CORPORATE GOVERNANCE REPORT

STOCK CODE : 9407
COMPANY NAME : PARAGON UNION BERHAD
FINANCIAL YEAR : June 30, 2026

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	The Board of Directors ("Board") of Paragon Union Berhad ("Paragon" or "the Company") recognises the importance of having an effective and dynamic Board to lead and control Paragon and its Subsidiaries ("the Group"). This is to enhance long term shareholders' value and the interests of other stakeholders. The Group maintains a good mix of Board Members who have a wealth of experience, skills and expertise in areas relevant to steering the Group's businesses to the next level. The Board's roles and responsibilities are set out in the Company's Board Charter. The salient features of the Board Charter had been uploaded on the Company's website at www.paragon.com.my. While the day-to-day management of the operations of the Company is delegated to the Managing Director and supported by the senior management team, the Board retains effective control over important policies and processes such as setting business direction, formulating strategies, internal controls, risk management and ensuring high standards of compliance in all relevant regulations. The Board has delegated specific responsibilities to various Board Committees namely the Audit and Risk Management Committee, Nomination and Remuneration Committee, Sustainability Committee and Share Scheme Committee whose functions are within their respective terms of reference approved by the Board. The said terms of reference are periodically reviewed by the Board, as and when necessary. These Committees assist the Board in making informed decisions through in-depth discussions on issues in the discharge of the respective committees' terms of reference and responsibilities. The Chairmen of the various committees will report to the Board the outcome of the Committee meetings which will be recorded in the minutes of the Board meeting. The ultimate responsibility for decision-

	making, however, lies with the Board. There is a clear division of responsibilities between the Chairman and the Managing Director to ensure an appropriate balance of power and authority. The Chairman is primarily responsible for leading the Board, presiding over Board and shareholders' meetings, and facilitating constructive discussions to ensure the effective functioning of the Board. The Executive Director is responsible for overseeing the day-to-day operations of the Group and implementing the strategies and policies approved by the Board. The Group's approach to corporate governance is focused on driving sustainable revenue growth and profitability while maintaining prudent risk management practices to create long-term value for shareholders. This approach also encompasses meeting the expectations of key stakeholders, including customers, shareholders, regulators, bankers, strategic business partners and the communities in which the Group operates. The Board and Management views its commitment to Business Sustainability and Environmental, Social and Governance objectives as part of its responsibility to its stakeholders and the communities in which it operates. The Group is committed to the implementation of safe work practices and aims to provide an injury-free workplace for all its employees. The Group is committed to its continuous efforts in maintaining a delicate balance between its sustainability agenda and the shareholders' interest.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	The Board is chaired by Mr. Koon Hoi Chun who is the Executive Chairman of the Company. He provides leadership to the Board in its oversight of management and ensures effective functioning of the Board. The Executive Chairman will preside at all Board meetings and general meetings of the Company. The Executive Chairman will ensure procedural rules are followed in the conduct of meetings and that decisions are formally recorded and adopted. The Executive Chairman also leads the Board in its collective oversight of management and is responsible for the effective overall functioning of the Board. With his extensive experience in the recycling industry, the Executive Chairman is able to provide effective leadership to the Board and guide the vision, strategic direction and business development of the Group, and at the same time be guided by independent advice and views from the Independent Directors, who offer the necessary checks and balances in the decision making process of the Board. Details of the responsibilities of the Chairman are set out in the Board Charter of the Company which is made available on the Company's website at www.paragon.com.my.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	The position of the Chairman of the Company is held by Mr Koon Hoi Chun. The position of Managing Director was held by Mr Wong Ee-Coln. The profiles of Mr Koon Hoi Chun and Mr Wong Ee-Coln are set out in the "Directors' Profile" of our Annual Report 2026. The Executive Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board, while the Managing Director is responsible for making and implementing operational and corporate decisions as well as developing, coordinating and implementing business and corporate strategies. The distinct and separate roles of the Executive Chairman and Managing Director, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered power of decision making.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.			
Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Mr Koon Hoi Chun, the Executive Chairman of the Company, is not a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee. During the financial year ended 30 June 2026, the Chairman attended the Board Committee meetings as an invitee. He provides input and assists in answering questions from the Board Committee members. His presence does not impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Committees.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	The Board is supported by two (2) qualified company secretaries who are associate members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretary under the Companies Act, 2016. As practising company secretaries, they have also attended continuous professional development programmes as required by MAICSA. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, the Board's policies and procedures, and compliance with the relevant regulatory requirements, codes or guidance and legislation. The Company Secretaries are suitably qualified, competent and capable of carrying out the duties required and have attended training and seminars conducted by relevant regulators to keep abreast with the relevant updates on statutory and regulatory requirements and updates on the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company Secretaries advise the Board on corporate disclosures and compliance with the relevant changes to the laws, rules and regulations, which include amendments to the Companies Act, 2016, the Malaysian Code on Corporate Governance and MMLR. The Company Secretaries also serve notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares, in accordance with Chapter 14 of the MMLR of Bursa Securities. Deliberations during the Board and Board Committees' meetings were properly minuted and documented by the Company Secretaries.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	To facilitate the Directors' time planning, the annual meeting calendar is prepared and tabled to the Board in advance of each new year. The calendar provides Directors with scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting. Reasonable notice of meetings and the agenda on the business to be conducted at the meetings and meeting materials providing relevant information such as minutes of previous meetings, management reports and financial reports were furnished to the Directors at least five (5) working days prior to the Board meeting so that each Director had ample time to review the papers to enable informed decision making. The deliberations and decisions at the Board and Board Committee meetings are well documented and minuted. Such minutes of meetings are confirmed by the Board or the respective Board Committees and signed by the Chairman of the respective meetings. The action to be taken by respective parties will be in the minutes so that the Board can follow up with the respective parties on the status of the matters discussed during the previous meeting.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	In performing its duties, the Board is guided by the Board Charter that sets out amongst others its roles, composition, responsibilities, powers, board committees and board meeting procedures. The key elements of governance principles embedded in the Board Charter regulate the Board's conduct and guide the business strategic initiative of the Group. The Board would regularly review the Board Charter and the Terms of Reference of the Board Committees to ensure they remain consistent with the Board's objectives and responsibilities, and relevant standards of corporate governance. The Board Charter is available on the Company's website at www.paragon.com.my.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The Board noted the importance of the Code of Conduct and Ethics of the Company and emphasised the Company's commitment to ethical practices and compliance with the applicable laws and regulations which also govern the standards of ethics and good conduct expected from the Directors and employees of the Group. Currently, the Company Directors and employees adheres to the Code of Ethics for Company Directors. This Code of Ethics provides good guidance for a standard of ethical behaviour for Directors based on trustworthiness and honest values that are acceptable and uphold the spirit of responsibility including social responsibility in line with the legislation, regulations and guidelines for administering a company. The Company's Code of Ethics and Conduct is available on the Company's website at www.paragon.com.my.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied	
Explanation on application of the practice	:	The Board had established a Whistleblowing Policy to enhance corporate governance practices across the Group and to provide Directors, Employees, Shareholders, Vendors or any parties with a business relationship of the Group with an avenue to report suspected wrongdoings that may adversely impact the Group. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, as far as possible, will be protected from reprisal, harassment or subsequent discrimination. The Whistleblowing Policy is regularly reviewed by the Board as and when required to ensure that it remains relevant and appropriate. The Whistleblowing Policy is available on the Company's website at www.paragon.com.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises the importance of developing its business sustainability and responsibility by maintaining a balance between economic performance for shareholders and social responsibilities towards other stakeholders, while not compromising the environment. The Board holds the ultimate responsibility for overseeing and implementing the sustainability strategy across the Group. The Board has set up a Sustainability Committee with the objectives of strengthening the Group's sustainability strategy. The Committee is supported by the key management and is tasked to implement, monitor and record the sustainability-related initiatives to achieve the Group's sustainability objective.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	The implementation of the Group sustainability initiatives is embedded across the Group's business, divisions and to a certain extent on the business stakeholders when sourcing raw materials and services which are deemed necessary and appropriate. The practices that have been adopted by the Company to engage with the internal and external stakeholders are disclosed in the Sustainability Statement of the Annual Report 2026.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board keeps abreast of changes in relevant laws, regulations and practices to ensure compliance with the regulatory changes taking place and has sufficient understanding and knowledge of the sustainability issues that are relevant to the Company and its business, to discharge its role effectively. The Board is aware of the changes in the sustainability framework as updated in the 'Amendment of the Listing Requirements in relation to the "Enhanced Sustainability Reporting Framework".	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The performance evaluations of the Board and Senior Management include a review of the performance in addressing the Company's material sustainability risks and opportunities. It is part of the procedure to measure progress against the achievement of sustainability targets to promote accountability of the Board and Senior Management and identify issues that may require intervention by the Board and/or Senior Management to ensure prompt corrective actions are taken.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Adopted
Explanation on adoption of the practice	:	The Board has appointed Madam Teo Siang Ly, the Independent Non-Executive Director of the Company as the Chairperson of Sustainability Committee, together with Mr Wong Ee-Coln, Managing Director and Dr. Tan Teck Khong, the Senior General Manager, Finance as members of the Sustainability Committee. The Sustainability Committee reports to the Board and is responsible for overseeing the Group's sustainability practices, policies, and procedures, with the aim of driving continuous improvement in the Group's sustainability performance.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on a satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	The Nomination and Remuneration Committee ("NRC") reviewed the tenure of each Director and the composition of the Board. It was noted that none of the Independent Directors has served more than 9 years on the Board. The current Board size of six (6) members is appropriate to enable the Board to carry out its responsibilities in an effective and efficient manner. The current composition of the Board also reflects a good mix of directors with diverse professional backgrounds and a wide range of experiences in business, finance, compliance and general management that contribute effectively to leading and directing the management and affairs of the Group. The NRC also reviewed and assessed the performance and contribution of each of the retiring Directors to determine the eligibility of the Directors to stand for re-election at this coming AGM. Based on the results of the respective Directors' performance evaluation conducted, the NRC is satisfied with the Directors' performance and the level of contribution to the Board through their knowledge, skills and commitment as well as their abilities to act in the best interest of the Company. In addition, each of the Independent Directors has also provided his/her annual declaration/confirmation of independence.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board acknowledges that the current composition of the Board does not meet the recommended proportion of Independent Directors under Practice 5.2 of the MCCG, as only two (2) out of the six (6) Directors are Independent Non-Executive Directors. Notwithstanding the departure, the Board is of the view that its current composition provides an appropriate balance of skills, experience, expertise and perspectives to facilitate effective deliberation and decision-making. The Independent Non-Executive Directors provide independent and objective judgement on matters deliberated by the Board and contribute to the effective oversight of the Management. The Board, through the Nomination and Remuneration Committee, will continue to review its composition from time to time, taking into consideration the Company's operational requirements, strategic direction and the need to achieve an appropriate balance of independence, diversity, skills and experience.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	In accordance with the Malaysian Code on Corporate Governance 2021, the tenure of an Independent Director does not exceed a term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process. During the period under review, the Board does not have any Independent Director whose tenure exceeds a cumulative term limit of nine (9) years.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	The NRC will recommend to the Board on suitable candidates for appointment as Board members, members of Board Committees and Executive Directors of the Company based on the following evaluation criteria: • skills, knowledge, expertise and experience; • professionalism; • time commitment to effectively discharge his role as a director; • contribution and performance; • character, integrity and competence; • boardroom diversity including gender diversity; and • in the case of candidates for the position of Independent Non-Executive Directors, the NRC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from independent non-executive directors. This helps to ensure an appropriate balance between the experience perspectives of the long-term directors and new perspectives that bring fresh insights to the Board. The appointment of key senior management was also made with due regard for diversity in skills, experience, age and cultural background.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	The NRC is responsible for identifying and recommending suitable candidates for appointment to the Board. Candidates may be put forward by existing Directors, Senior Management or major shareholders. The NRC may also use independent sources, such as the Institute of Corporate Directors Malaysia (ICDM) directory, other directors' registries and industry networks, to find suitably qualified candidates. When considering candidates, the NRC applies the criteria in the Directors' Fit and Proper Policy and the Board Diversity Policy. These include qualifications, skills, knowledge, expertise, experience, character, integrity, time commitment and the candidate's ability to add to the diversity of the Board. During the financial year ended 30 June 2026, Mr Koon Hon Hoong was appointed as a Non-Independent Non-Executive Director on 1 October 2025. Mr Koon Hon Hoong was put forward by the major shareholder of the Company. The NRC considered this source sufficient because the role is a non-independent, non-executive position that represents the major shareholder's interest. The NRC also considered his relevant experience in the recycling and environmental services sectors, which supports the Group's strategic focus on its Recycling Division. The NRC assessed him against the criteria above, found him fit and proper, and recommended his appointment to the Board. Because the position was not for an Independent Director, the NRC did not consider it necessary to use independent sources for this appointment. The NRC will continue to use independent sources when sourcing Independent Directors.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	The profiles of Directors are published in the Annual Report 2026 which include their age, gender, directorship in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any. The justification to re-elect the retiring Directors standing for re-election has been included in the notes accompanying the Notice of 32nd Annual General Meeting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The Nomination and Remuneration Committee is chaired by Madam Teo Siang Ly, an Independent Non-Executive Director.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Following the change of Board composition in 2025, the Company currently has two (2) female Directors on the Board which accounts for 33.33% of the Board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	The Board recognizes that diversity in Board composition is beneficial for effective discussion and weighing of management issues. The Board and NRC strive, in the appointment and re-appointment of Board members, to maintain an optimal balance in terms of members' background, knowledge and expertise, as well as in terms of demographic indicators such as age, gender and ethnicity. Currently, there are two (2) female members sitting on the Board. Senior management appointments are based on merit, objective criteria and the needs of the Group's businesses, with due regard for diversity in gender, age, ethnicity, skills and experience. As at 30 June 2026, one (1) of the three (3) members of senior management is a woman. The Group will continue to promote gender diversity in senior management through fair recruitment, talent development and succession planning.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.	
Application :	Applied
Explanation on application of the practice :	The NRC annually performs an assessment of the effectiveness and performance of the Board, Board Committees and individual Directors, to verify that the Board is functioning appropriately as a whole. Each Director completed a detailed questionnaire in the Directors' Performance Evaluation which covered matters relevant to the Board performance, amongst others, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its terms of reference. The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, as part of the Company's ongoing corporate governance practices. Based on the results of the assessment for the financial year ended 30 June 2026, it was concluded that the composition of the Board and its Committees corresponds to its oversight duties and the developments of the Company. Overall, the Board was satisfied with the performance of individual Directors, Board and Board Committees for the financial year under review, including the character, experience, integrity, competencies and time commitment to effectively discharge their roles as Director of the Company.
Explanation for departure :	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	On a yearly basis, the NRC reviews and recommends to the Board the remuneration packages of the Executive Directors, while the remuneration for the Non-Executive Directors was determined by the Board as a whole. In making its recommendation, the NRC considers the principles set out in the Board Remuneration Policy. The Policy, which covers remuneration for the Directors and key Senior Management personnel, was established with the objective to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and Key Senior Management team. The Executive Directors and Key Senior Management are subject to an annual performance appraisal process. The individual performance rating serves as a basis to determine their variable compensation payments and thereby rewards individual performance. The Board Remuneration Policy also covers bonus framework for the Executive Directors and Key Senior Management, which link their appraisal process to specific reward and incentive outcomes. The appraisal process will assess the individual performance against the Key Performance Indicator targets and competency capability in meeting the Group's core values and Leadership and Management Expectations.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2
The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	The NRC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices for the business the company is in. The NRC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Directors and performance of the Group. Individual Directors do not participate in the decisions regarding their individual remuneration. Full details of the functions and duties of the NRC are stated in its terms of reference. The Company terms of reference of the NRC is available on the Company's website at www.paragon.com.my.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	Detailed disclosure on named basis for the remuneration of individual director is in the Company's Annual Report 2026. The remuneration breakdown of individual director includes fees, salary, bonus, benefit in kind and other emoluments.

-	Name	Directorate	Company							Group							
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Koon Hoi Chun	Executive Director	-	-	-	-	-	-	-	-	60,000	480,000	60,000	-	-	600,000
2	Wong Ee-Coln	Executive Director	-	-	-	-	-	-	-	-	-	776,892	125,344	15,217	-	917,453
3	Tan Vei Teck	Executive Director	-	-	-	-	-	-	-	-	60,000	390,000	50,000	-	-	500,000
4	Koh Huey Min	Independent Non-Executive Director	79,800	-	-	-	-	4,500	84,300	79,800	-	-	-	-	4,500	84,300
5	Teo Siang Ly	Independent Non-Executive Director	72,000	-	-	-	-	4,500	76,500	72,000	-	-	-	-	4,500	76,500
6	Koon Hon Hoong (Appointed w.e.f. 1 October 2025)	Non-Independent Non-Executive Director	46,500	-	-	-	-	3,900	50,400	46,500	-	-	-	-	3,900	50,400
7	Tong Siut Moi (Resigned w.e.f. 31 August 2025)	Independent Non-Executive Director	11,000	-	-	-	-	600	11,600	11,000	-	-	-	-	600	11,600

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Board is of the opinion that the disclosure on the remuneration of the Key Senior Management on a named basis would not be in the best interest of the Group due to confidentiality and sensitivity concerns as well as the issue of competition and staff poaching. As an alternative, the Company discloses the aggregate remuneration of its top senior management, including salary, bonus, benefits-in-kind and other emoluments, in bands of RM50,000. The disclosure for the financial year ended 30 June 2026, as set out in the Corporate Governance Overview Statement of the Annual Report 2026.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Audit and Risk Management Committee is chaired by an Independent Non-Executive Director, who is not the Chairman of the Board. The Chairperson of the Audit and Risk Management Committee is Madam Koh Huey Min, whereas the Chairman of the Board is Mr Koon Hoi Chun.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	The Company recognised the need to uphold independence of its external auditor and that no possible conflict of interest whatsoever should arise. The Company observes the practice under the Code that requires a former audit partner to observe a cooling-off period of at least three years before being appointed as a member of the ARMC. None of the members of the Board was a former audit partners of the Company's external firm.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied	
Explanation on application of the practice	:	The Board, through its Audit and Risk Management Committee maintains a formal and transparent relationship with its External Auditors. The Board had delegated the responsibility to the Audit and Risk Management Committee for making recommendations on the appointment, re-appointment or removal of the External Auditors as well as on their remunerations. The Audit and Risk Management Committee ensured that the External Auditors work closely with the Internal Auditors to enhance the effectiveness of the overall audit process. The Audit and Risk Management Committee assessed the performance and effectiveness of the External Auditors annually, considering amongst others, their qualifications, effectiveness of the audit process, quality of service and their independence. The External Auditors also confirmed to the Audit and Risk Management Committee that they had been independent throughout the audit engagement in respect of the financial year under review.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	The Audit and Risk Management Committee are encouraged to participate in relevant training programmes for continuous professional development and to further enhance their skills and knowledge. The Directors are aware that they shall receive appropriate training which may be required from time to time to keep them abreast with the current developments in the industry as well as new statutory and regulatory developments including changes in accounting standards. The Chairperson of the Audit and Risk Management Committee is financially literate and thus, fulfilling Paragraph 15.09(1)(c) of Main Market Listing Requirements. Based on the outcome of the performance assessment on the Audit and Risk Management Committee by the Board, the Board is satisfied with the performance of the Audit and Risk Management Committee.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	The Board affirms its overall responsibility for the Group's system of risk management and internal controls and for reviewing its effectiveness, adequacy and integrity. However, in view of the limitations that are inherent in any system of risk management and internal controls, the Board is aware that such system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement, fraud or loss. The Board is assisted by Senior Management in implementing the Board approved policies and procedures to assure that the Group's risk management and internal control systems are operating adequately and effectively. On 27 February 2026, the Board merged the Audit Committee and Risk Management Committee to enhance the efficiency of the Board in discharging its duties and responsibilities. The Audit and Risk Management Committee assists the Board in the ongoing process of identifying, evaluating and managing the significant risks faced by the Group. This process was in place during the year under review and is regularly reviewed by the Board in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Issuers. The Management is responsible for the identification and evaluation of key risks applicable to their areas of business activities on a continuous basis. Risks identified are reported in a timely manner during the periodic management meetings to enable corrective actions to be taken. The Board is supported by the Senior Management in developing, implementing and monitoring sound practices for identifying and managing strategic, financial and operational risks and for providing assurance that risk management and internal control practices with respect to the conduct of business are implemented and adhered to within the Group.

	The Audit and Risk Management Committee meets as and when the need arises to deliberate on the findings and recommendations of the risk assessment and tables the same to the Board for notation.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	The Board acknowledges its overall responsibility to maintain effective governance, risk management and compliance framework. Supported by the key management and internal audit function, the Board ensures the adequacy and effectiveness of the Group's risk management and internal control practices. The Board is responsible to ensure that the Group complies with all applicable provisions of law and regulations and ensures that appropriate risk management systems are in place throughout the Group. The Group relies on the Enterprise Risk Management framework to systematically identify, assess, mitigate and monitor existing and potential risks that are critical to its strategic targets and business plans. The framework encompasses all key areas such as financial, operational and environmental controls, Information Systems, as well as compliance with relevant laws, regulations, rules and guidelines. The Audit and Risk Management Committee assists the Board to oversee and review the effectiveness of the Group's risk management and internal control systems. To facilitate effective monitoring, the Board regularly receives reports from the Management on any business risks related to its business activities that have impacted or likely to impact the Company from achieving of its objectives and strategies. The Group's system of internal controls is regularly reviewed for its effectiveness in managing key risks. The internal audit function focuses on areas of priority as determined by the risk assessment of the auditable areas. Where significant weaknesses have been identified, improvement measures are recommended to strengthen controls. The internal audit reports are tabled at Audit and Risk Management Committee meetings for review.

Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<table>
<tr><td>Application :</td><td>Adopted</td></tr>
<tr><td>Explanation on adoption of the practice :</td><td>The Company merged the Risk Management Committee and the Audit Committee on 27 February 2026 and renamed the committee as the Audit and Risk Management Committee, comprising three (3) members as follows:

<table>
<tr><th>Name</th><th>Designation in ARMC</th><th>Directorship</th></tr>
<tr><td>Koh Huey Min</td><td>Chairperson</td><td>Independent Non-Executive Director</td></tr>
<tr><td>Teo Siang Ly</td><td>Member</td><td>Independent Non-Executive Director</td></tr>
<tr><td>Koon Hon Hoong (Appointed w.e.f. 1 October 2025)</td><td>Member</td><td>Non-Independent Non-Executive Director</td></tr>
</table>

To fulfil its oversight responsibility, the Board, as a whole or through delegation to the Audit and Risk Management Committee, reviews the adequacy and integrity of the Group's risk management framework and policies which summarises the key processes or risk identification, assessment, mitigation, monitoring and reporting.</td></tr>
</table>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	The Group's internal audit function is carried out by an outsourced internal audit firm which is independent of the activities its audit. The Board, through the Audit and Risk Management Committee conducts annual review on the effectiveness of the internal audit function including assessing the quality of audit review and ensuring that the Internal Auditors have sufficient knowledge and experience to perform their role effectively. In performing its duties, the Internal Auditors has free and unfettered access to information and to meet with any of the department heads or persons-in-charge. The identified audit issues are followed up by the Internal Auditors and the status is reported to the ARMC. During the financial year ended 30 June 2026, the Internal Auditors carried out periodic internal audit reviews in accordance with the approved internal audit plan to monitor compliance with the Group's procedures and to review the adequacy and effectiveness of the Group's system of risk management and internal control. The results of these reviews have been presented to the ARMC at their scheduled meetings. Follow up reviews were also conducted to ensure that the recommendations for improvement have been implemented by Management on a timely basis.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied	
Explanation on application of the practice	:	The Group's internal audit function is carried out by an outsourced internal audit firm, namely, Talent League Sdn Bhd which is independent of the activities of the Internal Auditors audit. The Internal Audit function is led by Mr. Hong Cheong Liang, Engagement Director, and Ms. Leena Sim, Engagement Manager. Mr. Hong is a member of the Malaysian Institute of Accountants (MIA), CPA Australia, and the Institute of Internal Auditors Malaysia (IIAM). Ms. Leena Sim holds a Bachelor of Business Management from the University of Queensland and is an Associate Member of the Institute of Internal Auditors Malaysia (IIAM). The Internal Auditors are free from any relationships or conflicts of interest, which could impair their objective and independence.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	The Company strives to promote a better understanding of the Group through investor relations activities. Apart from general meetings, the Company has in place the following initiatives to facilitate effective communication with its shareholders: (a) the Annual Report, which contains information such as Chairman's Statement and Management Discussion and Analysis, financial statements, and information on the Board Committees, Corporate Governance, Sustainability Statement, Statement of Risk Management and Internal Control and Disclosure of Financial Data for Shariah Screening; (b) various announcements made to Bursa Securities, which include timely release of financial results on a quarterly basis. Concurrent with these releases, the Company posts all announcements on its website; (c) attending to shareholders' and investors' emails and phone enquiries; and (d) the Company's website at www.paragon.com.my under Investor Relations section, which houses Board Charter, annual reports, quarterly report announcements and other corporate information on Paragon. The website also provides Investor Relations contact for shareholders to direct their queries or concerns to.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The Notice of Annual General Meeting ("AGM") was sent to the shareholders at least 28 days prior to the date of the meeting. The 31st Annual General Meeting ("AGM") of the Company held on 28 November 2025 was announced to Bursa Securities and despatched on 31 October 2025, which fulfilled the 28 days' notice requirement. The additional time given to shareholders allows them to consider the resolutions that will be discussed and decided at the AGM and to make the necessary arrangements to attend and participate in person. The Notice of AGM which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2
All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	All Directors, Senior Management and External Auditors were present at the Company's Annual General Meeting. The Chairmen of the Board Committees attended the Annual General Meeting to provide response if there are any questions addressed to them.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3
Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	In line with the directive issued by the Securities Commission Malaysia ("SC"), Public Listed Companies are encouraged to transition from fully virtual general meetings to physical or hybrid meeting formats with effect from 1 March 2025. The Company believes that physical meetings provide a more effective and interactive platform for communicating and engaging with shareholders and to facilitate the participation of shareholders and/or proxy holders who may be less familiar with or lack access to technology. Accordingly, the Company's 31st Annual General Meeting ("AGM") for the financial period ended 30 June 2025 and Extraordinary General Meeting ("EGM") were both held physically at the Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara 60000 Kuala Lumpur on 28 November 2025. In line with best practices, the Company has adopted electronic voting for the conduct of polls on all the resolutions set out in the agenda of the 31st AGM and EGM. The Company had appointed Aldpro Corporate Services Sdn Bhd as Poll Administrator to conduct the polling process, and CSC Securities Services Sdn Bhd as Scrutineer to verify the poll results for the AGM and EGM. The results of all votes cast in respect of each resolution were displayed on-screen at the AGM and EGM. Subsequently, the poll results were announced via Bursa LINK and the announcement to Bursa Securities was posted on the Company's website.

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.			
Application	:	Applied	
Explanation on application of the practice	:	All the Directors and the members of the Key Senior Management of the Company were present at the 31st AGM to provide responses to the questions posed by shareholders. Sufficient time and opportunity were made available for shareholders to pose questions during the 31st AGM. The Chairman of the Board read out the shareholders' questions and provided the responses to the relevant questions.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.			
Application	:	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice	:		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6
Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Applied	
Explanation on application of the practice	:	The minutes of the 31st AGM and EGM were published on the Company's website at www.paragon.com.my, which is within 30 business days from the meeting.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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