



# PARKWOOD



  
**UTAMARA**  
BOUTIQUE RESIDENCES

INDULGENCES AROUND  
EVERY CORNER

## RE.DEFINE SPACE

ANNUAL REPORT 2023

# 53<sup>RD</sup>

## ANNUAL GENERAL MEETING

Level 3, Menara LGB,  
No. 1, Jalan Wan Kadir,  
Taman Tun Dr. Ismail,  
60000 Kuala Lumpur



Wednesday,  
19 June 2024, 11.00 a.m.



### OUR VISION

We aspire to be a premier corporation in property development and investment both locally and internationally.



### OUR MISSION

We strive to deliver quality products and services with uncompromised professionalism that promote aspirational and sustainable communities.



### OUR VALUES

- **INTEGRITY**  
Represents our emphasis on having strong working ethical and moral principles by acting with professionalism, honesty, trustworthiness and honour.
- **EXCELLENCE**  
Represents our pursuit for innovations and continuous improvement to deliver high quality products and services in tandem with the market trend.
- **TEAMWORK**  
Represents the collaborative effort of our people in pursuing shared goals in the most effective and efficient way through trust, mutual respect and embracement of diversity.
- **SUSTAINABILITY**  
Represents our commitment to ensure that our businesses and products are economically, environmentally and socially sustainable.



Follow the steps below to scan the QR code in **3 EASY STEPS:**



Download the "QR Code Reader" on Apple App Store or Google Play Store



Run the QR Code Reader app and point your camera to the QR Code



Get access to the softcopy of our Website to review our Annual Report



The soft copy of Parkwood Holdings Berhad ("Parkwood") Annual Report 2023 is available on our website. Go to [www.parkwood.my](http://www.parkwood.my) or scan the code above with your smartphone.



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## CORPORATE INFORMATION



## BOARD OF DIRECTORS

**Mr. Lim Chin Sean***Executive Chairman**(Redesignated as Chairman w.e.f 22.02.2024)***Datuk Hew Lee Lam Sang***Independent Non-Executive Director***Ms. Irene Kam Sok Khuan***Independent Non-Executive Director***Ms. Jessica Low May-Teng***Independent Non-Executive Director**(Appointed w.e.f 04.10.2023)***Mr. Chin Kok Siong***Director (Executive)**(Appointed w.e.f 26.02.2024)***Mr. Chan Keen Wai***(Appointed as Alternate Director (Executive) to Mr. Chin Kok Siong w.e.f 26.02.2024)***AUDIT AND RISK  
MANAGEMENT COMMITTEE***Chairman***Datuk Hew Lee Lam Sang***Members***Ms. Irene Kam Sok Khuan****Ms. Jessica Low May-Teng****NOMINATION COMMITTEE***Chairperson***Ms. Irene Kam Sok Khuan***Members***Datuk Hew Lee Lam Sang****Ms. Jessica Low May-Teng****REMUNERATION COMMITTEE***Chairperson***Ms. Jessica Low May-Teng***Members***Datuk Hew Lee Lam Sang****Ms. Irene Kam Sok Khuan****COMPANY SECRETARIES****Ms. Chen Bee Ling**

(MAICSA 7046517)

SSM P.C. No. 202008001623

**Pn. Nurly Salmi Binti Ruhaiza**

(MAICSA 7073753)

SSM P.C. No. 202008000293

**AUDITORS****Crowe Malaysia PLT**

201906000005

(LLP0018817-LCA) &amp; AF 1018

Chartered Accountants

Level 16 Tower C

Megan Avenue II

12 Jalan Yap Kwan Seng

50450 Kuala Lumpur

Tel : 603-2788 9999

Fax : 603-2788 9998

**SHARE REGISTRAR****Boardroom Share Registrars Sdn Bhd**

(Reg. No. 199601006647 (378993-D))

11<sup>th</sup> Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor, Malaysia

Tel : 603-7890 4700

Fax : 603-7890 4670

**PRINCIPAL BANKERS***(In alphabetical order)*

CIMB Bank Berhad

Hong Leong Bank Berhad

**REGISTERED OFFICE/  
PRINCIPAL PLACE OF BUSINESS**

Unit 8-02, Level 8

Menara LGB

No.1, Jalan Wan Kadir

Taman Tun Dr Ismail

60000 Kuala Lumpur

Tel : 603-2788 9322

Fax : 603-2788 9340

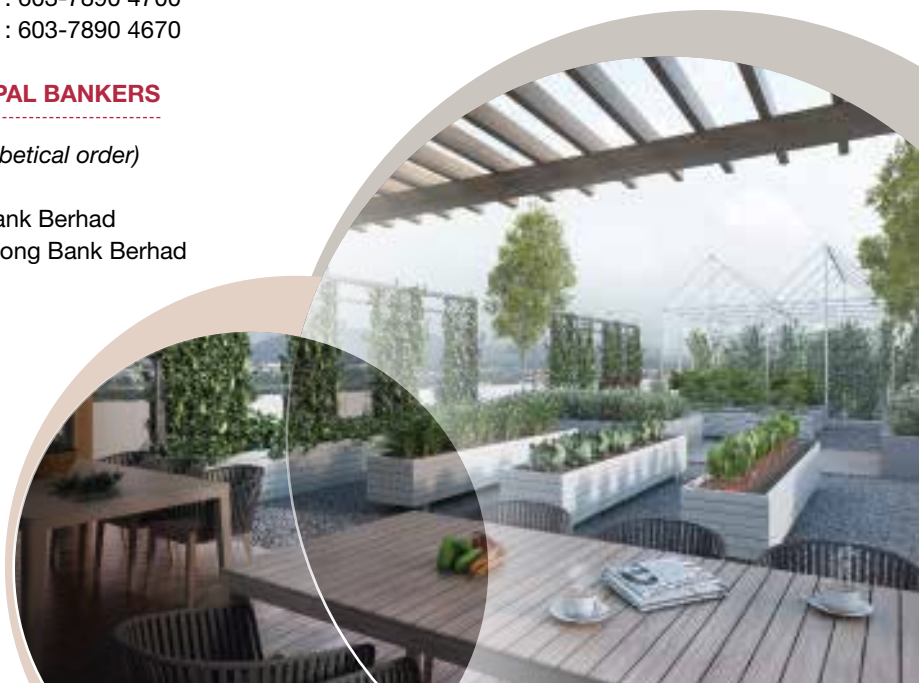
E-mail : admin@parkwood.my

Website : www.parkwood.my

**STOCK EXCHANGE LISTING**

Main Market of

Bursa Malaysia Securities Berhad

Stock Code : **2682**

## PROFILE OF DIRECTORS



MR. LIM CHIN SEAN

*Executive Chairman*

Malaysian



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Male



DATUK HEW LEE LAM SANG

*Independent Non-Executive Director*

Malaysian



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Male

**Mr. Lim Chin Sean** is an Executive Chairman of Parkwood. Prior to his appointment to the Board as a Non-Independent Non-Executive Director on 26 September 2007, he was an alternate director to Dato' Ghazali Bin Mat Ariff since 23 November 2005. He was then re-designated from Non-Independent Non-Executive Director to Executive Director on 23 November 2016, and have been appointed as Executive Chairman on 22 February 2024.

Mr. Lim holds a Bachelor of Computer System Engineering Degree (Honours) from University of Kent, United Kingdom.

He joined the LGB Group of Companies since September 2003 and is currently involved in property development, construction projects, manufacturing and IT advisory services. He also sits on the board of Taliworks Corporation Berhad and several private limited companies.

Mr. Lim is a substantial shareholder of the Company by virtue of his substantial shareholdings in Telaxis Sdn Bhd, which is a substantial shareholder of the Company.

He has not been convicted of any offences for the past 5 years. The Securities Commission of Malaysia has on 24 October 2023, reprimanded and imposed a RM500,000 penalty against Telaxis Sdn. Bhd. ("Telaxis") and its persons acting in concert ("PACs") collectively, where he is one of the PACs, for the failure to undertake a mandatory take-over offer on Parkwood, following Telaxis's acquisition of more than 2% shareholdings in Parkwood within a period of six (6) months.

Mr. Lim attended all five (5) Board meetings held during the financial year ended 31 December 2023.

**Datuk Hew Lee Lam Sang** joined the Board of Parkwood on 29 January 2019 as an Independent Non-Executive Director. He serves as the Chairman of the Audit and Risk Management Committee since 29 January 2019. He also serves as the member of the Nomination Committee and the Remuneration Committee subsequent to his re-designation from Chairman to member in the Nomination Committee on 20 November 2023.

Apart from Parkwood, Datuk Hew Lee sits on the Board of TIL Enviro Limited and SEG International Bhd. He also sits on the Board of several private limited companies.

He is a qualified Accountant with the Malaysian Institute of Certified Public Accountants and is a member of the Malaysian Institute of Accountants. Datuk Hew Lee has more than 32 years of experience in the auditing and business advisory profession with KPMG in Malaysia. Datuk Hew Lee was the head of the consulting practice of KPMG in Malaysia before he was elected to manage the whole advisory practice in Malaysia until his retirement from practice at the end of 2015. His vast experience includes external auditing, initial public offerings, review of financial forecast and projections, corporate restructuring, share valuation, etc.

Datuk Hew Lee attended all five (5) Board meetings held during the financial year ended 31 December 2023.

## PROFILE OF DIRECTORS (CONT'D)



MS. IRENE KAM SOK KHUAN

*Independent Non-Executive Director*

Malaysian



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Female



MS. JESSICA LOW MAY-TENG

*Independent Non-Executive Director*

Malaysian



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Female

**Ms. Irene Kam Sok Khuan** joined the Board of Parkwood on 23 November 2022 as an Independent Non-Executive Director. She serves as the Chairperson of the Nomination Committee since 20 November 2023. She also serves as the member of the Audit and Risk Management Committee and the Remuneration Committee.

Ms. Irene Kam is an Advocate and Solicitor. She was admitted as an Advocate & Solicitor of the High Court in Malaya on 24 August 2012, and is currently a Partner at Messrs. Azri, Lee Swee Seng & Co. She has extensive experience in advising clients from a wide spectrum of industries and has amassed expertise in advisory and dispute resolution involving a full range of Intellectual Property (“IP”) related issues, including devising strategy in order to protect the IP assets of an organisation. She also has over 15 years experience as a law lecturer, and brings her passion and insight of the law into her legal practice.

Ms. Irene Kam attended all five (5) Board meetings held during the financial year ended 31 December 2023.

**Ms. Jessica Low May-Teng** joined the Board of Parkwood on 4 October 2023 as an Independent Non-Executive Director. She serves as the Chairperson of the Remuneration Committee since 20 November 2023. She also serves as the member of the Audit and Risk Management Committee and the Nomination Committee.

Ms. Jessica Low, a highly accomplished Certified Accountant with a distinguished career spanning over 24 years. She is a member of the Malaysian Institute of Accountants since year 2000. Renowned for her adept leadership, she has driven financial performance and implemented robust internal controls across multinational corporations in the IT industry. Having hands-on experience in financial management, budgeting, forecasting, and risk assessment has consistently delivered tangible results, ensuring sustainable growth and profitability for the organizations she served. Jessica currently serves as the Chief Financial Officer at SAP Malaysia.

Ms. Jessica Low only attended one (1) Board meeting held during the financial year ended 31 December 2023.

## PROFILE OF DIRECTORS (CONT'D)



## MR. CHIN KOK SIONG

*Director (Executive)*



Malaysian



59



Male



## MR. CHAN KEEN WAI

*Alternate Director (Executive) to Mr. Chin Kok Siong*



Malaysian



55



Male

**Mr. Chin Kok Siong** was appointed as Director on 26 February 2024.

Mr. Chin also serves as Chief Financial Officer of Parkwood since June 2021. He is a chartered accountant by profession, a member of the Malaysian Institute of Accountants (MIA) and a Member of the Association of Chartered Certified Accountants (ACCA) of the United Kingdom.

Mr. Chin has more than 30 years of working experience. He started his career with KPMG before moving into the property and casino sectors. Whilst with KPMG, besides training in professional accountancy and auditing, he was involved in corporate exercises covering initial public offering, corporate restructuring, strategic planning, tax planning, financial and risk management. Upon completing his professional training, he moved on to assume several key senior finance positions with established public listed companies, including Senior Finance Vice President of NagaCorp Limited, a Hong Kong Exchange (HKE) listed company and major casino operator in Cambodia.

His last posting was with MK Land Berhad as its Group Financial Controller.

**Mr. Chan Keen Wai** was appointed as Alternate Director to Mr. Chin Kok Siong on 26 February 2024.

Mr. Chan also serves as Chief Operating Officer of Parkwood since June 2017. He holds a Master of Real Estate (with Distinction) from University of Malaya, a Master of Business Administration (MBA) from Southern Cross University, Australia and a bachelor's degree in Construction Management & Economics from Curtin University of Technology, Australia. He is a member of the Royal Institution of Chartered Surveyors (MRICS), United Kingdom and the Royal Institution of Surveyors, Malaysia (MRISM).

Mr. Chan, a chartered surveyor by profession, has more than 30 years of experience in the property fraternity spanning across real estate development, contract management and built asset management. He started his career in Singapore with Marina Centre Holdings Pte Ltd and EM Services Pte Ltd before moving back to Malaysia to continue with his career endeavours. The property developers in Malaysia, which he had previously served at include IJM Land Bhd, TA Global Bhd and WCT Land Sdn Bhd.

Mr. Chan has held various senior management positions and has accumulated a wealth of experience in property development encompassing both upstream and downstream activities of the business, project financial and contract management as well as management of commercial and residential properties.

Save as disclosed, none of the Directors has family relationship with any director and/or major shareholder of the Company.

None of the Directors of the Company has entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. All Directors have no convictions for offences within the past five (5) years other than traffic offences, if any.

## GROUP FINANCIAL HIGHLIGHTS

	2019	2020	2021	2022	2023
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<b>1 RESULT OF OPERATIONS</b>					
Revenue	5,015	6,512	9,906	18,415	27,425
(Loss)/Profit Before Interest, Tax and Depreciation	(3,316)	(3,364)	(1,993)	4,904	(1,252)
(Loss)/Profit Before Tax	(4,093)	(3,814)	(3,817)	3,281	(4,253)
(Loss)/Profit After Tax	(2,750)	(3,990)	(4,315)	2,347	(4,200)
<b>2 STATEMENT OF FINANCIAL POSITION</b>					
<b><u>Equity And Long Term Liabilities</u></b>					
Issued and Paid-Up Share Capital	22,161	22,161	46,239	46,239	46,239
Treasury Shares	(3,725)	(3,725)	(3,725)	(3,725)	(3,725)
Asset Revaluation Reserve	24,540	24,540	24,540	24,540	24,540
Capital Reserve	48,209	48,209	48,209	48,209	48,209
Unappropriated Profit	43,816	39,826	35,511	37,858	33,658
Shareholders' Fund	135,001	131,011	150,774	153,121	148,921
Retirement Gratuities	130	164	82	82	82
Deferred Tax Liabilities	156	156	156	666	666
Lease Liabilities	709	1,118	637	647	333
Borrowings	3,793	25,639	22,824	21,713	22,450
<b><u>Long Term Assets</u></b>					
Property, Plant & Equipments	709	598	127	127	80
Investment Properties	36,600	36,600	36,600	41,700	41,700
Right-of-Use Assets	1,077	1,516	987	1,114	626
Trade Receivables	-	-	-	-	2,289
Land Held for Property Development	-	32,589	33,134	33,354	33,574
Other Investment	11	11	469	577	881
Other Assets	32	32	32	42	42
<b><u>Other Assets and Liabilities</u></b>					
Currents Assets	105,363	92,799	110,358	109,339	103,316
Current Liabilities	4,002	6,056	7,234	10,024	10,055
Net Current Assets	101,361	86,743	103,124	99,314	93,261
Total Assets	143,792	164,145	181,707	186,254	182,508
<b>3 FINANCIAL RATIO</b>					
Return on Equity (%)	(2.04)	(3.05)	(2.86)	1.53	(2.82)
(Loss)/Profit Before Interest, Tax and Depreciation on Revenue (%)	(66.13)	(51.66)	(20.12)	26.63	(4.57)
(Loss)/Profit Before Tax on Revenue (%)	(81.63)	(58.57)	(38.53)	17.82	(15.51)
Net Debt-to-Equity Ratio (times)	-	0.15	0.07	0.08	0.05
Current Ratio (times)	26.33	15.32	15.26	10.91	10.28
<b>4 PER SHARE</b>					
(Loss)/Earnings Per Share (Sen)	(2.00)	(2.90)	(1.79)	0.85	(1.53)
Share Price (Sen)	26.00	32.50	18.50	14.50	14.50
Net Asset Per Share (Sen)	98.12	95.22	54.79	55.65	54.12



## CHAIRMAN'S STATEMENT

## DEAR VALUED SHAREHOLDERS

On behalf of the Board of Directors, and with the utmost privilege as the newly appointed Executive Chairman, I am pleased to present the Annual Report and the Audited Financial Statements of Parkwood Holdings Berhad and its group of companies ("the Group" or "Parkwood") for the financial year ended 31 December 2023. The Group's business and performance details are presented under the Management Discussion and Analysis Report.



## OVERVIEW

FY2023 saw the world continue with its transition from the pandemic to the endemic phase of Covid-19. The global economy continues to traverse through an environment filled with challenges since the pandemic. Deepened geopolitical tensions and persistent tightening of monetary policies to address inflation have collectively increased the risk of a worldwide slowdown.

Malaysia is not immune from these global developments, given the degree of openness in our economy and financial system. The ramifications of the pandemic have reverberated throughout the economy, generating a profound transformation in how businesses operate, and the ways in which markets behave. Riding on a bounce-back after the Covid pandemic, the nation's economic growth in 2023 was anchored by a robust domestic demand, with the domestic economy becoming the predominant driver of growth. GDP performance registered a significant slowdown in regard to external demand with a GDP of 3.7% in 2023 from 8.7% in the previous year. This is consistent with Bank Negara Malaysia's (BNM) growth forecast of approximately 4.0% for 2023.

During the review period, BNM raised the overnight policy rate (OPR) by 25 basis points to 3.0% on 3 May 2023 in response to rising inflationary pressures. This led to more conservative buying trends in the property market due to increased borrowing costs and inflation concerns. Challenges such as affordability, difficulty in securing mortgage loans, and rising interest rates persisted among homebuyers. The property

market also faced additional hurdles from the significant rise in raw materials and labour costs, dampening market sentiments and slowing down the pace of recovery.

However, BNM's cautious monetary policy approach has supported market functionality and liquidity, strengthening the economic foundation. Subsequently, interest rates remained unchanged at 3.0% over four consecutive meetings on 6 July 2023, 7 September 2023, 2 November 2023, and 24 January 2024, reflecting BNM's response to easing economic growth and reducing inflationary pressures.

Notwithstanding all the challenges posed by the Covid-19 pandemic, we witnessed the successful completion and delivery of our maiden project, Utamara Boutique Residences, in 2023. Moving forward, we expect to commence the construction of the proposed double-storey warehouse (Phase 1) at Jalan Playar, Shah Alam for long-term rental income to bolster the financial position of the Group. Our proposed mixed development at Damansara Damai is currently in the planning stage and is anticipated to be unveiled to the market in the year 2025.

We are also actively seeking new land acquisitions to further strengthen our business portfolio to ensure business continuity and sustainability. We envision to position the Group as a formidable player in the property fraternity by delivering innovative and quality products that resonate with both customers and the broader community.

## CHAIRMAN'S STATEMENT (CONT'D)

### FINANCIAL PERFORMANCE

For the financial year under review, the Group recorded a total revenue of RM27.43 million, which was RM9.01 million or 48.9% higher than the RM18.42 million recorded in the preceding financial year. This was mainly attributed to the completion of the Utamara Boutique Residences project and new sales. However, a loss before tax of RM4.25 million was recorded due to higher operating cost incurred in order to deal with market challenges still lingering from pandemic.

Further details of the Group's financial performance are covered in this Annual Report's Management Discussion and Analysis section.

### INDUSTRY OUTLOOK

In the face of challenging headwinds within the business operating environment, the Group remains cautiously optimistic about the outlook and prospects for Malaysia and the property industry in 2024. The purpose driven policies, continuous government support and the proper implementation of strategies and initiatives outlined under the 12th Malaysia Plan is expected to augment continued growth in the property industry.

The property development market will continue to face a multitude of challenges, such as escalating construction costs which impact operational activities, rising interest rates, increased service tax rate for some services from 6% to 8% effective 1 March 2024, inflationary pressure and luke-warm demand in the property market.

The above are the reasons to be pragmatic about the nation's economic outlook in 2024 and beyond. While positive growth is expected, we expect them to be more modest than in the past years. Nevertheless, I remain confident in our ability to navigate any adversities and ensure business sustainability.

Parkwood is still on a continuous look out for land acquisition and joint venture opportunities to add to its existing land bank and continues to seek for new business opportunities that will contribute positively to the Group.

The Group will also continue to take proactive measures to maintain its competitiveness through reasonably priced quality products that meet customers' expectations.

### STRENGTHENING SUSTAINABILITY AND CORPORATE GOVERNANCE

As part of our long-term growth strategy, we have made a concerted effort to prioritise sustainability in our organisation. We have integrated various environmental, social and governance initiatives into our business strategy, decision-making, and operational processes. This reflects our serious commitment towards being ESG centered, which would represent a significant step towards enhancing our bottom line and ensuring sustainable growth for the years to come.

Besides adopting risk management practices, good corporate governance and integrity continues to remain fundamental aspects of our business philosophy. This is reflected across all aspects of our operations with a continued uncompromising stance on ensuring a corrupt free, non-discriminatory work culture, centred on incentivising meritorious performance.

### DIVIDEND

The Board of Directors has decided not to recommend the payment of any dividend for the financial year ended 31 December 2023.



## CHAIRMAN'S STATEMENT (CONT'D)

**ACKNOWLEDGEMENTS AND APPRECIATION**

On behalf of the Board, I would like to extend our deepest appreciation to the outgoing directors for their unwavering dedication, insightful guidance, and exceptional stewardship during their tenure at Parkwood. Dato' Ghazali Bin Mat Ariff who was our Chairman cum Independent Non-Executive Director and Dato' Ronnie Lim Yew Boon who was our Executive Director, both of whom retired from the Board on 25 August 2023 and 29 February 2024 respectively. They have collectively played pivotal roles in shaping the Group's growth and progress. Their wisdom, experience, and commitment which have been instrumental in driving the Group's achievements and growth will leave an indelible mark on our corporate journey.

The Board also welcomes the appointment of Ms. Jessica Low May-Teng, who joined the Board on 4 October 2023 as an Independent Non-Executive Director, Mr. Chin Kok Siong as Director (Executive) and Mr. Chan Keen Wai as Alternate Director (Executive) to Mr. Chin both effective 26 February 2024. Mr. Chin also serves as Chief Financial Officer since 1 June 2021 and Mr. Chan as Chief Operating Officer since 1 June 2017.

I would also like to extend my deepest gratitude to our shareholders, customers, business associates, our financial partners, government bodies and regulatory agencies for their unwavering support over the past financial year.

Additionally, I would like to extend a special thank you to the Management and staff for their unwavering commitment, contribution, and resilience in adapting to new ways of working to ensure business continuity during a challenging year in review. Together, we will continue to seize opportunities, overcome challenges, and shape a prosperous future for our Group.

My message of thanks would not be complete without acknowledging my fellow Board members for their dedicated leadership, wise counsel, and guidance during the past financial year.

On Behalf of the Board,  
Parkwood Holdings Berhad

LIM CHIN SEAN  
Executive Chairman



## MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the operating performance and financial position of Parkwood Holdings Berhad and its group of companies ("the Group" or "Parkwood") should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and notes related thereto.



### ANALYSIS OF FINANCIAL RESULTS

The Group's revenue and loss/profit before tax for the financial year under review and the preceding year are summarised as follows:

	2023 RM'000	2022 RM'000	Changes (%)
<b>Segments</b>			
• Property Development	25,223	16,209	56%
• Investment Property	2,202	2,206	-
<b>Group Revenue</b>	<b>27,425</b>	<b>18,415</b>	<b>49%</b>
<b>Segments</b>			
• Property Development	(2,274)	(445)	(411%)
• Investment Property	(1,978)	3,726	(153%)
<b>Group Loss /(Profit) Before Tax</b>	<b>(4,252)</b>	<b>3,281</b>	<b>(230%)</b>

Despite difficult conditions and operational constraints in FY2023, the Group achieved a revenue amounting to RM27.43 million, representing a 49% increase compared to RM18.42 million in the preceding year. The primary driver of this increase was its property development segment, which contributed RM25.22 million in revenue, making up 92% of the Group's total revenue, followed by rental income of RM2.2 million.

The Group registered a Loss Before Tax ("LBT") of RM4.25 million compared to a Profit Before Tax ("PBT") at RM3.28 million in the previous year due to recognition of fair value gain of RM5.1 million on investment property in FY2022. Notwithstanding the foregoing, the financial position of the Group remains healthy with a low net debt-to-equity ratio of 0.05x.

Total assets as at end of FY2023 stood at RM182.51 million, translating to Net Asset per Share of RM0.54. The value of land held for property development at RM33.57 million was comparable to RM33.35 million in the previous financial year. Total liabilities increased and stood at RM33.59 million compared to RM33.13 million at the end of FY2022. Total borrowings reduced by 3.5% to RM24.29 million from RM25.18 million in the previous year.

As at 31 December 2023, the Group's total cash and cash equivalents stood at RM20.84 million representing an increase of RM4.5 million as compared to 31 December 2022. The collection from the completion of one of its projects resulted in this increase in cash. All the Group's excess funds have been invested into secured short-term instruments such as money market funds to generate interest income.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### REVIEW OF OPERATIONS

The global economy finds itself navigating a complex web of challenges driven by both internal and external factors even as the global community sought to regain its footing after the impact of the Covid-19 pandemic.

While the World Health Organization (“WHO”) ended the global emergency status for Covid-19 in May 2023, the aftermath of the pandemic, coupled with ongoing geopolitical tensions continue to cast shadows of uncertainty over the global economic landscape.

Adding to the complexity is the resurgence of inflationary pressures exacerbated by trade disputes, sanctions, and supply chain disruptions. The inflationary pressures have led to tightening of monetary policy in developed economies, including interest rate hikes, impacting businesses, and escalating borrowing costs. These effects are particularly notable in the property sector, where heightened interest rates have tempered market demand.

Malaysia’s economy showcased resilience despite the challenge of reduced external demand, by achieving a moderate growth at 3.7% in 2023 supported by stable domestic demand. Its growth drivers having shifted to steady domestic demand with inflation steadily moderating at 2.9%.

The property market also demonstrated remarkable resilience, withstanding various challenges, uncertainties and constraints of the post-pandemic environment that included labour shortages, disruptions in the supply chain and escalated building material costs. It also shown steadfastness in withstanding persistent high interest rates and elevated property prices which dampened buyer interest.

The Group in its bid to improve sales has enhanced its marketing efforts through various social media platforms and working closely with dependable agents. Addressing the financial challenges faced by many buyers, the Group also continued to implement its various home financing and ownership solutions. Value-added collaborations such as homeownership financing packages were introduced to spur sales growth. The Group had also collaborated with financial institutions to offer loan financing packages, designed to assist buyers to own their desired home. These campaigns and collaborations were timely as it goes directly towards addressing many issues buyers faced after the pandemic. However, the above measures and strong desire for property purchase have had to battle with financial related challenges such as impacted income, job insecurity and more which continue to affect buying demand.

In the year under review, Parkwood placed significant emphasis on the completion of its maiden project, the Utamara Boutique Residences, which saw delivery of vacant possession in 3<sup>rd</sup> quarter of 2023.

### UPCOMING DEVELOPMENTS

The Group will continue to pursue its business and operational strategies and leverage its experience towards exciting new launches. The upcoming proposed projects in the pipeline are as follows:

- a. The construction of the proposed double-storey warehouse (Phase 1) at Jalan Playar, Shah Alam for rental income, which is expected to commence in 2<sup>nd</sup> half of 2024 and to be completed by the end of 2025. This proposed development project is poised as a “Green and Sustainable Warehouse” equipped with provision of renewable energy as a testament to our commitment to environmental sustainability.
- b. In relation to the proposed mixed development at Damansara Damai, Selangor, we target to obtain the Building Plan by end of 2024. The sales launch is targeted to be 1<sup>st</sup> quarter of 2025. We will introduce innovative lifestyle-oriented products to the market, with competitive pricing while leveraging on the strong traction and trust in the Parkwood brand.

Both the above proposed projects are expected to comply with the Malaysia’s industry-recognised green building criteria for certification either by GreenRE or Green Building Index (GBI) to align seamlessly with our corporate Environmental, Social and Governance (ESG) goals.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### FUTURE PROSPECT

Despite the ongoing economic recovery, market conditions are expected to remain challenging due to a wide range of macroeconomic trends and developments. These include higher interest rates, a weakened ringgit and risks of inflation amid a shift in economic dynamics.

To ensure continued growth and sustainability of the economy, it is hoped that the present coalition government will continue to implement essential fiscal and monetary policies, fostering developments with the objective of achieving stronger economic growth in 2024 and beyond.

It has been reported that the economic growth in 2024 is expected to hover around the region of 4.5% to 5.5%. Such positive economic outlook will likely lead to more job opportunities and better earnings. Against this backdrop, we could be optimistic that the property market will gradually pick up in 2024.

The government's supportive initiatives and incentives have also played a vital role in maintaining stability within the property market. As Malaysia navigates through rapidly changing landscape, the property market continues to be a significant contributor to the nation's economic growth and development. Its resilience and adaptability are crucial in driving progress and fostering prosperity for the country.



As we forge ahead in FY2024, we anticipate challenges due to escalating building material and labour costs, which may drive up construction costs for our forthcoming projects. Nonetheless, we are committed to implementing proactive measures to maintain quality and uphold our dedication to delivering value adding products and services to our customers.

Additionally, Parkwood's dedication to environmental sustainability is not only a visionary commitment but a core value ingrained in the projects that we embarked on. With an emphasis on green building design, we aim to attract and cater to the growing community of environmentally conscious buyers and occupiers. This approach aligns with our broader mission to create spaces that harmonise with nature and contribute positively to the environment.

Moving forward, Parkwood will explore joint ventures and identify new landbanks for development to ensure sustainability and growth. Our aim is to establish a robust brand reputation as a dependable property developer offering high-quality properties at competitive prices in strategic locations. We will continue to differentiate our brand and grow from strength to strength.



# SUSTAINABILITY STATEMENT

## REPORT OVERVIEW

Parkwood Holdings Berhad (“Parkwood”) is committed to sustainability and recognises the importance of responsible business practices in creating long-term value for its stakeholders and the environment. This sustainability statement serves as a commitment of the Group’s dedication in integrating sustainability into its core business operations and decision-making processes. Throughout the Statement, the following terms are used interchangeably to refer to Parkwood Holdings Berhad: “Parkwood”, “the Company” or “the Group”.



We acknowledge that there shall be continuous improvements in our sustainability practices in tandem with the ever-changing environmental forces impinge upon our business and the community at large. The Company shall incorporate the key sustainability drivers, comprising the environmental stewardship, social responsibility, and corporate governance in its corporate policies. The Company recognises the interconnectedness of these key sustainability drivers and the impact they have on the well-being of communities, the preservation of natural resources, and the overall resilience of the business.

As the world continues to progress in its journey toward full post-pandemic economic recovery, Malaysia has recorded encouraging economic growth on many fronts. The property sector, in particular, has seen commendable progress this year, giving rise to optimistic projections for further growth. However, the property sector remains volatile due to factors such as inflation, property market over-hang and rising construction cost. Against this challenging backdrop, FY2023 has proven to be a crucial period for the implementation of continuous sustainability practices. Sustainability is an increasingly important part of the property market and a vital jigsaw piece in the puzzle of global climate change. The incorporation of “green design concept” in development projects is expected to be a factor that attracts buyers and investors due to the premium it carries. Efforts to reduce carbon footprint via electric vehicles and the use of renewable energy are also seen gaining momentum.

### Reporting Standards

This report has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and with reference to Bursa Malaysia’s Sustainability Reporting Guide (3<sup>rd</sup> Edition).

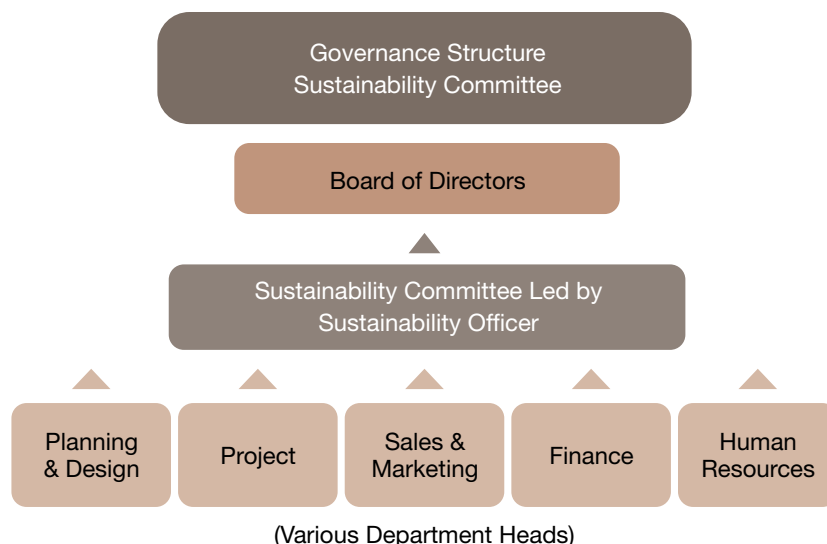
### Feedback

We value feedback on this report and welcome stakeholders’ comments or questions as it enables continuous improvement in the Group’s sustainability policies, processes, and performance. Please send your comments and suggestions to [admin@parkwood.my](mailto:admin@parkwood.my).

### Sustainability Governance Structure

The Board of Directors (the “Board”) remains committed in overseeing Parkwood’s sustainability performance in accordance with the sustainability reporting guidelines set forth by Bursa Malaysia Securities Berhad. We continue to exercise diligent vigilance in managing and monitoring our Environmental, Social and Governance (ESG) goals.

Under strategic direction from the Board, the Group’s Sustainability Committee comprising a key Senior Management Team supervises the adoption and implementation of the sustainability strategies and policies and provides regular updates to the Board.



## SUSTAINABILITY STATEMENT (CONT'D)

### Sustainability at Parkwood

We are committed to driving responsible business practices throughout the organisation by instilling the principles of sustainability into our strategies, policies, and procedures, whilst integrating economic, environmental, and social considerations into our decision-making. Towards this end, we strive to:

- Undertake responsible sustainability practices to minimise the environmental impact of our developments and operations.
- Conserve the environment by consuming resources and materials responsibly.
- Promote responsible business practices by achieving high standards of governance in our business operations.
- Improve the quality of life of the individuals and communities we operate in and support the underprivileged by meeting their social needs.

In line with our aim to be a sustainable developer, we strive to ensure good management of our supply chain across the entire life cycle of our project, from its initiation through to construction and completion. We hold our contractors and suppliers accountable for their activities and products in line with industry best practices. Standard operating procedures on procurement process are in place to ensure proper selection and appointment of the entire project team comprising the consultants, contractors and suppliers. Yearly evaluation is conducted on project team to assess their performance in terms of past performance, timely delivery, commitment towards high-quality standards as well as price competitiveness.



#### ECONOMIC SUSTAINABILITY

- Business strategies moving forward amidst global and economic environment impact on financial results.
- Sustainable Development
- Creation of short, medium and long-term value for shareholders and added value for all the Company's stakeholders.



#### ENVIRONMENTAL SUSTAINABILITY

- Protecting and preserving the environment by incorporating elements of green design and innovation in our projects.
- Creating green culture in human resource management for the practise of 3R's.
- Managing waste responsibly.



#### SOCIAL SUSTAINABILITY

- Employees' Welfare and Well-being
- Contribution to the Community
- Health and Safety
- Engagement with the related stakeholders

In selecting our contractors for projects, contractors are assessed under stringent criteria. These include good track record in respect of financial capability, past performance, timely delivery, commitment towards high quality standards, as well as health, safety, and environmental standards. Other relevant criteria such as best price and contractor's workload are also taken into consideration.

### SUSTAINABILITY STRATEGY CORE FOCUS AREAS



#### GOVERNANCE

To ensure responsible business practices and continuously complying with the applicable legislations, standards and good work practices.



#### ECONOMIC

To ensure that the business model prioritises sustainability, and add value to stakeholders apart from optimising returns.



#### ENVIRONMENTAL

To ensure business decisions strive a long-term balance between preserving nature and meeting business objectives and lessen negative impact.



#### SOCIAL

To ensure that social engagements of the Group cultivate a conducive work environment and to focus on community development through volunteerism activities.



## SUSTAINABILITY STATEMENT (CONT'D)

### Sustainability Approach

The Group's vision is to improve lives by delivering value for living and work, and our mission is to invest strategically and sustainably to make a difference for all stakeholders. By incorporating specific and manageable sustainability targets into our core business strategies, we can ensure sustainable business growth and create long-term value for our stakeholders.

The Group explores and implements sustainable practices across the business whilst attempting to achieve the right balance between economic success, the requirements of our stakeholders and the larger society. The Group's Sustainability Policy aims to integrate the principles of sustainability into the Group's strategies, policies, and procedures. Additionally, we strive to cultivate a culture of sustainability within the Group and the wider community, with an emphasis on incorporating economic, environmental, and social considerations into decision-making and in the delivery of outcomes.

### Acting with Integrity

Integrity is a fundamental business philosophy deeply rooted in our corporate culture. Good governance is the foundation of building trust among the stakeholders. Parkwood strives to maintain the highest standards of integrity, accountability, and governance in its daily operations. The Group establishes policies and internal processes with specific guidance areas to ensure compliance at the workplace.

Policies	Guidance Area
Anti-Bribery and Anti-Corruption Policy	Prevention and management of bribery and corruption.
Directors' Fit and Proper Policy	Beliefs and actions to achieve a Board composition with appropriate balance, diversity and mix of skills, business experience, background, industry and geographic knowledge, professional qualifications, and other relevant qualities.
Whistleblowing Policy	Channel for reporting concerns, including financial or professional misconduct, irregularities or non-compliance with laws and regulations, and corruption or bribery.
Personal Data Protection Act (PDPA) Policy	Designed to safeguard personal information, ensuring its security and confidentiality. We adhere to data protection laws, implement robust security measures, and handle data with utmost care and transparency.
Code of Conduct and Ethics	Applies to every employee within the Group and is an integral part of their terms and conditions of service. It sets forth the expectation for employees to uphold a strong set of personal and professional values in all aspects of their work, business interactions, and decision-making.

### Stakeholder Engagement

Stakeholders are groups on which Parkwood's business has a significant impact and groups who have a vested interest in our business operations. Key stakeholders include employees, investors/shareholders, customers, business associates, contractors and suppliers and the local community. Other groups include regulators and key government agencies.

Continuous engagement with our stakeholder groups is vital for us to better understand their expectations and appreciate how our actions impact them. This in turn allows us to align our business objectives, social goals, and conduct in a more effective manner. We continuously strive to improve our engagement with stakeholders so as to be better equipped to manage emerging issues and drive change on the ground. A summary of engagement activities with our stakeholders is shown here (Figure 1).

Stakeholder Engagement	Channel	Engagement Frequency	Stakeholders' Concern	Response to Stakeholders' Concern
Regulatory Authorities and Local Governments	<ul style="list-style-type: none"> <li>Consultations Meetings</li> <li>Reports/Letters</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> </ul>	We maintain close consultations with and provide regular updates to the regulatory authorities and local governments. In doing so, we ensure that we are continuously in compliance with prevailing laws.
Employees	<ul style="list-style-type: none"> <li>Internal emails</li> <li>Departmental meetings</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Training and development</li> <li>Work-life Balance</li> <li>Safety, health, and wellbeing</li> <li>Employee benefits and welfare</li> </ul>	We engage with our employees to understand their interests and needs. Through our HR initiatives, employees and departments are encouraged to collaborate with one another to reinforce team spirit and increase work process efficiencies.

## SUSTAINABILITY STATEMENT (CONT'D)

### Stakeholder Engagement (Cont'd)

Stakeholder Engagement	Channel	Engagement Frequency	Stakeholders' Concern	Response to Stakeholders' Concern
Local Communities	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Dialogues</li> <li>• Volunteerism</li> </ul>	Annual Ad-hoc	<ul style="list-style-type: none"> <li>• Livelihood</li> <li>• Personal well-being</li> </ul>	We are committed to achieving long-term meaningful community engagement, including providing meaningful support to enrich the lives of the communities we operate in.
Consultants	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Discussions</li> <li>• Reports</li> <li>• Proposals</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Design and technical issues</li> <li>• Cost issues</li> <li>• Compliance issues</li> </ul>	We engage closely with our team of technical and design consultants to ensure timely provision of professional advice, reports, and proposals in resolving any design, technical, cost, and regulatory compliance issues.
Contractors and Suppliers	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Discussions</li> <li>• Proposals</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Compliance issues</li> <li>• Timeline issues</li> <li>• Quality issues</li> <li>• Cost issues</li> <li>• Technical issues</li> </ul>	Supported by our technical and design consultants, we monitor close the performance of our contractors and suppliers vis-à-vis regulatory compliances, project timeline, quality control, cost budgets and technical troubleshooting.



### ECONOMIC SUSTAINABILITY

#### i. Financial Sustainability

Parkwood strives to strengthen its financial position and enhance its competitiveness through the adoption of good and ethical business practices, corporate governance, as well as effective capital management.

In FY2023, the Group focused on putting in place strategies and initiatives to achieve the continued financial well-being of the group, including:

- Investing the Group's excess fund into highly liquid and short-term instruments such as money market funds to generate interest income.
- Secured bank borrowing from financial institution for development with competitive interest rates and easy repayment terms.

Moving forward, as a strategy to ensure long-term income stream, the Group has embarked on development of a double-storey warehouse in Section 15 Shah Alam for rental income. The construction of Phase 1 of the proposed warehouse is expected to commence by 2nd quarter of 2024 and completion by end 2025. Additionally, the upcoming proposed mixed development project in Damansara Damai is targeted to be launched in early 2025 to ensure continuous income flow. The Group is also actively sourcing for strategic land to replenish its land bank for business continuity.

For more information about the Group's financial performance, please refer to the Group Financial Highlights on page 6 of Parkwood Holdings Berhad Annual Report 2023.

#### ii. Corporate Governance

Apart from prudent financial management, we believe that full commitment to high standards of corporate governance is essential to ensure the sustainability of the Group, as well as to safeguard shareholders' interests and maximise long-term shareholder value.

The Company has adopted, where appropriate, the principles and practices as set out in the Malaysian Code of Corporate Governance 2021 ("MCCG"). These standards include having clear policies, best practices, and sound internal controls as well as a system of continuous improvement. The overview of the Company's application of the principles as set out in the MCCG is disclosed in the Corporate Governance Statement in this Annual Report.

The Group aims to achieve the highest level of business ethics and prevent any occurrence of corruption activities. We have established an Anti-Corruption Framework comprising key policies and procedures that, together with general internal controls of the Group, are aimed at mitigating overall corruption risks. The Anti-Corruption Policy sets out the Group's expectations for internal and external parties working with and for the Group in upholding the Group's zero-tolerance stance against corruption. This policy, together with the Whistleblowing Policy, are accessible by all employees via the company intranet and by the external stakeholders through the corporate website. Trainings have been provided to internal and external stakeholders to reinforce their understanding of the Group's stance on anti-corruption, as well as relevant policies and procedures.

## SUSTAINABILITY STATEMENT (CONT'D)



## ECONOMIC SUSTAINABILITY (CONT'D)

### iii. Sustainable Development

The Group endeavours to create a positive impact by supporting the procurement of products and services from locally established business entities in-line with the Government's effort to spur the economy through local spending.

We are also focusing on the effectiveness of people management to groom talent and optimise the work strength across the organisation. As part of our initiative to support our employees' continuous growth and development, we have set KPI for staff to attend a minimum of one (1) training session per year on skills, knowledge and competency needed to enhance functional and organisational performance as well as individual's performance and personal development.

In the context of our business and our continuing mission to create value for our multiple stakeholders, efficient systems and processes, meaningful economic growth, innovation, and partnerships contribute to sustainable development. We, therefore, emphasise the economic value generated and distributed for the greater benefit of the employees, our supply chain partners, the government as well as the community.

We aim to contribute towards building sustainable communities, expanding our product solutions to niche customer segments, building resilience against a cyclical operating environment, and meaningfully contributing to our future profitability.

### iv. Creation of short, medium and long-term value for shareholders and added value for all the Company's stakeholders.

- In the context of our Group's stakeholders, we have also revisited our business model to incorporate various aspects of 'Value Creation' in the short, medium, and long term to include both financial and non-financial metrics of performance. These strategies will not only drive sustainable growth in the short, medium, and long term but will also help mitigate our top material issues such as product quality and people development.
- Product quality can have a far-reaching impact on our reputation, as well as business plans. The ever-changing customer expectations in relation to timely delivery and quality products challenge us to meet the constantly evolving market needs by delivering the right products at the right price. Concurrently, ensuring operational efficiency from the product design up to the handover stage.
- Externally, due to the price and market volatility, there is always a risk of increasing costs and diminishing margins in the short term. But in the long term, with our uncompromising stand on quality products, systems, and solutions, we believe that we will see an incremental surge in our future development portfolio income.
- On balance, we will be mindful of our risks and aim to reduce our development cycle by optimising processes, enhancing our procurement strategy, and implementing strategic sourcing and value engineering through improved design and planning in our development projects. These in turn will help achieve new efficiencies and cost reduction in the long run.
- We have robust risk management and internal control systems in place to build our resilience, enhance our ability to meet stakeholder needs and achieve our long-term strategic goals.
- We seek ways to have a positive impact on local economic development through various business sectors. As a sustainable-driven organization, we recognize that we have a responsibility to contribute to the growth of the local economy. The decision by Bank Negara to raise the overnight policy rate in May 2023 has significant impact on the property market, affecting borrowing costs and purchasing trends. The increased interest rate has resulted in more conservative buying behaviours among homebuyers, as affordability became a concern and securing mortgage loans became more challenging. Addressing the financial challenges faced by many buyers, the Group has implemented various home financing and ownership solutions.
- The Group is committed to comply with all laws, regulations and voluntary codes concerning:
  - a) Construction and development activities
  - b) Occupational health and safety standards
  - c) Environment
  - d) Labour practices
  - e) Marketing Communications
  - f) Product health and safety and labelling by ensuring compliance with regulatory requirements
  - g) Remaining in close consultation with the relevant authorities to ensure that we clearly understand our compliance obligations

## SUSTAINABILITY STATEMENT (CONT'D)



### ENVIRONMENTAL SUSTAINABILITY

#### i. Minimizing our Environmental Impact

The Group is committed to safe and environmentally responsible design, construction, and operation and regularly reviews any risks and potential problems related to its operating environment. Action and measures have been taken to ensure that relevant environmental factors remained within the regulatory requirements of our operations.

We manage this through compliance with the relevant environmental laws and regulations, complemented by an internal system of self-regulation, monitoring and regular consultation with the authorities. We constantly focus on developing a positive and proactive environmental culture to be embraced in all aspects of our business, with the goal of zero pollution incidents. We acknowledge the importance of compliance as it not only upholds the Group's license to operate but more importantly, contributes to sustainable development and the well-being of communities.

During the reporting period, there were no incidences of non-compliance and penalties pertaining to environmental-related issues. We track and monitor our impact on the environment through a combination of initiatives. To maintain the highest standard of environmental compliance and to prevent any occurrence of incidence, we will continue to review and improve the current environmental management system and practices.

We support “green building” movement through compliance with the requirements of the appropriate green building certification bodies for the sustainable design, construction, and operation of our projects.

The Group's commitment to becoming a green property developer aligns with Malaysia's broader goal of achieving net zero carbon emissions by 2050.

By focusing on sustainable development practices, Parkwood can contribute significantly to reduce carbon footprint of the built environment and the following are contemplated in our pursuit for a pristine living environment:-

- **Energy Efficiency:** Incorporating energy-efficient designs and technologies into its building projects to reduce energy consumption and greenhouse gas emissions.
- **Renewable Energy Integration:** Installing photovoltaic cells or such other technologies to help offset energy usage and decrease reliance on fossil fuels.
- **Green Building Certification:** Pursuing green building certification from an accredited certification body to ensure building designs duly comply with sustainable design criteria.
- **Sustainable Materials:** Opting for eco-friendly building materials with lower carbon footprints, such as recycle materials or sustainably sourced wood, to minimize environmental impact during construction.
- **Water Conservation:** Implementing water-saving features like low-flow fixtures and rainwater harvesting systems to reduce water consumption and promote responsible water management.
- **Green spaces and Landscaping:** Incorporating green spaces, rooftop gardens, and native landscaping into property designs to improve air quality, provide habitat for wildlife, and enhance the overall aesthetic appeal.
- **Community Engagement:** Engaging with local communities to promote sustainable initiatives and encourage residents to adopt eco-friendly practices can foster a culture of environmental stewardship.

Overall, by prioritizing sustainability, the Group not only contributes positively to environmental conservation but also unlocks numerous business benefits, including cost savings, increased property value, and enhanced brand reputation. This proactive approach aligns with the growing societal awareness of environmental concerns and positions Parkwood for long-term success in a sustainable future.

## SUSTAINABILITY STATEMENT (CONT'D)


**SOCIAL  
SUSTAINABILITY**
**ii. Creating Green Organisational Culture**

We endeavour to consume material responsibly and reduce wastage in our operations by employing the 3R concept – Reduce, Reuse and Recycle.

**iii. Managing Waste Responsibly**

The Group recognizes the importance of waste management in achieving sustainability goals. We have implemented comprehensive waste management practices across our operations to minimize environmental impact and promote a circular economy, an economic system based on the reuse and regeneration of materials or products.

- In line with the regulations governing scheduled waste handling, scheduled waste is stored in designated areas and only licensed scheduled waste handlers are allowed to handle the transportation and disposal of such waste and by-products of all segments.
- We encourage the use of recycled paper for general paperwork such as photocopying, single-page printing and scrap paper for notes.
- Our paper usage at the office is also minimised by encouraging our employees to communicate through emails or online channels, furthering our commitment to reduce waste.
- We also continually explores the waste reduction strategies to minimize waste generation at the source. This includes initiatives such as promoting the use of digital documentation, implementing paperless operations, and encouraging reusable products and packaging.

**i. Employees' Welfare and Well-Being**

The attraction, retention and development of talent are essential to ensure the Group's long-term sustainability. We strive to provide a positive working environment that fosters individual growth in order to achieve business goals.

We subscribe to the principle that our employees are one of the main pillars of our success and a key factor in determining an organisation's long-term effectiveness. The pertinent human resource practices in this regard include:

- Promoting a healthy and safe working environment that fosters mutual respect where employees irrespective of status, position and gender are treated with dignity and free from sexual harassment.
- To encourage and support our employees to develop and improve their skills and fulfil their personal development goals, the Group places priority on learning and development programs. We customise and design training and development activities based on employees' training needs and work requirements to sharpen their skills, knowledge, and competencies. We will continue to provide training and education opportunities through comprehensive development programmes going forward and promote a conducive corporate environment where everyone could achieve their potential.
- Diversity and equal opportunity are key components to developing a fair workplace, hence we have adopted merit-based and non-discriminatory hiring practices.
- The health and well-being of our staff members remained firmly on the company's radar through this period of change and the challenges of operating in this new normal. We have strived to keep communication lines open and equipped employees with tips and techniques on how to work effectively from home.

## SUSTAINABILITY STATEMENT (CONT'D)



## SOCIAL SUSTAINABILITY (CONT'D)

### ii. Contributing to Society

- Parkwood's Corporate Social Responsibility (CSR) is reflecting business accountability and commitment towards society by contributing to the well-being of communities and society through various environmental and social measures. CSR plays a crucial role in a company's brand perception, attractiveness to customers, employees and investors, talent retention and overall business success.
- Organising CSR activities also encourage employees to become more engaged and invested in their work while ensuring the event's success and meeting the objective. CSR can improve employee retention rates, boost morale, build loyalty and increase motivation.
- Parkwood Green Day was a collaboration with Zoo Negara for a CSR program in December 2023. This initiative was aimed at enhancing biodiversity through tree planting, which was not only benefiting the animals but also adding value to the experience of Zoo Negara's visitors. Engaging in such activities not only supports the local ecosystems but also fosters a sense of responsibility and community involvement among Parkwood's management and staff. It is an excellent example of how businesses can contribute positively to the environment and society.



### iii. Health and Safety

- We have regulations and policies that promote safe practices among our employees and workers at the workplace.
- We ensure proper compliance with the relevant laws and legislations pertaining to health and safety at the workplace.
- We appoint qualified and competent safety personnel to oversee the compliance of health and safety requirements at our construction site.
- We are supportive of the government's policy in providing a smoke-free environment at the workplace to protect non-smokers.

### iv. Engagement with the Related Stakeholders

We recognize the need for effective channels of communication and high standards in the provision of services in our continuous efforts to build a long-term relationship with our shareholders, investors, members of the media, regulators, customers, and financiers. We believe that reaching out to these stakeholders and maintaining a strong and cordial relationship with them is a crucial component of our business growth strategy.

Among the related initiatives to promote engagement with related stakeholders include:

- To participate in the CMDF-Bursa Research Scheme ("CBRS") administered by Bursa Malaysia with the aim of ensuring wider research coverage on our Group.
- Facilitating members of the media to interview directors and authorised spokespersons of the Group from time to time.
- Providing stakeholders with a dedicated email at [admin@parkwood.my](mailto:admin@parkwood.my) for them to communicate with the Group on any matters.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## INTRODUCTION

Throughout the years, Parkwood Holdings Berhad (“Parkwood” or “the Company”) and its Board of Directors (“the Board”) have been resolute in ensuring that the Company and its subsidiaries’ (“the Group”) business and affairs strictly adhere to the doctrine and principles of good corporate governance such as integrity, transparency, accountability and responsible business conduct.

The Board of Parkwood is committed in ensuring a high standard of corporate governance is practiced whilst pursuing its corporate objectives in enhancing the shareholders’ value and competitiveness. The Board is mindful of the importance of governance and acknowledges to continue delivering sustainable performance and instilling best corporate governance practices in building a sustainable business.

The Group will continue its efforts in evaluating its governance practices in response to evolving best practices and the changing requirements of the Group. The Board is pleased to present the Corporate Governance Overview Statement for the year ended 31 December 2023 outlining the application of the principles and recommendations as set out in the following guides:

1. Companies Act, 2016 (“CA 2016”);
2. Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”);
3. Malaysian Code on Corporate Governance 2021 (“the Code”); and
4. Fourth Edition of Corporate Governance Guide issued by Bursa Securities.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

The responsibilities of the Board, which was set out in a Board Charter, include Management oversight, setting strategic direction premised on sustainability and promoting ethical conduct in business dealings. Parkwood is led by an experienced Board comprising members who are specialist in various business sectors supported by a wide range of other professionals in the accounting, economics, IT, engineering and legal sectors. This wide spectrum of skills and experience provide the strength that is needed to lead the Company to meet its objectives and enable the Company to rest in the firm control of an accountable and competent Board of Directors.

#### Board Charter

The Board Charter established clearly the functions reserved for the Board, Director’s roles and responsibilities and those delegated to the Management. It acts as a reference in providing the Board members and Management insight into the functions of the Board of Directors. The core areas of the Board Charter are as follows:

1. Company Goals, Mission and Vision
2. Board Governance Process
3. Board and Management Relationship
4. Board and Shareholders Relationship
5. Stakeholders Relationship
6. Schedule of Board Matters

The Board Charter will be reviewed from time to time to ensure its consistency with the Board’s objectives and current laws and practices.

The Board Charter is accessible through the Company’s website at [www.parkwood.my](http://www.parkwood.my).

#### Duties and Responsibilities of the Board

The Board is dedicated to practice clear demarcation of duties, responsibilities and authority within the Company. Its key responsibilities pursuant to the recommendations of the Code include:

- Reviewing of the strategic direction of the Group, establishing goals for management and monitoring achievement of these goals;
- Overseeing the conduct of the Group’s business operations and performance;
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- Reviewing the adequacy and integrity of the Group’s internal controls system of the Company;
- Implement succession planning for business and functional continuity; and
- Overseeing the development and implementation of a policy to enable effective communication with its shareholders and other stakeholders.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

##### Duties and Responsibilities of the Board (Cont'd)

There is a schedule of matters reserved specifically for the Board's decision, which includes approval of corporate plans and annual budgets, announcement of quarterly results, major capital expenditure, significant financial matters and the adequacy and integrity of internal controls, including risk assessment.

The Board delegated certain responsibilities to the Management or Board Committees namely the Nomination Committee, the Remuneration Committee and the Audit and Risk Management Committee. These Committees have the authority to examine specific issues and forward their recommendations to the Board. The final decisions on all matters, however, rest with the Board.

##### Separation of positions of Chairman ("the Chairman") and Executive Directors

The Chairman of the Board, Mr. Lim Chin Sean ("Mr. Lim") plays an instrumental role in providing the Company with strong leadership and vision, leading the Board in its review of the Group's strategies for sustainable growth. As the Executive Chairman, Mr. Lim also promotes and leads the Group in its commitment to achieve and maintain high standards of corporate governance. He bears primary responsibility for the workings of the Board, by ensuring effectiveness in all aspects of its role including setting the agenda for Board meetings with input from Management, ensuring sufficient allocation of time for thorough discussion of key agenda items at Board meetings, promoting an open environment within the Boardroom for constructive debate, encouraging the Non-Executive Directors to speak freely and contribute effectively, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management.

The Board has considered Mr. Lim's role as an Executive Chairman and the strengths he brings to such a role by virtue of his stature and experience. Through the establishment of various Committees with power and authority to perform key functions without the undue influence from the Executive Chairman, and the putting in place of internal controls for proper accountability and to allow for effective oversight by the Board of the Company's business, the Board ensures that there is appropriate balance of power which allows the Board to exercise objective decision-making in the best interests of the Company.

Mr. Chin Kok Siong ("Mr. Chin") as new Director and Mr. Chan Keen Wai ("Mr. Chan") as Alternate Director to Mr. Chin were appointed to the Board on 26 February 2024 and they serve as the conduit between the Board and the Management in ensuring the success of the Group's governance and management function. Mr. Chin together with Mr. Chan in association with the Executive Chairman have formed an Executive Committee ("EXCO"), who's accountable to the Board for the achievement of the Group's mission, vision and objectives. The EXCO has the executive responsibility for the day-to-day operations of the Company and shall implement the policies, strategies and decisions adopted by the Board. All Board authorities conferred on the management are delegated through the EXCO and this will be considered as the EXCO's authority and accountability as far as the Board is concerned.

The Board is also of the view that the Executive Chairman should not be involved in any Board Committees in order to ensure check and balance as well as objectivity will not be impaired/influenced by the Chairman of the Board. Therefore, our Executive Chairman is not a member of any Board Committees.

##### Code of Conducts and Ethics

Directors are expected to conduct themselves, as per the Directors' Code of Ethics ("the Directors' Code"), with the highest ethical standards, to behave ethically and professionally at all times to promote and protect reputation and performance of the Company.

The Directors' Code covers the principles of conflict of interest, insider dealings, integrity, compliance to law and etc. The Directors' Code, adopted by the Board in 2013, is accessible through the Company's website at [www.parkwood.my](http://www.parkwood.my).



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

##### Whistle-Blowing Policy

The Board believed that having a Whistle-Blowing Policy and Procedure in place will strengthen, support good management and at the same time demonstrates accountability, good risk management and sound corporate governance practices. A Whistle-Blowing Policy, recommended by the Audit and Risk Management Committee, was adopted by the Board in year 2013. The Whistle-Blowing Policy is accessible through the Company's website at [www.parkwood.my](http://www.parkwood.my).

The Board aimed to provide an avenue and to act as a mechanism for parties to channel their complaints or to provide information on fraud, wrongdoings or non-compliance to any rules or procedures by the employee or Management of the Company. The policy outlines when, how and to who a concern may be properly raised, distinguishes a concern from a personal grievance and allows the whistle-blower the opportunity to raise a concern outside their management line and in confidence. The identity of the whistle-blower is kept confidential and protection is accorded to the whistle-blower against any form of reprisal or retribution. All whistleblowing reports or complaints are to be addressed to the Executive Chairman and the Chairman of the Audit and Risk Management Committee.

##### Anti-Bribery Policy

The Board is aware of the new Corporate Liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Group has adopted a zero-tolerance stance against all forms of bribery and corruption and will not tolerate any acts which are in breach of the Company's policies. The Group strongly believes in acting professionally, fairly and with integrity in all business dealings and relationships.

Therefore, as part of the Group's efforts to support the implementation of the anti-bribery and corruption and ethical principles practiced in the Group and to uphold the highest standards of good governance, the Board has adopted an Anti-Bribery Policy and Anti-Bribery Management System ("ABMS") Manual.

The Anti-Bribery Policy and ABMS Manual are accessible through the Company's website at [www.parkwood.my](http://www.parkwood.my).

##### Diversity Policy on Gender Diversity

The Company adopts diversity not only in the Boardroom but also in the workplace as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Company. Diversity encapsulates not only gender but also age and ethnicity, if well-managed, can drive performance and strengthen governance.

As at the date of this statement, the Company has achieved 40% women representation (i.e. 2 female Directors) at the Board level. No gender diversity policies and measures have been set by the Company. The Board through the Nomination Committee will continue to take the necessary steps to ensure that women candidates are sought as part of its recruitment exercise.

Despite the importance of Boardroom diversity, the Board is of the view that the selection criteria of a Director, based on effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority, not to compromise on qualification, experience and capabilities.

##### Sustainability

The Board recognises the importance of sustainability and its increasing significance in the business. The Board is committed to understanding and implementing sustainable practices and to exploring the benefits to the business whilst attempting to achieve the right balance between the need of the wider community, the requirements of shareholders and stakeholders and economic success.

The Company has formalised a Sustainability Policy which aims to integrate the principles of sustainability into the Company's strategies, policies and procedures and ensure that the Board and Senior Management are involved in implementation of this policy, review of the sustainability performance and create a culture of sustainability within the Company, and the community, with an emphasis on integrating the environmental, social and governance considerations into decision making and the delivery of outcomes.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. Board Responsibilities (Cont'd)

##### Sustainability (Cont'd)

The Non-Executive Directors are to deliberate and discuss policies and strategies formulated and proposed by Management with the view of the long-term interests of all stakeholders. They contributed to the formulation of policies, and decision making using their expertise and experience. They also provide guidance and promote professionalism to the Management. The Independent Non-Executive Directors fulfilled a pivotal role in corporate accountability, providing independent and unbiased view, advice and judgement to ensure a balanced and unbiased decision making process to protect the long term interests of all stakeholders and the community.

The policies on governance, the environment and social responsibility is disclosed in the Sustainability Statement set out on pages 13 to 20 of this Annual Report.

##### Succession Planning

The Board is responsible for reviewing candidates for key positions namely, the Board Chairman, Executive and Non-Executive Directors and all head of divisions; the succession planning is to ensure all candidates appointed to Senior Management positions are of appropriate expertise and adequately qualified. The Board had adopted a Succession Planning Policy is to ensure that there are avenues in place to provide for the orderly succession of Senior Management.

##### Supply and Access to Information

The Directors are supplied with and have unrestricted access to information pertaining to the Group's business and affairs to enable them to discharge their duties effectively. The information provided includes both verbal and written details.

All scheduled meetings held during the year were preceded by a formal agenda issued by the Company Secretaries in consultation with the Management. Prior to meetings, appropriate documents which include the agenda and reports relevant to the issues of the meetings are circulated to all members. All Directors have full and timely access to information with board papers distributed in advance of meetings. This ensures that Directors have sufficient time to appreciate issues deliberated at meetings which in turn enhances the decision making process.

All Directors have access to further information which they may require in discharging their duties including seeking independent professional advice, if necessary, at the Company's expense. They also have access to the advice and services of the Company Secretaries who are experienced, competent and knowledgeable on the laws and regulations, as well as directives issued by the regulatory authorities.

##### Qualified and Competent Company Secretaries

The Board is supported by two (2) experienced and competent Company Secretaries, who are qualified to act under Section 235(2) of the CA 2016. The Company Secretaries are responsible to the Board for ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with. These include obligations on Directors relating to disclosure of interests and disclosure of any conflicts of interest in transactions with the Group. The Company Secretaries also highlights all compliance and governance issues which they feel ought to be brought to the Board's attention. The Companies Secretaries had and will constantly keep themselves abreast, through continuous training on the regulatory changes and development in corporate governance.

The Company Secretaries provides support to the Chairman of the Company to ensure the effective functioning of the Board. The Company Secretaries and/or representative organise and attend all Board Meetings and Board Committees' Meetings ensuring that the accurate and proper record of deliberation of issues discussed, decisions made and conclusions taken. The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and Senior Management.

In ensuring the uniformity of Board conduct and effective boardroom practices throughout the Group, the Company Secretaries have oversight on overall corporate secretarial functions of the Group and maintains all secretarial and statutory records of the Group.

The Board is satisfied with the performances and support rendered by the Company Secretaries to the Board in the discharge of its functions.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. Board Composition

##### Board Balance

The Board consists of five (5) principal Directors and one (1) Alternate Director. Out of the five (5) principal Directors, two (2) are Executive Directors and three (3) are Non-Executive Directors. Three (3) of the Directors are independent, which is in compliance with the Main LR of Bursa Securities in respect of the board composition.

The composition of the Board reflects a balance of Executive, Non-Executive and Independent Directors with a wide range of professional skills, which are relevant and necessary for the business direction of the Group. A brief profile of each Director is presented on pages 3 to 5 of this Annual Report 2023.

##### Board Committees

The following Board Committees have acted within the framework specified by the Board. These committees have regularly made proposals to improve and enhance the role of the Board in governance processes. The Chairman of each of these Board Committees will report to the Board on the outcome of the Committee Meetings.

Below is a general description of some of the basic functions of the respective Board Committees.

##### a. Audit and Risk Management Committee

On 14 December 2017, the Board had approved the merger of the Audit Committee and Risk Management Committee to be known as the "Audit and Risk Management Committee" effective from 1 January 2018. The Audit and Risk Management Committee, which comprises exclusively of Independent Non-Executive Directors, is responsible for reviewing and monitoring the Group's internal audit processes, its external auditors, and of the integrity of the Group's financial statements. It is also responsible for reviewing the effectiveness of internal controls system.

The full details of the composition, terms of reference and summary of the activities of the Audit and Risk Management Committee for the financial year ended 31 December 2023 are set out in the Audit and Risk Management Committee Report on pages 39 to 43 of this Annual Report.

##### b. Nomination Committee

The Board established a Nomination Committee in May 2002, which consists exclusively of Independent Non-Executive Directors. The Chair of the Nomination Committee is an Independent Non-Executive Director identified by the Board.

Chairman :	Ms. Irene Kam Sok Khuan (Appointed on 20 Nov 2023)	Independent Non-Executive Director
Members :	Datuk Hew Lee Lam Sang	Independent Non-Executive Director
	Ms. Jessica Low May-Teng	Independent Non-Executive Director

The functions of the Nomination Committee are to assist the Board in discharging its responsibilities, particularly in:

- Assessing the effectiveness of the Board, respective Committees and contribution of each Director;
- Identifying, appointing and orientating new directors;
- Identifying the required mix of skills, experience and other core competencies the Board needs for it to function effectively and efficiently;
- Developing, maintaining and reviewing the criteria to be used in the recruitment process and annual assessment of Directors;
- Developing the criteria for annual assessment of independence of the Independent Directors of the Company by the Board and recommending to the Board for continuation in service of Independent Director(s) who have served the Board for a cumulative term of more than nine (9) years. If more than twelve (12) years, via a two-tier voting process;
- Establishing measures to approach the boardroom diversity;
- Prior to the appointment of a director, the Nomination Committee shall assess the Conflict of Interest ("COI") of the proposed director (including competing business) or independence issues and background and reference checks (including in news, media reports as well as publicly available information) and the number of directorships; and
- The COI assessment should be undertaken on an annual basis, for all incumbent directors, regardless of whether they are subject to re-election at the annual general meeting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. Board Composition (Cont'd)

##### b. Nomination Committee (Cont'd)

To carry out the tasks of reviewing on an annual basis the effectiveness of the Board as a whole, Independent Directors, Board Committees and the contribution of each individual Director, the Nomination Committee has adopted the following performance evaluation forms in assessing and evaluating the required mix of skills and experience, including core competencies, which the Directors should bring to the Board:

- a. Audit Committee Evaluation Questionnaire;
- b. Independent Directors' Self-Assessment Checklist;
- c. Directors'/Key Officers' Self-Assessment Evaluation Form;
- d. Board and Board Committees Evaluation Form;
- e. Board Committees Performance Evaluation Form;
- f. Board Evaluation Questionnaire relating to ESG or Sustainability; and
- g. Declaration of Fitness and Propriety of a Responsible Person(s) & Performance Evaluation Sheet by Nomination Committee.

The Nomination Committee held two (2) meetings during the financial year ended 31 December 2023. The summary of activities of the Nomination Committee during the financial year ended 31 December 2023 is as follows:

- Assessed the effectiveness of the Board as a whole, the Board Committees and contribution of individual Directors for the financial year ended 31 December 2022;
- Reviewed and recommended to the Board, re-election of Directors who are retiring by rotation;
- Assessed the independence of Independent Directors, who have served the Board for a cumulative term of more than nine (9) years. If more than twelve (12) years, via a two-tier voting process;
- Assessed the term of office and performance of the Audit and Risk Management Committee and each of its members in respect of financial year ended 31 December 2022; and
- Reviewed the independence, experience and skill set of a proposed candidate i.e. Ms. Jessica Low May-Teng and recommended to the Board on the appointment of the same for the positions as Independent Non-Executive Director.

##### c. Remuneration Committee

The Board established a Remuneration Committee in May 2002, which consists exclusively of Independent Non-Executive Directors:

Chairman :	Ms. Jessica Low May-Teng (Appointed on 20 Nov 2023)	Independent Non-Executive Director
Members :	Datuk Hew Lee Lam Sang	Independent Non-Executive Director
	Ms. Irene Kam Sok Khuan	Independent Non-Executive Director

The Remuneration Committee is responsible to review the remuneration and benefits package to the Executive Directors, the Directors' fees and benefits to the Non-Executive Directors of the Company and also the meetings allowances to all Directors.

The Remuneration Committee held two (2) meetings during the financial year ended 31 December 2023. The summary of activities during the financial year ended 31 December 2023 is as follows:

- Reviewed and recommended to the Board, payment of Directors' fees to the Non-Executive Directors for the financial year ended 31 December 2022;
- Reviewed and recommended to the Board, payment of Directors' benefits (other than Directors' fees) for the period from:
  - 17 June 2022 following the increment on 22 November 2022 until the date of last Annual General Meeting ("AGM"); and
  - 15 June 2023 until the next AGM of the Company;
- Reviewed and recommended to the Board, remuneration package of the Executive Directors of the Company; and
- Reviewed the remuneration package of the new Independent Non-Executive Director, Ms. Jessica Low May-Teng on 20 November 2023.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. Board Composition (Cont'd)

##### Appointment to the Board

The Board recognises its responsibility to carefully appraise and consider the appointment of new and existing Directors to ensure the Board continue to function effectively. Thus, whilst the initial appraisal of new candidates is delegated to the Nomination Committee, the Board will always ensure that the appointment or reappointment of each Director will always maintain the good balance of skills and experience in its composition. In assessing suitability of candidates, considerations will be given to the competencies, commitment, contribution and performance. Management will facilitate board induction by providing the new Director with relevant information about the Group.

The Nomination Committee is responsible for identifying, assessing and recommending to the Board, suitable nominees for appointment to the Board and Board Committees. Candidates are normally sourced through recommendations by existing Board members, Management or major shareholder. Nevertheless, the Nomination Committee could also consider utilising independent sources to identify suitable qualified candidates.

##### Retirement and Re-Election

The Company's Constitution requires a Director to retire at the Annual General Meeting ("AGM") following his/her appointment but he/she shall be eligible for re-election. The Company's Constitution also provides that one third (1/3) or the number nearest to one third (1/3) of the Directors in office are to retire by rotation at each AGM of the Company and the Directors may offer themselves for re-election.

Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office until the conclusion of the next AGM and shall then be eligible for re-election.

On 22 February 2024, the Board approved the recommendation of the Nomination Committee that Mr. Lim Chin Sean, who is due for retirement by rotation at the 53<sup>rd</sup> AGM pursuant to Clause 123 of the Company's Constitution, is eligible to stand for re-election at the 53<sup>rd</sup> AGM. Mr. Lim Chin Sean had expressed his willingness to seek for re-election at the 53<sup>rd</sup> AGM.

The Board also approved the recommendation by the Nomination Committee that Ms. Jessica Low May-Teng and Mr. Chin Kok Siong to retire pursuant to Clause 121 of the Company's Constitution, are eligible to stand for re-election at the 53<sup>rd</sup> AGM.

##### Annual Assessment of Independent Directors

The Independent Directors play a key role in corporate accountability and provide unbiased views and impartiality to the Board's deliberation and decision making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders in the Group.

Any Director who considers that he/she has or may have a conflict of interest or a material personal interest or a direct or indirect interest or relationship that could reasonably be considered to influence in a material way the Director's decisions in any matter concerning to the Company is required to immediately disclose to the Board and to abstain from participating in any discussion or voting on the respective matter.

The Nomination Committee has developed the criteria to assess independence of the Independent Directors. The Board will apply these criteria upon admission, annually and when any new interest or relationship develops.

The Board with assistance from the Nomination Committee will undertake to carry out annual assessment of the effectiveness of the Board as a whole, including Independent Non-Executive Directors and consider whether the Independent Directors can continue to bring independent and objective judgment to the Board deliberations.

For the financial year ended 31 December 2023, the Board assessed the independence of its Independent Non-Executive Directors based on the criteria developed by the Nomination Committee of the Company. The Board is satisfied with the level of Independence demonstrated by all the Independent Directors and their ability to act in the best interest of the Company.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. Board Composition (Cont'd)

##### Tenure of Independent Directors

The Board has not developed a policy which limits the tenure of its Independent Directors to nine (9) years. However, the Board is mindful that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years and upon completion of nine (9) years, to re-designate the director as Non-Independent Director if he continues to serve on the Board pursuant to the Code. If the Board intends to retain an Independent Director beyond nine (9) years, the Company should justify and seek shareholders' approval. If the Board continues to retain the Independent Director after the ninth (9) year, the Board should seek shareholders' approval through a two-tier voting process and the manner to obtain the shareholders' approval on the resolution shall follow the recommendation of the Code.

The Board further recognises that the tenure is not the absolute indicator of a Director's independence and objectivity wherein the spirit, intention, purpose and attitude, background and current activities should also be considered.

Shareholders' approval was sought at the last AGM on retention of Dato' Ghazali Bin Mat Ariff who has served more than nine (9) years, to continue to act as Independent Non-Executive Directors of the Company through a two-tier poll voting process in accordance with the recommendation of the Code until retired on 25 Aug 2023.

##### Number of Directorship

Pursuant to Paragraph 15.06 of the Main LR of Bursa Securities, Directors of the Company must not hold more than five (5) directorships in public listed companies.

The Directors of the Company are required to first notify the Chairman, prior to acceptance of new directorship in other public listed companies, including the estimated time commitment required, to ensure that such appointment would not affect their commitments and focus for an effective input to the Board.

As at the date of this statement, none of the Directors of the Company hold more than five (5) directorships in public listed companies. The directorships of each Director are set out in the Profile of Directors on pages 3 to 5 of this Annual Report.

##### Board Meetings

The Board of Directors meets on a quarterly basis with additional meetings convened as and when necessary, to interalia approve quarterly financial results, business plans, budgets, governance matters and other business development activities. Special Board meetings may be convened to consider urgent proposal or matters which require the expeditious review or consideration by the Board.

Senior Management, both external and internal auditors and/or advisers may be invited to attend the Board meetings, if required, to provide additional information on the relevant agenda tabled at the Board Meetings.

Strategic issues such as acquisition and disposal of the group's investments or assets; announcements to regulators; corporate and restructuring exercises are presented to the Board for its decision to ensure that the direction and control of the Group is firmly in the Board's control. Besides Board Meetings, the Board also exercises control on matters that require Board's approval through circulation of Directors' resolutions.

Where a transaction is required to be approved by the shareholders, interested directors will abstain from deliberations and voting in respect of their shareholdings in the Company and they will further undertake to ensure that persons connected to them will similarly abstain from voting.

Board meetings for the ensuing financial year are scheduled in advance to facilitate the Directors to plan ahead. All meetings are furnished with proper agendas with due notice issued. Board papers and reports are prepared by the Management, which provide updates on financial, operational, legal matters. These are circulated prior to the meetings to all Directors to allow sufficient time for review so as to ensure effective discussions and decision making during the meetings.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## II. Board Composition (Cont'd)

## Board Meetings (Cont'd)

During the financial year ended 31 December 2023, five (5) board meetings were held. Except for Tuan Haji Fauzi Bin Mustapha and Dato' Ghazali Bin Mat Ariff who retired on 1 June 2023 and 25 August 2023 respectively, and Ms. Jessica Low May-Teng who was appointed on 4 October 2023, all Directors in office have attended all the total Board meetings held and therefore, have complied with paragraph 15.05(3) of the Main LR of Bursa Securities. Details of the board meetings and their attendances at these meetings are set out below:

Name of Directors	Total Meetings Attended by Directors
Dato' Ghazali Bin Mat Ariff ( <i>Retired on 25 August 2023</i> )	4/4
Tuan Haji Fauzi Bin Mustapha ( <i>Retired on 1 June 2023</i> )	3/3
Datuk Hew Lee Lam Sang	5/5
Ms. Irene Kam Sok Khuan	5/5
Ms. Jessica Low May-Teng ( <i>Appointed on 4 October 2023</i> )	1/1
Dato' Ronnie Lim Yew Boon ( <i>Retired on 29 February 2024</i> )	5/5
Mr. Lim Chin Sean	5/5

## Level of Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board Meetings as set out in the table above.

## Directors' Training

The Directors have participated and continue to undergo the relevant training programmes to further enhance their skill and knowledge as well as the latest statutory and/or regulatory requirements in discharging their fiduciary duties to the Company.

During the financial year ended 31 December 2023, the Directors attended the following training programmes:

Directors	Training / Seminar Attended	Date
Datuk Hew Lee Lam Sang	• Tax and Business Summit 2022 - conducted by KPMG PLT	15.03.2023
	• Board and Audit Committee Priorities - conducted by KPMG PLT	06.07.2023
	• Advocacy Session for Directors - conducted by Bursa Malaysia	22.08.2023
	• Conflict of Interest ("COI") and Governance of COI - conducted by Bursa Malaysia	11.09.2023
	• Management of Cyber Risk - conducted by Ernst and Young	03.10.2023
	• Board Oversight of Climate Risks & Opportunities - conducted by Asia School of Business	10.10.2023
	• Asia Pacific Board, AI & ESG Reporting - conducted by KPMG PLT	17.10.2023
	• Tax Seminar 2023 - conducted by KPMG PLT	02.11.2023
	• MFRS Updates 2023 - conducted by KPMG PLT	07.12.2023

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## II. Board Composition (Cont'd)

## Directors' Training (Cont'd)

Directors	Training / Seminar Attended	Date
Ms. Irene Kam Sok Khuan	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme (MAP) by Institute of Corporate Directors Malaysia (ICDM)</li> <li>Finance Essentials for Non-Finance Directors by Institute of Corporate Directors Malaysia (ICDM)</li> <li>Corporate Director Training Programme Fundamental 4.0 + Financial Statements 101 by Suruhanjaya Syarikat Malaysia ("SSM")</li> <li>Sustainability Reporting by Suruhanjaya Syarikat Malaysia ("SSM")</li> <li>Malaysian Listed Companies : Managing Conflicts of Interest and Other Topical Issues, Corporate and Commercial Law Conference by Bar Council Corporate and Commercial Law Committee</li> </ul>	07.03.2023 - 08.03.2023 25.07.2023 16.08.2023 - 17.08.2023 30.11.2023 05.12.2023
Ms. Jessica Low May-Teng*	<ul style="list-style-type: none"> <li>GO ESG 2023 - Sustainable Finance Symposium: Collective Action for Inclusive Sustainable Finance by UN Global Compact Network</li> <li>E-Invoicing Workshop by SAP</li> </ul>	24.11.2023 05.12.2023
Dato' Ronnie Lim Yew Boon	<ul style="list-style-type: none"> <li>Anti-Bribery Management System ("ABMS") Talk – Preventing Corruption, Strengthening Integrity conducted by Trident Integrity Solutions</li> </ul>	06.09.2023
Mr. Lim Chin Sean	<ul style="list-style-type: none"> <li>Bursa Malaysia's Enhanced Conflict of Interest ("COI") Disclosure Requirements – Understanding and Navigating Its Changes conducted by Boardroom</li> </ul>	17.10.2023

\* Ms. Jessica Low May-Teng was appointed on 4 October 2023 and with application for an extension of time of Bursa Securities, she will attend the MAP scheduled on 29 and 30 April 2024.

## Remuneration

All Directors receive directors' fees determined by the Board based on the level of responsibilities. Meeting allowances are also paid to Directors at each Board and Board Committees meetings.

The Executive Directors' remuneration package comprises a fixed component which includes a monthly salary and benefits-in-kind or emoluments, and a variable component which includes performance-based bonus.

The details of Directors' fees, benefits in-kind and Directors' remuneration for the financial year ended 31 December 2023 including remuneration for services rendered to the Company and its subsidiaries are as follows:

	Salaries & Bonus (RM)	Defined Contribution Benefits (RM)	Fees (RM)	Meeting Allowances (RM)	Benefits In-Kind (RM)	Total (RM)
<b>Executive Directors</b>						
Dato' Ronnie Lim Yew Boon	338,100	40,572	-	9,500	11,912	400,084
Mr. Lim Chin Sean	241,500	29,046	36,000	9,700	-	316,246
<b>Non-Executive Directors</b>						
Dato' Ghazali Bin Mat Ariff	-	-	23,375	21,900	11,369	56,644
Datuk Hew Lee Lam Sang	-	-	36,000	28,100	-	64,100
Tuan Haji Fauzi Bin Mustapha	-	-	14,992	16,000	-	30,992
Ms. Irene Kam Sok Khuan	-	-	36,000	15,000	-	51,000
Ms. Jessica Low May-Teng	-	-	8,778	1,500	-	10,278



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## II. Board Composition (Cont'd)

## Remuneration (Cont'd)

Set out below are directors' remuneration paid or payable by the Company for financial year ended 31 December 2023, in aggregation and analysed into bands of RM50,000:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Less than RM50,000	-	2
From RM50,001 to RM100,000	-	3
From RM300,001 to RM350,000	1	-
From RM400,001 to RM450,000	1	-

The Board acknowledges the recommendation of the Code for transparency in the disclosure of its key Senior Management remuneration. For the financial year ended 31 December 2023, the top 7 Senior Management of the Company whose total remuneration (including benefits-in-kind and other emoluments) falls within the following bands are as follows:

Range of Remuneration	Number of Senior Management
From RM150,001 to RM200,000	2
Above RM200,000	5

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

## I. Audit and Risk Management Committee

The Audit and Risk Management Committee, which comprises exclusively of Independent Non-Executive Directors, is responsible for reviewing and monitoring the Group's internal audit processes, its external auditors, and of the integrity of the Group's financial statements. It is also responsible for reviewing the effectiveness of internal controls system.

The composition of the Audit and Risk Management Committee members, comprising exclusively of Independent Non-Executive Directors in compliance to the Main LR of Bursa Securities, are as follows:

Chairman :	Datuk Hew Lee Lam Sang	Independent Non-Executive Director
Members :	Ms. Irene Kam Sok Khuan	Independent Non-Executive Director
	Ms. Jessica Low May-Teng	Independent Non-Executive Director

Further details of the Audit and Risk Management Committee are contained in the Audit and Risk Management Committee Report on pages 39 to 43 of this Annual Report 2023.

## Financial Reporting

The Board is firmly committed to present a proper and meaningful assessment of the Group's financial performance and prospects in every interim and annual report. In this connection, it is supported by the Audit and Risk Management Committee, which diligently ensures the accuracy, adequacy and reasonableness of information prior to reporting.

## Internal Control

The Board is committed to identify and review the adequacy of the Group's internal control systems in compliance with the applicable laws, regulations, rules, directives and guidelines. The Statement on Risk Management and Internal Control is presented on pages 36 to 38 of this Annual Report 2023. The Board will ensure the continuous process of identifying, evaluating and managing the internal control systems within the Group for review by the Audit and Risk Management Committee.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### I. Audit and Risk Management Committee (Cont'd)

##### Relationship with External Auditors

The role of the Audit and Risk Management Committee in relation to the external auditors may be found in the Audit and Risk Management Committee Report set out on pages 39 to 43 of this Annual Report. The Company has always maintained a transparent and appropriate relationship with its auditors in seeking professional advice and ensuring compliance with relevant accounting standards in Malaysia.

The Audit and Risk Management Committee undertakes an annual assessment of the suitability and independence of the external auditors, Crowe Malaysia PLT. Upon satisfactory assessment of their performance on 25 April 2024, the Audit and Risk Management Committee will recommend their re-appointment to the Board, upon which shareholders' approval will be sought at the AGM of the Company.

It is a policy of the Audit and Risk Management Committee that it meets with the external auditors at least twice (2) a year to discuss their audit plan, audit findings and the Company's financial statements as well as any other issues without the presence of the Executive Directors and Management.

#### II. Risk Management and Internal Control Framework

##### Sound Framework to Manage Risk

The Board acknowledges its responsibility to maintain a sound Risk Management and Internal Control system covering not only financial controls but also operational and compliance controls to identify risks in operations and finance and to design measures to manage those risks. This system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard shareholders' investments and the Group's assets. The Board, through the Audit and Risk Management Committee, seeks regular assurance on the continuity and effectiveness of the internal control system through independent reviews by the Internal Auditors and the External Auditors.

As per its Terms of Reference, the Audit and Risk Management Committee has been explicitly accorded the power to appoint, and to decide on the remuneration and the resignation/dismissal of the Internal Auditors. It has also been empowered to ensure that the internal audit function reports directly to the Audit and Risk Management Committee, that it is independent of the functions it audits and has the authorities and resources necessary to carry out its responsibilities. It will also approve the Internal Audit Plan and review and assess the performance of the internal audit function.

##### Internal Audit Function

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investments and the Group's assets, the Board has outsourced the internal audit function to a professional internal audit service provider firm during the financial year.

The Internal Auditors conduct regular audits to review the adequacy and effectiveness of the Group's Risk Management and Internal Control system in identifying and managing principal risks, ensuring compliance with the law and regulations and preserving the quality of assets and the integrity of the management information system.

Please refer to the Audit and Risk Management Committee Report on pages 39 to 43 of this Annual Report for more details.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### I. Communication with Stakeholders

The Group recognises the importance of timely and thorough dissemination of information to shareholders and investors on all business matters. The Company is committed to keeping shareholders duly informed about the Group's performance, corporate governance and other matters affecting shareholders' interests, while always mindful of the laws and regulations governing the release of specific information.

The primary tool of communication with the shareholders of the Company is currently done through published annual reports and timely statutory periodic announcements to Bursa Securities. In order to enhance the Company's communication with the stakeholders, the Company has established a website at [www.parkwood.my](http://www.parkwood.my) as a channel of communication and information dissemination. Various announcements made by the Company during the year and annual reports are available on the Company's website. The Company also disseminates information through press releases on corporate events and business as well as any significant developments of the Group.

#### Corporate Disclosure Policy

The Board acknowledges the importance of timely and thorough dissemination of information to its investors and shareholders. The Board regards regular communications with the public via various announcements and the issuance of Annual Reports, circulars and press releases as key to building a good relationship with its shareholders.

In line with the Main LR of Bursa Securities and best practices recommended by the Code, the Company must disclose to the public all material information necessary for informed investment decisions and take reasonable steps to ensure that all who invest in the Company's securities enjoy equal access to such information. The Board strives to disclose such information to the public as soon as practicable through Bursa Securities, the media and the Company's website at [www.parkwood.my](http://www.parkwood.my), and to ensure that such information is handled properly to avoid leakage and improper use of such information.

The Company shall disclose all material information required to be disclosed under applicable securities laws, in accordance with a consistent procedure and in accordance with such laws, as per the disclosure principles listed below:

- Material information will be immediately announced to Bursa Securities first and later made available at the Company's website;
- Material information will be kept confidential temporarily if the immediate release of such information would be unduly detrimental to the interests of the Company;
- Content of disclosure must be factual and non-speculative and include any information the omission of which would cause the rest of the disclosure misleading;
- The disclosure must be corrected immediately if the Company learns that an earlier disclosure by the Company contained a material error at the time it was originally disclosed;
- The Company does not comment, affirmatively or negatively, on rumours. This also applies to rumours on the internet. Should Bursa Securities request that the Company to make a definitive statement in response to a market rumour that is causing significant volatility in the price of the Company's securities, the Executive Directors will respond appropriately after consulting with the Board for advice if time permits, before a reply is given to Bursa Securities; and
- All investors must have equal access to material information. Selective disclosure is not allowed.

Information is considered material if it is reasonably expected to have a material effect on the price, value and market activity of the Company's securities or the decision of a holder of security or an investor in determining his/her choice of actions.

The Company Secretaries are assigned to compile such information for the approval of the Board as soon as possible and for releasing such information to the market as stipulated by Bursa Securities.

#### Leverage on Information Technology

The Company disseminates information in relation to its financial performance, operations and corporate developments through the Annual Reports, Quarterly Interim Financial Reports, circulars and various general announcements. The Company releases all material information publicly through Bursa Securities and via its IR portal at [www.parkwood.my](http://www.parkwood.my).

Shareholders and investors are also encouraged to convey their queries and concerns to the Company via the Company's website at [www.parkwood.my](http://www.parkwood.my) or via email to [admin@parkwood.my](mailto:admin@parkwood.my). The queries will be attended by the Company's Senior Management or the Board, as the case may be.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### II. Conduct of General Meetings

##### Annual General Meetings or Extraordinary General Meetings (“General Meetings”)

General Meetings remain the principal forum for dialogue between the Company and its shareholders, as the Company's General Meetings provide a means of communication with shareholders.

Notices of General Meetings, the related circulars and the Annual Reports of the Company are sent to the shareholders in accordance with the regulatory and statutory provisions. Where special business items appear in the Notices of General Meetings, an explanatory note will be included as a footnote to enlighten shareholders on the significance and impact when shareholders deliberate on such resolution. The Notices of General Meetings are advertised in a national English newspaper within the prescribed deadlines. Notice for an AGM should be given to the shareholders at least twenty eight (28) days prior to the meeting.

The Board notes the recommendation of the Code that Notice for an AGM should be given to the shareholders at least twenty eight (28) days prior to the meeting, which is earlier than the minimum notice periods stipulated in the Company's Constitution and the CA 2016. In the past years, the Company serves the Notice for AGM more than twenty eight (28) days prior to the meeting. From year 2020 onwards, the Annual Reports and Notice for General Meetings will be circulated electronically. Hard copies of the Annual Reports will be made available upon request.

The Company holds its General Meetings at places that are easily accessible and at a time convenient to the shareholders to encourage them to attend the meetings.

If a shareholder is unable to attend and vote in person at the General Meetings, the Company allows him/her to appoint the Chairman of the Meeting or any person, who may but need not be a member of the Company, to be his/her proxy without limitation and there shall be no restrictions as to the qualification of the proxy. A proxy appointed to attend and vote at the General Meetings shall have the same rights as the shareholder to speak at the General Meetings.

At the General Meetings, the Board encourages and gives sufficient opportunity for the shareholders to ask questions regarding the affairs of the Group, its financial performance and the resolutions being proposed at the meetings. The Chairman, when presenting the agenda items at the meetings, will give a brief background on the items to be voted on and shareholders are invited to give their views and raise question before voting takes place. Shareholders' suggestions received during the General Meetings are reviewed and considered for implementation, wherever possible.

All Directors attend the General Meetings. The Chairperson of the Nomination Committee and the Remuneration Committee and the Chairman of the Audit and Risk Management Committee and Senior Management are also present at the General Meetings to respond to shareholders' queries addressed to them during the meetings. The external auditors and advisers of corporate exercises, where applicable, attend General Meetings upon invitation and are available to answer questions or clarify queries from shareholders relating to the subject matter.

Other than shareholders of the Company, representative from the Minority Shareholders Watch Group (“MSWG”) will also be invited as observer at the Company's General Meetings if prior requests have been made. Queries raised by the MSWG and the Company's reply thereto are presented at the General Meetings.

All meetings are recorded by the Company Secretaries and the summary of key matters discussed at the General Meetings is available for inspection at the Company's website.

##### Poll Voting

In compliance with the Main LR of Bursa Securities, all resolutions that set out in the Notice of General Meetings will be voted via poll voting.

The polling process will be conducted by the share registrar as the Poll Administrator and an independent scrutineer will be appointed to oversee the conduct of the poll and verify the results of the poll.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### ADDITIONAL COMPLIANCE INFORMATION

#### a. Audit and Non-Audit Fees

During the financial year ended 31 December 2023, the amount of audit fees paid or payable to the External Auditors, Crowe Malaysia PLT 201906000005 (LLP0018817-LCA) & AF 1018 by Parkwood and its subsidiaries were as follows:

Fees paid by Parkwood	: RM52,000
Fees paid by Parkwood subsidiaries	: RM73,000

For the financial year ended 31 December 2023, a fee of RM5,000 for non-audit assignments was paid by the Company to the External Auditors and its affiliated corporation.

#### b. Material contracts

Other than those disclosed in the Notes to the Financial Statements on the Significant Related Party Transactions, there were no material contracts entered into by the Company and/or the Group involving directors' and major shareholders' interests.

#### c. Utilisation of Proceeds

On 27 April 2021, the Company had raised a net proceed of RM24.08 million from the issuance of rights issue pursuant to the approval obtained from the shareholders at the Extraordinary General Meeting held on 26 January 2021.

The proceeds raised were fully utilised during the financial year.

#### d. Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature

There were no RRPT of a revenue or trading nature between the Company and/or the Group and its related parties which required shareholders' mandate during the financial year under review.

### DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENT

The Directors are required by the CA 2016, to state whether, in their opinion, the Group and the Company's financial statements for the financial year are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, Main LR of Bursa Securities and CA 2016 which will provide a true and fair view of the Group and the Company's financial position and the performance and cash flow for the financial year.

Towards this, the Directors ensure that relevant accounting policies have been used and applied consistently and that reasonable and prudent judgments and estimates have been made, in the preparation of financial statements. The Directors also ensure that applicable approved accounting standards have been followed and that proper accounting records are being kept to enable disclosure of the Group's and Company's financial position in compliance with laws and regulations.

The Board is satisfied that in preparing the financial statements of the Company and the Group as at 31 December 2023, the Company and the Group have used appropriate accounting policies and applied them consistently and prudently.

### CONCLUSION

The Board recognises the importance of the Group practising good corporate governance and has made it a corporate policy to continuously improve on its corporate governance practices and structure to achieve an optimal governance framework.

This Corporate Governance Overview Statement was approved by the Board of Directors of Parkwood on 25 April 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## 1. INTRODUCTION

Pursuant to paragraph 15.26(b) of the Main LR of Bursa Securities, the Board of Directors (“the Board”) is pleased to issue this statement on risk management and internal control of the Group for the financial year ended 31 December 2023 in compliance with the Principles and Best Practices as stipulated in the Code.

## 2. BOARD'S RESPONSIBILITY

The Board acknowledges the importance of systems of internal control and recognises that it is their responsibility to maintain a sound system of internal control to safeguard shareholders' investment. In this connection, the Board confirms that there is on-going effort to identify risks and to introduce or improve controls in the functional areas.

In line with its responsibilities, the Audit Committee (“AC”) and Risk Management Committee (“RMC”) have been merged and to be known as the Audit and Risk Management Committee (“ARMC”) effective from 1 January 2018.

The Board has established the ARMC to oversee the effective implementation of the risk management process and systems of internal control.

The role of ARMC is to provide an independent assessment of the effectiveness, adequacy and reliability of the risk management process, compliance with risk policies, applicable laws, regulations, rules, directives, guidelines and systems of internal control as established by management. These assessments are assisted by an independent internal audit function.

As there are limitations inherent in any systems of internal control, therefore, it shall be noted that the controls are designed and positioned to mitigate risks but not eliminating the present and future risks. In this connection, it shall also be noted that systems of internal control can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

## 3. RISK MANAGEMENT FRAMEWORK

The ARMC was established to adopt the Risk Management Framework designed for the Group. This framework provides guidance and facilitates a structured approach for identifying, evaluating and managing significant risks that could inadvertently prevent the achievement of business objectives.

The Board has approved the following Terms of Reference for the ARMC:

- a. To review the Group's overall objectives by assessing the adequacy and effectiveness of the risk portfolio composition and risk mitigation controls in determining the desired exposures of each major area on a periodic basis.
- b. To promote and ensure that the risk management process and culture are embedded.
- c. To review and assess the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks and their effectiveness.
- d. To ensure adequate infrastructure, resources and systems are in place for managing risks.
- e. To identify other corporate risk areas such as regulatory compliances, new business development and financial issues.
- f. To establish a task force to oversee the proper conduct of regular review and control of risk in the functional activities.

The ARMC had approved the Risk Handbook, which was developed by the Risk Management Working Group (“RMWG”). The aim of the Risk Handbook is to introduce a standardised approach for Management to adopt and assist in identification, analysis and management of risks.

The RMWG has invited the Internal Auditors to observe the risk assessment exercise in 2023. In this exercise, a structured risk management framework was reviewed and key risks that could affect the achievement of the Group's objectives, the control and mitigating action plans were identified and documented. The risk report was presented to the Board for discussion and formalisation of actions plan and updated by the RMWG.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### 4. INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group was outsourced to a professional internal audit service provider firm (“Internal Auditor”), which includes performing regular reviews of the business processes, checking compliance with policies/procedure, evaluating the adequacy and effectiveness of internal control, risk management and governance processes established by Management and/or the Board within the Group. The Internal Audit function highlights significant findings and corrective measures in respect of any non-compliance to Management and the ARMC on a timely basis. The annual audit plan is reviewed and approved by the ARMC. Further activities of the Internal Audit function are set out in the ARMC report on pages 39 to 43.

The costs incurred by the Group in relation to the Internal Audit function for the financial year ended 31 December 2023 amounted to approximately RM52,800.

### 5. INTERNAL CONTROL

The Group’s systems of internal control during the financial year ended 31 December 2023 and up to the date of approval of this statement for inclusion into the annual report encompasses inter alia, the key elements as follows:

- A functional organisational structure that defines the level of authority and responsibilities of management.
- Policies and procedures, updated as necessary, are documented and communicated to personnel for compliance.
- An ARMC with defined responsibilities as set out on pages 39 to 43.
- An internal audit function, which is accountable to the ARMC, objectively reviews and reports on the effectiveness of control processes.
- An annual operating budget and strategic business plan approved by the Board.
- Appropriate human resource guidelines for hiring and terminating staff, formal training programmes, annual performance appraisals and other relevant procedures are in place to ensure employees’ competency.
- The Group’s performance is monitored by using key performance indicators, monthly management reports and periodic management meetings. These performance reports are benchmarked against budgets. Any exceptions noted will be investigated and reported.
- Quarterly monitoring of financial results by the Board.

In making this statement, the Board had considered the Bursa’s Guidance on Statement on Internal Control for all subsidiaries. The Board is of the view that there has been no significant breakdown or weaknesses in the systems of internal control of the Group that may result in material losses incurred for the financial year ended 31 December 2023. Nevertheless, remedial actions and corrective measures have been or are being taken to address the weaknesses noted, if any.

### 6. MANAGEMENT RESPONSIBILITIES

The Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and systems of internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the Board that the processes have been carried out.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### 7. REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Main LR, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was conducted in accordance with Audit and Assurance Practice Guide 3 (“AAPG 3”), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in Annual Report, issued by the Malaysian Institute of Accountants (“MIA”). AAPG 3 does not require the external auditors to, and they did not, consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk and control procedures. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of the Group’s risk management and systems of internal control.

### 8. CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group’s risk management and systems of internal control. The Board has received assurance from the Executive Directors and CFO that the Group’s risk management and systems of internal control, in all material aspects, is operating adequately and effectively. For the financial year under review, there were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 25 April 2024.



## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

### MEMBERSHIP

The Board had on 14 December 2017 approved the merger of the Audit Committee and the Risk Management Committee to be known as the “Audit and Risk Management Committee” effective from 1 January 2018. The rationale of the merger of the two (2) Board Committees is to enhance the efficiency of the Board Committee in discharging its duties and responsibilities.

Members of the Audit and Risk Management Committee, their respective designation and directorate are as follows:

Name	Designation	Directorship
Datuk Hew Lee Lam Sang	Chairman	Independent Non-Executive Director
Ms. Irene Kam Sok Khuan ( <i>Appointed on 18.07.2023</i> )	Member	Independent Non-Executive Director
Ms. Jessica Low May-Teng ( <i>Appointed on 20.11.2023</i> )	Member	Independent Non-Executive Director

All Audit and Risk Management Committee members of the Company are Independent Non-Executive Directors.

### SUMMARY OF TERMS OF REFERENCE

#### 1. COMPOSITION, MEETINGS, MINUTES AND ACTIVITIES

The Audit and Risk Management Committee shall be appointed by the Board amongst the Directors and shall consist of not less than three (3) members. All Audit and Risk Management Committee members must be Non-Executive Directors, with a majority of them being Independent Directors. The Chairman shall be an Independent Non-Executive Director appointed by the Nomination Committee.

If a member of the Audit and Risk Management Committee resigns or for any reason ceases to be a member resulting in the number of members to be reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint a replacement to make up the minimum of three (3). The vacancy of the Independent Chairman of the Audit and Risk Management Committee must also be filled within three (3) months. No Alternate Director can be appointed as a member of the Audit and Risk Management Committee.

The Board shall review the terms of reference and performance of the Audit and Risk Management Committee and each of its members annually to determine whether the Audit and Risk Management Committee and its members have carried out their duties in accordance with their terms of reference.

The Audit and Risk Management Committee shall meet at least four (4) times annually or at more frequent intervals as required. The Audit and Risk Management Committee shall meet with the external auditors at least twice (2) a year and with internal auditors at least once (1) a year, without the Executive Directors and Management present. The Chief Financial Officer and the Chief Operating Officer (have become the Director (Executive) and Alternate Director to Director (Executive) on 26 February 2024) are normally invited to attend the Audit and Risk Management Committee meetings. The presence of the external auditors shall be requested, if required. Other Board members and employees may attend Audit and Risk Management Committee meetings upon the invitation of the Audit and Risk Management Committee.

The Company Secretaries shall be the Secretary to the Audit and Risk Management Committee. Minutes of each meeting shall be distributed to each member prior to the meeting. The Chairman shall report to the Board, a summary of significant matters arising at each meeting. The Audit and Risk Management Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group.

The Audit and Risk Management Committee is also authorised by the Board to seek and accept independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, whenever deemed necessary.

During the financial year ended 31 December 2023, the Audit and Risk Management Committee held a total of five (5) meetings. The members of the Audit and Risk Management Committee together with their attendance are set out below:

Name	Attendance at Meetings
Datuk Hew Lee Lam Sang	5/5
Tuan Haji Fauzi Bin Mustapha ( <i>retired on 1 June 2023</i> )	3/3
Dato' Ghazali Bin Mat Ariff ( <i>retired on 25 August 2023</i> )	4/4
Ms. Irene Kam Sok Khuan	5/5
Ms. Jessica Low May-Teng ( <i>appointed on 4 October 2023</i> )	1/1

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### SUMMARY OF TERMS OF REFERENCE (CONT'D)

#### 2. KEY FUNCTIONS, ROLE AND RESPONSIBILITIES

The Audit and Risk Management Committee's duties and responsibilities are as follow:

- To consider the appointment and re-appointment of the external auditors and the audit fee.
- To recommend the nomination of a person or persons as external auditors.
- To discuss on the resignation or removal of external auditors and the reasons thereof.
- To discuss with the external auditors the nature and scope of any audit exercise prior to its commencement and to ensure coordination of such exercise where more than one audit firm is involved.
- To review the quarterly and annual financial statements of the Company and the Group, before submission to the Board whilst ensuring that they are prepared in an accurate manner focusing particularly on:
  - (i) Changes in or implementation of major accounting policies and principles changes.
  - (ii) Significant matters highlighted including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed.
  - (iii) Significant adjustments arising from the audit.
  - (iv) The going concern assumption.
  - (v) Compliance with accounting standards and relevant statutory and regulatory requirements.
- To discuss issues, concerns and reservations arising from interim and final external audits, and such other matters the external auditors may wish to raise.
- To review the external auditors' management letter and management's response to specific matters raise therein.
- To assess the suitability and independence of external auditors.
- To do the following in connection with the internal audit function:
  - (i) Review the adequacy of its scope, functions, competency and resources and that it has the necessary authority to carry out its work.
  - (ii) Review and discuss the nature and scope of the audit programme with internal auditors and the follow-up thereto, ensuring that appropriate actions are taken as recommended.
  - (iii) Review any performance appraisals or assessment of its staff.
  - (iv) Approve the appointment, resignation or termination of its senior members.
  - (v) Take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reason for resigning.
- To monitor any related-party transaction and conflict of interest situation which may arise within the Group, including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve eliminate, or mitigate such conflicts.
- To review the adequacy and efficacy of the Group's system of internal control.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### SUMMARY OF TERMS OF REFERENCE (CONT'D)

#### 2. KEY FUNCTIONS, ROLE AND RESPONSIBILITIES (CONT'D)

With the merger of the Audit Committee and Risk Management Committee on 1 January 2018, the functions of the Audit and Risk Management Committee shall include the functions of the Risk Management Committee to assist the Board in discharging its responsibilities, particularly in:

- Reviewing the Group's overall objectives by assessing the adequacy and effectiveness of risk portfolio composition and risk mitigation controls to determine the desired exposures of each major area of risk on a periodic basis.
- Promoting and ensuring risk management process and culture are embedded throughout the Group.
- Reviewing and assessing the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively.
- Ensuring adequate infrastructure, resources and systems are established to make risk management effective.
- Identifying other corporate risk areas such as regulatory compliances, new business development and financial issues.
- Establishing a task force as the main risk management unit to oversee the proper operating, reviewing and controlling of risk pertaining to functional activities.

The Board has established a Risk Management Working Group ("RMWG"), which is headed by Mr. Chan Keen Wai (Alternate Director to Mr. Chin Kok Siong and also the Chief Operating Officer) and comprise of all head of departments. This is to ensure that all risk classes particularly the Group strategic risks, risks related to project development businesses and compliance to statutory requirements, are considered at senior level in a consistent manner. The Board through the Audit and Risk Management Committee receives periodic reporting on the risk environment and management's actions to mitigate and manage significant risks in a manner consistent with the Group's risk appetite.

The RMWG is responsible to oversee the risk management activities of the Group, approving appropriate risk management procedures and measurement methodologies across the Group as well as identifying and managing strategic business risks of the Group. In fulfilling the primary objectives, the RMWG is tasked to undertake the following responsibilities and duties:

- (a) to promote good risk management practices and effective governance within the Group and in ensuring that roles, responsibilities and accountability in managing risks are clearly established, defined and communicated;
- (b) to create high level risk policies aligned with the Group's strategic business objectives;
- (c) to review the enterprise risk management framework for the effective identification, assessment, measurement, monitoring, reporting and mitigation of risks within the Group; and
- (d) to identify and communicate existing and potential critical risk areas faced by the Group and the management action plans to mitigate such risks by working with the internal auditors in providing periodic reports and updates to the Audit and Risk Management Committee.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### SUMMARY OF ACTIVITIES OF AUDIT AND RISK MANAGEMENT COMMITTEE

In line with its terms of reference, the Audit and Risk Management Committee discharged its duties and responsibilities in the financial year ended 31 December 2023 through the following activities:

a. External Audit

- Reviewed the Audit Review Memorandum by the external auditors for the financial year ended 31 December 2022 and discussed the results of their audit report and management letter together with Management's response to their findings;
- Reviewed the annual audited financial statements of the Group to ensure compliance with the CA 2016, Main LR of Bursa Securities, applicable accounting standards and other legal and regulatory requirements prior to submission to the Board for consideration and approval;
- Carried out an annual review of the performance of the External Auditors, including assessment of their independence in performing their obligations, and then recommended to the Board for re-appointment as External Auditors and remuneration of the External Auditors;
- Conducted independent meetings with the External Auditors during the year without the presence of the Executive Directors and Management; and
- Reviewed the Audit Planning Memorandum, which includes reporting responsibilities and deliverables, audit approach and scope for the statutory audits of the Group accounts for the financial year ended 31 December 2023 with the external auditors prior to the commencement of audit.

b. Internal Audit

- Reviewed and approved the Internal Audit Plan of the Group with the selected auditable areas for each reporting quarter of 2023;
- Reviewed and deliberated on the Internal Audit reports, recommendations and management responses;
- Reviewed the corrective actions taken on the audit findings, outstanding audit issues from previous audits to ensure that actions have been taken timely and effectively; and
- Conducted independent meeting with the Internal Auditors during the year without the presence of the Executive Directors and Management.

c. Risk Management

- Reviewed the risk profiles of the Group, including action plans and strategies to address these risks identified; and
- Reviewed the risk policy and risk appetite of the Group and recommended to the Board for approval and inclusion in the Statement on Risk Management and Internal Control.

d. Financial Reporting

- Reviewed the unaudited quarterly reports before recommending for Board's approval for submission to Bursa Securities and Securities Commission Malaysia.

e. Related Party Transactions

- Reviewed, with the assistance of the Internal Auditors, the related party transactions entered into by the Company and the Group to ensure that the transactions entered into were in adherence to Main LR of Bursa Securities and the recurrent related party transactions entered were within the approved limits of the shareholders' mandate on recurrent related party transactions during the year.

f. Conflict of Interest

- Reviewed potential conflict of interest situations that may arise and the measures identified to resolve, eliminate or mitigate the conflict of interest in compliance with the amendment of the Main LR in May 2023.

g. Annual Report

- Reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the 2022 Annual Report; and
- Presented the Audit and Risk Management Committee Report to the Board for approval and inclusion in the 2022 Annual Report.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### INTERNAL AUDIT FUNCTION

During the financial year ended 31 December 2023, the Audit and Risk Management Committee is supported by an outsourced internal audit service provider firm, GRC Consulting Services Sdn Bhd (“GRCCS”), in the discharge of its duties and responsibilities.

GRCCS is an independent professional consultant firm which is sufficiently resourced and is a member of the Institute of the Internal Auditors Malaysia to provide the services that meet with the Group’s required service level. The Internal Auditors are able to provide reasonable assurance that the Group’s system of internal control and risk management is adequate and effective. The Engagement Director of GRCCS is Mr. Affeiz Abdul Razak who has more than 20 years diverse professional experience in internal audit, risk management and corporate governance advisory. He is currently one of the Governors in The Institute of Internal Auditors Malaysia’s (IIAM) Board as Board’s Vice President I and had served previously as the Honorary Treasurer and Honorary Secretary of IIAM. He is a Chartered Member of Institute of Internal Auditors Malaysia - CMIIA, Certified Financial Services Auditor - CFSA (US) and has Accreditation in Internal Audit Function Assessment Validation by IIA (US), Associate Member of Association of Certified Fraud Examiners (US), Member of Business Continuity Institute (UK) - MBCI (UK), Affiliate Member of Institute of Risk Management (UK), Certified Business Continuity Institute (UK) Professional - CBCI with Merit (UK), Member of Institute of Corporate Directors Malaysia and Associate Member of Asian Institute of Chartered Bankers.

The Internal Auditors carried out a meeting with Management to discuss on the audit observations for each cycle of internal audit engagement. The Internal Auditor reports directly to the Audit and Risk Management Committee and is independent of the activities it audits. The primary responsibility of the Internal Auditor is to undertake regular and systematic reviews of the risk management process, systems of internal controls and governance practices of the Company and the Group in conformance with the International Professional Practices Framework so as to provide reasonable assurance that the risk management process, systems of internal controls and governance practices are operating satisfactorily and effectively and are in line with the Group’s goals and objectives. The results of the internal audits provided in the Internal Audit Reports together with the findings and recommendation for improvements were presented to the Audit and Risk Management Committee for deliberations. The resulting reports from the internal audits were also forwarded to the Management for attention and necessary corrective actions. The functions and responsibilities of the Internal Audit Function are embodied in the Internal Audit Charter.

All Internal Audit personnel in the service provider firm do not have family relationships with any Directors or major shareholders of the Company and the Group. They also do not have any conflicts of interest which could impair their objectivity and independence.

The internal audit activities carried out by Internal Auditors for the financial year ended 31 December 2023 included, inter alia, the following:

- reviewed and assessed the adequacy and integrity of control environment and systems of internal control of the Group;
- reported on audit findings noted from risk based internal audit on the risks areas highlighted in the risk profile of Parkwood;
- reviewed and reported on the follow-up status of previous audit findings; and
- conducted risk assessment for the implementation of an enterprise risk management framework.

The costs incurred by the Group in relation to the Internal Audit function for outsourced internal audit and risk management services for the financial year ended 31 December 2023 amounted to approximately RM52,800.

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the **Fifty-Third Annual General Meeting (“53<sup>rd</sup> AGM”)** of Parkwood Holdings Berhad (Registration No. 196901000692 (9118-M)) (“the Company”) will be held at Level 3, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur on Wednesday, 19 June 2024 at 11.00 a.m. for the following purposes:

### AGENDA

#### ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors’ and Auditors’ Reports thereon. **(Please refer to Explanatory Note to the Agenda)**
2. To approve the payment of Directors’ fees of RM155,145 for the financial year ended 31 December 2023. **Ordinary Resolution 1**
3. To approve the payment of Directors’ benefits (other than Directors’ fees) to Non-Executive Directors up to an amount of RM69,300 for the period from 20 June 2024 until the conclusion of the next AGM of the Company. **Ordinary Resolution 2**
4. To re-elect Mr. Lim Chin Sean who retires by rotation pursuant to Clause 123 of the Company’s Constitution. **Ordinary Resolution 3**
5. To re-elect Ms. Jessica Low May-Teng who retires pursuant to Clause 121 of the Company’s Constitution. **Ordinary Resolution 4**
6. To re-elect Mr.Chin Kok Siong who retires pursuant to Clause 121 of the Company’s Constitution. **Ordinary Resolution 5**
7. To re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

#### SPECIAL BUSINESS:-

To consider and, if thought fit, pass with or without modifications, the following ordinary resolutions:

8. **Authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”)** **Ordinary Resolution 7**

“**THAT** pursuant to Sections 75 and 76 of the Act, the Directors be and are hereby authorized to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

**THAT** pursuant to Section 85 of the Act and Clause 12 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from issuance of new shares pursuant to this mandate.

**AND THAT** the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

9. To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act, 2016.

BY ORDER OF THE BOARD

**CHEN BEE LING** (MAICSA 7046517)  
(SSM Practising Certificate No. 202008001623)

**NURLY SALMI BINTI RUHAIZA** (MAICSA 7073753)  
(SSM Practising Certificate No. 202008000293)

Company Secretaries

Kuala Lumpur

30 April 2024

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Notes: -

- In regard of deposited securities, only members whose names appear in the Record of Depositors as at 12 June 2024 ("General Meeting Record of Depositors") shall be eligible to attend and vote at the Meeting.
- If a member is unable to attend and vote at the Meeting, he/she may appoint a proxy to attend and vote at the Meeting on his/her behalf. The proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and there shall be no restrictions as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he may appoint at least one proxy in respect of each securities' account he holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.

### Explanatory Notes to the Agenda:-

#### Item 1 of the Agenda

This item of the Agenda is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item of the Agenda is not put forward for voting.

#### Item 2 of the Agenda – Ordinary Resolution 1

The Proposed Ordinary Resolution 1 is to facilitate the payment of Directors' Fees for the financial year ended 31 December 2023 to the Directors of RM116,778.00 and Ex-Directors of RM38,367.00.

Pursuant to Section 230(1) of the Act, the Company shall at every AGM approve the fees of the Directors of the Company and its subsidiaries. The Directors' fees payable to the Directors and Ex-Directors have been reviewed by the Remuneration Committee and the Board of Directors of the Company.

#### Item 3 of the Agenda - Ordinary Resolution 2

##### **Payment of Directors' benefits (other than Directors' fees)**

In compliance with Section 230(1) of the Companies Act, 2016, the Company is seeking for shareholders' approval for payment of Directors' benefits (other than Directors' fees) to Non-Executive Directors up to an amount of RM69,300 for the period from 20 June 2024 until the conclusion of the next Annual General Meeting of the Company.

The calculation is based on the estimated number of scheduled and/or special Board and Board Committees' meetings and on the assumption that all the Directors will remain in office until the next AGM.

#### Item 4, 5 & 6 of the Agenda – Ordinary Resolutions 3, 4 and 5

Pursuant to Clause 123 of the Company's Constitution, Mr. Lim Chin Sean is standing for re-election by rotation at the 53<sup>rd</sup> AGM and being eligible, has offered himself for re-election as Director of the Company.

Pursuant to Clause 121 of the Company's Constitution, Ms. Jessica Low May-Teng and Mr. Chin Kok Siong standing for re-election at the 53<sup>rd</sup> AGM and being eligible, have offered themselves for re-election as Directors of the Company.

The Board of Directors has through the Nomination Committee carried out the necessary assessment on the aforesaid Directors are concluded that they met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements on character, experience, integrity, competence, and time commitment to effectively discharged the roles as Directors.

The Profile of the Directors standing for re-election are provided on pages 3 to 5 in the Annual Report 2023.

#### Item 7 of the Agenda – Ordinary Resolution 6

The Audit and Risk Management Committee ("ARMC") had at the meeting held on 25 April 2024 assessed the suitability, objectivity and independence of the External Auditors of the Company, Crowe Malaysia PLT for the financial year ending 31 December 2024 and recommended the reappointment Crowe Malaysia PLT. The Board had in turn reviewed the recommendation of the ARMC and recommended the same be tabled to the shareholders for approval of the 53<sup>rd</sup> AGM of the Company.

#### Item 8 of the Agenda - Ordinary Resolution 7

##### **Authority for Directors to allot and issue shares in the Company pursuant to Section 75 and 76 of the Companies Act 2016 ("the Act")**

The Ordinary Resolution 7 is to seek for the shareholders' approval of a general mandate for issuance of shares by the Company under Section 75 and 76 of the Act.

The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. At this juncture, there is no decision to issue new shares, but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

The Company did not allot and issue any shares pursuant to the general mandate granted by the shareholders at the previous AGM.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

### 1. Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

No notice in writing has been received by the Company nominating any candidate for election as Directors at the 53<sup>rd</sup> AGM of the Company.

The Directors who are due for retirement and seeking for re-election pursuant to the Company's Constitution are as set out in the Notice of the 53<sup>rd</sup> AGM and their profile are set out in the Directors' Profile in the Annual Report 2023.

### 2. Authority for Directors to issue and allot shares in the Company pursuant to Section 75 and 76 of the Companies Act, 2016

This is a renewal of the mandate obtained from the shareholders of the Company at the AGM of 14 June 2023 and if passed, will empower the Directors of the Company to issue and allot shares up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

This authority unless revoked or varied by the Company at a general meeting will expire at the next AGM.

The renewal of this mandate would provide flexibility to the Company for any possible fund-raising exercise, including but not limited for further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions. This authority is to avoid any delay and cost involved in convening a general meeting to approve such issuance of shares.

As at the date of the Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 52<sup>nd</sup> AGM held on 14 June 2023 and which will lapse at the conclusion of the 53<sup>rd</sup> AGM to be held on 19 June 2024.

### Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.



## LIST OF PROPERTIES

<b>Tenure</b>	Leasehold
<b>Size</b>	Lot PT 329: 6,752 sq. metres Lot PT 330: 182 sq. metres Total: 6,934 sq. metres
<b>Carrying Value (RM)</b>	32,136,967
<b>Location</b>	Both located at Kg Sg Kayu Ara Mukim of Sungai Buloh Daerah Petaling Selangor Darul Ehsan
<b>Description / Existing Use</b>	Property Development 99 years lease (expiring in 2117)
<b>Date of acquisition</b>	4 December 2017

<b>Tenure</b>	Leasehold
<b>Size</b>	46,509 sq. metres
<b>Carrying Value (RM)</b>	79,556,191
<b>Address</b>	Lot 22, Jalan Pelaya 15/1, Section 15 40200 Shah Alam Selangor Darul Ehsan
<b>Location</b>	H.S.(D) 172552 Bandar Shah Alam Daerah Petaling Selangor Darul Ehsan
<b>Description / Existing Use</b>	Investment Property and Property Development 99 years lease (expiring in 2074) Buildings approximately 7 years
<b>Date of valuation</b>	31 December 2022

<b>Tenure</b>	Leasehold
<b>Size</b>	Lot 70303: 2,429 sq. metres Lot 70304: 2,448 sq. metres Lot 70305: 2,360 sq. metres Lot 70306: 2,467 sq. metres Lot 70307: 4,661 sq. metres Total: 14,365 sq. metres
<b>Carrying Value (RM)</b>	33,573,886
<b>Address</b>	Lot 70303 - 70307 Jalan PJU 10/1A Damansara Damai 47830 Petaling Jaya Selangor Darul Ehsan
<b>Location</b>	Mukim of Sungai Buloh Daerah Petaling Selangor Darul Ehsan
<b>Description / Existing Use</b>	Investment Property and Property Development 99 years lease (expiring in 2103) Buildings approximately 17 years
<b>Date of valuation</b>	9 January 2023

## ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

### Share Classification and Voting Rights

Class of Shares	: Ordinary Shares
Voting Rights by show of hand	: One vote for every member
Voting Rights by poll	: One vote for every share held
Issued and Paid-up Capital	: 281,968,184 Ordinary Shares (including 6,797,300 ordinary shares retained as Treasury Shares)

### 1. Distribution of Shareholdings and Number of Shareholders as at 1 April 2024

Size of Shareholdings	No. of Shareholders	Percentage (%) of Shareholdings	No. of Shares Held	Percentage (%) of Issued Shares
Less than 100	494	16.03	17,686	0.01
100 – 1,000	261	8.47	105,144	0.04
1,001 – 10,000	1,616	52.45	5,631,943	2.05
10,001 – 100,000	547	17.75	18,307,565	6.65
100,001 – 13,758,544*	161	5.23	123,557,879	44.90
13,758,545 and above**	2	0.07	127,550,667	46.35
<b>Total</b>	<b>3,081</b>	<b>100.00</b>	<b>275,170,884</b>	<b>100.00</b>

\* - Less than 5% of issued shares

\*\* - 5% and above of issued shares

### 2. List of Substantial Shareholders as per Register of Substantial Shareholders as at 1 April 2024

Name	No. of Shares			
	Direct	%	Indirect	%
Telaxis Sdn Bhd	127,550,667	46.35	-	-
Dato' Lim Chee Meng	31,500	0.01	*127,550,667	46.35
Mr Lim Chin Sean	-	-	*127,550,667	46.35
LGB Group Sdn Bhd	-	-	#127,550,667	46.35
LGB Holdings Sdn Bhd	-	-	#127,550,667	46.35
Adil Cita Sdn Bhd	-	-	#127,550,667	46.35

Notes:-

\* Deemed interest by virtue of his interest in Telaxis Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

# Deemed interest by virtue of its interest in Telaxis Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

### 3. List of Directors' Shareholdings as per Register of Directors' Shareholdings as at 1 April 2024

Name	No. of Shares			
	Direct	%	Indirect	%
a) Mr. Lim Chin Sean	-	-	*127,550,667	46.35
b) Datuk Hew Lee Lam Sang	-	-	-	-
c) Ms. Irene Kam Sok Khuan	-	-	-	-
d) Ms. Jessica Low May-Teng	-	-	-	-
e) Mr. Chin Kok Siong	-	-	-	-
f) Mr. Chan Keen Wai (Alternate Director to Mr. Chin Kok Siong)	-	-	-	-

Notes:-

\* Deemed interest by virtue of his interest in Telaxis Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 1 APRIL 2024

## 4. List of Thirty (30) Largest Shareholders as per Records of Depositors as at 1 April 2024

No.	Name of Shareholders	No. of Shares Held	Percentage (%)
1	Telaxis Sdn Bhd	96,589,867	35.10
2	Telaxis Sdn Bhd	30,960,800	11.25
3	Ertidaya Sdn Bhd	7,485,216	2.72
4	Era Erat Sdn Bhd	6,194,829	2.25
5	Tan Chee Fatt	6,000,000	2.18
6	Lim Kian Wat	5,916,900	2.15
7	Kenanga Nominees (Asing) Sdn Bhd <i>Pledged Securities Account for Ra Wha Hyun (009)</i>	4,882,400	1.77
8	Siew Min Chung	4,664,500	1.70
9	Lim Kian Wat	4,389,900	1.60
10	Yap Kiew @ Yap Yoke Ho	4,018,000	1.46
11	Wong Mei Sun	3,790,000	1.38
12	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Boon Kheong</i>	3,784,700	1.38
13	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Geok Wah (B Brklang-CL)</i>	3,655,700	1.33
14	Excel Impression Sdn Bhd	3,654,856	1.33
15	Lai Thiam Poh	3,339,900	1.21
16	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Liew Yoon Peck</i>	3,013,400	1.10
17	Cimsec Nominees (Tempatan) Sdn Bhd <i>Cimb For Mettiz Capital Sdn Bhd (Pb)</i>	3,000,000	1.09
18	Low Keang Shein	2,500,000	0.91
19	Wong Wai Kuan	2,419,900	0.88
20	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ong Kok Thye</i>	2,370,000	0.86
21	Ng Boon Kheong	1,960,000	0.71
22	Mass Ocean Sdn. Bhd.	1,720,644	0.63
23	Chia Kah Ying	1,717,200	0.62
24	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Kim Meng (M10)</i>	1,539,600	0.56
25	UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt An for UOB Kay Hian Pte Ltd (A/C Clients )</i>	1,495,650	0.54
26	Kenanga Nominees (Tempatan) Sdn Bhd <i>For Chiang Siew Eng @ Le Yu Ak Ee</i>	1,482,200	0.54
27	Lim Poh Fong	1,208,000	0.44
28	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lai Chin Yang (T Mutiara-CL)</i>	1,204,000	0.44
29	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Chee Leong</i>	1,025,000	0.37
30	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Chew Huat (E-SPG)</i>	1,000,025	0.36
	<b>Total</b>	<b>216,983,187</b>	<b>78.85</b>

# FINANCIAL REVIEW

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## DIRECTORS REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and property development.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

### RESULTS

	<b>The Group RM</b>	<b>The Company RM</b>
Loss after taxation for the financial year	(4,200,327)	(4,474,435)
Attributable to:-		
Owners of the Company	(4,200,327)	(4,474,435)

### DIVIDENDS

No dividend was recommended by the directors for the financial year.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

### ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

### TREASURY SHARES

As at 31 December 2023, the Company held as treasury shares a total of 6,797,300 of its 281,968,184 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM3,724,544. The details of the treasury shares are disclosed in Note 23 to the financial statements.

### OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

## DIRECTORS REPORT (CONT'D)

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

### CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## DIRECTORS REPORT (CONT'D)

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Lim Chin Sean  
 Chin Kok Siong (Appointed on 26.2.2024)  
 Datuk Hew Lee Lam Sang  
 Irene Kam Sok Khuan  
 Low May-Teng (Appointed on 4.10.2023)  
 Chan Keen Wai (Appointed on 26.2.2024 as Alternate Director to Chin Kok Siong)  
 Tuan Haji Fauzi Bin Mustapha (Retired on 1.6.2023)  
 Dato' Ghazali Bin Mat Ariff (Retired on 25.8.2023)  
 Dato' Lim Yew Boon (Retired on 29.2.2024)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Datin Lim Ai Ling (Appointed on 29.2.2024)  
 Lim Shiak Ling (Appointed on 29.2.2024)

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	← Number of Ordinary Shares →			
	At 1.1.2023	Bought	Sold	At 31.12.2023
<b>The Company</b>				
<i>Direct Interests</i>				
Dato' Lim Yew Boon	10,000	-	-	10,000
<i>Indirect Interest</i>				
Lim Chin Sean #	133,050,667	-	-	133,050,667

# Deemed interest by virtue of his direct substantial shareholding in Telaxis Sdn. Bhd., a substantial shareholder of the Company.

By virtue of his shareholding in the Company, Lim Chin Sean is deemed to have interest in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 36(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS REPORT (CONT'D)

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	<b>The Group/ The Company RM</b>
Fees	164,120
Salaries, bonuses and other benefits	681,300
Defined contribution benefits	69,618
	<hr/> 915,038 <hr/>

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM23,281.

### INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Group and of the Company.

### SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

### AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	<b>The Group RM</b>	<b>The Company RM</b>
Audit fees	125,000	52,000
Non-audit fees	5,000	5,000
	<hr/> 130,000 <hr/>	<hr/> 57,000 <hr/>

Signed in accordance with a resolution of the directors dated 25 April 2024.

**Lim Chin Sean**

**Chin Kok Siong**



## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Lim Chin Sean and Chin Kok Siong, being two of the directors of Parkwood Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 59 to 102 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 25 April 2024.

**Lim Chin Sean**

**Chin Kok Siong**

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## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Chin Kok Siong, MIA Membership Number: 8796, being the director primarily responsible for the financial management of Parkwood Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 59 to 102 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Chin Kok Siong, NRIC Number: 650410-03-5447  
at Kuala Lumpur  
in the Federal Territory  
on this 25 April 2024.

Before me

**Chin Kok Siong**

**Dr. T. Yokheswarem**  
Commissioner for Oaths  
No. W540

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PARKWOOD HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA) REGISTRATION NO: 196901000692 (9118 - M)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Parkwood Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 59 to 102.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for *Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Valuation of Investment Property</b>	
Refer to Note 7 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
The Group's investment property is stated at fair value. The fair value of the investment property was determined based on valuation performed by an independent firm of professional valuers.	Our procedures included, amongst others:- (a) evaluated the objectivity, independence and capabilities of the professional valuers;
The carrying value of investment property as at 31 December 2023 amounted to RM41.7 million.	(b) assessed the appropriateness of the valuation model, property related data, including estimates used by the professional valuers; and
Significant judgement is required by directors in determining the fair value of investment property. We identified the valuation of investment property as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgement associated with determining the value.	(c) assessed the reasonableness of the assumptions used in the valuation and judgements made.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF PARKWOOD HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA) REGISTRATION NO: 196901000692 (9118 - M)

### Key Audit Matters (Cont'd)

<b>Revenue Recognition for Property Development Activities</b>	
Refer to Note 29 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>The Group recognises property development revenue using the input method, determined based on the proportion of property development costs incurred for work performed to date over the estimated total property development costs.</p> <p>Accounting for property development activities is inherently complex and there is judgement involved in the following areas:-</p> <p>(a) determination of the progress; and</p> <p>(b) estimated total property development costs and cost incurred to complete a project.</p> <p>We determined this to be a key audit matter given the complexity and judgemental nature of these areas.</p>	<p>Our procedures included, amongst others:-</p> <p>(a) tested costs incurred to date to supporting documentation such as contractors' claim certificates;</p> <p>(b) assessed the reasonableness of the estimated total property development costs to supporting documentation such as contracts, quotations and variation orders with contractors;</p> <p>(c) checked for any variation orders and checked that changes to contracts and quotations with the contractors, if any, are properly supported, for ongoing projects;</p> <p>(d) tested sales of properties to signed sales and purchase agreements and billings raised to property buyers; and</p> <p>(e) re-computed the revenue recognition towards satisfaction of performance obligation and checked the journal entries impacting revenue are recognised appropriately with reference to the computation of the revenue and corresponding costs of the projects.</p>

### Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditor's report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF PARKWOOD HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA) REGISTRATION NO: 196901000692 (9118 - M)

### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: -

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

**Ho Yen Ling**  
03378/06/2024 J  
Chartered Accountant

Kuala Lumpur  
25 April 2024

## STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	-	-	51,795,527	54,295,527
Equipment	6	80,040	127,370	1	1
Investment property	7	41,700,000	41,700,000	41,700,000	41,700,000
Right-of-use assets	8	626,421	1,113,916	-	-
Trade receivables	9	2,288,558	-	-	-
Land held for property development	10	33,573,886	33,354,196	-	-
Club membership	11	10,000	10,364	10,000	10,364
Other investment	12	881,000	577,000	-	-
Other assets		32,060	32,060	19,060	19,060
		79,191,965	76,914,906	93,524,588	96,024,952
<b>CURRENT ASSETS</b>					
Property development costs	13	37,856,191	74,168,040	37,856,191	37,479,105
Inventories	14	32,136,967	-	-	-
Contract cost assets	15	-	2,864,709	-	-
Trade and other receivables	9	4,912,377	1,803,928	102,005	181,932
Contract assets	16	-	7,691,138	-	-
Amount owing by subsidiaries	17	-	-	16,559,751	18,971,462
Current tax assets		903,869	1,115	-	-
Fixed deposits with licensed banks	18	2,599,751	2,542,860	2,599,751	2,542,860
Short-term investments	19	8,499,681	8,124,192	8,499,681	8,124,192
Cash and bank balances	20	16,406,757	12,142,812	798,700	965,506
		103,315,593	109,338,794	66,416,079	68,265,057
<b>TOTAL ASSETS</b>		<b>182,507,558</b>	<b>186,253,700</b>	<b>159,940,667</b>	<b>164,290,009</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	21	46,239,324	46,239,324	46,239,324	46,239,324
Reserves	22	106,406,306	110,606,633	115,425,158	119,899,593
Treasury shares	23	(3,724,544)	(3,724,544)	(3,724,544)	(3,724,544)
<b>TOTAL EQUITY</b>		<b>148,921,086</b>	<b>153,121,413</b>	<b>157,939,938</b>	<b>162,414,373</b>
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities	24	332,941	646,539	-	-
Borrowings	25	22,450,180	21,713,063	-	-
Retirement benefit obligations	26	81,744	81,744	-	-
Deferred tax liabilities	27	666,442	666,442	510,000	510,000
		23,531,307	23,107,788	510,000	510,000
<b>CURRENT LIABILITIES</b>					
Trade and other payables	28	7,833,652	5,973,571	1,400,995	1,246,492
Lease liabilities	24	313,599	469,664	-	-
Borrowings	25	1,835,381	3,462,120	17,201	-
Current tax liabilities		72,533	119,144	72,533	119,144
		10,055,165	10,024,499	1,490,729	1,365,636
<b>TOTAL LIABILITIES</b>		<b>33,586,472</b>	<b>33,132,287</b>	<b>2,000,729</b>	<b>1,875,636</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>182,507,558</b>	<b>186,253,700</b>	<b>159,940,667</b>	<b>164,290,009</b>

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	29	27,425,119	18,415,098	2,202,515	2,206,232
COST OF SALES		(23,164,066)	(13,813,170)	(412,177)	(572,310)
GROSS PROFIT		4,261,053	4,601,928	1,790,338	1,633,922
OTHER INCOME	30	1,718,901	7,260,388	1,006,328	6,442,031
		5,979,954	11,862,316	2,796,666	8,075,953
SELLING AND DISTRIBUTION EXPENSES		(425,099)	(406,333)	-	-
ADMINISTRATIVE EXPENSES		(7,344,366)	(7,053,645)	(4,774,558)	(4,348,713)
OTHER EXPENSES		-	-	(2,500,000)	-
(LOSS)/PROFIT FROM OPERATIONS		(1,789,511)	4,402,338	(4,477,892)	3,727,240
FINANCE COSTS		(2,463,261)	(1,120,859)	(131)	(491)
(LOSS)/PROFIT BEFORE TAXATION	31	(4,252,772)	3,281,479	(4,478,023)	3,726,749
INCOME TAX EXPENSE	32	52,445	(934,405)	3,588	(557,946)
(LOSS)/PROFIT AFTER TAXATION		(4,200,327)	2,347,074	(4,474,435)	3,168,803
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE (EXPENSES)/ INCOME FOR THE FINANCIAL YEAR		(4,200,327)	2,347,074	(4,474,435)	3,168,803
<b>(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		(4,200,327)	2,347,074	(4,474,435)	3,168,803
<b>TOTAL COMPREHENSIVE (EXPENSES)/ INCOME ATTRIBUTABLE TO:-</b>					
Owners of the Company		(4,200,327)	2,347,074	(4,474,435)	3,168,803
<b>(LOSS)/EARNINGS PER SHARE (SEN)</b>					
Basic	33	(1.53)	0.85		
Diluted		(1.53)	0.85		

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Share Capital RM	Treasury Shares RM	< --- Non-distributable --- >		Distributable	Total Equity RM
			Asset Revaluation Reserve RM	Capital Reserve RM	Retained Profits RM	
<b>The Group</b>						
Balance at 1.1.2022	46,239,324	(3,724,544)	24,539,768	48,208,750	35,511,041	150,774,339
Profit after taxation for the financial year	-	-	-	-	2,347,074	2,347,074
Balance at 31.12.2022/1.1.2023	46,239,324	(3,724,544)	24,539,768	48,208,750	37,858,115	153,121,413
Loss after taxation for the financial year	-	-	-	-	(4,200,327)	(4,200,327)
Balance at 31.12.2023	46,239,324	(3,724,544)	24,539,768	48,208,750	33,657,788	148,921,086
<b>The Company</b>						
Balance at 1.1.2022	46,239,324	(3,724,544)	24,539,768	48,208,750	43,982,272	159,245,570
Profit after taxation for the financial year	-	-	-	-	3,168,803	3,168,803
Balance at 31.12.2022/1.1.2023	46,239,324	(3,724,544)	24,539,768	48,208,750	47,151,075	162,414,373
Loss after taxation for the financial year	-	-	-	-	(4,474,435)	(4,474,435)
Balance at 31.12.2023	46,239,324	(3,724,544)	24,539,768	48,208,750	42,676,640	157,939,938

The annexed notes form an integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM/(FOR)</b>					
<b>OPERATING ACTIVITIES</b>					
(Loss)/Profit before taxation		(4,252,772)	3,281,479	(4,478,023)	3,726,749
Adjustments for:-					
Amortisation of club membership		364	363	364	363
Depreciation of equipment		49,829	67,228	-	156
Depreciation of right-of-use assets		487,495	434,268	-	5,343
Impairment loss on investment in a subsidiary		-	-	2,500,000	-
Interest expense on lease liabilities		54,196	52,167	-	491
Interest expense on bridging loan		310,506	16,219	-	-
Interest expense on term loans		1,299,063	1,052,473	-	-
Interest expense on overdraft facility		131	-	131	-
Others interest expense		799,365	-	-	-
Dividend income		(161,291)	(51,102)	(161,291)	(51,102)
Fair value gain on investment property		-	(5,100,000)	-	(5,100,000)
Fair value gain on short-term investments		(214,198)	(171,164)	(214,198)	(171,164)
Gain on modification of a lease		-	(84,230)	-	(4,999)
Interest income		(335,984)	(191,892)	(91,411)	(64,766)
Operating loss before working capital changes		(1,963,296)	(694,191)	(2,444,428)	(1,658,929)
Increase in inventories		(32,136,967)	-	-	-
Decrease/(Increase) in property development costs		36,311,849	(5,450,566)	(377,086)	(158,867)
Decrease in contract costs assets		2,864,709	474,012	-	-
Decrease/(Increase) in contract assets		7,691,138	(2,803,459)	-	-
(Increase)/Decrease in trade and other receivables		(6,196,372)	1,159,459	79,927	(81,040)
Decrease/(Increase) in amount owing by subsidiaries		-	-	2,411,711	(10,025,871)
Increase in trade and other payables		1,860,081	193,637	154,503	130,921
<b>CASH FROM/(FOR) OPERATIONS</b>		<b>8,431,142</b>	<b>(7,121,108)</b>	<b>(175,373)</b>	<b>(11,793,786)</b>
Income tax paid		(897,010)	(424,405)	(43,023)	(47,946)
Interest paid		(131)	-	(131)	-
Tax refund received		90	-	-	-
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>		<b>7,534,091</b>	<b>(7,545,513)</b>	<b>(218,527)</b>	<b>(11,841,732)</b>

The annexed notes form an integral part of these financial statements.



## STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>				
Dividend received	161,291	51,102	161,291	51,102
Increase in pledged bank balances with a licensed bank	(159,724)	(374,383)	(73,573)	(316,798)
Interest income received	335,984	191,892	91,411	64,766
Additional investment in short-term investments	214,198	171,164	214,198	171,164
Purchase of equipment	(2,499)	(67,603)	-	-
Purchase of land held for property development	(219,690)	(219,844)	-	-
Increase in pledged fixed deposits with licensed banks	(56,891)	(40,203)	(56,891)	(40,203)
Additional investment in other investment	(304,000)	(119,000)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(31,331)	(406,875)	336,436	(69,969)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>				
Drawdown of bridging loan	34(a) 2,485,318	7,514,682	-	-
Interest paid	34(a) (1,649,065)	(1,136,557)	-	(491)
Repayment of lease liabilities	34(a) (469,663)	(423,606)	-	(7,008)
Repayment of bridging loan	34(a) (3,406,841)	(4,039,499)	-	-
Repayment of term loans	34(a) -	(2,017,020)	-	-
NET CASH FOR FINANCING ACTIVITIES	(3,040,251)	(102,000)	-	(7,499)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,462,509	(8,054,388)	117,909	(11,919,200)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	16,377,385	24,431,773	8,613,889	20,533,089
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34(c) 20,839,894	16,377,385	8,731,798	8,613,889

The annexed notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are at Unit 8-02, Level 8, Menara LGB, No.1 Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 April 2024.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and property development. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

### **MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company except as follows:-

The Amendments to MFRS 101 ‘Disclosure of Accounting Policies’ did not result in any changes to the existing accounting policies of the Group and of the Company. The amendments require the disclosure of ‘material’ rather than ‘significant’ accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 4 to the financial statements in line with the amendments.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

<b>MFRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

##### **(a) Depreciation of Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of equipment as at the reporting date is disclosed in Note 6 to the financial statements.

##### **(b) Impairment of Investments in Subsidiaries, Equipment, Right-of-use Assets and Other Investment**

The Group and the Company determine whether an item of its investments in subsidiaries, equipment, right-of-use assets and other investment are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of investments in subsidiaries, equipment, right-of-use assets and other investment as at the reporting date are disclosed in Notes 5, 6, 8 and 12 to the financial statements respectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

##### (c) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 9 and 16 to the financial statements respectively.

##### (d) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the applicable laws governing the contract.

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

##### (e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and current tax liabilities of the Group as at the reporting date are RM903,869 and RM72,533 (2022 - RM1,115 and RM119,144) respectively and the current tax liabilities of the Company is RM72,533 (2022 - RM119,144).

##### (f) Valuation of Investment Properties

Investment properties of the Group are reported at fair value which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining factors used in the valuation process as disclosed in Note 7 to the financial statements.

##### (g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Notes 9 and 17 to the financial statements respectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(h) Impairment of Property Development Costs**

The Group determines whether its property development costs are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property development costs as at the reporting date is disclosed in Note 13 to the financial statements.

##### **(i) Valuation of Land Held for Property Development**

Land held for property development is stated at the lower of cost and net realisable value. The Group determines net realisable value based on the recent sales transactions of similar properties or comparable properties in similar or nearby locations. The estimation of the selling price in particular is subject to significant inherent uncertainties, in particular the property market. Possible changes in these estimates could result in revisions to the valuation of land held for property development. The carrying amount of land held for property development as at the reporting date is disclosed in Note 10 to the financial statements.

##### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's and the Company's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

##### **(a) Classification between Investment Properties and Owner-occupied Properties**

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company account for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment properties.

##### **(b) Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

In determining the incremental borrowing rate of the respective leases, the Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.2 FINANCIAL INSTRUMENTS

##### (a) Financial Assets

###### Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

###### Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

##### (b) Financial Liabilities

###### Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest.

###### Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

##### (c) Equity

###### Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

###### Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

##### (d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.3 INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

#### 4.4 EQUIPMENT

All items of equipment are initially measured at cost.

Subsequent to the initial recognition, equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Electrical installations	10%
Office equipment, furniture and fittings	10% to 20%
Office renovation	10%

#### 4.5 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are measured at fair value with fair value changes recognised in profit or loss.

#### 4.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

##### (a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

##### (b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

##### (c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities’ incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.7 INVENTORIES

Completed properties are stated at the lower of cost and net realisable value. Cost is determined on specific identification and comprises cost associated with the purchase of land (including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use), construction costs and other related development costs incurred in bringing the inventories to their present location and condition.

#### 4.8 LAND HELD FOR PROPERTY DEVELOPMENT

Land held for property development represents land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development is stated at the lower of cost and net realisable value.

The cost comprises cost associated with the purchase of land, conversion fees and other relevant levies, and an appropriate proportion of common infrastructure costs.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the land held for property development will be the best available measure of the net realisable value.

Land held for property development is transferred to property development cost category when development activities have commenced and are expected to be completed within the normal operating cycle.

#### 4.9 PROPERTY DEVELOPMENT COSTS

Property development costs are stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land, conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, and an appropriate proportion of common infrastructure costs.

The property development costs of unsold units are transferred to inventories once the development is completed.

#### 4.10 EMPLOYEE BENEFITS

##### (a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

##### (b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

##### (c) Defined Benefit Plan

In addition to the statutory contribution to Employees' Provident Fund, the Group operates an unfunded benefit plan. Retirement gratuities are payable to eligible employees who have been in service for at least seven years upon their retirement or resignation.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023 RM	2022 RM
Unquoted shares, at cost	64,609,437	64,609,437
Allowance for impairment losses	(12,813,910)	(10,313,910)
	<u>51,795,527</u>	<u>54,295,527</u>
Allowance for impairment losses:-		
At 1 January	(10,313,910)	(10,313,910)
Impairment during the financial year	(2,500,000)	-
At 31 December	<u>(12,813,910)</u>	<u>(10,313,910)</u>

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
		%	%	
Parkwood Damai Sdn. Bhd.	Malaysia	100	100	Property development.
Parkwood Developments Sdn. Bhd.	Malaysia	100	100	Trading of construction related materials and project management activities.
Parkwood Damansara Sdn. Bhd.	Malaysia	100	100	Trading construction and building materials whereas the subsidiary is dormant since its incorporation.
Parkwood Sdn. Bhd.	Malaysia	100	100	Property development.

## 6. EQUIPMENT

The Group	Electrical Installations RM	Office Equipment, Furniture and Fittings RM	Office Renovation RM	Total RM
<b>2023</b>				
<b>Cost</b>				
At 1 January	1,950	539,110	24,950	566,010
Addition	-	2,499	-	2,499
At 31 December	<u>1,950</u>	<u>541,609</u>	<u>24,950</u>	<u>568,509</u>
<b>Accumulated depreciation</b>				
At 1 January	861	405,264	2,514	408,639
Depreciation charge during the financial year (Note 31)	195	47,139	2,495	49,829
At 31 December	<u>1,056</u>	<u>452,403</u>	<u>5,009</u>	<u>458,468</u>
<b>Accumulated impairment loss</b>				
At 1 January/31 December	-	30,001	-	30,001
Carrying Amount	<u>894</u>	<u>59,205</u>	<u>19,941</u>	<u>80,040</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 6. EQUIPMENT (CONT'D)

The Group	Electrical Installations RM	Office Equipment, Furniture and Fittings RM	Office Renovation RM	Total RM
<b>2022</b>				
<b>Cost</b>				
At 1 January	1,950	493,177	3,280	498,407
Additions	-	45,933	21,670	67,603
At 31 December	1,950	539,110	24,950	566,010
<b>Accumulated depreciation</b>				
At 1 January	666	339,624	1,121	341,411
Depreciation charge during the financial year (Note 31)	195	65,640	1,393	67,228
At 31 December	861	405,264	2,514	408,639
<b>Accumulated impairment loss</b>				
At 1 January/31 December	-	30,001	-	30,001
<i>Carrying Amount</i>	1,089	103,845	22,436	127,370

The Company	Office Equipment, Furniture and Fittings RM
<b>2023</b>	
<b>Cost</b>	
At 1 January/31 December	3,150
<b>Accumulated depreciation</b>	
At 1 January/31 December	3,149
<i>Carrying Amount</i>	1
<b>2022</b>	
<b>Cost</b>	
At 1 January/31 December	3,150
<b>Accumulated depreciation</b>	
At 1 January	2,993
Depreciation charge during the financial year (Note 31)	156
At 31 December	3,149
<i>Carrying Amount</i>	1

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 7. INVESTMENT PROPERTY

	The Group/The Company	
	2023	2022
	RM	RM
<i>Carrying Amount</i>		
At 1 January	41,700,000	36,600,000
Gain on changes in fair value (Note 30)	-	5,100,000
At 31 December	41,700,000	41,700,000

The following investment property is held under lease terms:

	The Group/The Company	
	2023	2022
	RM	RM
Included in the above are:-		
Leasehold land	30,600,000	30,600,000
Building	11,100,000	11,100,000
	41,700,000	41,700,000

- (a) The investment property of the Group and of the Company is leased to a customer under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods of 4 (2022 - 5) years.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	The Group/The Company	
	2023	2022
	RM	RM
Within 1 year	2,458,524	2,221,298
Between 1 and 2 years	2,458,524	2,458,524
Between 2 and 3 years	2,251,560	2,458,524
Between 3 and 4 years	-	2,232,777
	7,168,608	9,371,123

- (b) Investment property is stated at fair value, which have been determined based on valuation performed by an independent firm of professional valuers who have appropriate professional qualification. The fair value of the investment property was determined using cost and sales comparison approach. This valuation approach seeks to determine the value of the property being valued by comparing and adopting as a yardstick recent sale evidences involving other similar properties in the vicinity. Sales price of comparable properties in close proximity are adjusted for difference in key attributes such as location, size, time and tenure.

The fair values of the investment property is within level 2 of the fair value hierarchy.

There were no transfers between level 1 and level 2 during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 8. RIGHT-OF-USE ASSETS

The Group	At	Depreciation	At
	1.1.2023	Charges	31.12.2023
	RM	(Note 31)	RM
<b>2023</b>			
<i>Carrying Amount</i>			
Office buildings	925,551	(424,706)	500,845
Office furniture	188,365	(62,789)	125,576
	<u>1,113,916</u>	<u>(487,495)</u>	<u>626,421</u>

The Group	At	Depreciation	Reassessment	Modification	Derecognition	At
	1.1.2022	Charges	of Lease	of Lease	Due to Lease	31.12.2022
	RM	(Note 31)	Liabilities	Liabilities	Modification	RM
<b>2022</b>						
<i>Carrying Amount</i>						
Office buildings	943,020	(382,528)	174,284	909,390	(718,615)	925,551
Office furniture	43,837	(51,740)	-	214,527	(18,259)	188,365
	<u>986,857</u>	<u>(434,268)</u>	<u>174,284</u>	<u>1,123,917</u>	<u>(736,874)</u>	<u>1,113,916</u>

The Group has leased office buildings and office furniture that run for 3 (2022 - 1 to 3) years, with an option to renew the lease after that date. The Group is allowed to sublease the office building.

The Company	At	Depreciation	Derecognition	At
	1.1.2022	Charges	Due to Lease	31.12.2022
	RM	(Note 31)	Modification	RM
<b>2022</b>				
<i>Carrying Amount</i>				
Office building	21,373	(5,343)	(16,030)	-

## 9. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<u>Non-current:</u>				
Trade receivables	(a) 2,288,558	-	-	-
<u>Current:</u>				
Trade receivables	(b) 3,050,491	409,669	1,004	1,533
Other receivables:-				
Third parties	24,254	129,478	9,623	125,478
Advances to suppliers	(d) 56,896	-	-	-
Goods and services tax recoverable	-	3,034	-	-
	<u>81,150</u>	<u>132,512</u>	<u>9,623</u>	<u>125,478</u>
Deposits	1,763,236	1,229,331	73,878	29,985
Prepayments	17,500	32,416	17,500	24,936
	<u>4,912,377</u>	<u>1,803,928</u>	<u>102,005</u>	<u>181,932</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

**9. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (a) The trade receivables (non-current) are retention sums withheld by Maybank Islamic Berhad under the HouzKEY program. Maybank Islamic Berhad holds a portion equivalent to 15% of the purchase price. These monies will be released by the Maybank Islamic Berhad to the Group when the purchaser choose to terminate through refinances or sells the unit to third party, either after one year or within a maximum period of five years from the date of vacant possession.
- (b) Included in the trade receivables (current) of the Group are retention sums amounting to RM3,049,487 (2022 - Nil) withheld by lawyers upon delivery of vacant possession to the property buyers. These monies will be released by the lawyers in 2 stages, the first release will be at the expiry of 8 months and the second release will be at the expiry of 24 months from the date of vacant possession.
- (c) All customers are granted credit periods ranging from 7 to 60 days (2022 - 7 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.
- (d) The advances to suppliers will be offset against future purchases from the suppliers.

**10. LAND HELD FOR PROPERTY DEVELOPMENT**

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
At 1 January	33,354,196	33,134,352
Additions	219,690	219,844
At 31 December	33,573,886	33,354,196
Analysed by: -		
Leasehold land	31,000,000	31,000,000
Development costs	2,573,886	2,354,196
	33,573,886	33,354,196

Land held for property development with a total carrying amount of RM33,573,886 (2022 - RM33,354,196) has been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

**11. CLUB MEMBERSHIP**

	<b>The Group/The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Transferable club membership, at cost	20,000	20,000
Accumulated amortisation:-		
At 1 January	(9,636)	(9,273)
Amortisation during the financial year (Note 31)	(364)	(363)
At 31 December	(10,000)	(9,636)
	10,000	10,364

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. OTHER INVESTMENT

	The Group	
	2023 RM	2022 RM
<u>Non-current</u>		
Unquoted ordinary shares, at fair value	881,000	577,000

The Group has designated this investment to be measured at fair value through profit or loss.

## 13. PROPERTY DEVELOPMENT COSTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January:				
- Leasehold land	48,734,322	50,693,396	37,100,000	37,100,000
- Property development costs	25,433,718	18,024,078	379,105	220,238
	74,168,040	68,717,474	37,479,105	37,320,238
Leasehold land:				
- Transfer to inventories (Note 14)	(8,492,256)	-	-	-
- Transfer to contract costs assets (Note 15)	(3,142,066)	(1,959,074)	-	-
	(11,634,322)	(1,959,074)	-	-
Property development cost				
- Cost incurred during the financial year	15,646,249	18,217,414	377,086	158,867
- Transfer to inventories (Note 14)	(23,578,662)	-	-	-
- Transfer to contract costs assets (Note 15)	(16,745,114)	(10,807,774)	-	-
	(24,677,527)	7,409,640	377,086	158,867
At 31 December	37,856,191	74,168,040	37,856,191	37,479,105
Analysed by:-				
Leasehold land	37,100,000	48,734,322	37,100,000	37,100,000
Property development costs	756,191	25,433,718	756,191	379,105
	37,856,191	74,168,040	37,856,191	37,479,105

The leasehold land with a carrying amount of RM37,100,000 (2022 - RM48,734,322) has been pledged to a licensed bank as securities for banking facilities granted to the Group and the Company as disclosed in Note 25 to the financial statements.

## 14. INVENTORIES

	The Group 2023 RM
Transfer from property development cost (Note 13)	32,070,918
Additional enhancement cost	66,049
	32,136,967

The leasehold land with a carrying amount of RM8,492,256 has been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 15. CONTRACT COST ASSETS

	The Group	
	2023 RM	2022 RM
Contract fulfilment costs:-		
At 1 January	2,864,709	3,338,721
Transfer from property development costs (Note 13)	19,887,180	12,766,848
Cost recognised as cost of sales in profit or loss	(22,751,889)	(13,240,860)
At 31 December	-	2,864,709

The contract fulfilment costs represent land and related development costs that are attributable to the properties units sold. These costs are expected to be recoverable and are amortised to profit or loss when the related revenue is recognised.

In the previous financial year, the contract cost assets had been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

## 16. CONTRACT ASSETS

	The Group	
	2023 RM	2022 RM
<b>Contract Assets</b>		
Contract assets relating to property development activities	-	7,691,138

(a) In the previous financial year, the contract assets primarily related to the Group's rights to consideration for property development work completed on contracts but not yet billed at the reporting date. The amount was invoiced within 14 days.

(b) The changes to contract asset balances during the financial year are summarised below:-

	The Group	
	2023 RM	2022 RM
At 1 January	7,691,138	4,887,679
Property development revenue recognised during the financial year	25,222,604	16,208,866
Billings to customers during the financial year (transferred to trade receivables)	(32,913,742)	(13,405,407)
At 31 December	-	7,691,138

(c) In the previous financial year, the transaction price allocated to the unsatisfied performance obligation of a long-term contract was RM11,275,042. The remaining performance obligation was expected to be recognised as below:-

	The Group	
	2023 RM	2022 RM
Within 1 year	-	11,275,042

The amounts disclosed include variable consideration which was constrained.

## 17. AMOUNT OWING BY SUBSIDIARIES

The non-trade balances are unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 18. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore an effective interest rate of 2.30% (2022 - 2.25%) per annum. The fixed deposits have a maturity period of 180 days (2022 - 180 days) for the Group and the Company.
- (b) Included in the fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM2,599,751 (2022 - RM2,542,860) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

### 19. SHORT-TERM INVESTMENTS

The short-term investments of the Group and of the Company represent investments in highly liquid money market instruments. These investments are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value. The short-term investments bore effective interest rates ranging from 0.80% to 3.43% (2022 - 0.20% to 1.10%) per annum.

### 20. CASH AND BANK BALANCES

- (a) Included in the cash and bank balances of the Group is an amount of RM2,998,113 (2022 - RM3,240,099) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002. The amount is held at call with a bank and is available only to the subsidiary involved in the property development activities.
- (b) Included in the cash and bank balances of the Group and of the Company is an amount of RM4,049,343 and RM549,382 (2022 - RM3,889,619 and RM475,809) respectively pledged as securities for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

### 21. SHARE CAPITAL

	The Group/The Company			
	2023	2022	2023	2022
Issued and Fully Paid-Up	Number of Shares		RM	
Ordinary Shares				
At 1 January/31 December	281,968,184	281,968,184	46,239,324	46,239,324

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

### 22. RESERVES

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM	RM	RM	RM
Asset revaluation reserve	(a)	24,539,768	24,539,768	24,539,768	24,539,768
Capital reserve	(b)	48,208,750	48,208,750	48,208,750	48,208,750
Retained profits		33,657,788	37,858,115	42,676,640	47,151,075
		106,406,306	110,606,633	115,425,158	119,899,593

- (a) The asset revaluation reserve represents the increase in the fair value of leasehold land and buildings of the Group and the Company (net of deferred tax, where applicable).
- (b) The capital reserve represents the credit arising from the par value reduction by way of cancellation of RM0.40 from the par value of RM0.50 to RM0.10 of each existing ordinary share of the Company.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 23. TREASURY SHARES

	The Group/The Company			
	2023	2022	2023	2022
	Number of Ordinary Shares		RM	RM
At 1 January/31 December	6,797,300	6,797,300	3,724,544	3,724,544

There were no ordinary shares repurchased during the year. The repurchased shares are being held as treasury shares and carried at cost in accordance with the requirements of Section 127(6) of the Companies Act 2016. Treasury shares have no rights to vote, dividends and participation in other distribution.

## 24. LEASE LIABILITIES

	The Group	
	2023	2022
	RM	RM
At 1 January	1,116,203	1,062,712
Changes due to reassessment of lease term	-	174,284
Changes due to lease modification	-	1,123,917
Derecognition due to lease modification	-	(821,104)
Interest expense recognised in profit or loss (Note 31)	54,196	52,167
Repayment of principal	(469,663)	(423,606)
Repayment of interest expense	(54,196)	(52,167)
At 31 December	646,540	1,116,203
Analysed by:-		
Current liabilities	313,599	469,664
Non-current liabilities	332,941	646,539
	646,540	1,116,203

	The Company	
	2023	2022
	RM	RM
At 1 January	-	28,037
Derecognition due to lease modification	-	(21,029)
Interest expense recognised in profit or loss (Note 31)	-	491
Repayment of principal	-	(7,008)
Repayment of interest expense	-	(491)
At 31 December	-	-

## 25. BORROWINGS (SECURED)

	Note	The Group	
		2023	2022
		RM	RM
<b>Non-current</b>			
Bridging loan	(a)	750,180	2,263,063
Term loan	(a)	21,700,000	19,450,000
		22,450,180	21,713,063
<b>Current</b>			
Bridging loan	(a)	1,818,180	1,212,120
Term loan	(a)	-	2,250,000
Bank overdraft	(b)	17,201	-
		1,835,381	3,462,120

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 25. BORROWINGS (SECURED) (CONT'D)

- (a) The borrowings bore effective interest rates of ranging from 5.96% to 6.74% (2022 - 5.46% to 6.16%) per annum at the end of the reporting date and are secured by:-
- (i) facility agreements;
  - (ii) a first party legal charge over the leasehold land of the Group as disclosed in Notes 10, 13, 14 and 15 to the financial statements;
  - (iii) a corporate guarantee of the Company;
  - (iv) a legal charge over the debt service reserve account of the Group as disclosed in Note 20 to the financial statements;
  - (v) a legal charge over the escrow account of the Company as disclosed in Note 20 to the financial statements;
  - (vi) a third party deed of assignment to be executed over the rental proceeds derived from the investment property of the Group and of the Company;
  - (vii) a legal charge over the fixed deposits with licensed banks of the Group and of the Company as disclosed in Note 18 to the financial statements; and
  - (viii) debenture incorporating a fixed and floating charge over the Group.
- (b) The bank overdraft bore an effective interest rate of 5.89% per annum at the end of the reporting date and is secured by:-
- (i) facility agreements;
  - (ii) a legal charge over the leasehold industrial land of the Group and of the Company as disclosed in Note 13 to the financial statements;
  - (iii) an assignment over rental proceeds; and
  - (iv) a legal charge over the designated accounts.

### 26. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded defined retirement benefit plan for eligible employees.

The movements during the financial year and the amounts recognised in the statements of financial position are as follows:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
At 1 January/31 December	81,744	81,744

The amount recognised in the statements of financial position are determined as follows:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Present value of unfunded obligations	81,744	81,744

The above amount that have been recognised in profit or loss were included in administrative expenses.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 26. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

The principal actuarial assumptions used in respect of the unfunded defined benefit plan are as follows:-

	The Group	
	2023 RM	2022 RM
Discount rate	5.00%	5.00%

## 27. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	666,442	156,442	510,000	-
Recognised in profit or loss (Note 32)	-	510,000	-	510,000
At 31 December	666,442	666,442	510,000	510,000

The deferred tax liabilities are attributable to the following:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Deferred tax liabilities:-</b>				
Fair value adjustment on land held for property development through acquisition of a subsidiary	156,442	156,442	-	-
Fair value adjustment on investment property	510,000	510,000	510,000	510,000

## 28. TRADE AND OTHER PAYABLES

		The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	(b)	2,572,140	4,059,080	-	8,500
Other payables		54,227	200,587	31,283	23,189
Deposits		732,070	728,589	717,070	641,589
Accruals	(c)	4,475,215	985,315	652,642	573,214
		7,833,652	5,973,571	1,400,995	1,246,492

(a) The normal trade credit terms granted to the Group and the Company is 30 (2022 - 30) days.

(b) Included in the trade payables of the Group are retention sum payables amounting to RM1,452,871 (2022 - RM1,452,871). The retention sums are expected to be settled within the periods ranging from 12 to 25 (2022 - 12 to 30) months.

(c) Included in the accruals of the Group are accrued purchases amounting to RM3,355,707 (2022 - Nil) which represents the obligation to pay for material and services received but not billed by supplier at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 29. REVENUE

		The Group		The Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from Contracts with Customers</b>					
<u>Property development revenue</u>					
<u>recognised over time:</u>					
- sale of residential properties (under construction)	(c)	25,222,604	16,208,866	-	-
<b>Revenue from Other Sources</b>					
Rental income	(e)	2,202,515	2,206,232	2,202,515	2,206,232
		<u>27,425,119</u>	<u>18,415,098</u>	<u>2,202,515</u>	<u>2,206,232</u>

- (a) The information on the disaggregation of the revenue by geographical market is disclosed as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysia	27,425,119	18,415,098	2,202,515	2,206,232

- (b) The revenue of the Group and of the Company are derived entirely in Malaysia.

- (c) Sale of Residential Properties under Construction

The contracts contain a late penalty charge at 10% on the progress billing, calculated daily. Revenue is measured at the selling price (net of discount) agreed under the contract and after considering the estimated late penalty charges which are immaterial.

Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Company does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the property development cost incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time when the asset has been completed and delivered to the customer.

Billings to customers are based on agreed milestones under the contracts, certified by architects. The credit period is 30 days from the date of progress billing. There is no significant financing component in the selling price as the billing is made on the normal credit terms not exceeding 12 months.

A defect liability period of 24 months is given to the customers.

- (d) In the previous financial year, the information on the unsatisfied performance obligations was disclosed in Note 16(c) to the financial statements.
- (e) The information of the revenue from other sources is summarised below: -

#### **Rental Income**

Rental income is recognised on a straight-line basis over the lease term.

#### **Interest Income**

Interest income is recognised on an accrual basis using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 30. OTHER INCOME

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Included in other income are the following items:-				
Development management fee	500,000	500,000	500,000	500,000
Dividend income:				
- short-term investments	161,291	51,102	161,291	51,102
Fair value gain on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investments	214,198	171,164	214,198	171,164
Fair value gain on investment property	-	5,100,000	-	5,100,000
Gain on modification of a lease	-	84,230	-	4,999
Rental income on office	468,000	1,162,000	-	550,000
Total interest income on financial assets measured at amortised cost	335,984	191,892	91,411	64,766

## 31. (LOSS)/PROFIT BEFORE TAXATION

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
In addition to those disclosed in Note 30 to the financial statements, (loss)/profit before taxation is arrived at after charging:-				
Auditors' remuneration:				
- audit fees	125,000	113,000	52,000	52,000
- non-audit fees:				
- auditors of the Company	5,000	5,000	5,000	5,000
Directors' remuneration (Note 35)	915,038	731,467	915,038	731,467
<b>Material Expenses</b>				
Amortisation of club membership (Note 11)	364	363	364	363
Depreciation:				
- equipment (Note 6)	49,829	67,228	-	156
- right-of-use assets (Note 8)	487,495	434,268	-	5,343
Impairment loss on investment in a subsidiary (Note 5)	-	-	2,500,000	-
Fees payable to a company in which a director has a substantial financial interest	37,282	24,000	37,282	24,000
Interest expense on financial assets measured at amortised cost				
- imputed interest on trade receivables under non-current	799,365	-	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bridging loan	310,506	16,219	-	-
- term loan	1,299,063	1,052,473	-	-
- overdraft	131	-	131	-
Interest expense on lease liabilities (Note 24)	54,196	52,167	-	491
Lease expenses:				
- short-term leases	5,309	4,840	5,309	4,840
- low-value assets	3,390	9,690	-	-
Staff costs:				
- salaries and others benefits	3,578,647	3,409,275	1,878,211	1,780,042
- defined contribution plan	426,079	418,933	236,736	223,743

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM23,281 (2022 - RM51,037).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 32. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense	50,828	407,230	41,412	45,000
(Over)/Underprovision in the previous financial year	(103,273)	17,175	(45,000)	2,946
	(52,445)	424,405	(3,588)	47,946
Deferred tax (Note 27)				
- Origination and reversal of temporary differences	-	510,000	-	510,000
	(52,445)	934,405	(3,588)	557,946

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before taxation	(4,252,772)	3,281,479	(4,478,023)	3,726,749
Tax at the statutory tax rate of 24% (2022 - 24%)	(1,020,665)	787,555	(1,074,726)	894,420
Tax effects of:-				
Non-deductible expenses	1,328,351	1,101,020	1,012,029	334,114
Non-taxable gain	(494,213)	(838,637)	(38,710)	(726,264)
Utilisation of deferred tax assets previously not recognised	(174,642)	(185,438)	-	-
Deferred tax assets not recognised during the financial year	411,997	52,730	142,819	52,730
(Over)/Underprovision of current tax in the previous financial year	(103,273)	17,175	(45,000)	2,946
	(52,445)	934,405	(3,588)	557,946

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial year.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unused tax losses:				
- expires year of assessment 2028	32,451,000	34,138,000	24,378,000	24,378,000
- expires year of assessment 2029	1,121,000	3,000	-	-
Unabsorbed capital allowances	8,219,000	7,150,000	7,097,000	7,086,000
Other deductible temporary differences	2,527,000	2,036,000	716,000	132,000
	44,318,000	43,327,000	32,191,000	31,596,000

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas the unabsorbed capital allowances are allowed to be carried forward indefinitely.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 33. (LOSS)/EARNINGS PER SHARE

## (a) Basic (Loss)/Earnings Per Share

The basic (loss)/earnings per share is calculated by dividing the consolidated (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue after adjusting for treasury shares during the financial year.

	The Group	
	2023	2022
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January	281,968,184	281,968,184
Less: Treasury shares	(6,797,300)	(6,797,300)
Weighted average number of ordinary shares at 31 December	275,170,884	275,170,884
Basic (loss)/earnings per share (sen)	(1.53)	0.85

## (b) Diluted (Loss)/Earnings Per Share

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding at the end of the reporting period.

## 34. CASH FLOW INFORMATION

(a) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Bridging Loan RM	Term Loan RM	Lease Liabilities RM	Total RM
<b>2023</b>				
At 1 January	3,475,183	21,700,000	1,116,203	26,291,386
<u>Changes in Financing Cash Flows</u>				
Drawdown of bridging loan	2,485,318	-	-	2,485,318
Repayment of principal	(3,406,841)	-	(469,663)	(3,876,504)
Repayment of interest	(295,806)	(1,299,063)	(54,196)	(1,649,065)
	(1,217,329)	(1,299,063)	(523,859)	(3,040,251)
<u>Other Changes</u>				
Interest expense recognised in profit or loss (Note 31)	310,506	1,299,063	54,196	1,663,765
At 31 December	2,568,360	21,700,000	646,540	24,914,900
<b>2022</b>				
At 1 January	-	23,732,718	1,062,712	24,795,430
<u>Changes in Financing Cash Flows</u>				
Drawdown of bridging loan	7,514,682	-	-	7,514,682
Repayment of principal	(4,039,499)	(2,017,020)	(423,606)	(6,480,125)
Repayment of interest	(16,219)	(1,068,171)	(52,167)	(1,136,557)
	3,458,964	(3,085,191)	(475,773)	(102,000)
<u>Other Changes</u>				
Modification of leases	-	-	1,123,917	1,123,917
Reassessment of lease term	-	-	174,284	174,284
Derecognition due to lease modification	-	-	(821,104)	(821,104)
Interest expense recognised in profit or loss (Note 31)	16,219	1,052,473	52,167	1,120,859
	16,219	1,052,473	529,264	1,597,956
At 31 December	3,475,183	21,700,000	1,116,203	26,291,386

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 34. CASH FLOW INFORMATION (CONT'D)

(a) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

<b>The Company</b>	<b>Lease Liabilities RM</b>
<b>2022</b>	
At 1 January	28,037
<u>Changes in Financing Cash Flows</u>	
Repayment of principal	(7,008)
Repayment of interest	(491)
	(7,499)
<u>Other Changes</u>	
Derecognition due to lease modification	(21,029)
Interest expense recognised in profit or loss (Note 31)	491
	(20,538)
At 31 December	-

(b) The total cash outflows for leases as a lessee are as follows:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Payment of short-term leases	5,309	4,840	5,309	4,840
Payment of low-value assets	3,390	9,690	-	-
Interest paid on lease liabilities	54,196	52,167	-	491
Payment of lease liabilities	469,663	423,606	-	7,008
	532,558	490,303	5,309	12,339

(c) The cash and cash equivalents comprise the following:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Fixed deposits with licensed banks	2,599,751	2,542,860	2,599,751	2,542,860
Short-term investments	8,499,681	8,124,192	8,499,681	8,124,192
Cash and bank balances	16,406,757	12,142,812	798,700	965,506
Bank overdraft	(17,201)	-	(17,201)	-
	27,488,988	22,809,864	11,880,931	11,632,558
Less: Fixed deposits pledged with licensed banks	(2,599,751)	(2,542,860)	(2,599,751)	(2,542,860)
Less: Bank balances held in escrow	(549,382)	(475,809)	(549,382)	(475,809)
Less: Bank balances pledged with a licensed bank	(3,499,961)	(3,413,810)	-	-
	20,839,894	16,377,385	8,731,798	8,613,889



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

**35. KEY MANAGEMENT PERSONNEL COMPENSATION**

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Group and of the Company.

The key management personnel compensation during the financial year is as follows:-

	<b>The Group/The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Directors</b>		
<i>Directors of the Company</i>		
<i>Executive Directors</i>		
Short-term employee benefits:		
- fees	37,282	24,000
- salaries, bonuses and other benefits	598,800	533,640
	636,082	557,640
Defined contribution benefits	69,618	60,227
	705,700	617,867
<i>Non-executive Directors</i>		
Short-term employee benefits:		
- fees	126,838	72,000
- other benefits	82,500	41,600
	209,338	113,600
Total directors' remuneration (Note 31)	915,038	731,467

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM23,281 (2022 - RM51,037) respectively.

**36. RELATED PARTY DISCLOSURES****(a) Subsidiaries**

The subsidiaries as disclosed in Note 5 to the financial statements.

**(b) Significant Related Party Transactions and Balances**

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Transactions with subsidiaries</b>				
Parkwood Developments Sdn. Bhd.				
- Management services	-	-	518,560	324,017
- Administrative support services	-	-	167,679	99,500
<b>Transactions with related parties</b>				
GSL Realty Sdn. Bhd.				
- Rental of office	274,260	227,599	-	-
- Pylon signage license	1,000	1,000	-	-
- Upkeep of office	-	100	-	-
- Stamping fee	2,186	-	-	-
Synergy Estate Sdn. Bhd.				
- Office rental	-	7,500	-	7,500

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 36. RELATED PARTY DISCLOSURES (CONT'D)

## (b) Significant Related Party Transactions and Balances (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year (Cont'd):-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Transactions with related parties (Cont'd)</b>				
Extra Sdn. Bhd.				
- Computer and nominal assets	10,487	36,631	-	-
- Office and office furniture rental	69,600	60,675	-	-
- Upkeep of office	54,852	48,930	-	-
- IT related services	122,987	134,339	-	-
- Software and programming	9,986	10,120	-	-
- O365 usage services	17,446	16,569	-	-
- VPS for server services	17,431	19,459	-	-
- Website and emails	276	943	-	-
- Subscription (Others)	5,533	-	2,194	-
- Printing & stationery	13,782	14,709	-	-
- Lease of photostat machine	3,390	3,390	-	-
- Maintenance of photostat machine	151	311	-	-
- Stamping fee	-	60	-	-
Extra Solutions Sdn. Bhd.				
- Telephone and administration charges	1,375	1,417	-	-
- Subscription fees	13,006	13,006	13,006	13,006
- Website and emails	954	530	530	-
- Shareholder expenses	-	3,215	-	3,215
LGB Management Service Sdn. Bhd.				
- Administrative services	87,300	83,100	87,300	83,100
- Miscellaneous expenses	42	6,353	14	1,879
Bellworth Developments Sdn. Bhd.				
- Rental of office	180,000	180,000	-	-
Taliwork Corporation Berhad				
- Software and programming	-	547	-	-
- Annual dinner	16,530	-	6,421	-
Edaran SWM Sdn. Bhd.				
- Miscellaneous expenses	3,600	-	900	-
<b>Transactions with a company in which a director has financial interests</b>				
Telaxis Sdn. Bhd.				
- Fee	37,282	24,000	37,282	24,000
<b>Transactions with a legal firm in which a director is a Partner</b>				
Messrs. Ghazali Ariff & Partners				
- Legal fee	48,000	72,000	48,000	72,000

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

**37. OPERATING SEGMENTS**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Chief Executive Officer as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 2 main reportable segments as follows:-

- Investment holding - rental of investment property
  - Property development - property development activities
- (a) The Group Chief Executive Officer assesses the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets is measured based on all assets of the segment other than tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

**37.1 BUSINESS SEGMENTS**

<b>2023</b>	<b>Investment Holding RM</b>	<b>Property Development RM</b>	<b>The Group RM</b>
External revenue	2,202,515	25,222,604	27,425,119
Inter-segment revenue	-	2,795,973	2,795,973
	<u>2,202,515</u>	<u>28,018,577</u>	<u>30,221,092</u>
Consolidation adjustments			(2,795,973)
Consolidated revenue			<u>27,425,119</u>
<b>Results</b>			
Results before following adjustments	(2,230,230)	481,132	(1,749,098)
Amortisation of club membership	(364)	-	(364)
Depreciation of equipment	-	(49,829)	(49,829)
Depreciation of right-of-use assets	-	(487,495)	(487,495)
Segment results	<u>(2,230,594)</u>	<u>(56,192)</u>	<u>(2,286,786)</u>
Dividend income			161,291
Interest income			335,984
Finance costs			(2,463,261)
Income tax expense			52,445
Consolidated loss after taxation			<u>(4,200,327)</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 37. OPERATING SEGMENT (CONT'D)

## 37.1 BUSINESS SEGMENTS (CONT'D)

2023	Investment Holding RM	Property Development RM	The Group RM
<b>Assets</b>			
Segment assets	53,729,198	127,874,491	181,603,689
Unallocated asset:-			
- current tax assets			903,869
Consolidated total assets			<u>182,507,558</u>
Additions to non-current assets other than financial instruments are:-			
Equipment	-	2,499	2,499
Land held for development	-	219,690	219,690
<b>Liabilities</b>			
Segment liabilities	1,418,196	31,429,301	32,847,497
Unallocated liabilities:-			
- current tax liabilities			72,533
- deferred tax liabilities			666,442
Consolidated total liabilities			<u>33,586,472</u>
<b>2022</b>			
External revenue	2,206,232	16,208,866	18,415,098
Inter-segment revenue	-	2,738,580	2,738,580
	<u>2,206,232</u>	<u>18,947,446</u>	21,153,678
Consolidation adjustments			<u>(2,738,580)</u>
Consolidated revenue			<u>18,415,098</u>
<b>Results</b>			
Results before following adjustments	(1,482,766)	1,043,969	(438,797)
Amortisation of club membership	(363)	-	(363)
Depreciation of equipment	(156)	(67,072)	(67,228)
Depreciation of right-of-use assets	(5,343)	(428,925)	(434,268)
Fair value gain on investment property	5,100,000	-	5,100,000
Segment results	<u>3,611,372</u>	<u>547,972</u>	4,159,344
Dividend income			51,102
Interest income			191,892
Finance costs			(1,120,859)
Income tax expense			(934,405)
Consolidated profit after taxation			<u>2,347,074</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 37. OPERATING SEGMENT (CONT'D)

## 37.1 BUSINESS SEGMENTS (CONT'D)

2022	Investment Holding RM	Property Development RM	The Group RM
<b>Assets</b>			
Segment assets	53,543,915	132,708,670	186,252,585
Unallocated asset:-			
- current tax assets			1,115
Consolidated total assets			<u>186,253,700</u>
Additions to non-current assets other than financial instruments are:-			
Equipment	-	67,603	67,603
Land held for development	-	219,844	219,844
<b>Liabilities</b>			
Segment liabilities	1,246,492	31,100,209	32,346,701
Unallocated liabilities:-			
- current tax liabilities			119,144
- deferred tax liabilities			666,442
Consolidated total liabilities			<u>33,132,287</u>

## 37.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

Group	Revenue		Non-current Assets	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysia	27,425,119	18,415,098	79,191,965	76,914,906

The information on the disaggregation of revenue based on geographical region is summarised below:-

	Over Time/Group	
	2023 RM	2022 RM
Malaysia	27,425,119	18,415,098

## 37.3 MAJOR CUSTOMERS

The following is a major customer with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue		Segment
	2023 RM	2022 RM	
Customer #1	2,202,515	2,199,732	Investment Holding

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 38. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

##### (a) Market Risk

###### (i) Foreign Currency Risk

The Group and the Company do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

###### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 25 to the financial statements.

##### *Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Effects on (Loss)/Profit After Taxation</b>		
Increase of 100 basis points	+ 184,570	- 191,331
Decrease of 100 basis points	- 184,570	+ 191,331

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 38. FINANCIAL INSTRUMENTS (CONT'D)

## 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (a) Market Risk (Cont'd)

## (iii) Equity Price Risk

The exposure to equity price risk arises mainly from changes in quoted investment prices of the Group. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

*Equity Price Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	<b>The Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Effects on (Loss)/Profit After Taxation</b>		
Increase of 1%	- 64,598	+ 61,744
Decrease of 1%	+ 64,598	- 61,744
<hr/>		
	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Effects on (Loss)/Profit After Taxation</b>		
Increase of 1%	- 64,598	+ 61,744
Decrease of 1%	+ 64,598	- 61,744
<hr/>		

## (b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

## (i) Credit Risk Concentration Profile

The Group and the Company do not have any major concentration of credit risk related to any individual customer or counterparty.

## (ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 180 days past due.

##### Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2022 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.



## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 38. FINANCIAL INSTRUMENTS (CONT'D)

## 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)*Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

For property development, purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

*Allowance for Impairment Losses*

<b>The Group</b>	<b>Gross Amount RM</b>	<b>Lifetime Individual Allowance RM</b>	<b>Lifetime Collective Allowance RM</b>	<b>Carrying Amount RM</b>
<b>2023</b>				
Current (not past due)	5,339,049	-	-	5,339,049
More than 90 days past due	-	-	-	-
Trade receivables	5,339,049	-	-	5,339,049
<b>2022</b>				
Current (not past due)	409,669	-	-	409,669
More than 90 days past due	-	-	-	-
Trade receivables	409,669	-	-	409,669
Contract assets	7,691,138	-	-	7,691,138
	8,100,807	-	-	8,100,807

The Group believes that no impairment allowance is necessary in respect of its trade receivables and contract assets because the probability of default by these trade receivables and contract assets were negligible.

Other Receivables

The Group and the Company applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

###### (iii) Assessment of Impairment Losses (Cont'd)

###### Other Receivables (Cont'd)

###### *Allowance for Impairment Losses*

No expected credit loss is recognised on other receivables as it is negligible.

###### Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

###### Amount Owning By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the subsidiary would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD). In deriving the PD and LGD, the Group considers the subsidiary's past payment status and its financial condition as at the reporting date.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 38. FINANCIAL INSTRUMENTS (CONT'D)

## 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-trade Balances) (Cont'd)*Allowance for Impairment Losses*

<b>The Company</b>	<b>Gross Amount RM</b>	<b>Lifetime Loss Allowance RM</b>	<b>Carrying Amount RM</b>
<b>2023</b>			
Low credit risk	16,559,751	-	16,559,751
<b>2022</b>			
Low credit risk	18,971,462	-	18,971,462

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

*Allowance for Impairment Losses*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

## (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and adequate working capital to meet its obligations as and when they fall due.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 38. FINANCIAL INSTRUMENTS (CONT'D)

## 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (c) Liquidity Risk (Cont'd)

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>The Group</b>						
<b>2023</b>						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Lease liabilities	6.00	646,540	687,721	343,860	343,861	-
Bridging loan	6.74	2,568,360	2,683,293	1,934,840	748,453	-
Term loan	5.96 - 6.66	21,700,000	26,738,879	1,299,849	22,114,705	3,324,325
Trade and other payables	-	7,833,652	7,833,652	7,833,652	-	-
Bank overdraft	5.89	17,201	17,201	17,201	-	-
		32,765,753	37,960,746	11,429,402	23,207,019	3,324,325
<b>2022</b>						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Lease liabilities	6.00	1,116,203	1,211,580	523,860	687,720	-
Bridging loan	5.66	3,475,183	3,738,904	1,389,637	2,349,267	-
Term loan	5.46 - 6.16	21,700,000	25,150,152	3,480,914	21,669,238	-
Trade and other payables	-	5,973,571	5,973,571	5,973,571	-	-
		32,264,957	36,074,207	11,367,982	24,706,225	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 38. FINANCIAL INSTRUMENTS (CONT'D)

## 38.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (c) Liquidity Risk (Cont'd)

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
<b>The Company</b>					
<b>2023</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	-	1,400,995	1,400,995	1,400,995	-
Bank overdraft	5.89	17,201	17,201	17,201	-
Financial guarantee					
contracts in relation to:					
- Corporate guarantees					
given to a licensed bank					
for credit facilities					
granted to subsidiaries	-		24,268,360	-	-
		1,418,196	25,686,556	1,418,196	-
<b>The Company</b>					
<b>2022</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	-	1,246,492	1,246,492	1,246,492	-
Financial guarantee					
contracts in relation to:					
- Corporate guarantees					
given to a licensed bank					
for credit facilities					
granted to subsidiaries	-		25,175,183	-	-
		1,246,492	26,421,675	1,246,492	-

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### 38.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2023 RM	2022 RM
Lease liabilities (Note 24)	646,540	1,116,203
Bridging loan (Note 25)	2,568,360	3,475,183
Term loans (Note 25)	21,700,000	21,700,000
Bank overdraft (Note 25)	17,201	-
	24,932,101	26,291,386
Less: Fixed deposits with licensed banks (Note 18)	(2,599,751)	(2,542,860)
Less: Cash and bank balances (Note 20)	(16,406,757)	(12,142,812)
Net debt	5,925,593	11,605,714
Total equity	148,921,086	153,121,413
Debt-to-equity ratio	0.04	0.08

There was no change in the approach to capital management during the financial year.

#### 38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2023		2022	
	The Group RM	The Company RM	The Group RM	The Company RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments (Note 19)	8,499,681	8,499,681	8,124,192	8,124,192
Other investment (Note 12)	881,000	-	577,000	-
	9,380,681	8,499,681	8,701,192	8,124,192
<u>Amortised Cost</u>				
Trade and other receivables (Note 9)	5,363,303	10,627	539,147	127,011
Amount owing by subsidiaries (Note 17)	-	16,559,751	-	18,971,462
Fixed deposits with licensed banks (Note 18)	2,599,751	2,599,751	2,542,860	2,542,860
Cash and bank balances	16,406,757	798,700	12,142,812	965,506
	24,369,811	19,968,829	15,224,819	22,606,839

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 38. FINANCIAL INSTRUMENTS (CONT'D)

## 38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2023		2022	
	The Group RM	The Company RM	The Group RM	The Company RM
<b>Financial Liability</b>				
<u>Amortised Cost</u>				
Lease liabilities (Note 24)	646,540	-	1,116,203	-
Bridging loan (Note 25)	2,568,360	-	3,475,183	-
Term loans (Note 25)	21,700,000	-	21,700,000	-
Bank overdraft (Note 25)	17,201	17,201	-	-
Trade and other payables (Note 28)	7,833,652	1,400,995	5,973,571	1,246,492
	<u>32,765,753</u>	<u>1,418,196</u>	<u>32,264,957</u>	<u>1,246,492</u>

## 38.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2023		2022	
	The Group RM	The Company RM	The Group RM	The Company RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Net gain/(loss) recognised in profit or loss - mandatorily required by MFRS 9	375,489	375,489	222,266	222,266
<u>Amortised Cost</u>				
Net gain/(loss) recognised in profit or loss	(463,381)	91,411	191,892	64,766
<b>Financial Liability</b>				
<u>Amortised Cost</u>				
Net loss recognised in profit or loss	(1,663,896)	(131)	(1,120,859)	(491)

## 38.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>The Group</b>								
<b>2023</b>								
<u>Financial Assets</u>								
Short-term								
investments	8,499,681	-	-	-	-	-	8,499,681	8,499,681
Other investment	-	881,000	-	-	-	-	881,000	881,000

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 38. FINANCIAL INSTRUMENTS (CONT'D)

## 38.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:- (Cont'd)

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>The Group</b>								
<b>2023</b>								
<u>Financial Liabilities</u>								
Bridging loan	-	-	-	-	2,568,360	-	2,568,360	2,568,360
Term loan	-	-	-	-	21,700,000	-	21,700,000	21,700,000
Bank overdraft	-	-	-	-	17,201	-	17,201	17,201
<hr/>								
<b>2022</b>								
<u>Financial Assets</u>								
Short-term								
investments	8,124,192	-	-	-	-	-	8,124,192	8,124,192
Other investment	-	577,000	-	-	-	-	577,000	577,000
<hr/>								
<u>Financial Liabilities</u>								
Bridging loan	-	-	-	-	3,475,183	-	3,475,183	3,475,183
Term loan	-	-	-	-	21,700,000	-	21,700,000	21,700,000
<hr/>								
<b>The Company</b>								
<b>2023</b>								
<u>Financial Asset</u>								
Short-term								
investments	8,499,681	-	-	-	-	-	8,499,681	8,499,681
<hr/>								
<b>2022</b>								
<u>Financial Asset</u>								
Short-term								
investments	8,124,192	-	-	-	-	-	8,124,192	8,124,192
<hr/>								

**(a) Fair Value of Financial Instruments Carried at Fair Value**

- (i) The fair value of short-term fund is determined at its quoted closing bid prices at the end of the reporting period.
- (ii) The fair value of the unquoted equity investment is estimated based on the price to book valuation model. Management believes that the estimated fair value resulting from this valuation model is reasonable and the most appropriate at the end of the reporting period.
- (iii) There were no transfers between level 1 and level 2 during the financial year.

**(b) Fair Value of Financial Instruments Not Carried at Fair Value**

The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.





# PARKWOOD

**PARKWOOD HOLDINGS BERHAD**  
[Registration No. 196901000692 (9118-M)]  
(Incorporated in Malaysia)

## FORM OF PROXY

FIFTY-THIRD ANNUAL GENERAL MEETING  
[PLEASE READ NOTES CAREFULLY BEFORE COMPLETING THIS FORM.]

<b>CDS Account No.</b>	
<b>Number of Ordinary Shares held</b>	

I/We (Full Name in Block Letters) \_\_\_\_\_  
 NRIC No. / Passport No. / Company No. \_\_\_\_\_  
 of \_\_\_\_\_ being a  
 (full address and email address)  
 shareholder of **PARKWOOD HOLDINGS BERHAD** hereby appoint

Proxy 1	No. of Shares	%
Full Name of Proxy as per NRIC/Passport		
NRIC / Passport No.		
Full Address		
Email address		
Contact No		

and/or failing him/her,

Proxy 2	No. of Shares	%
Full Name of Proxy as per NRIC/Passport		
NRIC / Passport No.		
Full Address		
Email address		
Contact No		

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the **Fifty-Third Annual General Meeting ("53<sup>rd</sup> AGM")** of the Company to be held at at Level 3, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur on Wednesday, 19 June 2024 at 11.00 a.m. or at any adjournment thereof, in the manner indicated below:

Resolutions	Ordinary Business	For	Against
<b>Ordinary Resolution 1</b>	To approve the payment of Directors' fees for the financial year ended 31 December 2023.		
<b>Ordinary Resolution 2</b>	To approve the payment of Directors' benefits (other than Directors' fees) of RM69,300 for the period from 20 June 2024 until the conclusion of the next AGM.		
<b>Ordinary Resolution 3</b>	To re-elect Mr. Lim Chin Sean as Director		
<b>Ordinary Resolution 4</b>	To re-elect Ms. Jessica Low May-Teng as Director		
<b>Ordinary Resolution 5</b>	To re-elect Mr. Chin Kok Siong as Director		
<b>Ordinary Resolution 6</b>	To re-appoint Crowe Malaysia PLT as the Company's Auditors		

	Special Business		
<b>Ordinary Resolution 7</b>	To authorise the allotment of shares pursuant to Sections 75 and 76 of the Companies Act, 2016		

Please indicate with an [X] in the spaces provided above on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

Signature/Common Seal of Shareholder(s)



**Notes: -**

1. In regard of deposited securities, only members whose names appear in the Record of Depositors as at **12 June 2024** ("**General Meeting Record of Depositors**") shall be eligible to attend and vote at the Meeting.
2. If a member is unable to attend and vote at the Meeting, he/she may appoint a proxy to attend and vote at the Meeting on his/her behalf. The proxy may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and there shall be no restrictions as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he may appoint at least one proxy in respect of each securities' account he holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy must be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.

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STAMP

**PARKWOOD HOLDINGS BERHAD**  
[Registration No. 196901000692 (9118-M)]  
c/o **Boardroom Share Registrars Sdn Bhd**

11<sup>th</sup> Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13, 46200 Petaling Jaya,  
Selangor Darul Ehsan.

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**PARKWOOD**

To: All Shareholders of Parkwood Holdings Berhad

Dear Sirs,

**ADDENDUM TO THE ANNUAL REPORT 2023**

We refer to the Annual Report 2023 of Parkwood Holdings Berhad, which was issued on 30 April 2024.

We wish to inform you that the “Performance Data Table” (Appendix 1 set out on the next page) is included as part of the Sustainability Statement (page 20) of Annual Report 2023.

Save for the above, all other details in the Annual Report 2023 remain unchanged.

Any inconvenience caused is regretted.

The Addendum is dated 6 May 2024

Performance Data Table  
from Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00 *
Executive	Percentage	100.00 *
Non-executive/Technical Staff	Percentage	100.00 *
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	7,300.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	20.00
Management Above 50	Percentage	7.00
Executive Under 30	Percentage	7.00
Executive Between 30-50	Percentage	37.00
Executive Above 50	Percentage	17.00
Non-executive/Technical Staff Under 30	Percentage	0.00
Non-executive/Technical Staff Between 30-50	Percentage	10.00
Non-executive/Technical Staff Above 50	Percentage	3.00
Gender Group by Employee Category		
Management Male	Percentage	17.00
Management Female	Percentage	10.00
Executive Male	Percentage	20.00
Executive Female	Percentage	40.00
Non-executive/Technical Staff Male	Percentage	7.00
Non-executive/Technical Staff Female	Percentage	7.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67.00
Female	Percentage	33.00
Under 30	Percentage	0.00
Between 30-50	Percentage	50.00
Above 50	Percentage	50.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	47.87 *
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	8
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	86
Executive	Hours	56
Non-executive/Technical Staff	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	13.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	5
Non-executive/Technical Staff	Number	3
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	0.405000



# PARKWOOD

**PARKWOOD HOLDINGS BERHAD**  
REGISTRATION NO. 196901000692 (9118-M)

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