### **4.1.7 Funding**

##### **i. Subscription**

Each of the Parties are to subscribe in cash, as the case may be, for such number of ordinary shares in the JV Co as set out in Section 4.1.1 of this announcement.

##### **ii. Additional Funding**

The Parties recognise that additional funding beyond JV Co's share capital may be required for the Joint Venture Operations. If the JV Co shall in the opinion of the board of directors of the JV Co require further funding, the board of directors of the JV Co may source the additional funding from:-

- a) external loan financing from bank or other third parties;
- b) The Parties loan to be granted by the Parties to the JV Co on pro rata basis in accordance with the respective Shareholding Percentages at the relevant time one terms agreed between the Parties; and
- c) Such other sources of financing as may be agreed between the Parties in writing.

#### **4.1.8 Duration and Termination**

The JVA shall terminate upon the occurrence of certain events, including mutual agreement of all parties, winding-up of the Company, appointment of a receiver or administrator over the Company's assets, or where a shareholder ceases to hold any shares in the Company. Certain provisions, including definitions, indemnity, confidentiality and intellectual property, shall survive termination.

An event of default will occur if a shareholder breaches the JVA and fails to remedy such breach within the prescribed period, becomes insolvent, unlawfully disposes of its shares, is subject to enforcement actions, undergoes winding-up or bankruptcy proceedings, or experiences a change in control.

Upon the occurrence of an event of default, the non-defaulting shareholder may, at its discretion, require the defaulting shareholder to buy or sell shares at a premium or discount to fair market value, seek specific performance, or require the winding-up of the Company. The sale and transfer of shares shall be subject to regulatory approvals and completion of the relevant transfer formalities.

A shareholder who transfers all of its shares in accordance with the JVA shall generally be released from further obligations, subject to certain surviving clauses. Termination shall not affect any rights or liabilities accrued prior to termination.

#### **4.2 Parties' Responsibilities**

PMSB's responsibilities in relation to the management of the JV Co and the consulting services to be provided by the Company's consulting clients shall include the following:

- (i) handle all local legal and corporate matters, including securing necessary operating licenses and environmental permits, ensuring full compliance with Malaysian law (including

scheduled waste regulations), and managing government relations and local stakeholder engagement;

- (ii) to oversee the day-to-day administrative functions of the plant, including local human resources, payroll, site security, and general facilities management;
- (iii) to manage local procurement of raw materials (aluminum scrap and dross) and to oversee in-country logistics, transportation, and warehousing; and
- (iv) to lead local sales, marketing, and customer relationship management, and to secure offtake agreements within Malaysia and the surrounding region.

ASCL's responsibilities in relation to the consulting services to be provided to the JV Co's consulting clients shall include the following:

- (i) to have overall responsibility for the operation and management of the factory and provide the proprietary technical know-how for aluminium dross and scrap recycling, including plant design, equipment specification, and conducting comprehensive training for the local workforce;
- (ii) to take the lead and oversee the entire production process, from material input to final product output and implement control systems to ensure the recycled aluminium meets the necessary standards required by global industries;
- (iii) to monitor and manage the day-to-day operations of the factory, with a view to improving efficiency, increasing yield from dross recovery, and reducing operational costs, and implement best practices from its global operations; and
- (iv) to lead research and development initiatives aimed at developing new applications for by-products, furthering the goals of a circular economy and creating additional revenue streams.

## **5.0 SOURCE OF FUND**

The Company intends to fund the subscription of shares in the JV Co amounted to RM300,000.00 through internally generated funds. For shareholders' information, the Group's audited cash and bank balance as at 30 September 2025 stood at approximately RM8.8 million.

## **6.0 RATIONALE AND PROSPECTS OF THE JOINT VENTURE**

The JVA is expected to create long-term shareholder value by tapping rapidly expanding global recycled. The increasing global emphasis on sustainable supply chains and responsible sourcing makes recycled aluminium a critical commodity. This partnership enables PUB to expand its earnings base while reinforcing its credentials as a forward-looking, ESG-compliant corporation.

## **7.0 LIABILITIES TO BE ASSUMED**

Except for the obligations and liabilities specified in and arising directly from the JVA, there are no other liabilities, including contingent liabilities or guarantees, to be assume by PUB Group as a result of the Joint Venture.

## **8.0 FINANCIAL EFFECTS**

The JVA will not have any effect on the share capital and substantial shareholders' shareholding of PUB, as no new ordinary shares will be issued.

The JVA is expected to contribute positively to PUB's future profitability and hence future earnings per share. It is not expected to have any material impact on PUB's net assets per share or its gearing for the financial year ending 30 June 2026.

The JVA will not have any material financial impact on PUB in the current financial year but is expected to contribute positively in the long term.

## **9.0 RISK FACTORS**

The Joint Venture with ASCL is subject to terms and conditions of the JVA. There is no assurance that the Joint Venture will not be exposed to risks such as inability to fulfil the terms and conditions of the JVA.

The business may be subject to various business risks including, amongst others, cost overruns, and project completion delays.

## **10.0 BASIS OF AND JUSTIFICATION OF THE INVESTMENT COST**

The investment cost for the Joint Venture has been determined based on the proposed working capital require to operate the JV Co and the amount invested is proportion to the percentage of shareholding as in Section 4.1.1.

The Parties are of the view that the consideration be invested is fair and reasonable, and in the best interest of the Company and its shareholders, taking into account the expected benefits and synergies arising from the Joint Venture.

## **11.0 PERCENTAGE RATIO**

The highest percentage ratio applicable to the Joint Venture pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad computed based on the latest audited consolidated financial statements of the Company for the financial year ended 30 June 2025 is 0.208%.

## **12.0 ESTIMATED TIMEFRAME FOR THE JOINT VENTURE**

The JV Co was incorporated on 30 December 2025 and the Joint Venture is expected to commence upon the execution of the JVA.

## **13.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST AND/OR PERSONS CONNECTED TO THEM**

None of the Directors and/or major shareholders of the Company or persons connected to them have any interest, direct or indirect, in the JVA.

## **14.0 APPROVALS REQUIRED**

The entry of the JVA is not subject to the approval of the shareholders of PUB and/or any relevant regulatory authorities.

## **15.0 STATEMENT BY THE BOARD OF DIRECTORS**

The Board of Directors of PUB after due consideration of all aspects of the JVA, is of the opinion that the entry of the JVA is in the best interest of the Company.

## **16.0 DOCUMENT AVAILABLE FOR INSPECTION**

The JVA is available for inspection at the registered office of PUB at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan during normal business days from Mondays to Fridays (except public holidays), for a period of 3 months from the date of this announcement.

This announcement is dated 6 January 2026.