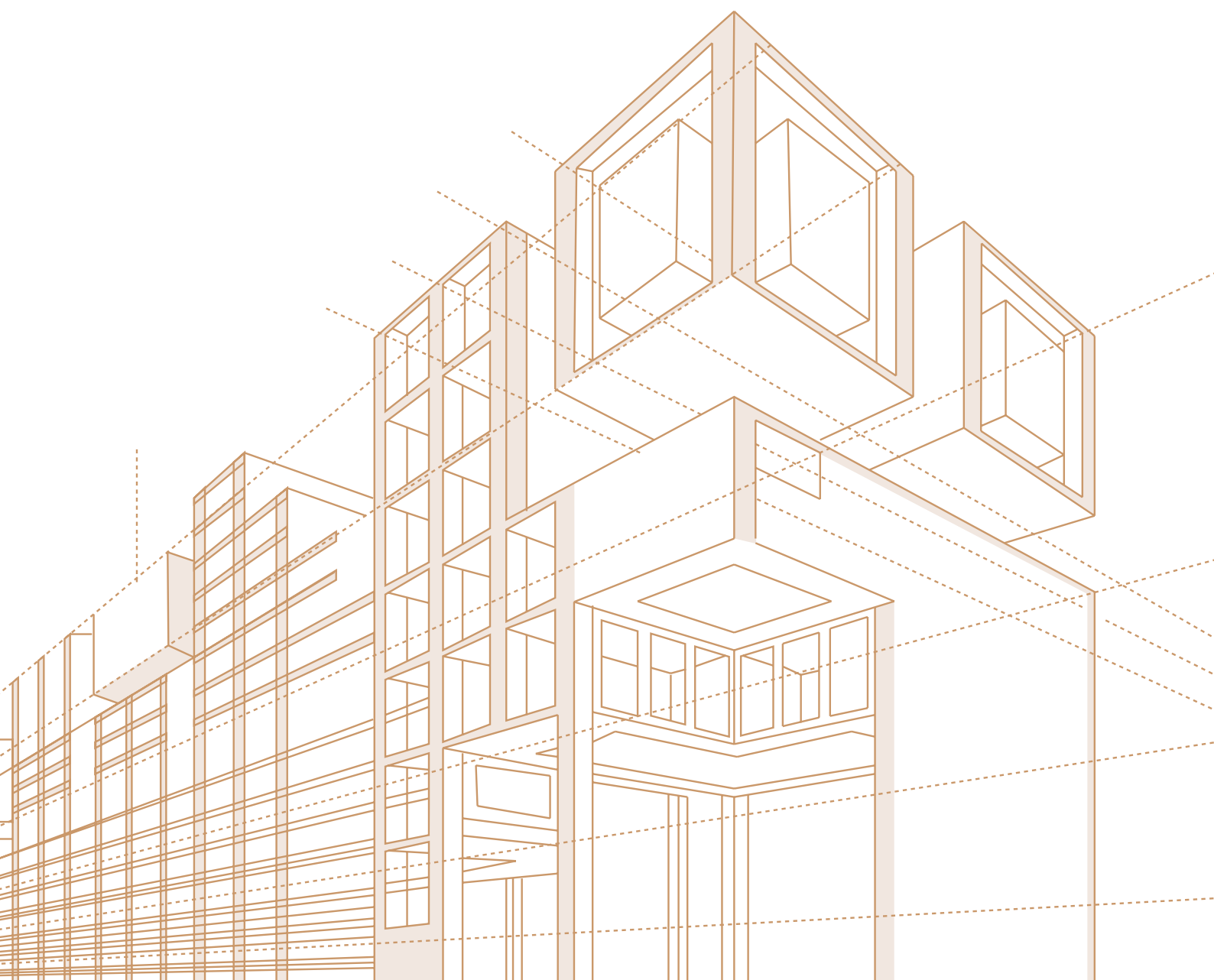




# PARKWOOD

ANNUAL REPORT 2021



RE. DEFINE SPACE

# 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.



Utamara Show Unit - Balcony

# OUR CORE VALUES

## 51<sup>ST</sup> ANNUAL GENERAL MEETING



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



Thursday, 16 June 2022  
11.00 a.m.

- **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.

## CORPORATE REVIEW

- 02 Corporate Information
- 03 Board of Directors
- 04 Profile of Directors
- 07 Key Senior Management Profile

## PERFORMANCE REVIEW

- 08 Group Financial Highlights
- 09 Chairman Statement
- 12 Management Discussion and Analysis

# WHAT'S INSIDE

THIS REPORT

## GOVERNANCE

- 15 Sustainability Statement
- 21 Corporate Governance Overview Statement
- 36 Statement on Risk Management and Internal Control
- 39 Audit and Risk Management Committee Report

## OTHER INFORMATION

- 44 Notice of Annual General Meeting
- 47 Administrative Guide
- 51 List of Properties
- 52 Analysis of Shareholdings

## FINANCIAL REVIEW

- 55 Directors' Report
- 59 Statement by Directors
- 59 Statutory Declaration
- 60 Independent Auditors' Report
- 63 Statements of Financial Position
- 64 Statements of Profit or Loss and Other Comprehensive Income
- 65 Statements of Changes in Equity
- 66 Statements of Cash Flows
- 68 Notes to the Financial Statements

### Form of Proxy



Damansara Damai - Artist Impression

## CORPORATE INFORMATION

## BOARD OF DIRECTORS

**DATO' GHAZALI BIN MAT ARIFF***Chairman, Independent Non-Executive Director***DATO' RONNIE LIM YEW BOON***Executive Director***DATUK HEW LEE LAM SANG***Independent Non-Executive Director***MR. LIM CHIN SEAN***Executive Director***TUAN HAJI FAUZI BIN MUSTAPHA***Independent Non-Executive Director*AUDIT AND RISK  
MANAGEMENT COMMITTEE*Chairman***Datuk Hew Lee Lam Sang***Members***Dato' Ghazali Bin Mat Ariff****Tuan Haji Fauzi Bin Mustapha**

## 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

## 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

## NOMINATION COMMITTEE

*Chairman***Datuk Hew Lee Lam Sang***Members***Dato' Ghazali Bin Mat Ariff****Tuan Haji Fauzi Bin Mustapha**

## 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

## REMUNERATION COMMITTEE

*Chairman***Dato' Ghazali Bin Mat Ariff***Members***Tuan Haji Fauzi Bin Mustapha****Datuk Hew Lee Lam Sang**

## KEY SENIOR MANAGEMENT

**Mr. Chan Keen Wai***Chief Operating Officer***Mr. Chin Kok Siong***Chief Financial Officer*

## 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

## STOCK EXCHANGE LISTING

Main Market of  
Bursa Malaysia Securities Berhad  
Stock Code : **2682**





## BOARD OF DIRECTORS

**DATUK HEW LEE LAM SANG**  
*Independent Non-Executive Director*

**MR. LIM CHIN SEAN**  
*Executive Director*

**TUAN HAJI FAUZI BIN  
MUSTAPHA**  
*Independent Non-  
Executive Director*

**DATO' RONNIE  
LIM YEW BOON**  
*Executive Director*

**DATO' GHAZALI BIN  
MAT ARIFF**  
*Chairman, Independent  
Non-Executive Director*



## PROFILE OF DIRECTORS

### DATO' GHAZALI BIN MAT ARIFF

*Chairman, Independent Non-Executive Director*

Malaysian | Aged 80 | Male

**Dato' Ghazali Bin Mat Ariff** is an Independent Non-Executive Director of Parkwood. He was appointed to the Board on 9 December 2003 and assumed the position as Chairman of the Company on 26 September 2007. He also serves as Chairman to the Remuneration Committee and is a member of the Audit and Risk Management Committee and Nomination Committee.

Dato' Ghazali is an Advocate and Solicitor. He qualified as a Barrister-at-Law from Lincoln's Inn, London and was called to the English Bar on 21 November 1978. He was admitted as an Advocate & Solicitor of the High Court of Malaya on 27 September 1979 and worked as a legal assistant at Messrs. Nik Hussain, Ibrahim & Abdullah, Kuala Lumpur. He set up a legal firm under the name of Messrs. Ghazali Ariff & Partners in March 1980 and is currently the Senior Partner of the firm.

Prior to that, he was a college trained teacher at Chung Hwa Confucian High School Penang from 1962 to 1968 and a lecturer at Sultan Hassanah Bolkiah Teachers' Training College Brunei Darussalam from 1968 to 1974.

Apart from Parkwood, Dato' Ghazali sits on the Board of Advanced Packaging Technology (M) Berhad. He also sits on the Board of several private limited companies.

Dato' Ghazali was the vice president of Jemaah Dato'-Dato' Perlis. He was appointed as a Commissioner for Oaths from 1995 till 2005. From September 1995 to December 1999, he was the Honorary Vice Consul of the Republic of Finland in Kuala Lumpur. Dato' Ghazali was also the Honorary Legal Advisor of Malaysia Thai Association from 1999 to 2002. He is currently the Life President of The Malay College Old Boys Association and a member of Jawatankuasa Pembangunan dan Pelaburan Majlis Agama Islam Perlis. He is also a member of the Jemaah Pengampunan Negeri Perlis (Perlis Pardons Board) since 28 October 2021.

Dato' Ghazali attended all five (5) Board meetings held during the financial year ended 31 December 2021.

### DATUK HEW LEE LAM SANG

*Independent Non-Executive Director*

Malaysian | Aged 58 | Male

**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 Chairman of the Nomination Committee and is a member of the Remuneration Committee.

Apart from Parkwood, Datuk Hew Lee sits on the Board of TIL Enviro Limited. 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 Lam Sang 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 Lam Sang attended all five (5) Board meetings held during the financial year ended 31 December 2021.



Utamara Show Unit - Master Bedroom

## PROFILE OF DIRECTORS (CONT'D)

## TUAN HAJI FAUZI BIN MUSTAPHA

*Independent Non-Executive Director*

Malaysian | Aged 77 | Male

**Tuan Haji Fauzi Bin Mustapha** joined the Board of Parkwood in November 1993 as a Non-Independent Non-Executive Director representing Permodalan Nasional Berhad ("PNB"). Following his retirement from the PNB Group and upon his declaration as such, he was re-designated as an Independent Non-Executive Director of the Company. He is a member of the Audit and Risk Management Committee as well as the Nomination Committee and the Remuneration Committee. He served as Chairman to the Risk Management Committee from November 2007 till December 2017. He ceased to be the Chairman to the Risk Management Committee following the merger of the Audit and Risk Management Committee on 1 January 2018.

In the PNB Group, Tuan Haji Fauzi, who holds a Diploma in Marketing, the Chartered Institute of Marketing, UK, and a Bachelor of Arts (Honours) Degree from University Malaya, served almost 19 years with Amanah Saham Nasional Berhad ("ASNB"), and the last position he held was as Head of Department of the Services and Quality Assurance Management Department. From January 2000 until March 2002, he held the position of Director of Human Resources in HeiTech Padu Berhad ("HPB"). He was, thereafter, designated as a Consultant to initiate HPB's quality improvements until December 2002.

Tuan Haji Fauzi attended all five (5) Board meetings held during the financial year ended 31 December 2021.

## DATO' RONNIE LIM YEW BOON

*Executive Director*

Malaysian | Aged 63 | Male

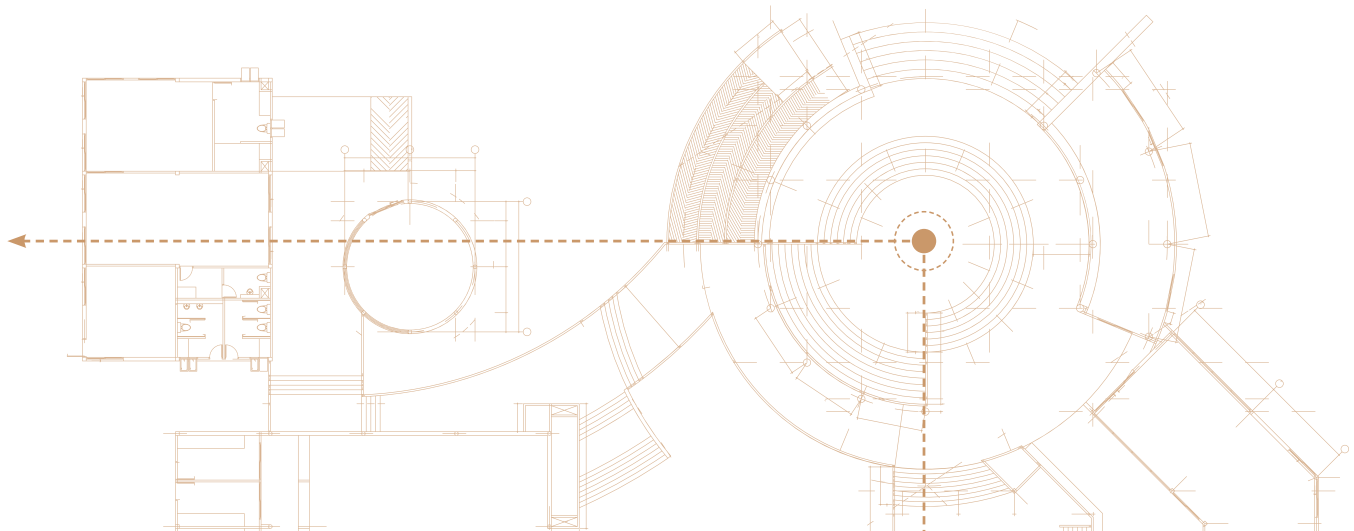
**Dato' Ronnie Lim Yew Boon** is an Executive Director of Parkwood. He was appointed to the Board on 9 December 2003. He had served as a member of the Audit Committee from 16 December 2003 till 22 November 2007. He was a member of the Risk Management Committee up to the merger of the Audit Committee and Risk Management Committee on 1 January 2018.

Apart from Parkwood, Dato' Ronnie Lim also sits on the Board of Taliworks Corporation Berhad and several private limited companies, namely Grand Saga Sdn Bhd, SWM Environment Sdn Bhd and a few others.

Prior to his appointment to the Board of Parkwood, Dato' Ronnie Lim served as the Group Chief Operating Officer in LGB Group of Companies. He holds a Diploma in Civil Engineering and started his career in the field of construction with consultant engineers. With over thirty years of varied corporate and management experience, he has wide-in-depth exposure in various key industries covering construction, manufacturing, property development and public utilities.

Dato' Ronnie Lim is a cousin of Mr. Lim Chin Sean, who is an Executive Director and a substantial shareholder of the Company.

Dato' Ronnie Lim attended all five (5) Board meetings held during the financial year ended 31 December 2021.





## PROFILE OF DIRECTORS (CONT'D)

**MR. LIM CHIN SEAN***Executive Director*

Malaysian | Aged 40 | Male

**Mr. Lim Chin Sean** is an Executive Director 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.

Mr. Lim Chin Sean 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 Chin Sean is a cousin of Dato' Ronnie Lim, who is an Executive Director of the Company.

Mr. Lim Chin Sean 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.

Mr. Lim Chin Sean attended all five (5) Board meetings held during the financial year ended 31 December 2021.

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.



Utamara Show Unit - Dining Area



## KEY SENIOR MANAGEMENT PROFILE

**CHAN KEEN WAI***Chief Operating Officer*

Malaysian | Aged 53 | Male

**Mr. Chan Keen Wai** was appointed as Chief Operating Officer of Parkwood in 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 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.

**CHIN KOK SIONG***Chief Financial Officer*

Malaysian | Aged 57 | Male

**Mr. Chin Kok Siong** was appointed as Chief Financial Officer of Parkwood in 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.

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

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

## GROUP FINANCIAL HIGHLIGHTS

	2017	2018	2019	2020	2021
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<b>1 RESULT OF OPERATIONS</b>					
Revenue	19,740	4,259	5,015	6,512	9,906
Profit/(Loss) Before Interest, Tax and Depreciation	6,690	(4,863)	(3,316)	(3,364)	(1,993)
Profit/(Loss) Before Tax	5,925	(4,975)	(4,093)	(3,814)	(3,817)
Profit/(Loss) After Tax	6,273	(4,170)	(2,750)	(3,990)	(4,315)
<b>2 BALANCE SHEET</b>					
<b><u>Equity And Long Term Liabilities</u></b>					
Issued and Paid-Up Share Capital	19,566	19,566	22,161	22,161	46,239
Treasury Shares	(3,725)	(3,725)	(3,725)	(3,725)	(3,725)
Share Premium	2,595	2,595	-	-	-
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	50,825	46,655	43,816	39,826	35,511
Shareholders' Fund	142,010	137,840	135,001	131,011	150,774
Retirement Gratuities	234	126	130	164	82
Deferred Tax Liabilities	5,480	1,681	156	156	156
<b><u>Long Term Assets</u></b>					
Property, Plant & Equipments	573	671	709	598	127
Investment Properties	76,500	36,600	36,600	36,600	36,600
Right-of-Use Assets	-	-	1,077	1,516	987
Land Held for Property Development	-	-	-	32,589	33,134
Other Investment	12	12	11	11	469
Other Assets	32	32	32	32	32
<b><u>Other Assets And Liabilities</u></b>					
Currents Assets	74,624	107,380	105,369	92,799	110,358
Current Liabilities	4,017	5,048	4,002	6,056	7,234
Net Current Assets	70,607	102,332	101,361	86,743	103,124
Total Assets	151,741	144,695	143,792	164,145	181,707
<b>3 FINANCIAL RATIO</b>					
Return on Equity (%)	4.42	(3.03)	(2.04)	(3.05)	(2.86)
Profit/(Loss) Before Interest, Tax and Depreciation on Revenue (%)	33.89	(114.18)	(66.13)	(51.66)	(20.12)
Profit/(Loss) Before Tax on Revenue (%)	30.02	(116.83)	(81.63)	(58.57)	(38.53)
Debt Equity Ratio (times)	-	-	0.03	0.20	0.16
Current Ratio (times)	18.58	21.27	26.33	15.32	15.26
<b>4 PER SHARE</b>					
Earnings/(Loss) Per Share (Sen)	4.74	(3.03)	(2.00)	(2.90)	(1.79)
Share Price (Sen)	39.00	21.00	26.00	32.50	18.50
Net Asset Per Share (Sen)	103.22	100.19	98.12	95.22	54.79

# CHAIRMAN'S STATEMENT

## *Dear Valued Shareholders*

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of Parkwood Holdings Berhad and its group of companies ("Parkwood" or "the Group") for the financial year ended 31 December 2021. The pertinent details of the Group's business and performance are presented under the Management Discussion and Analysis Report.

### OVERVIEW

Financial year 2021 has been bumpy and challenging with the prolonged Covid-19 which impacted the global and domestic economy significantly. Throughout the year, uncertainties in the global markets remained elevated owing to the economic upheaval and health crisis brought about by the pandemic. This resulted in the enforcement of lockdowns of varying levels across all business sectors in various countries. The situation was worsened by the re-imposition of measures to control the spike in Covid-19 cases that have caused further strain to the value chain. This has exacerbated the existing business operating environment and had further brought detrimental impact on the global economy.

On the home front, the re-imposition of intermittent movement control order ("MCO") and full movement control order ("FMCO") with a total nationwide lockdown throughout the year in response to the continued infections had inevitably affected the overall trajectory of the country's economic recovery. Although business operations were then allowed to return to normalcy towards last quarter of the year with strict adherence to the standard operating procedures ("SOPs"), periodic outbreaks throughout FY2021 generally dampened the economic sentiment and recovery.



**DATO GHAZALI BIN MAT ARIFF**

Chairman

## CHAIRMAN'S STATEMENT (CONT'D)

For Parkwood, the various stages of lockdown throughout the year have inadvertently curtailed our business engagements. There were lesser visitations to sales gallery with lower transactional activities. Construction projects were being halted due to site closures. When work activities were allowed to resume, the Group faced a host of challenges such as strict SOP requirements, labour shortages and increase in material costs of which had adversely impacted its operations.

Despite the poor sentiment, the Group remains proactive and vigilant in mitigating the adverse impact. Sales and marketing approach were strengthened by introducing more attractive sales packaging to further attract new buyers, show units were completed with top-notch interior design and furnishing for viewing plus harnessing the digital and social platforms to widen our market reach to improve the Group's sales.

## FINANCIAL PERFORMANCE

For the financial year under review, the Group recorded a total revenue of RM9.91 million, which was RM3.40 million or 52.11% higher than the RM6.51 million recorded in the preceding financial year. The increase was mainly from the property development division. However, a loss before tax of RM3.81 million was recorded due to higher operating cost during the challenging financial year.



Utamara Show Unit - Study Area

## CORPORATE DEVELOPMENTS

On the corporate front, the Group had on 27 April 2021 completed its Rights Issue exercise which involved the issuance of up to 137,585,442 Rights Shares on the basis of 1 Rights Share for every 1 existing ordinary share at the subscription price of RM0.18 per share. Net proceeds which amounted to RM24.08 million was raised mainly for the purpose of funding the development of the Group's Utamara Boutique Residences project and partly for working capital.

During FY2021, the Group had also diversified its income source by entering into a development management agreement with its investee company, Triangle Asia Sdn Bhd to provide property development and project management services for its project located at the Kuala Lumpur City Centre. The duration of the development management services is for 60 months, which commenced from 1 January 2022.

In addition to the above, as part of the Group's branding exercise to improve its corporate presence, Parkwood unveiled its new corporate website during the first quarter of 2021, among others, to provide overview information of the Group, its business compositions and corporate commitments.

## INDUSTRY OUTLOOK

For the entire year of 2021, the world was again grappling away with the highly transmissible Delta and Omicron variants that had caused a re-emergence spike in infection. The country's economy managed to achieve a gradual improvement and recorded a gross domestic product growth of 3.1 percent, recovering from a 5.6 percent fall in 2020 while staying below its pre-pandemic level in 2019.

The domestic economy is expected to further recover and projected to accelerate by 5.5% to 6.5% in 2022. This could be attested by the government's focus on the continuation of mega projects under Budget 2022 which will create a positive spill-over effect on the overall economy, which includes the property market. Continuation of low interest rate environment will also encourage spending and investment which could further spur the economy for the coming years. The positive economic signals, as well as the improved progress and efficacy of vaccination and booster rates, implementation of economic policies by the government and the opening of international borders on 1 April 2022 are expected to contribute to the renewed optimism.

Nevertheless, the Group will maintain a cautious approach on the above economy and property market optimism for 2022 due to the recent wave of Covid-19 infections caused by the new Omicron variant.

While the Covid-19 pandemic has been a major bane for all layers of the economy and society, it has also presented opportunities for the Group to refocus on its operational sustainability and efficiency as we continue to adapt to the new operating conditions.

We continue to take proactive measures to remain resilient as we move forward. Latest developments relating to the pandemic will be monitored closely to ensure that we are well positioned to capitalise on opportunities that may emerge over time with the long-term view of maximizing value for our shareholders.



## CHAIRMAN'S STATEMENT (CONT'D)

## COMMITMENT TO CORPORATE GOVERNANCE AND SUSTAINABILITY

In view of the growing importance of Environmental, Social and Governance ("ESG") considerations in business practices, we shall endeavour to undertake more sustainability-related initiatives in the coming years, whilst integrating ESG factors into our decision-making.

We believe commercial success is partly attributed to the positive impacts that the Group brings to the society while protecting the environment. This philosophy is guided by our sustainability framework and policy statements which are embraced throughout our operations. Among the benefits of sustainability include higher efficiency and productivity, improved product quality, higher staff morale and employee satisfaction, a stronger brand name and greater access to financing.

The Group has also taken positive steps by reinforcing its zero-tolerance approach towards any form of corruption practices within the organisation and its overall ecosystem. Our policies have cascaded throughout our supply chain to encourage commitment towards upholding corporate integrity and good business practices. The Board is committed to ensure that our corporate governance is aligned with the spirit and practices of the Malaysian Code of Corporate Governance 2021 ("MCCG"). We have stepped up our community efforts during this pandemic as a responsible corporate citizen to enrich the communities that we serve. While efforts are ongoing, our sustainability progress in FY2021 is outlined in the Sustainability Statement on page 15.

## DIVIDEND

The Board of Directors has decided not to recommend the payment of any dividend for the financial year ended 31 December 2021.



Utamara Show Unit - Master Bedroom 2

## APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank all our valued stakeholders, particularly our shareholders, customers and associates for your support and confidence throughout the years.

I would also like to extend my heartfelt appreciation to my fellow colleagues on the Board for your commitment and collective contributions that enabled the Group to successfully navigate this challenging business environment. I look forward to your continued participation as we work together to ensure the continuous growth of the Group's business.

Finally, the Board and I would like to express our sincere gratitude and appreciation to the management team and staff for their unrelenting loyalty, steadfast commitment and dedication to the Group as we leverage on all opportunities and overcome all challenges to ensure a strong and sustainable future for all.



Utamara - Sales Gallery

## MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis of the operating performance and financial position of Parkwood Holdings Berhad and its group of companies ("Parkwood" or "the Group") should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and notes related thereto.



Utamara - Construction Site



Utamara - Construction Site

## ANALYSIS OF FINANCIAL RESULTS

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

	2021 RM'000	2020 RM'000	Changes (%)
<b>Segments</b>			
• Property Development	7,634	4,190	82.16
• Investment Property	2,272	2,322	-2.15
<b>Group Revenue</b>	<b>9,906</b>	<b>6,512</b>	
<b>Segments</b>			
• Property Development	(3,143)	(3,372)	-6.79
• Investment Property	(674)	(442)	52.49
<b>Group Loss Before Tax</b>	<b>(3,817)</b>	<b>(3,814)</b>	

The sentiment of the property market remained subdued throughout FY2021 amid challenges brought on by the Covid-19 pandemic and the various lockdown restrictions. The strict standard operating procedures and containment measures resulted in significant impact to construction works, project delivery timelines and completion of property transactions. Amidst the challenging business environment, the Group registered a 52.11% increase in revenue to RM9.91 million compared to RM6.51 million in the preceding year due

to improvement in the revenue contribution from its property development segment. Slight decrease in rental income from its property leasing activities mainly due to discounts given to tenants during the lockdown periods. The Group's overall financial performance was also adversely impacted by the increase in operating expenses which led to a loss before tax of RM3.81 million.

Despite the adverse operating results, the Group's financial position remained healthy. Total assets as at end of FY2021 stood at RM181.71 million while total equity attributable to owners of the Company stood at RM150.77 million, translating to net assets per share of RM0.55. In comparison, the total assets in FY2020 were RM164.14 million while total equity attributable to owners of the Company stood at RM131.01 million. The net assets per share was RM0.95. The lower net assets per share for FY2021, despite the higher total assets, was mainly attributed to the increase in number of shares as a result of the Rights Issue exercise undertaken by the Group during the year.

The Group's gross debt to equity ratio was low at 0.16 times despite the cash outflow from its operating activities. This was mainly due to the RM24.08 million net proceeds raised from the abovementioned Rights Issue exercise to finance its development activities. The Group's cash and cash equivalents at the close of the financial year remained strong at RM30.4 million of which RM22.7 million was placed in fixed deposits and invested in money market instruments.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## REVIEW OF OPERATIONS

The resurgence of Covid-19 infections during the financial year saw the return of lockdown restrictions in the country. This dampened all hopes for a gradual recovery of the property market. The movement control orders and increased precautionary behaviour had affected negatively on the private consumption activity.

The biggest challenges the Group faced in FY2021 were the prolonged episodes of pandemic movement restrictions and lockdowns in addition to a halt of all construction activities for approximately 3.5 months during the year. The property development sector was beset with a number of continuing challenges owing to supply chain disruption resulting from the pandemic's global impact on the availability and delivery of materials. Prices of raw materials also spiked on the back of a mixed bag of factors that included logistic shortages and reduced production. Labour shortages were also one of the key challenges faced by the Group. With the health and safety of workers being an utmost priority, a host of additional costs were incurred in relation to complying with regulations set by local authorities to control the spread of the virus. This further escalated the construction cost. Notwithstanding the interruption of the progress to the construction works and all the uphill tasks faced last year, we expect the construction works of our maiden Utamara Boutique Residences ("UBR") project to be completed by the last quarter of 2022.

Against the backdrop of a soft market, the Group continues to focus its efforts to unlock the UBR units. Sales, to-date, with Sale and Purchase Agreement signed, is about 33% fetching a nett sales value of approximately RM33.56 million. We forecast that the cumulative sales shall exceed 50% by end 2022.

To further accelerate sales, the Group also took steps to focus on digital innovation and online capabilities so that we could continue engaging our customers and bring our product offerings to them in a more effective manner. Our digitisation initiatives include the adoption of e-brochures, virtual walkthroughs of our show unit as sales tools plus the increased use of digital advertising and social media marketing.

With lifestyle and work norms having transformed extensively as a result of Covid-19, the home has become a hub for every activity, including exercising, schooling and working. The change in customers' preference is expected to impact our design strategy. Affordably priced residential development is anticipated to continue to be a key deciding factor for potential home buyers. Delivering innovative and sustainability-driven designs with smart home solutions to meet the needs of current home buyers are expected to be a necessity rather



Investment Property - Sport Centre



Investment Property - Factory Warehouse

than luxury. Against this backdrop, the strategic plan for our upcoming mixed-use development at Damansara Damai, with an estimated Gross Development Value of approximately RM270.0 million, has been drafted and the project is poised to be a major income contributor to the Group in near term.

This proposed development on a strategically located piece of commercial zoned land measuring approximately 3.55 acres is envisaged to consist of various types of tastefully designed, yet affordable serviced apartments and lifestyle retails to cater for a variety of needs. This proposed development is surrounded by matured townships where various amenities and facilities are available for all age groups. Excellent connectivity and accessibility coupled with an adjacent newly completed Mass Rapid Transit (MRT) station are the key features of this proposed development.

Currently, we are in the midst of applying for planning permission. We expect to launch this project by the end of 2022 or early 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The outbreak of the Covid-19 pandemic witnessed an increased reliance on smart devices within the daily lives of consumers. We foresee that the demand for seamless and responsive services and products is rising, hence, e-commerce offerings and home delivery services that function with lesser human contact are expected to flourish in the future. With this shift, demand for warehouse and distribution centres by the logistics business centres have increased significantly to cater to the online business. Capitalising on this emerging trend of the logistics sector, we plan to rollout the development of a 2-storey warehouse on our 11.49-acre industrial land in Shah Alam, Section 15 in two phases, starting next year to bolster the Group's investment income. With total net lettable area of approximately 500,000 sq ft, the construction works are expected to commence by the last quarter of 2022 and expected to complete within 18 months.

The Group has also entered into a development management agreement with Triangle Asia Sdn Bhd to manage the development of its proposed branded residences in collaboration with an international brand partner in the city centre of Kuala Lumpur. This is part of the Group's efforts to diversify its income stream in the property sector, as well as to accentuate its brand image by managing and delivering selected high-end prestigious projects where state-of-the-art expertise in property development is imperative.

## FUTURE PROSPECT

As the world and Malaysia continue to endure the impacts of the pandemic, we remain vigilant on our outlook. The Group will continue to monitor the latest developments relating to the pandemic and operating condition and address any development accordingly, with the long-term view of maximising value for our shareholders. The emergence of new Covid-19 variants and the increased rate of infections could prolong the pandemic and induce renewed economic disruptions. Rolling epidemic hotspots of the Covid-19 virus continue to add to the overall economic and human costs of the pandemic and uncertainties about the timing of a sustained recovery.

Meanwhile, continued progress in vaccination coverage, advancements in vaccine efficacy and availability of anti-viral treatments will allow for better management of the pandemic, hence supporting growth prospects to gain momentum in 2022 in line with the relaxation of containment measures. For the time being, risks' outlook remains tilted to the downside with optimism remaining in the horizon.

In respect of the property market, we expect it to be slow in the near term due to the lack of fresh impetus after the end of the Home Ownership Campaign in December 2021. Nevertheless, property sales are expected to experience a steady improvement in the months ahead, with the economy forecasted to significantly rebound in 2022 as it continues to recover with further reduction in overhang units. Furthermore, the Government's focus on the continuation of mega projects and various stimulus packages under the Budget 2022 could add further optimism and create a positive spill-over effect on the overall property market, with prices moving on an upward trend in tandem with the gradual recovery. The recent announcement by the Ministry of Housing and Local Government ("KPKT") in activating the KPKT Home Ownership Programme and integrating the housing ecosystem, including housing provision and financing, will further add to the positive sentiments.

In the mid-term, we expect market confidence will continue to be closely linked to (and heavily influenced by) both positive and negative developments on the Covid-19 front. Nonetheless, the Group is well placed to drive high quality earnings growth and pursue new opportunities when the world emerges from the current economic challenges. Most importantly, the Group has continued to lay down the strategic foundations and its business continuity plan that will position the Group to create long term sustainable value for all stakeholders.



Utamara Artist Impression - Pool Lounge

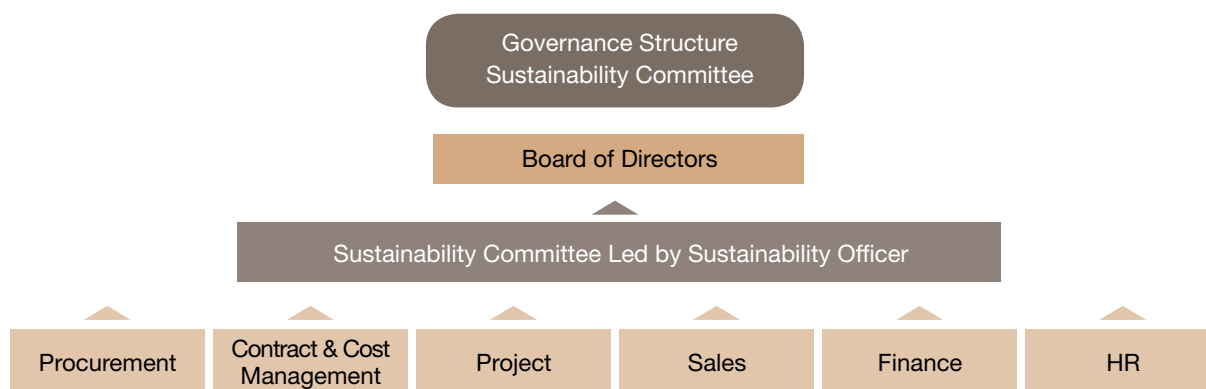


## SUSTAINABILITY STATEMENT

The Board of Directors (“the Board”) of Parkwood Holdings Berhad (“Parkwood” or “the Group”) recognises the importance of continuously developing and improving the business operations of the Group in a sustainable and responsible manner. It remains as one of the Group’s yardsticks of success as we continue to conduct business in a fair and ethical manner and consider the interest of all our stakeholders in achieving long-term sustainable growth.

This is our fourth year of reporting Parkwood’s sustainability initiatives and it is guided by Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Sustainability Reporting Guide (2nd Edition) as well as in compliance with Bursa Securities’ Main Market Listing Requirements. In view of the Group’s commitment to inculcate the culture of sustainability into our business operations, we continue to identify and formulate efforts and initiatives that will facilitate our sustainability goals and aspirations in the long term. Moving forward, we endeavour to continuously improve our sustainability reporting mechanisms by taking into account our business practices that influence our economic performance (Economic), usage of natural resources (Environment) and impact of the society (Social).

Our Sustainability Committee, comprising key senior management staff, was formed during FY2021 as part of our commitment to uphold and execute efforts that support our sustainability agenda.



### SUSTAINABILITY AT PARKWOOD

We are committed to drive responsible business practices throughout the Group by instilling the principles of sustainability into our strategies, policies and procedures, whilst integrating economic, environmental, and social considerations into our decision-making. As a developer and upcoming development manager of premium lifestyle properties, we create economic value from our developments and deliver products of exceptional quality. 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 manage our supply chain across the entire life cycle of our project, from its initiation and development through to construction and operations. We hold our contractors and suppliers accountable for their activities and products in line with industry best practices. We have put in place procurement processes to ensure all purchases are of appropriate quality and priced at reasonable cost. Vendors’ performances are assessed periodically to ensure they remain competitive in terms of product quality and pricing.

#### ECONOMIC SUSTAINABILITY

- Business strategies moving forward amidst global and economic environment impact on financial results.
- Sustainable developments.
- Creation of short, medium and long-term value for shareholders and added value for all the Group’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.

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY AT PARKWOOD (CONT'D)

In selecting our contractors for projects, they 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 POLICY

The Group explores and implements sustainable practices across the business whilst attempting to achieve the right balance between economic success, requirements of the stakeholders and the society at large. 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.

### STAKEHOLDER ENGAGEMENT

Our stakeholders consist of groups who are impacted by, and have a vested interest in, our business operations. Continuous engagement with our stakeholder groups is vital for us to better understand their expectations and acknowledge how our operations affect them. This in turn, allows us to align our business objectives, social goals, and execute our strategies 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 changes 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>Regular consultation and meetings</li> <li>Reporting</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Local community/public interests</li> </ul>	We maintain close consultations 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 briefings</li> </ul>	Annual, Ongoing	<ul style="list-style-type: none"> <li>Training and development</li> <li>Work-life balance</li> <li>Employee benefits and welfare</li> </ul>	We engage with our employees to understand their interests and needs. Through our human resource initiatives, employees and departments are encouraged to collaborate with one another to reinforce team spirit and increase work process efficiencies.
Local Communities	<ul style="list-style-type: none"> <li>Online meetings</li> <li>Engagement sessions</li> <li>Volunteerism</li> </ul>	Ongoing, ad-hoc	<ul style="list-style-type: none"> <li>Livelihood</li> <li>Personal well-being</li> </ul>	We are committed to achieve long-term meaningful community engagements, including providing meaningful support to enrich the lives of the communities we operate in.
Contractors	<ul style="list-style-type: none"> <li>Meetings and discussions</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Compliance issues</li> </ul>	Supported by our technical and environmental consultants, we engage closely with our contractors to facilitate compliance with the relevant requirements, including regulatory requirements.

## SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC SUSTAINABILITY



## i. Financial Sustainability

In FY2021, the Group focused on putting in place strategies and initiatives to achieve the continued financial well-being of the Group, including:

- Raised and channelled funds to part-finance our Utamara Boutique Residences project via a renounceable rights issue of up to 137,585,442 new ordinary shares in Parkwood at an issue price of RM0.18 per rights share on the basis of 1 rights share for every 1 existing ordinary share held by entitled shareholders of the Group. The exercise was completed on 27 April 2021.
- Raised the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs.

We are focused on drafting the master development programme for our upcoming mix development project situated in Damansara Damai. We leverage on our past year experience to improve the product planning further, right-sizing and right-pricing the product to current home buyers' needs and requirements. We also explored ways to broaden the product mix to appeal to a larger segment of the market. With investment properties, we continue to remain nimble, working closely with our tenants for mutual benefits.

For more information about the Group's financial performance, please refer to the Group Financial Highlights on page 8 of Parkwood Holdings Berhad Annual Report 2021.

## ii. Corporate Governance

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

The Group 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 Group's application of the principles as set out in the MCCG is disclosed in the Corporate Governance Statement in this Annual Report.

Parkwood 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, working jointly with the 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 Group's intranet and by the external stakeholders through the corporate website. Trainings have been provided to internal 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

Parkwood endeavours to create a positive impact by supporting 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 focused on effective people management, whereby grooming and retaining talents are our focal point to optimise work strengths across all operations. Taking cognizance of the new normal working environment emanating from the outbreak of the Covid-19 pandemic, we strive to inculcate into our people the value of adaptability, tech-savvy and agility in order to stay competitive.

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

We aim to contribute towards establishing 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 Group's stakeholders.

- In the context of our stakeholders, we have 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 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 hand over stage.
- Externally, due to the price and market volatility, there is always a risk of increasing costs and diminishing margins in the short-term. In the long-term, with our uncompromising stand on quality product, systems, and solutions, we believe 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 strategies, implementing strategic sourcing and value engineering through improved design and planning in our residential townhouse development project. These in turn, will help achieve new efficiencies and cost reduction in the long run.
- 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, 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

Parkwood is committed to minimise the environmental impact of its businesses. We uphold our reputation through the adoption of sustainable practices and strive for continual improvement in environmental performance. 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.

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

## 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

- In line with the regulations governing scheduled waste handling, scheduled waste is stored at designated areas and only licensed scheduled waste handlers are allowed to handle the transportation and disposal of such waste and by-products.
- 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.

## SOCIAL SUSTAINABILITY



## i. Employees' Welfare and Well-Being

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. Amongst the pertinent human resource practices in this regard include:

- Promoting a healthy and safe working environment that foster mutual respect where employees irrespective of status, position and gender are treated with dignity and free from sexual harassment.
- A critical priority at this time is to accelerate the upskilling of our staff members to be able to effectively carry out work tasks on a digital platform, in view of the multiple MCOs in place as a result of the Covid-19 pandemic. In FY2021, we shifted our training focus to self-learning and encouraged employees to participate in virtual learning or online webinars. We also ensure continuous human resource development by making available training to enhance the knowledge and skills of employees towards career advancement opportunities.
- Diversity and equal opportunity are key components to develop a fair workplace, hence we have adopted a merit-based and non-discriminatory hiring practices.
- The health and wellbeing of our staff members remained firmly on the Group's radar through this period of change and the challenges of operating in this new norm. 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

As the Group continues to navigate the impact of the ongoing pandemic, its corporate social responsibility (“CSR”) initiatives have also moved in tandem to focus on safeguarding the well-being of our community. The Group recognizes the importance of being a responsible corporate citizen and has been providing financial and non-financial support to those in need, with a special focus on aiding programmes targeted at the younger generation and the less privileged in society as part of its CSR.

- The CSR initiatives encourage our employees to be involved and engaged in meaningful activities for the society and supporting numerous charitable causes both in cash and in-kind to help the needs of communities.
- Philanthropies or donations to charitable causes have been one of the corporate social events carried out by the Group in 2021. We donated RM10,000 to sponsor accommodation at Ronald McDonald House (“RMH”) for families of paediatric patients who have to travel to Kuala Lumpur/Kelantan to obtain hospital treatment for their children. The “Home Away from Home” programme was distributed to three RMH in Malaysia -

- I. Hospital Canselor Tuanku Muhriz UKM (HCTM, UKM)
- II. Hospital USM, Kelantan
- III. Hospital Tuanku Azizah, Kuala Lumpur.



## 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 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 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:

- Participating in the CMDP-Bursa Research Scheme (“CBRS”) administered by Bursa Malaysia Berhad 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 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 2021 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, 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 Independent Non-Executive Chairman ("the Chairman") and Executive Directors

The Group practices and faithfully observed division of responsibilities between the Chairman and Executive Directors. The roles of the Chairman and Executive Directors are separate with clear distinctions of responsibilities between them to ensure balance of power and authority. The Chairman, Dato' Ghazali Bin Mat Ariff is primarily responsible for the orderly conduct of the Board meetings and ensure effectiveness of the Board and the Executive Directors, Dato' Ronnie Lim Yew Boon and Mr. Lim Chin Sean are responsible for the day-to-day operations of the Group whereby operational issues and problems are discussed, major transactions and matters relating to the Group are reviewed and formulating operational strategies.

The Independent Non-Executive Directors are independent of Management and free of any relationship which could materially interfere with the exercise of their independent judgement. They provide a check and balance on the performance of Management.

##### 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).

##### 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 Chairman of the Audit and Risk Management Committee and the Executive Directors.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

##### 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, no gender diversity policies, targets and measures have been set by the Company. The Board through the Nomination Committee will 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.

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 15 to 20 of this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

##### Succession Planning

The Board is responsible for reviewing candidates for key positions namely, the Non-Executive 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. 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 4 to 6 of this Annual Report.

##### Board Committees

The following Board Committees have acted within the framework specified by the Board. These committees have sporadically 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 2021 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 : Datuk Hew Lee Lam Sang      Independent Non-Executive Director

Members : Dato’ Ghazali Bin Mat Ariff      Independent Non-Executive Director  
Tuan Haji Fauzi Bin Mustapha      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; and
- Establishing measures to approach the boardroom diversity.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

##### Board Committees (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; and
- (f) Board Evaluation Questionnaire relating to ESG or Sustainability.

The Nomination Committee held one (1) meeting during the financial year ended 31 December 2021. The summary of activities of the Nomination Committee during the financial year ended 31 December 2021 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 2020;
- 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; and
- 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 2020.

##### c. Remuneration Committee

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

Chairman : Dato' Ghazali Bin Mat Ariff      Independent Non-Executive Director

Members : Tuan Haji Fauzi Bin Mustapha      Independent Non-Executive Director  
Datuk Hew Lee Lam Sang      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 one (1) meeting during the financial year ended 31 December 2021. The summary of activities during the financial year ended 31 December 2021 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 2020;
- Reviewed and recommended to the Board, payment of Directors' benefits (other than Directors' fees) for the period from 17 June 2021 until the next Annual General Meeting of the Company; and
- Reviewed and recommended to the Board, remuneration package of the Executive Directors of the Company.

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 appointment but he 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 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.

With the enforcement of the CA 2016, there is no requirement for Directors who are of or over the age of seventy (70) years to seek for re-appointment to the Board annually.

On 23 February 2022, the Board approved the recommendation of the Nomination Committee that Mr. Lim Chin Sean and Dato' Ghazali Bin Mat Ariff, who are due for retirement by rotation at the 51<sup>st</sup> AGM pursuant to Clause 123 of the Company's Constitution, are eligible to stand for re-election at the 51<sup>st</sup> AGM. Mr. Lim Chin Sean and Dato' Ghazali Bin Mat Ariff had expressed their intention to seek re-election at the 51<sup>st</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 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 2021, 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 Tuan Haji Fauzi Bin Mustapha, who has served more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company through a two-tier poll voting process in accordance with the recommendation of the Code.

Shareholders' approval was also sought at the last AGM on retention of Dato' Ghazali Bin Mat Ariff, who has served nine (9) years, to continue to act as an Independent Non-Executive Director of the Company through normal voting process.

The Nomination Committee and the Board have performed an assessment on the independence of the Independent Directors based on the criteria approved by the Board. Upon the Nomination Committee's recommendation, the Board recommended for shareholders' approval at the 51<sup>st</sup> AGM the retention of Tuan Haji Fauzi Bin Mustapha and Dato' Ghazali Bin Mat Ariff as Independent Non-Executive Directors, based on the following justifications:

- They have fulfilled the criteria under the definition of Independent Directors as stated in the Main LR of Bursa Securities;
- They have vast experience in a diverse range of businesses which enable them to provide constructive and independent judgment in the best interest of the Company;
- They have ensured that there is effective check and balance in proceedings of the Board and Board Committees and have actively participated in Board's deliberations, provided objective and independent opinion to the Board; and
- They have devoted sufficient time and attention to their responsibilities as Independent Non-Executive Directors of the Company and exercised due care in the interest of the Company and shareholders.

##### 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 4 to 6 of this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

##### Board Meetings

The Board of Directors meets on a quarterly basis with additional meetings convened as and when necessary, to inter-alia 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.

During the financial year ended 31 December 2021, five (5) board meetings were held physically or virtually. 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	Percentage
Dato' Ghazali Bin Mat Ariff	5/5	100%
Tuan Haji Fauzi Bin Mustapha	5/5	100%
Datuk Hew Lee Lam Sang	5/5	100%
Dato' Ronnie Lim Yew Boon	5/5	100%
Mr. Lim Chin Sean	5/5	100%

##### 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

##### 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 2021, the Directors attended the following training programmes:

Directors	Training / Seminar Attended	Date
Dato' Ghazali Bin Mat Ariff	• Anti Bribery Management System ("ABMS") - conducted by GRC Consulting Services Sdn Bhd	23.11.2021
Tuan Haji Fauzi Bin Mustapha	• Anti Bribery Management System ("ABMS") - conducted by GRC Consulting Services Sdn Bhd	23.11.2021
Datuk Hew Lee Lam Sang	• ESG Financing - conducted by KPMG PLT • Board and Audit Committee Priorities - conducted by KPMG PLT • Denmark Rise of AI and Its Impact on Strategy to Business - conducted by KPMG PLT • Board Leadership, US Role Labour Legislation - conducted by KPMG PLT • Tax Seminar - conducted by KPMG PLT • Anti Bribery Management System ("ABMS") - conducted by GRC Consulting Services Sdn Bhd	09.04.2021 11.05.2021 26.05.2021 15.09.2021 17-18.11.2021 23.11.2021
Dato' Ronnie Lim Yew Boon	• Malaysian Code of Corporate Governance (2021 Revision) - conducted by Taliworks Corporation Berhad • Business Overview, Government Framework, The Industry Players and the Challenges faced by each Business of The Group - conducted by Taliworks Corporation Berhad	06.07.2021 01.11.2021
Mr Lim Chin Sean	• Briefing on Addressing on ESG Risks and Opportunities - conducted by ESG consultants and Synergio Global Sdn Bhd • Business Overview, Government Framework, The Industry Players and the Challenges faced by each Business of The Group - conducted by Taliworks Corporation Berhad	15.09.2021 01.11.2021

##### 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 Committee 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 2021 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	288,750	34,650	-	7,000	16,981	347,381
Mr. Lim Chin Sean	206,250	24,750	24,000	7,000	-	262,000
<b>Non-Executive Directors</b>						
Dato' Ghazali Bin Mat Ariff	-	-	24,000	15,400	58,807	98,207
Datuk Hew Lam Sang	-	-	24,000	19,000	-	43,000
Tuan Haji Fauzi Bin Mustapha	-	-	24,000	14,000	-	38,000

Set out below are directors' remuneration paid or payable by the Company for financial year ended 31 December 2021, 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	-	1
From RM250,001 to RM300,000	1	-
From RM300,001 to RM350,000	1	-



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

##### Remuneration (Cont'd)

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 2021, the top 6 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
Less than RM50,000	-
From RM50,001 to RM100,000	-
From RM100,001 to RM150,000	-
From RM150,001 to RM200,000 *	3
Above RM200,000	3

\* Including the previous Chief Financial Officer (CFO) resigned during the year

### 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 :	Dato' Ghazali Bin Mat Ariff	Independent Non-Executive Director
	Tuan Haji Fauzi Bin Mustapha	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.

##### 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. 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.

##### 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. Upon satisfactory assessment of their performance, 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### 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.

### 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### I. Communication with Stakeholders (Cont'd)

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 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.

#### 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### II. Conduct of General Meetings (Cont'd)

##### Annual General Meetings or Extraordinary General Meetings ("General Meetings") (Cont'd)

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 Chairman of the Nomination, Remuneration and Audit and Risk Management Committees 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.

### ADDITIONAL COMPLIANCE INFORMATION

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

During the financial year ended 31 December 2021, 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	: RM48,000
Fees paid by Parkwood subsidiaries	: RM57,000

For the financial year ended 31 December 2021, a fee of RM35,000 for non-audit assignments was paid by the Company to the External Auditors and its affiliated corporation.

#### b. Material contracts

Other than the following and 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:

During the financial year, the Group had entered into a Development Management Agreement ("DMA") with Triangle Asia Sdn Bhd ("Triangle Asia" or "the Developer") for the appointment as the Development Manager of the Developer to provide property development and project management services in relation to its project ("Development Management Services") at Jalan Taman U-Thant. The project management services commenced on 1 January 2022 and for a duration of 6 years.

The total consideration for the DMA amounted to RM3,000,000 and a sales administration fees equal to 1% of the selling price for each project unit sold.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

#### b. Material contracts (Cont'd)

Save as disclosed below, none of the Directors, major shareholders and/or persons connected to them have any interest, either direct or indirect, in the Project:

- 1) Mr. Lim Chin Sean is an Executive Director of Parkwood Group and a major shareholder of Parkwood by virtue of his interest in Telaxis Sdn Bhd.
- 2) Mr. Lim Chin Sean is also a Director of Triangle Asia and Synergy Estate Sdn Bhd.
- 3) Synergy Estate Sdn Bhd holds 90% equity interest in Parkwood PJS Sdn Bhd, while Parkwood Developments Sdn Bhd holds 10% equity interest in Parkwood PJS Sdn Bhd. Parkwood PJS Sdn Bhd holds 34% equity interest in Triangle Asia.
- 4) Mr. Lim Chin Sean is a major shareholder of Synergy Estate Sdn Bhd by virtue of his interest in LGB Holdings Sdn Bhd and CSLim Holdings Sdn Bhd.

#### 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 EGM held on 26 January 2021.

The status of utilisation of proceeds raised as at 31 December 2021 is as follows:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Proceeds Balance RM'000	Timeframe for Utilisation
For Utamara's project	21,000	(5,517)	15,483	Within 18 months
For working capital (after the corporate exercise expenses)	3,078	(3,065)	13	Within 6 months
<b>Total</b>	<b>24,078</b>	<b>(8,582)</b>	<b>15,496</b>	

#### 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 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 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 2021, 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 20 April 2022.

## 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 2021 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 2021. 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 2021 amounted to approximately RM48,000.

### 5. INTERNAL CONTROL

The Group's systems of internal control during the financial year ended 31 December 2021 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 2021. 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 20 April 2022.



## 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
Tuan Haji Fauzi Bin Mustapha	Member	Independent Non-Executive Director
Dato' Ghazali Bin Mat Ariff	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.

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 Operating Officer and the Chief Financial Officer 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 2021, 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 (100%)
Tuan Haji Fauzi Bin Mustapha	5/5 (100%)
Dato' Ghazali Bin Mat Ariff	5/5 (100%)

## 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.
- 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 the Chief Operating Officer, Mr. Chan Keen Wai 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 2021 through the following activities:

a. External Audit

- Reviewed the Audit Review Memorandum by the external auditors for the financial year ended 31 December 2020 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 2021 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 2021;
- 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 and also conflict of interest situations which arose within the Group during the year.

f. Annual Report

- Reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the 2020 Annual Report; and
- Presented the Audit and Risk Management Committee Report to the Board for approval and inclusion in the 2020 Annual Report.

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

### INTERNAL AUDIT FUNCTION

During the financial year ended 31 December 2021, 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 satisfactory and operating effectively. 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 II 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 2021 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;
- conducted risk assessment for the implementation of an enterprise risk management framework;
- presented the Internal Audit Plan of the Group for year 2022 to the Audit and Risk Management Committee for review and approval.

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 2021 amounted to approximately RM48,000.



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY**

**GIVEN THAT** the Fifty-First Annual General Meeting ("51<sup>st</sup> AGM") of Parkwood Holdings Berhad (Registration No. 196901000692 (9118-M)) ("the Company") will be conducted virtually at the **Broadcast Venue at Level 3, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur on Thursday, 16 June 2022 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 2021 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 RM96,000.00 for the financial year ended 31 December 2021.  
**Ordinary Resolution 1**
3. To approve the payment of Directors' benefits (other than Directors' fees) to Non-Executive Directors up to an amount of RM94,200.00 for the period from 17 June 2022 until the next AGM of the Company.  
**Ordinary Resolution 2**
4. To re-elect the following Directors who retire by rotation pursuant to Clause 123 of the Company's Constitution:
  - 4.1 Mr. Lim Chin Sean; and **Ordinary Resolution 3**
  - 4.2 Dato' Ghazali Bin Mat Ariff **Ordinary Resolution 4**
5. 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 5**

**SPECIAL BUSINESS:-**

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

6. **Authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016** **Ordinary Resolution 6**  

"**THAT** subject always to the Companies Act, 2016, the Company's Constitution and the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Companies Act, 2016 to allot and issue shares in the Company at any time until the conclusion of the next AGM 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 10% of the total number of issued shares of the Company for the time being."
7. **Continuing in Office as Independent Non-Executive Director** **Ordinary Resolution 7**  

"**THAT** approval be and is hereby given to Tuan Haji Fauzi Bin Mustapha who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company in accordance with Clause 106 of the Company's Constitution and Practice 5.3 of the Malaysian Code on Corporate Governance ("MCCG") 2021."
8. **Continuing in Office as Independent Non-Executive Director** **Ordinary Resolution 8**  

"**THAT** subject to the passing of Ordinary Resolution 4, approval be and is hereby given to Dato' Ghazali Bin Mat Ariff who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company in accordance with Clause 106 of the Company's Constitution and Practice 5.3 of the MCCG 2021."
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  
29 April 2022

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

**Notes: -**

1. The Meeting will be conducted on a virtual basis through online meeting platform at <https://meeting.boardroomlimited.my> using Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn Bhd. With RPEV facilities, a shareholder may exercise his right to participate and vote at the 51<sup>st</sup> AGM via the following mode of communication: i) Typed text in the Meeting Platform ii) E-mail questions to [admin@parkwood.my](mailto:admin@parkwood.my) prior to the Meeting. Please follow the procedures provided in the Administrative Guide for the 51<sup>st</sup> AGM in order to register, participate and vote remotely via RPEV facilities.
2. The venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the Meeting to be present at the main venue (Broadcast Venue). No shareholders/proxy(ies) from the public shall be physically present at nor admitted to the Broadcast Venue.
3. In regard of deposited securities, only members whose names appear in the Record of Depositors as at **9 June 2022** ("General Meeting Record of Depositors") shall be eligible to participate and vote at the Meeting.
4. If a member entitled to attend and vote at the Meeting is unable to attend the 51<sup>st</sup> AGM remotely via RPEV facilities, he may appoint a proxy to participate and vote at the Meeting on his 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 participate and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
5. 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.
6. 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.
7. 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.
8. 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.
9. The instrument appointing a proxy must be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at Ground Floor or 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, or by electronic means through Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> no later than forty-eight (48) hours before the Meeting.

**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 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 RM94,200.00 for the period from 17 June 2022 until the conclusion of the next AGM of the Company as follows:

	<b>RM</b>
Directors' meeting allowances for the period from 17 June 2022 up to next AGM	41,600.00
Directors' benefits in kind for the period from 17 June 2022 up to next AGM	52,600.00
<b>Total</b>	<b>94,200.00</b>

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.

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

### Explanatory Notes to the Agenda (Cont'd):-

#### Item 6 of the Agenda - Ordinary Resolution 6

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

This resolution is a renewal of the previous year mandate and if passed, will empower the Directors of the Company to issue and allot shares up to an aggregate number not exceeding 10% of the total number of issued shares 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.

This resolution is in line with the Company's plans for expansion/diversification. The Company is actively looking into prospective areas to broaden the operating base and earnings potential of the Company. As the expansion/diversification may involve the issue of new shares, the Directors, under present circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved is less than 10% of the issued share capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is considered appropriate that the Directors be empowered to issue shares in the Company up to an aggregate number not exceeding in total 10% of the number of issued shares of the Company for the time being for such purpose.

The Company did not utilise the mandate obtained at the last AGM and thus no proceeds were raised from the previous mandate.

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

#### **Continuing in Office as Independent Non-Executive Director**

The Nomination Committee has assessed the independence of Tuan Haji Fauzi Bin Mustapha, who served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years and arising therefrom, the Board recommended that he continues to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- He has vast experience in a diverse range of businesses which enable him to provide constructive and independent judgment in the best interest of the Company;
- He has ensured that there is effective check and balance in proceedings of the Board and Board Committees and have actively participated in Board's deliberations, provided objective and independent opinion to the Board; and
- He has devoted sufficient time and attention to his responsibilities as Independent Non-Executive Director of the Company and exercised due care in the interest of the Company and shareholders.

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

#### **Continuing in Office as Independent Non-Executive Director**

The Nomination Committee has assessed the independence of Dato' Ghazali Bin Mat Ariff, who served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years and arising therefrom, the Board recommended that he continues to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- He has vast experience in a diverse range of businesses which enable him to provide constructive and independent judgment in the best interest of the Company;
- He has ensured that there is effective check and balance in proceedings of the Board and Board Committees and have actively participated in Board's deliberations, provided objective and independent opinion to the Board; and
- He has devoted sufficient time and attention to his responsibilities as Independent Non-Executive Director of the Company and exercised due care in the interest of the Company and shareholders.

#### **Personal Data Privacy:**

By registering for the remote participation and electronic voting meeting and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the 51<sup>st</sup> AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the members' personal data by the Company (or its agents) for the 51<sup>st</sup> AGM and matters related thereto, including but not limited to: (a) for the purpose of the processing and administration of proxies and representatives appointed for the 51<sup>st</sup> AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the 51<sup>st</sup> AGM (including any adjournment thereof); and (c) for the Company (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) undertakes and warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company (or its agents) processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes, and (iii) agrees that the member will fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the member's failure to provide accurate and correct information of the personal data or breach of the member's undertaking and/or warranty as set out herein.

## ADMINISTRATIVE GUIDE

### FIFTY-FIRST ANNUAL GENERAL MEETING

<b>Meeting Platform</b>	:	<a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>
<b>Day and Date</b>	:	<b>Thursday, 16 June 2022</b>
<b>Time</b>	:	<b>11.00 a.m.</b>
<b>Broadcast Venue</b>	:	Level 3, Menara LGB, No.1, Jalan Wan Kadir, Taman Tun Dr Ismail, 60000 Kuala Lumpur.
<b>Mode of Communication</b>	:	1) Shareholders may pose questions during live streaming at <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a> 2) Submit questions prior to the 51 <sup>st</sup> AGM by emailing to <a href="mailto:admin@parkwood.my">admin@parkwood.my</a> no later than Friday, 10 June 2022 at 11.00 a.m.

#### Dear Shareholders,

As a precautionary measure amid COVID-19 outbreak, the Company's Fifty-First Annual General Meeting ("51<sup>st</sup> AGM") will be conducted virtually on the Meeting Platform ("virtual AGM"), as the safety of our members, Directors, staff and other stakeholders who will attend the AGM is of paramount importance to us.

In line with the Practice 13.5 of the Malaysian Code on Corporate Governance 2021, by conducting a virtual AGM, this would facilitate greater shareholders' participation as it facilitates electronic voting and remote shareholders' participation. With the Virtual Meeting Facilities, you may exercise your right as a member of the Company to participate remotely (including to pose questions to the Board of Directors and/or Management of the Company) and vote via electronic voting at the virtual AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the virtual AGM.

Kindly ensure that you are connected to the internet at all times in order to participate and vote when our virtual AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the meeting is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants.

#### Broadcast Venue

The venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue.

Shareholders/proxies should not be physically present nor will they be admitted at the Broadcast Venue on the day of the 51<sup>st</sup> AGM.

#### Digital Copies of Annual General Meeting Documents

- As part of our dedicated commitment to sustainable practices, the following documents can be downloaded from the Company's website [www.parkwood.my](http://www.parkwood.my):
  - Annual Report 2021;
  - Corporate Governance Report 2021; and
  - Notice of the 51<sup>st</sup> AGM, Form of Proxy and Administrative Guide.
- If you need a copy of the printed Annual Report 2021, kindly complete the enclosed Request Slip and sending the same to the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd.

#### No Door Gift

- There will be **NO door gift** for members/proxies who participate at the virtual AGM.

#### Entitlement to Participate the Virtual AGM

In respect of deposited securities, only members whose names appear in the Record of Depositors as at **9 June 2022 ("General Meeting Record of Depositors")** shall be eligible to participate and vote at the virtual AGM or appoint proxy(ies) to participate and vote on his/her behalf.

**ADMINISTRATIVE GUIDE (CONT'D)****FIFTY-FIRST ANNUAL GENERAL MEETING****Lodgement of Form of Proxy**

1. Shareholders are encouraged to participate and vote at the 51<sup>st</sup> AGM using Remote Participation and Electronic Voting ("RPEV") facilities. Shareholders who are unable to join the virtual AGM are encouraged to appoint the Chairman of the Meeting or their proxy to vote on their behalf.
2. If you wish to attend the virtual AGM yourself, please do not submit any Form of Proxy. You will not be allowed to attend the virtual AGM together with a proxy appointed by you.
3. The Form of Proxy can be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal, no later than 48 hours before the AGM i.e. **latest by Tuesday, 14 June 2022** at 11.00 a.m. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your Form of Proxy electronically which is free and available to all individual shareholders. For further information, kindly refer to the "Electronic Lodgement of Form of Proxy" below:-

**Step 1 Register Online with Boardroom Smart Investor Portal (for first time registration only)**

*(Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 on e-Proxy Lodgement.)*

- a. Access website <https://investor.boardroomlimited.com>
- b. Click <<Register>> to sign up as a user.
- c. Complete the registration and upload a softcopy of your MyKAD/Identification Card (front and back) or Passport.
- d. Please enter a valid email address and wait for Boardroom's email verification.
- e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

**Step 2 e-Proxy Lodgement**

- a. Access website <https://investor.boardroomlimited.com>
- b. Login with your User ID and Password given above.
- c. Go to "E-PROXY LODGEMENT" and browse the Meeting List for "Parkwood 51<sup>st</sup> Virtual AGM" and click "APPLY".
- d. Read the terms & conditions and confirm the Declaration.
- e. Enter your CDS Account Number and indicate the number of securities.
- f. Appoint your proxy(ies) or the Chairman of the AGM and enter the required particulars for your proxy(ies).
- g. Indicate your voting instructions - FOR or AGAINST, otherwise your proxy(ies) will decide your votes.
- h. Review and confirm your proxy(ies) appointment.
- i. Click submit.
- j. Download or print the eProxy form acknowledgement.

**Revocation of Proxy**

If you have submitted your Form of Proxy prior to the virtual AGM and subsequently decide to appoint another person or wish to participate in our virtual AGM by yourself, please write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy(ies) at least forty-eight (48) hours before the Meeting. On revocation, your proxy(ies) will not be allowed to participate in the virtual AGM. In such event, you should advise your proxy(ies) accordingly.

**Corporate Member**

Any corporate member who wishes to appoint a representative instead of a proxy to attend the Meeting should submit the original certificate of appointment under the seal of the corporation to the office of the Company's Share Registrar/the Secretary at any time before the time appointed for holding the virtual AGM.

**Polling Voting (For Virtual AGM)**

1. The voting will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (e-Voting).
2. During the virtual AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules.



**ADMINISTRATIVE GUIDE (CONT'D)****FIFTY-FIRST ANNUAL GENERAL MEETING**

3. For the purposes of the virtual AGM, the remote participation and e-Voting will be carried out via the following voting devices:
  - a. Personal smart mobile phones; OR
  - b. Tablets; OR
  - c. Laptops
4. There are 2 methods for members and proxies who wish to use their personal voting device to vote as follows:
  - a. Using QR Scanner Code given in the email to you; OR
  - b. Using website URL <https://meeting.boardroomlimited.my>
5. Members and proxies can login immediately after registering their attendance, but polling will only be opened after announcement of poll voting session open by the Chairman and until such time when the Chairman announces the closure of poll.
6. Once voting has been opened, the polling icon will appear with the resolutions and your voting choices:
  - To vote simply select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.
  - To change your vote, simply select another voting direction.
  - If you wish to cancel your vote, please press "Cancel".
7. The Scrutineers will verify the poll results upon closing of the poll voting session by the Chairman. Scrutineers will pass the poll results to the Chairman. Thereafter, the Chairman will declare whether the resolutions put to vote were successfully carried or not.

**Remote Participation and Electronic Voting**

1. Please note that the remote participation and electronic voting is available to:
  - i. Individual member;
  - ii. Corporate shareholder;
  - iii. Authorised Nominee; and
  - iv. Exempt Authorised Nominee.
2. If you choose to participate in the virtual AGM, you will be able to view a live webcast of the AGM proceedings, pose questions to the Board, and submit your votes in real-time whilst the Meeting is in progress.
3. Kindly follow the steps below on how to request for login ID and password:

**Step 1 - Register Online with Boardroom Smart Investor Portal (for first time registration only)**

*[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2. Submit request for Remote Participation user ID and password.]*

- a. Access website <https://investor.boardroomlimited.com>
- b. Click <<Register>> to sign up as a user.
- c. Complete registration and upload softcopy of MyKAD (front and back) or Passport in JPEG or PNG format.
- d. Please enter a valid email address and wait for Boardroom's email verification.
- e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

**Step 2 - Submit Request for Remote Participation User ID and Password**

*[Note: The registration for remote access will be opened on 29 April 2022 (Date of Notice)]*

**Individual Members**

- Login to <https://investor.boardroomlimited.com> using your user ID and password above.
- Select "Virtual Meeting" from main menu and select the correct Corporate Event "**Parkwood 51<sup>st</sup> Virtual AGM**".
- Enter your CDS Account.
- Read and agree to the terms & condition and thereafter submit your request.

**Corporate Shareholders**

- Write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request.
- Please provide a copy of Corporate Representative's MyKad (Front and Back) or Passport as well as his/her email address.

**ADMINISTRATIVE GUIDE (CONT'D)****FIFTY-FIRST ANNUAL GENERAL MEETING****Authorised Nominee and Exempt Authorised Nominee**

- Write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) by providing the name of Member, CDS Account Number accompanied with the Form of Proxy to submit the request.
  - Authorised Nominee and Exempt Authorised Nominee must also provide a copy of the Proxy Holder's MyKad (Front and Back) or Passport as well as his/her email address.
- (a) You will receive a notification from Boardroom that your request has been received and is being verified.
  - (b) Upon system verification against the General Meeting Record of Depositories as at **9 June 2022**, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
  - (c) You will also receive your remote access user ID and password along with the email from Boardroom if your registration is approved.
  - (d) Please note that the closing time to submit your request is at **11.00 a.m. on 14 June 2022** (48 hours before the AGM).

**Step 3 - Login to Virtual Meeting Portal**

***[Please note that the quality of the connectivity to Virtual Meeting Portal for live web cast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]***

- (a) The Virtual Meeting Portal will be open for login starting one (1) hour before the commencement of the AGM at **10.00 a.m. on 16 June 2022**.
- (b) Follow the steps given to you in the email along with your remote access user ID and password to login to the Virtual Meeting portal. (Refer to Step 2(c) above)
- (c) The steps will also guide you how to view live web cast, ask questions and vote.
- (d) The live web cast will end and the Messaging window will be disabled upon announcement by the Chairman on the closure of the virtual AGM.



**Live Webcast, Question and Voting at the Virtual AGM**

The Login User Guide for participation, posing questions and voting at the AGM, will be emailed to you together with your remote access user ID and password once your registration has been approved.

Shareholders who participate the virtual AGM are able to view the Company's presentation or slides via the live web-streaming.

The Chairman and the Board of Directors will endeavour their best to respond to the questions submitted by shareholders which are related to the resolutions to be tabled at the 51<sup>st</sup> AGM, as well as financial performance/prospect of the Company.

***[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition. All questions and messages will be presented with the full name and identity of the participant raising the question.]***

- (i) If you would like to view the live webcast, select the broadcast icon. 
- (ii) If you would like to ask a question during the AGM, select the messaging icon. 
- (iii) Type your message within the chat box, once completed click the send button.

Shareholders may proceed to cast votes on each of the proposed resolutions, to be tabled at the AGM, after the Chairman has opened the poll voting session on the resolutions. Shareholders are reminded to cast their votes before the poll is closed.

No recording or photography of the virtual AGM proceedings is allowed without the prior written permission of the Company.

Shareholders/Proxies must ensure that you are connected to the internet at all times in order to participate and vote when the virtual AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the meeting is maintained. Kindly note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.

**Enquiry**

Please email to the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) or call helpdesk number at 03-7890 4700 if you have queries pertaining to the remote participation and electronic voting, prior to the virtual AGM.

## 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>	27,416,170
<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>	73,920,238
<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 6 years
<b>Date of valuation</b>	31 December 2021

<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>	33,134,352
<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 16 years
<b>Date of valuation</b>	24 January 2022

## ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2022

## 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 31 March 2022

Size of Shareholdings	No. of Shareholders	Percentage (%) of Shareholdings	No. of Shares Held	Percentage (%) of Issued Shares
Less than 100	484	15.02	17,353	0.01
100 - 1,000	251	7.79	102,322	0.04
1,001 - 10,000	1,730	53.67	6,086,118	2.21
10,001 - 100,000	593	18.40	20,291,770	7.37
100,001 - 13,758,543*	164	5.09	115,622,654	42.02
13,758,544 and above**	1	0.03	133,050,667	48.35
<b>Total</b>	<b>3,223</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 Thirty (30) Largest Shareholders as per Records of Depositors as at 31 March 2022

No.	Name of Shareholders	No. of Shares Held	Percentage (%)
1	Telaxis Sdn Bhd	96,589,867	35.10
2	Telaxis Sdn Bhd	36,460,800	13.25
3	Ertidaya Sdn Bhd	7,485,216	2.72
4	Lim Kian Wat	7,474,300	2.72
5	Era Erat Sdn Bhd	6,194,829	2.25
6	Tan Chee Fatt	6,000,000	2.18
7	Kenanga Nominees (Asing) Sdn Bhd <i>Pledged Securities Account for Ra Wha Hyun (009)</i>	4,882,400	1.77
8	Yap Kiew @ Yap Yoke Ho	4,018,000	1.46
9	Wong Mei Sun	4,003,100	1.45
10	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Boon Kheong</i>	3,784,700	1.38
11	Siew Min Chung	3,664,500	1.33
12	Excel Impression Sdn Bhd	3,654,856	1.33
13	Cimsec Nominees (Tempatan) Sdn Bhd <i>CIMB for Mettiz Capital Sdn Bhd (PB)</i>	3,000,000	1.09
14	Lim Kian Wat	2,832,500	1.03
15	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Geok Wah (B Brklang-CL)</i>	2,522,300	0.92
16	Wong Wai Kuan	2,419,900	0.88
17	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Kok Thye</i>	2,180,000	0.79
18	Ng Boon Kheong	1,960,000	0.71
19	Lai Thiam Poh	1,911,800	0.69

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 31 MARCH 2022

## 2. List of Thirty (30) Largest Shareholders as per Records of Depositors as at 31 March 2022 (Cont'd)

No.	Name of Shareholders	No. of Shares Held	Percentage (%)
20	Mass Ocean Sdn Bhd	1,720,644	0.63
21	Chia Kah Ying	1,717,200	0.62
22	UOB Kay Hian Nominees (Asing) Sdn Bhd <i>Exempt An for UOB Kay Hian Pte Ltd (A/c Clients)</i>	1,709,650	0.62
23	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tan Kim Meng (M10)</i>	1,539,600	0.56
24	Kenanga Nominees (Tempatan) Sdn Bhd <i>For Chiang Siew Eng @ Le Yu Ak Ee</i>	1,482,200	0.54
25	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lai Chin Yang (T Mutiara-CL)</i>	1,244,000	0.45
26	Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Liew Yoon Peck</i>	1,013,400	0.37
27	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Chew Huat (E-SPG)</i>	1,000,025	0.36
28	Chew Gek Kat	955,250	0.35
29	Wong Seng Poh	947,100	0.34
30	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Chee Leong</i>	903,300	0.33
<b>Total</b>		<b>215,271,437</b>	<b>78.23</b>

## 3. List of Substantial Shareholders as per Register of Substantial Shareholders as at 31 March 2022

Name	No. of Shares			
	Direct	%	Indirect	%
Telaxis Sdn Bhd	133,050,667	48.35	-	-
Dato' Lim Chee Meng	31,500	0.01	*133,050,667	48.35
Mr Lim Chin Sean	-	-	*133,050,667	48.35
LGB Group Sdn Bhd	-	-	#133,050,667	48.35
LGB Holdings Sdn Bhd	-	-	#133,050,667	48.35
Adil Cita Sdn Bhd	-	-	#133,050,667	48.35

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.

## 4. List of Directors' Shareholdings as per Register of Directors' Shareholdings as at 31 March 2022

Name	No. of Shares			
	Direct	%	Indirect	%
a) Dato' Ghazali Bin Mat Ariff	317,125	0.12	-	-
b) Tuan Haji Fauzi Bin Mustapha	20,000	0.01	-	-
c) Dato' Ronnie Lim Yew Boon	10,000	0.01	-	-
d) Mr. Lim Chin Sean	-	-	*133,050,667	48.35
e) Datuk Hew Lee Lam Sang	-	-	-	-

Notes:-

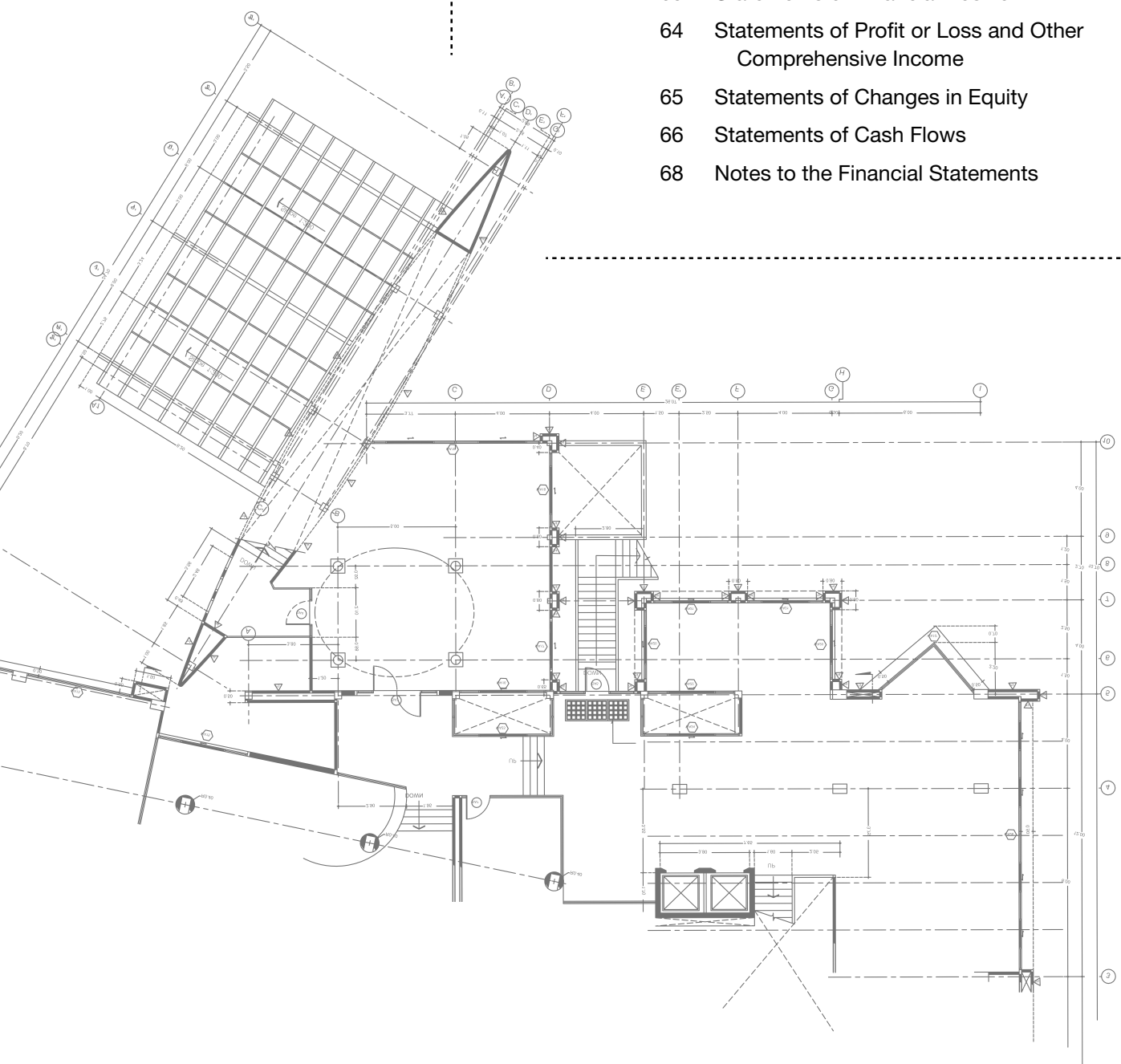
\* Deemed interest by virtue of his interest in Telaxis Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

# FINANCIAL STATEMENTS

# FINANCIAL REVIEW

- 55 Directors' Report
- 59 Statement by Directors
- 59 Statutory Declaration
- 60 Independent Auditors' Report
- 63 Statements of Financial Position
- 64 Statements of Profit or Loss and Other Comprehensive Income
- 65 Statements of Changes in Equity
- 66 Statements of Cash Flows
- 68 Notes to the Financial Statements

64	Statements of Profit or Loss and Other Comprehensive Income
65	Statements of Changes in Equity
66	Statements of Cash Flows
68	Notes to the Financial Statements





## 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 2021.

### 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

	The Group RM	The Company RM
Loss after taxation for the financial year	(4,314,750)	(1,744,225)
Attributable to:-		
Owners of the Company	(4,314,750)	(1,744,225)

### 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) the Company increased its issued and paid-up share capital from RM22,160,982 to RM46,926,362 by way of issuance of 137,585,442 new ordinary shares at RM0.18 each for a cash consideration of RM24,765,380. After offsetting the share issuance expenses of RM687,038, the issued and paid-up share capital stood at RM46,239,324.

The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

- (b) there were no issues of debentures by the Company.

### TREASURY SHARES

As at 31 December 2021, 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 22 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:-

Dato' Ghazali Bin Mat Ariff  
Datuk Hew Lee Lam Sang  
Dato' Lim Yew Boon  
Tuan Haji Fauzi Bin Mustapha  
Lim Chin Sean  
Dr. Goh Swee Por (Alternate director to Lim Chin Sean) (Resigned on 23.9.2021)

The names of directors of the Company's subsidiaries who served during the financial year until the date of this report are similar to those disclosed above.

### 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 1.1.2021	Bought	Sold	At 31.12.2021
<b>The Company</b>				
<i>Direct Interests</i>				
Dato' Ghazali Bin Mat Ariff	317,125	-	-	317,125
Dato' Lim Yew Boon	10,000	-	-	10,000
Tuan Haji Fauzi Bin Mustapha	20,000	-	-	20,000
<i>Indirect Interest</i>				
Lim Chin Sean #	39,771,975	87,778,692	-	127,550,667

# 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 a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) 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 37(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 Group and of the Company during the financial year are disclosed in Note 36 to the financial statements.

### 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 Company's subsidiaries are disclosed in Note 5 to the financial statements.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 40 to the financial statements.

### AUDITORS

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

The details of the auditors' remuneration are disclosed in Note 31 to the financial statements.

Signed in accordance with a resolution of the directors dated 20 April 2022.

**Dato' Lim Yew Boon**

**Lim Chin Sean**

## STATEMENT BY DIRECTORS

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

We, Dato' Lim Yew Boon and Lim Chin Sean, being two of the directors of Parkwood Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 63 to 114 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 2021 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 20 April 2022.

**Dato' Lim Yew Boon**

**Lim Chin Sean**

## STATUTORY DECLARATION

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

I, Chin Kok Siong, (MIA Membership Number: 8796), being the officer primarily responsible for the financial management of Parkwood Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 63 to 114 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 20 April 2022

Before me

**Chin Kok Siong**

**Datin Hjh Raihela Wanchik**  
Commissioner for Oaths  
No. W275

# 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 2021 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 a summary of significant accounting policies, as set out on pages update to 63 to 114.

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 2021, 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.

Valuation of Investment Property Refer to Note 7 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
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 2021 amounted to RM36.6 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 28 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 a 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**  
03378/06/2022 J  
Chartered Accountant

Kuala Lumpur  
20 April 2022

## STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2021

		The Group		The Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	54,295,527	54,295,527
Equipment	6	126,995	597,590	157	419,321
Investment property	7	36,600,000	36,600,000	36,600,000	36,600,000
Right-of-use assets	8	986,857	1,515,505	21,373	64,118
Land held for property development	9	33,134,352	32,589,351	-	-
Club membership	10	10,727	11,091	10,727	11,091
Other investment	11	458,000	-	-	-
Other assets		32,060	32,060	19,060	19,060
		71,348,991	71,345,597	90,946,844	91,409,117
CURRENT ASSETS					
Property development costs	12	68,717,474	65,917,067	37,320,238	37,320,238
Contract cost assets	13	3,338,721	3,210,092	-	-
Trade and other receivables	14	2,963,387	1,052,537	100,892	471,400
Contract assets	15	4,887,679	4,249,022	-	-
Amount owing by subsidiaries	16	-	-	8,945,591	1,830,082
Current tax assets		1,115	41,155	-	-
Fixed deposits with licensed banks	17	6,505,560	2,463,197	6,505,560	2,463,197
Short-term investments	18	16,192,344	10,065,558	16,192,344	5,748,752
Cash and bank balances	19	7,751,762	5,800,556	496,853	266,986
		110,358,042	92,799,184	69,561,478	48,100,655
TOTAL ASSETS		181,707,033	164,144,781	160,508,322	139,509,772
EQUITY AND LIABILITIES					
EQUITY					
Share capital	20	46,239,324	22,160,982	46,239,324	22,160,982
Reserves	21	108,259,559	112,574,309	116,730,790	118,475,015
Treasury shares	22	(3,724,544)	(3,724,544)	(3,724,544)	(3,724,544)
TOTAL EQUITY		150,774,339	131,010,747	159,245,570	136,911,453
NON-CURRENT LIABILITIES					
Lease liabilities	23	636,985	1,118,165	-	28,037
Term loans	24	22,823,634	25,639,402	-	-
Retirement benefit obligations	25	81,744	163,940	-	-
Deferred tax liabilities	26	156,442	156,442	-	-
		23,698,805	27,077,949	-	28,037
CURRENT LIABILITIES					
Trade and other payables	27	5,779,934	4,758,659	1,115,571	1,130,276
Lease liabilities	23	425,727	485,771	28,037	54,241
Term loans	24	909,084	692,511	-	-
Amount owing to a subsidiary	16	-	-	-	1,266,621
Current tax liabilities		119,144	119,144	119,144	119,144
		7,233,889	6,056,085	1,262,752	2,570,282
TOTAL LIABILITIES		30,932,694	33,134,034	1,262,752	2,598,319
TOTAL EQUITY AND LIABILITIES		181,707,033	164,144,781	160,508,322	139,509,772

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 2021

	Note	The Group		The Company	
		2021 RM	2020 RM	2021 RM	2020 RM
REVENUE	28	9,905,523	6,512,288	2,271,882	2,321,723
COST OF SALES		(6,166,335)	(3,941,719)	(472,468)	(673,788)
GROSS PROFIT		3,739,188	2,570,569	1,799,414	1,647,935
OTHER INCOME	29	1,107,506	911,081	392,051	584,159
		4,846,694	3,481,650	2,191,465	2,232,094
SELLING AND DISTRIBUTION EXPENSES		(396,257)	(454,414)	-	-
ADMINISTRATIVE EXPENSES		(7,050,590)	(6,115,782)	(3,891,251)	(9,914,871)
NET REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL ASSETS	30	-	-	-	6,470,518
LOSS FROM OPERATIONS		(2,600,153)	(3,088,546)	(1,699,786)	(1,212,259)
FINANCE COSTS		(1,216,901)	(725,771)	(5,759)	(9,112)
LOSS BEFORE TAXATION	31	(3,817,054)	(3,814,317)	(1,705,545)	(1,221,371)
INCOME TAX EXPENSE	32	(497,696)	(175,518)	(38,680)	(66,370)
LOSS AFTER TAXATION		(4,314,750)	(3,989,835)	(1,744,225)	(1,287,741)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR		(4,314,750)	(3,989,835)	(1,744,225)	(1,287,741)
<b>LOSS AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		(4,314,750)	(3,989,835)	(1,744,225)	(1,287,741)
<b>TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-</b>					
Owners of the Company		(4,314,750)	(3,989,835)	(1,744,225)	(1,287,741)
<b>LOSS PER SHARE (SEN)</b>	33				
Basic		(1.79)	(2.90)		
Diluted		(1.79)	(2.90)		

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

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

				← Non-distributable →	Distributable		
	Note	Share Capital RM	Treasury Shares RM	Asset Revaluation Reserve RM	Capital Reserve RM	Retained Profits RM	Total Equity RM
The Group							
Balance at 1.1.2020		22,160,982	(3,724,544)	24,539,768	48,208,750	43,815,626	135,000,582
Loss after taxation for the financial year		-	-	-	-	(3,989,835)	(3,989,835)
Balance at 31.12.2020/1.1.2021		22,160,982	(3,724,544)	24,539,768	48,208,750	39,825,791	131,010,747
Contributions by owners of the Company							
- Issuance of shares	20	24,765,380	-	-	-	-	24,765,380
- Shares issuance expenses	20	(687,038)	-	-	-	-	(687,038)
Total transactions with owners		24,078,342	-	-	-	-	24,078,342
Loss after taxation for the financial year		-	-	-	-	(4,314,750)	(4,314,750)
Balance at 31.12.2021		46,239,324	(3,724,544)	24,539,768	48,208,750	35,511,041	150,774,339
The Company							
Balance at 1.1.2020		22,160,982	(3,724,544)	24,539,768	48,208,750	47,014,238	138,199,194
Loss after taxation for the financial year		-	-	-	-	(1,287,741)	(1,287,741)
Balance at 31.12.2020/1.1.2021		22,160,982	(3,724,544)	24,539,768	48,208,750	45,726,497	136,911,453
Contributions by owners of the Company							
- Issuance of shares	20	24,765,380	-	-	-	-	24,765,380
- Shares issuance expenses	20	(687,038)	-	-	-	-	(687,038)
Total transactions with owners		24,078,342	-	-	-	-	24,078,342
Loss after taxation for the financial year		-	-	-	-	(1,744,225)	(1,744,225)
Balance at 31.12.2021		46,239,324	(3,724,544)	24,539,768	48,208,750	43,982,272	159,245,570

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Note	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>CASH FLOWS FOR</b>				
<b>OPERATING ACTIVITIES</b>				
Loss before taxation	(3,817,054)	(3,814,317)	(1,705,545)	(1,221,371)
Adjustments for:-				
Amortisation of club membership	364	363	364	363
Covid-19-related rent concessions	(10,413)	(13,413)	-	-
Depreciation of equipment	126,971	127,903	66,574	66,784
Depreciation of right-of-use assets	480,298	490,522	42,745	42,745
Equipment written off	358,016	-	352,590	-
Impairment loss:				
- investments in subsidiaries	-	-	-	6,299,907
Interest expense on lease liabilities	76,060	90,261	5,759	9,112
Interest expense	1,140,841	635,510	-	-
Retirement benefit obligations	19,537	33,492	-	-
Fair value loss/(gain) on short-term investments	307,328	(562,502)	307,328	(532,326)
Gain on modification of a lease	(16,375)	(61,775)	-	-
Interest income	(468,521)	(145,549)	(392,051)	(51,833)
Reversal of impairment loss on amount				
owing by subsidiaries	-	-	-	(6,470,518)
Gain on disposal of a subsidiary	(9,741)	-	-	-
Operating loss before working capital changes	(1,812,689)	(3,219,505)	(1,322,236)	(1,857,137)
Increase in property development costs	(2,800,407)	(4,095,115)	-	(220)
Increase in contract cost assets	(128,629)	(295,856)	-	-
Increase in contract assets	(638,657)	(2,172,335)	-	-
(Increase)/Decrease in trade and				
other receivables	(1,910,850)	(377,247)	370,508	(359,681)
Increase in amount owing by subsidiaries	-	-	(7,115,509)	(3,906,288)
(Decrease)/Increase in amount				
owing to a subsidiary	-	-	(1,266,621)	1,266,621
Increase/(Decrease) in trade				
and other payables	1,025,826	1,999,799	(14,705)	38,589
CASH FOR OPERATIONS	(6,265,406)	(8,160,259)	(9,348,563)	(4,818,116)
Income tax refunded	-	230	-	-
Income tax paid	(457,656)	(215,692)	(38,680)	(66,370)
Retirement benefits paid	(101,733)	-	-	-
NET CASH FOR OPERATING ACTIVITIES	(6,824,795)	(8,375,721)	(9,387,243)	(4,884,486)

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



## STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		The Group		The Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>CASH FLOWS FOR</b>					
<b>INVESTING ACTIVITIES</b>					
Additional investment in existing subsidiaries		-	-	-	(15,488,729)
Disposal of a subsidiary, net of cash and cash equivalents disposed of	34	(810)	-	-	-
Increase in pledged bank balances with a licensed bank		(107,804)	(3,407,432)	(62,803)	(96,208)
Interest income received		161,193	708,051	84,723	584,159
Purchase of equipment		(14,392)	(16,273)	-	-
Purchase of land held for property development		(545,001)	(29,481,351)	-	-
Withdrawal of fixed deposits with tenure more than 3 months		-	5,093,280	-	5,093,280
Increase in pledged fixed deposits with licensed banks		(39,460)	-	(39,460)	-
Purchase of other investment		(452,000)	-	-	-
NET CASH FOR INVESTING ACTIVITIES		(998,274)	(27,103,725)	(17,540)	(9,907,498)
<b>CASH FLOWS FROM/(FOR)</b>					
<b>FINANCING ACTIVITIES</b>					
Drawdown of term loans	35(a)	-	22,300,499	-	-
Interest paid	35(a)	(1,220,673)	(604,885)	(5,759)	(9,112)
Proceeds from issuance of ordinary shares		24,765,380	-	24,765,380	-
Payment of share issuance expenses		(687,038)	-	(687,038)	-
Repayment of lease liabilities	35(a)	(466,086)	(455,886)	(54,241)	(47,888)
Repayment of term loans	35(a)	(2,595,423)	(510,304)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		19,796,160	20,729,424	24,018,342	(57,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		11,973,091	(14,750,022)	14,613,559	(14,848,984)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		12,458,682	27,208,704	5,919,530	20,768,514
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35(c)	24,431,773	12,458,682	20,533,089	5,919,530

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

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 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 financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 April 2022.

#### 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 are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, 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 has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

- 3.2 The Group has 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:-

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

	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
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 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

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 upon their initial application.

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

##### *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 anticipates 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 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 which are subject to higher degree of estimation uncertainties due to uncertainty on how the COVID-19 pandemic may progress and evolve and volatility in markets in which the Group operate. The carrying amounts of investments in subsidiaries, equipment, right-of-use assets and other investment as at the reporting date are disclosed in Note 5, Note 6, Note 8 and Note 11 to the financial statements respectively.

##### **(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 including changes in the customer payment profile in response to the COVID-19 pandemic 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 Note 14 and Note 15 to the financial statements respectively.

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

###### **(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 recognises 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 RM1,155 and RM119,144 (2020 - RM41,155 and RM119,144) respectively and the current tax liabilities of the Company is RM119,144 (2020 - 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 and expected loss rates. 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 as well as forward-looking estimates incorporating the impact of COVID-19 pandemic. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Note 14 and Note 16 to the financial statements respectively.

###### **(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 which are subject to higher degree of estimation uncertainties due to uncertainty on how the COVID-19 pandemic may progress and evolve and volatility in markets in which the Group operates. The carrying amount of property development costs as at the reporting date is disclosed in Note 12 to the financial statements.

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

###### (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 9 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 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 accounts for the portions separately. If the portions could not be sold separately, the property is an 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.

##### 4.2 BASIS OF CONSOLIDATION

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

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.2 BASIS OF CONSOLIDATION (CONT'D)**

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

**(a) Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

**(b) Non-controlling Interests**

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**(c) Changes In Ownership Interests In Subsidiaries Without Change of Control**

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

**(d) Loss of Control**

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.3 FUNCTIONAL AND PRESENTATION CURRENCY

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

##### 4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

##### (a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

##### *Debt Instruments*

##### (i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

###### (a) Financial Assets (Cont'd)

###### *Debt Instruments (Cont'd)*

###### (ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

###### (iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

###### *Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

###### (b) Financial Liabilities

###### (i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

###### (ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

###### (c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

###### (i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

###### (ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

###### (d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

###### (e) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, 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 liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

##### 4.6 EQUIPMENT

All items of equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

Depreciation on equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

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

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

##### 4.7 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 4.7 INVESTMENT PROPERTIES (CONT'D)

Subsequent to initial recognition, investment properties are stated at fair value with fair value changes recognised in profit or loss.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If the owner-occupied property becomes an investment property, such property shall be accounted for in accordance with the accounting policy for equipment up to date of change in use.

#### 4.8 LEASES

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets that do not meet the definition of investment property and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

#### 4.9 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.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.9 LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D)**

The cost comprises cost associated to 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 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.

**4.10 PROPERTY DEVELOPMENT COSTS**

Property development costs are stated at the lower of cost and net realisable value.

The 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.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

**4.11 CONTRACT COST ASSETS****(a) Incremental Costs of Obtaining Contracts**

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

**(b) Costs to Fulfill A Contract**

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract cost assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

**4.12 CONTRACT ASSET AND CONTRACT LIABILITY**

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.13 IMPAIRMENT

###### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

###### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the assets' fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

##### 4.15 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

##### 4.16 INCOME TAXES

###### (a) Current tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

###### (b) Deferred tax

Deferred tax is recognised using the liability method of all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.17 EMPLOYEE BENEFITS****(a) Short-term Benefits**

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and 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.

**4.18 OPERATING SEGMENTS**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

**4.19 EARNINGS PER ORDINARY SHARE**

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

**4.20 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### 4.20 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

###### **Property Development Activities**

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs 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 upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

##### 4.21 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

###### **(a) Rental Income**

Rental income is accounted for on a straight-line method over the lease term.

###### **(b) Interest Income**

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

##### 4.22 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

##### 4.23 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2021 RM	2020 RM
Unquoted shares, at cost	64,609,437	64,609,437
Allowance for impairment losses	(10,313,910)	(10,313,910)
	<u>54,295,527</u>	<u>54,295,527</u>
Allowance for impairment losses:-		
At 1 January	(10,313,910)	(4,014,003)
Addition during the financial year (Note 31)	-	(6,299,907)
At 31 December	<u>(10,313,910)</u>	<u>(10,313,910)</u>

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2021 %	2020 %	
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.
Parkwood PJS Sdn. Bhd. #	Malaysia	-	100	Property development whereas the subsidiary is dormant since its incorporation.

# Held through Parkwood Developments Sdn. Bhd.

(a) During the current financial year, Parkwood Developments Sdn. Bhd., a wholly-owned subsidiary of the Company disposed off 90% equity interest in Parkwood PJS Sdn. Bhd. for a total consideration of RM6,834. Following the completion of the disposal, Parkwood PJS Sdn. Bhd. ceased to be a subsidiary of the Company. The details of the disposal are disclosed in Note 34 to the financial statements.

(b) In the previous financial year:-

- (i) on 22 July 2020, the Company subscribed for 38,500,000 ordinary shares in Parkwood Sdn. Bhd. by way of capitalisation of an amount of RM29,306,015 owing by the subsidiary and for a cash consideration of RM9,193,985.
- (ii) on 22 July 2020, the Company subscribed for 4,750,000 ordinary shares in Parkwood Developments Sdn. Bhd. by way of capitalisation of an amount of RM4,750,000 owing by the subsidiary.
- (iii) on 22 July 2020, the Company subscribed for 14,000,000 ordinary shares in Parkwood Damai Sdn. Bhd. by way of capitalisation of an amount of RM7,705,256 owing by the subsidiary and for a cash consideration of RM6,294,744.
- (iv) the Company had carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment losses of RM6,299,907, representing the write-down of the investments to their recoverable amounts, was recognised in "Administrative Expenses" line item of the statement of profit or loss and other comprehensive income.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 6. EQUIPMENT

The Group	Electrical Installations RM	Office Equipment, Furniture and Fittings RM	Office Renovation RM	Total RM
<b>2021</b>				
<b>Cost</b>				
At 1 January	190,296	1,162,078	126,201	1,478,575
Additions	-	14,392	-	14,392
Write off	(188,346)	(683,293)	(122,921)	(994,560)
At 31 December	1,950	493,177	3,280	498,407
<b>Accumulated depreciation</b>				
At 1 January	66,392	743,777	40,815	850,984
Depreciation charge during the financial year (Note 31)	19,030	95,321	12,620	126,971
Write off	(84,756)	(499,474)	(52,314)	(636,544)
At 31 December	666	339,624	1,121	341,411
<b>Accumulated impairment loss</b>				
At 1 January/31 December	-	30,001	-	30,001
Carrying Amount	1,284	123,552	2,159	126,995
<b>2020</b>				
<b>Cost</b>				
At 1 January	190,296	1,145,805	126,201	1,462,302
Additions	-	16,273	-	16,273
At 31 December	190,296	1,162,078	126,201	1,478,575
<b>Accumulated depreciation</b>				
At 1 January	47,363	647,523	28,195	723,081
Depreciation charge during the financial year (Note 31)	19,029	96,254	12,620	127,903
At 31 December	66,392	743,777	40,815	850,984
<b>Accumulated impairment loss</b>				
At 1 January/31 December	-	30,001	-	30,001
Carrying Amount	123,904	388,300	85,386	597,590
<b>The Company</b>				
<b>2021</b>				
<b>Cost</b>				
At 1 January	188,346	678,129	122,921	989,396
Write off	(188,346)	(674,979)	(122,921)	(986,246)
At 31 December	-	3,150	-	3,150
<b>Accumulated depreciation</b>				
At 1 January	65,921	464,132	40,022	570,075
Depreciation charge during the financial year (Note 31)	18,835	35,447	12,292	66,574
Write off	(84,756)	(496,586)	(52,314)	(633,656)
At 31 December	-	2,993	-	2,993
Carrying Amount	-	157	-	157

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 6. EQUIPMENT (CONT'D)

The Company	Electrical Installations RM	Office Equipment, Furniture and Fittings RM	Office Renovation RM	Total RM
<b>2020</b>				
<b>Cost</b>				
At 1 January/31 December	188,346	678,129	122,921	989,396
<b>Accumulated depreciation</b>				
At 1 January	47,087	428,474	27,730	503,291
Depreciation charge during the financial year (Note 31)	18,834	35,658	12,292	66,784
At 31 December	65,921	464,132	40,022	570,075
<i>Carrying Amount</i>	122,425	213,997	82,899	419,321

## 7. INVESTMENT PROPERTY

	The Group/The Company	
	2021 RM	2020 RM
<i>Carrying Amount</i>		
At 1 January/31 December	36,600,000	36,600,000

The following investment property is held under lease terms:

	The Group/The Company	
	2021 RM	2020 RM
Included in the above are:-		
Leasehold land	25,500,000	25,500,000
Building	11,100,000	11,100,000
	36,600,000	36,600,000

- (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 6 (2020 - 7) years.

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

	The Group/The Company	
	2021 RM	2020 RM
Within 1 year	2,199,732	2,199,732
Between 1 and 2 years	2,221,298	2,199,732
Between 2 and 3 years	2,458,524	2,221,298
Between 3 and 4 years	2,458,524	2,458,524
Between 4 and 5 years	2,232,777	2,458,524
Later than 5 years	-	2,232,777
	11,570,855	13,770,587

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 7. INVESTMENT PROPERTY (CONT'D)

- (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.

## 8. RIGHT-OF-USE ASSETS

	At 1.1.2021 RM	Depreciation Charges (Note 31) RM	Derecognition Due to Lease Modifications RM	At 31.12.2021 RM
<b>The Group</b>				
<b>2021</b>				
<i>Carrying Amount</i>				
Office furniture	87,674	(43,837)	-	43,837
Office buildings	1,427,831	(436,461)	(48,350)	943,020
	1,515,505	(480,298)	(48,350)	986,857

	At 1.1.2020 RM	Addition RM	Depreciation Charges (Note 31) RM	Reassessment/ Modification of Lease Liabilities RM	At 31.12.2020 RM
<b>The Group</b>					
<b>2020</b>					
<i>Carrying Amount</i>					
Office furniture	131,511	-	(43,837)	-	87,674
Office buildings	945,041	1,127,490	(446,685)	(198,015)	1,427,831
	1,076,552	1,127,490	(490,522)	(198,015)	1,515,505

	<b>The Group</b>	
	<b>2021 RM</b>	<b>2020 RM</b>
Analysed by:-		
Cost	2,195,553	2,444,979
Accumulated depreciation	(1,208,696)	(929,474)
	986,857	1,515,505

The Group has leased office buildings and office furniture that run between 2 to 3 (2020 - 2 to 3) years, with an option to renew the lease after that date. The Group is allowed to sublease the office building.

	At 1.1.2021 RM	Depreciation Charges (Note 31) RM	At 31.12.2021 RM
<b>The Company</b>			
<b>2021</b>			
<i>Carrying Amount</i>			
Office building	64,118	(42,745)	21,373



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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. RIGHT-OF-USE ASSETS (CONT'D)

[illegible]

The Company has leased an office building that run for 3 (2020 - 3) years, with an option to renew the lease after that date. The Company is allowed to sublease the office building.

## 9. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2021 RM	2020 RM
At 1 January	32,589,351	-
Additions	545,001	29,481,351
Transfer from prepayment	-	3,108,000
At 31 December	33,134,352	32,589,351
Analysed by: -		
Leasehold land	31,000,000	31,000,000
Development costs	2,134,352	1,589,351
	33,134,352	32,589,351

Land held for property development with a total carrying amount of RM33,134,352 (2020 - RM32,589,351) has been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

## 10. CLUB MEMBERSHIP

	The Group/The Company	
	2021	2020
	RM	RM
Transferable club membership, at cost		
At 1 January/31 December	20,000	20,000
Accumulated amortisation:-		
At 1 January	(8,909)	(8,546)
Amortisation during the financial year (Note 31)	(364)	(363)
At 31 December	(9,273)	(8,909)
	10,727	11,091

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 11. OTHER INVESTMENT

	The Group	
	2021 RM	2020 RM
<u>Non-current</u>		
Unquoted ordinary shares, at fair value	458,000	-

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

## 12. PROPERTY DEVELOPMENT COSTS

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 January:				
- leasehold land	52,444,496	53,592,263	37,100,000	37,100,000
- property development costs	13,472,571	8,229,689	220,238	220,018
	65,917,067	61,821,952	37,320,238	37,320,018
Leasehold land:				
- Transfer to contract costs assets	(1,751,100)	(1,147,767)	-	-
Property development costs:				
- Cost incurred during the financial year	8,622,903	7,658,902	-	220
- Transfer to contract costs assets	(4,071,396)	(2,416,020)	-	-
At 31 December	68,717,474	65,917,067	37,320,238	37,320,238
Analysed by:-				
Leasehold land	50,693,396	52,444,496	37,100,000	37,100,000
Property development costs	18,024,078	13,472,571	220,238	220,238
	68,717,474	65,917,067	37,320,238	37,320,238

The leasehold land with a carrying amount of RM13,593,396 (2020 - RM15,344,496) has been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

## 13. CONTRACT COST ASSETS

	The Group	
	2021 RM	2020 RM
Costs to fulfill a contract:-		
At 1 January	3,210,092	2,914,236
Transfer from property development costs (Note 12)	5,822,496	3,563,787
Cost recognised as cost of sales in profit or loss	(5,693,867)	(3,267,931)
At 31 December	3,338,721	3,210,092

The costs to fulfill a contract primarily comprises 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.

The contract cost assets have been pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 14. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Trade receivables	2,432,136	161,372	36,134	6,490
Other receivables:-				
Third parties	55,000	47,932	1,000	-
Goods and services tax recoverable	3,034	3,034	-	-
	58,034	50,966	1,000	-
Refundable deposits	107,348	152,348	44,985	44,985
Deposits	347,096	267,926	-	-
Prepayments	18,773	419,925	18,773	419,925
	2,963,387	1,052,537	100,892	471,400

All customers are granted credit periods ranging from 7 to 60 days (2020 - 7 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

## 15. CONTRACT ASSETS

	The Group	
	2021	2020
	RM	RM
<b>Contract Assets</b>		
Contract assets relating to property development activities	4,887,679	4,249,022

(a) The contract assets primarily relate to the Group's rights to consideration for property development work completed on contracts but not yet billed at the reporting date. The amount will be invoiced within 14 (2020 - 14) days.

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

	The Group	
	2021	2020
	RM	RM
At 1 January	4,249,022	2,076,687
Property development revenue recognised during the financial year	7,633,641	4,190,565
Billings to customers during the financial year (transferred to trade receivables)	(6,994,984)	(2,018,230)
At 31 December	4,887,679	4,249,022

(c) As at the end of the reporting period, the transaction price allocated to the unsatisfied performance obligation of a long-term contract is RM18,731,081 (2020 - RM18,167,117). The remaining performance obligation is expected to be recognised as below:-

	The Group	
	2021	2020
	RM	RM
Within 1 year	18,731,081	9,909,336
Between 1 and 3 years	-	8,257,781
	18,731,081	18,167,117

The amounts disclosed include variable consideration which is constrained.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 16. AMOUNT OWING BY/(TO) SUBSIDIARIES

	The Company	
	2021	2020
	RM	RM
<b>Amount Owing by Subsidiaries</b>		
Non-trade balances	8,945,591	1,830,082
	The Company	
	2021	2020
	RM	RM
Allowance for impairment losses:-		
At 1 January	-	(6,470,518)
Reversal during the financial year (Note 30)	-	6,470,518
At 31 December	-	-
<b>Amount Owing to A Subsidiary</b>		
Non-trade balances	-	(1,266,621)

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

## 17. 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 rates ranging from 1.45% to 1.60% (2020 - 1.60%) per annum. The fixed deposits have maturity periods of 7 to 187 days (2020 - 363 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 RM2,502,657 (2020 - RM2,463,197) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

## 18. 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 1.40% to 3.64% (2020 - 2.10% to 4.00%) per annum.

## 19. CASH AND BANK BALANCES

- (a) Included in the cash and bank balances of the Group is an amount of RM3,044,589 (2020 - RM1,853,750) 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 RM3,515,236 and RM159,011 (2020 - RM3,407,432 and RM96,208) respectively pledged as securities for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**20. SHARE CAPITAL**

	2021 Number of Shares	2020	2021 RM	2020 RM
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 January	144,382,742	144,382,742	22,160,982	22,160,982
Issuance of new shares for cash	137,585,442	-	24,765,380	-
Share issuance expenses	-	-	(687,038)	-
At 31 December	281,968,184	144,382,742	46,239,324	22,160,982

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.

During the current financial year, the Company increased its issued and paid-up share capital from RM22,160,982 to RM46,926,362 by way of issuance of 137,585,442 new ordinary shares at RM0.18 each for a cash consideration of RM24,765,380. After offsetting the share issuance expenses of RM687,038, the issued and paid-up share capital stood at RM46,239,324 as shown above.

The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

**21. RESERVES**

		The Group		The Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Asset revaluation reserve	21.1	24,539,768	24,539,768	24,539,768	24,539,768
Capital reserve	21.2	48,208,750	48,208,750	48,208,750	48,208,750
Retained profits		35,511,041	39,825,791	43,982,272	45,726,497
		108,259,559	112,574,309	116,730,790	118,475,015

**21.1 ASSET REVALUATION RESERVE**

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).

**21.2 CAPITAL RESERVE**

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.

**22. TREASURY SHARES**

	The Group/The Company			
	2021 Number of Ordinary Shares	2020	2021 RM	2020 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.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 23. LEASE LIABILITIES

	The Group	
	2021 RM	2020 RM
At 1 January	1,603,936	1,205,535
Additions	-	1,127,490
Changes due to reassessment of lease payment	-	(33,861)
Changes due to reassessment of lease term	-	345,647
Covid-19-related rent concessions received (Note 29)	(10,413)	(13,413)
Derecognition due to lease modification	(64,725)	(571,576)
Interest expense recognised in profit or loss (Note 31)	76,060	90,261
Repayment of principal	(466,086)	(455,886)
Repayment of interest expense	(76,060)	(90,261)
At 31 December	1,062,712	1,603,936
Analysed by:-		
Current liabilities	425,727	485,771
Non-current liabilities	636,985	1,118,165
	1,062,712	1,603,936

	The Company	
	2021 RM	2020 RM
At 1 January	82,278	148,710
Changes due to reassessment of lease payment	-	(18,544)
Interest expense recognised in profit or loss (Note 31)	5,759	9,112
Repayment of principal	(54,241)	(47,888)
Repayment of interest expense	(5,759)	(9,112)
At 31 December	28,037	82,278
Analysed by:-		
Current liabilities	28,037	54,241
Non-current liabilities	-	28,037
	28,037	82,278

## 24. TERM LOANS (SECURED)

	The Group	
	2021 RM	2020 RM
Current liabilities	909,084	692,511
Non-current liabilities	22,823,634	25,639,402
	23,732,718	26,331,913

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**24. TERM LOANS (SECURED) (CONT'D)**

The term loans bore effective interest rates of ranging from 4.43% to 5.13% (2020 - 4.43% to 5.13%) per annum at the end of the reporting date and are secured by:-

- (a) facility agreements;
- (b) a first party legal charge over the leasehold land of the Group as disclosed in Note 9 and Note 12 to the financial statements;
- (c) a corporate guarantee of the Company;
- (d) a legal charge over the debt service reserve account of the Group as disclosed in Note 19 to the financial statements;
- (e) a legal charge over the escrow account of the Company as disclosed in Note 19 to the financial statements;
- (f) 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;
- (g) a legal charge over the fixed deposits with licensed banks of the Group and of the Company as disclosed in Note 17 to the financial statements; and
- (h) project debenture on development known as "Utamara Residences".

**25. 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>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At 1 January	163,940	130,448
Charged to profit or loss	19,537	33,492
Retirement benefit paid	(101,733)	-
At 31 December	81,744	163,940

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

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Present value of unfunded obligations	81,744	163,940

The amount recognised in the profit or loss are as follows:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Current service cost	19,537	10,995
Interest cost	-	22,497
	19,537	33,492



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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**25. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)**

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

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

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Discount rate	5.00%	5.00%
Expected rate of salary increases	-	2.62%

**26. DEFERRED TAX LIABILITIES**

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
At 1 January/31 December	156,442	156,442

The deferred tax liabilities are attributable to the following:-

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Deferred tax liabilities:-</b>		
Fair value adjustment on land held for property development through acquisition of a subsidiary	156,442	156,442

**27. TRADE AND OTHER PAYABLES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Trade payables	3,852,077	3,007,359	-	4,596
Other payables	266,765	95,339	18,698	33,778
Deposits	884,089	842,844	761,089	705,608
Accruals	777,003	813,117	335,784	386,294
	5,779,934	4,758,659	1,115,571	1,130,276

The normal trade credit terms granted to the Group and the Company is 30 (2020 - 30) days.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 28. REVENUE

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
<b>Revenue from Contracts with Customers</b>				
<i>Recognised over time</i>				
Property development activities	7,633,641	4,190,565	-	-
<b>Revenue from Other Sources</b>				
Rental income	2,271,882	2,321,723	2,271,882	2,321,723
	9,905,523	6,512,288	2,271,882	2,321,723

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

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Malaysia	9,905,523	6,512,288	2,271,882	2,321,723

(b) The information on the unsatisfied performance obligations is disclosed in Note 15(c) to the financial statements.

## 29. OTHER INCOME

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Included in other income are the following items:-				
COVID-19-related rent concessions (Note 23)	10,413	13,413	-	-
Fair value gain on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investments	-	562,502	-	532,326
Gain on modification of a lease	16,375	61,775	-	-
Gain on disposal of a subsidiary	9,741	-	-	-
Rental income on office	463,345	127,842	-	-
Total interest income on financial assets measured at amortised cost	468,521	145,549	392,051	51,833

## 30. NET REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL ASSETS

	The Group		The Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Reversal of impairment losses:				
- amount owing by subsidiaries (Note 16)	-	-	-	6,470,518

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 31. LOSS BEFORE TAXATION

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
In addition to those disclosed in Note 29 and Note 30 to the financial statements, loss before taxation is arrived at after charging:-				
Amortisation of club membership (Note 10)	364	363	364	363
Auditors' remuneration:				
- audit fees	105,000	107,000	48,000	48,000
- non-audit fees:				
- auditors of the Company	35,000	5,000	35,000	5,000
Depreciation:				
- equipment (Note 6)	126,971	127,903	66,574	66,784
- right-of-use assets (Note 8)	480,298	490,522	42,745	42,745
Directors' remuneration (Note 36)	712,800	744,240	712,800	744,240
Equipment written off	358,016	-	352,590	-
Fees payable to a company in which a director has a substantial financial interest	24,000	24,000	24,000	24,000
Impairment loss:				
- investments in subsidiaries (Note 5)	-	-	-	6,299,907
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- term loans	1,140,841	635,510	-	-
Interest expense on lease liabilities (Note 23)	76,060	90,261	5,759	9,112
Fair value loss on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investments	307,328	-	307,328	-
Lease expenses:				
- short-term leases	5,316	14,520	5,316	14,520
- low-value assets	13,280	12,720	-	-
Staff costs:				
- defined contribution plan	372,979	391,050	88,537	138,272
- retirement benefit obligations:				
- current financial year	19,537	33,492	-	-
- salaries and others benefits	3,053,224	2,997,066	685,052	878,479

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM31,279 (2020 - RM36,647).

## 32. INCOME TAX EXPENSE

	The Group		The Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current tax expense	350,000	66,566	38,680	66,370
Underprovision in the previous financial year	147,696	108,952	-	-
	497,696	175,518	38,680	66,370

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**32. INCOME TAX EXPENSE (CONT'D)**

A reconciliation of income tax expense applicable to the loss 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:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Loss before taxation	(3,817,054)	(3,814,317)	(1,705,545)	(1,221,371)
Tax at the statutory tax rate of 24% (2020 - 24%)	(916,093)	(915,436)	(409,331)	(293,129)
Tax effects of:-				
Non-deductible expenses	1,143,113	1,212,963	170,471	482,197
Non-taxable gain	(57,020)	(127,758)	(57,020)	(127,758)
Utilisation of deferred tax assets previously not recognised	(154,560)	(118,051)	-	-
Deferred tax assets not recognised during the financial year	334,560	14,848	334,560	5,060
Underprovision of current tax in the previous financial year	147,696	108,952	-	-
	<u>497,696</u>	<u>175,518</u>	<u>38,680</u>	<u>66,370</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020 - 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:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unused tax losses	36,273,000	35,153,000	25,746,000	24,461,000
Unabsorbed capital allowances	7,246,000	7,126,000	7,195,000	7,075,000
Other deductible temporary differences	2,243,000	2,733,000	139,000	150,000
	<u>45,762,000</u>	<u>45,012,000</u>	<u>33,080,000</u>	<u>31,686,000</u>

The unused tax losses are allowed to be utilised for 7 consecutive years of assessment while 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 2021

**33. LOSS PER SHARE****Basic loss per share**

The basic loss per share has been calculated based on the consolidated loss after taxation of RM4,314,750 (2020 - RM3,989,835) and on 241,245,707 (2020 - 137,585,442) being the weighted average number of ordinary shares during the financial year after deducting treasury shares calculated as follows:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
Weighted average number of ordinary shares in issue:-		
Ordinary shares at 1 January	144,382,742	144,382,742
Effect of new ordinary shares issued	103,660,265	-
	248,043,007	144,382,742
Less: Treasury shares	(6,797,300)	(6,797,300)
Weighted average number of ordinary shares at 31 December	241,245,707	137,585,442
Basic loss per share (sen)	(1.79)	(2.90)

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

**34. DISPOSAL OF A SUBSIDIARY**

On 1 January 2021, Parkwood Developments Sdn. Bhd., a wholly-owned subsidiary of the Company disposed off 90% equity interest in Parkwood PJS Sdn. Bhd. for a total consideration of RM6,834. Following the completion of the disposal, Parkwood PJS Sdn. Bhd. ceased to be a subsidiary of the Company.

The financial effects of the disposal at the date of disposal are summarised below:-

	<b>The Group</b>
	<b>2021</b>
	<b>RM</b>
Bank balance	7,644
Other payables and accruals	(4,551)
Carrying amount of net assets disposed of	3,093
Fair value of equity interests retained as other investment	(6,000)
Gain on disposal of a subsidiary (Note 29)	9,741
Consideration received, satisfied in cash	6,834
Less: Bank balance of a subsidiary disposed of	(7,644)
Net cash outflow from the disposal of a subsidiary	(810)

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 35. CASH FLOW INFORMATION

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

The Group	Term Loans RM	Lease Liabilities RM	Total RM
<b>2021</b>			
At 1 January	26,331,913	1,603,936	27,935,849
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(2,595,423)	(466,086)	(3,061,509)
Repayment of interests	(1,144,613)	(76,060)	(1,220,673)
	(3,740,036)	(542,146)	(4,282,182)
<u>Non-cash Changes</u>			
Covid-19-related rent concessions	-	(10,413)	(10,413)
Derecognition due to lease modification	-	(64,725)	(64,725)
Interest expense recognised in profit or loss (Note 31)	1,140,841	76,060	1,216,901
	1,140,841	922	1,141,763
At 31 December	23,732,718	1,062,712	24,795,430
<b>2020</b>			
At 1 January	4,420,832	1,205,535	5,626,367
<u>Changes in Financing Cash Flows</u>			
Proceeds from drawdown	22,300,499	-	22,300,499
Repayment of principal	(510,304)	(455,886)	(966,190)
Repayment of interests	(514,624)	(90,261)	(604,885)
	21,275,571	(546,147)	20,729,424
<u>Non-cash Changes</u>			
Acquisition of new lease (Note 23)	-	1,127,490	1,127,490
Changes due to reassessment of lease liabilities	-	311,786	311,786
Covid-19-related rent concessions	-	(13,413)	(13,413)
Derecognition due to lease modification	-	(571,576)	(571,576)
Interest expense recognised in profit or loss (Note 31)	635,510	90,261	725,771
	635,510	944,548	1,580,058
At 31 December	26,331,913	1,603,936	27,935,849

The Company	Lease Liabilities RM	Total RM
<b>2021</b>		
At 1 January	82,278	82,278
<u>Changes in Financing Cash Flows</u>		
Repayment of principal	(54,241)	(54,241)
Repayment of interests	(5,759)	(5,759)
	(60,000)	(60,000)
<u>Non-cash Changes</u>		
Interest expense recognised in profit or loss (Note 31)	5,759	5,759
At 31 December	28,037	28,037

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 35. 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>Total RM</b>
<b>2020</b>		
At 1 January	148,710	148,710
<u>Changes in Financing Cash Flows</u>		
Repayment of principal	(47,888)	(47,888)
Repayment of interests	(9,112)	(9,112)
	(57,000)	(57,000)
<u>Non-cash Changes</u>		
Changes due to reassessment of lease liabilities	(18,544)	(18,544)
Interest expense recognised in profit or loss (Note 31)	9,112	9,112
	(9,432)	(9,432)
At 31 December	82,278	82,278

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2021 RM</b>	<b>2020 RM</b>	<b>2021 RM</b>	<b>2020 RM</b>
Payment of short-term leases	5,316	14,520	5,316	14,520
Payment of low-value assets	13,280	12,720	-	-
Interest paid on lease liabilities	76,060	90,261	5,759	9,112
Payment of lease liabilities	466,086	458,886	54,241	47,888
	560,742	576,387	65,316	71,520

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2021 RM</b>	<b>2020 RM</b>	<b>2021 RM</b>	<b>2020 RM</b>
Fixed deposits with licensed banks	6,505,560	2,463,197	6,505,560	2,463,197
Short-term investments	16,192,344	10,065,558	16,192,344	5,748,752
Cash and bank balances	7,751,762	5,800,556	496,853	266,986
	30,449,666	18,329,311	23,194,757	8,478,935
Less: Fixed deposits pledged with licensed banks	(2,502,657)	(2,463,197)	(2,502,657)	(2,463,197)
Less: Bank balances held in escrow	(159,011)	(96,208)	(159,011)	(96,208)
Less: Bank balances pledged with a licensed bank	(3,356,225)	(3,311,224)	-	-
	24,431,773	12,458,682	20,533,089	5,919,530

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

#### 36. 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>2021</b>	<b>2020</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	24,000	24,000
- salaries, bonuses and other benefits	509,000	536,000
	533,000	560,000
Defined contribution benefits	59,400	62,640
	592,400	622,640
<i>Non-executive Directors</i>		
Short-term employee benefits:		
- fees	72,000	72,000
- salaries, bonuses and other benefits	48,400	49,600
	120,400	121,600
Total directors' remuneration (Note 31)	712,800	744,240

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM31,279 (2020 - RM36,647).

#### 37. RELATED PARTY DISCLOSURES

##### (a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

##### (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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Transactions with subsidiaries</b>				
Parkwood Developments Sdn. Bhd.				
- Management services	-	-	459,312	749,903
- Administrative support services	-	-	85,933	200,355



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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 37. 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	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Transactions with related parties</b>				
GSL Realty Sdn. Bhd.				
- Rental of office	208,260	197,847	-	-
- Plygon signage license	1,000	1,000	-	-
Synergy Estate Sdn. Bhd.				
- Office rental	110,000	114,000	60,000	57,000
Exitra Sdn. Bhd.				
- Computer and nominal assets	15,203	16,273	-	-
- Office and office furniture rental	54,300	54,300	-	-
- Upkeep of office	44,700	44,700	-	-
- IT related services	70,946	69,835	-	-
- Software and programming	2,511	3,900	-	-
- 0365 usage services	15,511	27,098	-	-
- VPS for server services	19,311	23,729	-	-
Exitra Solutions Sdn. Bhd.				
- Telephone and administration charges	3,639	3,883	-	-
- IT related services	41,870	15,039	41,870	15,039
- Subscription fees	13,006	-	13,006	-
LGB Management Service Sdn. Bhd.				
- Rental of training room	-	8,784	-	8,784
- Administrative services	65,000	53,040	65,000	53,040
- Drinks and refreshment	5,200	10,920	5,200	10,920
- Upkeep of office	9,000	3,000	9,000	3,000
- Design and decoration	-	4,392	-	4,392
- Miscellaneous expenses	6,191	2,394	4,058	2,265
- Software and programming	-	2,640	-	2,640
- Annual dinner	-	14,201	-	3,165
- Gifts	4,225	-	240	-
Bellworth Developments Sdn. Bhd.				
- Rental of office	180,000	180,000	-	-
<b>Transactions with a company in which a director has financial interests</b>				
Telaxis Sdn. Bhd.				
- Fee	24,000	24,000	24,000	24,000
<b>Transactions with a legal firm in which a director is a Partner</b>				
Messrs. Ghazali Ariff & Partners				
- Legal fee	72,000	72,000	72,000	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 2021

**38. 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.

**38.1 BUSINESS SEGMENTS**

	<b>Investment Holding RM</b>	<b>Property Development RM</b>	<b>The Group RM</b>
<b>2021</b>			
External revenue	2,271,882	7,633,641	9,905,523
Inter-segment revenue	-	3,679,116	3,679,116
	<u>2,271,882</u>	<u>11,312,757</u>	<u>13,584,639</u>
Consolidation adjustments			(3,679,116)
Consolidated revenue			<u>9,905,523</u>
<b>Results</b>			
Results before following adjustments	(1,982,154)	(535,794)	(2,517,948)
Consolidation adjustments and eliminations	56,907	-	56,907
Amortisation of club membership	(364)	-	(364)
Depreciation of equipment	(66,574)	(60,397)	(126,971)
Depreciation of right-of-use assets	(42,745)	(437,553)	(480,298)
Segment results	<u>(2,034,930)</u>	<u>(1,033,744)</u>	<u>(3,068,674)</u>
Interest income			468,521
Finance costs			(1,216,901)
Income tax expense			(497,696)
Consolidated loss after taxation			<u>(4,314,750)</u>

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 38. OPERATING SEGMENT (CONT'D)

## 38.1 BUSINESS SEGMENTS (CONT'D)

2021	Investment Holding RM	Property Development RM	The Group RM
<b>Assets</b>			
Segment assets	59,946,966	121,758,952	181,705,918
Unallocated asset:			
- current tax assets			1,115
Consolidated total assets			181,707,033
Additions to non-current assets other than financial instruments are:-			
Equipment	-	14,392	14,392
Land held for development	-	545,001	545,001
<b>Liabilities</b>			
Segment liabilities	1,143,608	29,513,500	30,657,108
Unallocated liabilities:-			
- current tax liabilities			119,144
- deferred tax liabilities			156,442
Consolidated total liabilities			30,932,694
<b>2020</b>			
External revenue	2,321,723	4,190,565	6,512,288
Inter-segment revenue	-	2,467,562	2,467,562
	2,321,723	6,658,127	8,979,850
Consolidation adjustments			(2,467,562)
Consolidated revenue			6,512,288
<b>Results</b>			
Results before following adjustments	(1,686,526)	(1,320,672)	(3,007,198)
Consolidation adjustments and eliminations	(170,611)	-	(170,611)
Amortisation of club membership	(363)	-	(363)
Depreciation of equipment	(66,784)	(61,119)	(127,903)
Depreciation of right-of-use assets	(42,745)	(447,777)	(490,522)
Segment results	(1,967,029)	(1,829,568)	(3,796,597)
Interest income			708,051
Finance costs			(725,771)
Income tax expense			(175,518)
Consolidated loss after taxation			(3,989,835)

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 38. OPERATING SEGMENT (CONT'D)

## 38.1 BUSINESS SEGMENTS (CONT'D)

2020	Investment Holding RM	Property Development RM	The Group RM
<b>Assets</b>			
Segment assets	46,063,925	118,039,701	164,103,626
Unallocated asset:			
- current tax assets			41,155
Consolidated total assets			164,144,781
Additions to non-current assets other than financial instruments are:-			
Equipment	-	16,273	16,273
Land held for development	-	32,589,351	32,589,351
<b>Liabilities</b>			
Segment liabilities	1,212,554	31,645,894	32,858,448
Unallocated liabilities:-			
- current tax liabilities			119,144
- deferred tax liabilities			156,442
Consolidated total liabilities			33,134,034

## 38.2 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Malaysia	9,905,523	6,512,288	71,348,991	71,345,597

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

	Over Time/Group	
	2021 RM	2020 RM
Malaysia	9,905,523	6,512,288

## 38.3 MAJOR CUSTOMERS

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

Customer #1	Revenue		Segment
	2021 RM	2020 RM	
	2,199,732	1,943,723	Investment Holding

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**39. FINANCIAL INSTRUMENTS**

The Group's activities 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 Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

**39.1 FINANCIAL RISK MANAGEMENT POLICIES**

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

**(a) Market Risk****(i) Foreign Currency Risk**

The Group does not have any transactions or balances denominated in foreign currencies and hence, is 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 Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's 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 24 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>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Effects on Loss After Taxation</b>		
Increase of 100 basis points	+ 180,369	+ 200,123
Decrease of 100 basis points	- 180,369	- 200,123

**(iii) Equity Price Risk**

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

**39. FINANCIAL INSTRUMENTS (CONT'D)****39.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(iii) Equity Price Risk (Cont'd.)***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>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Effects on Loss After Taxation</b>		
Increase of 1%	- 123,062	- 76,498
Decrease of 1%	+ 123,062	+ 76,498
	<b>The Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Effects on Loss After Taxation</b>		
Increase of 1%	- 123,062	- 43,691
Decrease of 1%	+ 123,062	+ 43,691

**(b) Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure 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 minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

**(i) Credit Risk Concentration Profile**

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

**(ii) 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 2021

## 39. FINANCIAL INSTRUMENTS (CONT'D)

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

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite they are still subject to enforcement activities.

*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.

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.

Also, the Group considers any trade receivables having financial difficulty or with significant balances outstanding for more than 180 days are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 12 (2020 - 12) months 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.

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.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
<b>2021</b>				
Current (not past due)	2,376,453	-	-	2,376,453
More than 90 days past due	55,683	-	-	55,683
Trade receivables	2,432,136	-	-	2,432,136
Contract assets	4,887,679	-	-	4,887,679
	7,319,815	-	-	7,319,815
<b>2020</b>				
Current (not past due)	161,372	-	-	161,372
Trade receivables	161,372	-	-	161,372
Contract assets	4,249,022	-	-	4,249,022
	4,410,394	-	-	4,410,394

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### 39.1 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)*

##### **The Company**

Trade receivables of the Company are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

##### *Amount Owing By Subsidiaries*

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, 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. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

The information about the exposure to credit risk and the loss allowances calculated for the amount owing by subsidiaries are summarised below:-

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
<b>The Company</b>			
<b>2021</b>			
Low credit risk	8,945,591	-	8,945,591
<b>2020</b>			
Low credit risk	1,830,082	-	1,830,082

The movements in the loss allowances are disclosed in Note 16 to the financial statements.

##### *Fixed Deposits with Licensed Banks, Cash and Bank Balances*

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

##### *Financial Guarantee Contracts*

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.



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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 39. FINANCIAL INSTRUMENTS (CONT'D)

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

##### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### *Other Receivables and Refundable Deposits*

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and refundable deposits. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and adequate working capital to meet its obligations as and when they fall due.

##### *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>2021</b>						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Lease liabilities	5.00 - 7.00	1,062,712	1,159,836	472,560	229,092	458,184
Term loans	4.43 - 5.13	23,732,718	27,661,421	1,959,495	22,394,766	3,307,160
Trade and other payables	-	5,779,934	5,779,934	5,779,934	-	-
		<b>30,575,364</b>	<b>34,601,191</b>	<b>8,211,989</b>	<b>22,623,858</b>	<b>3,765,344</b>
<b>2020</b>						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Lease liabilities	5.00 - 7.00	1,603,936	1,779,896	562,560	1,217,336	-
Term loan	4.43 - 5.13	26,331,913	31,722,016	1,859,122	20,531,507	9,331,387
Trade and other payables	-	4,758,659	4,758,659	4,758,659	-	-
		<b>32,694,508</b>	<b>38,260,571</b>	<b>7,180,341</b>	<b>21,748,843</b>	<b>9,331,387</b>

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 39. FINANCIAL INSTRUMENTS (CONT'D)

## 39.1 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):-

	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
<b>The Company</b>					
<b>2021</b>					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	7.00	28,037	30,000	30,000	-
Trade and other payables	-	1,115,571	1,115,571	1,115,571	-
Financial guarantee contracts in relation to:					
- Corporate guarantees given to a licensed bank for credit facilities granted to subsidiaries	-	-	23,732,718	23,732,718	-
		1,143,608	24,878,289	24,878,289	-
<b>2020</b>					
<u>Non-derivative Financial Liabilities</u>					
Amount owing to a subsidiary	-	1,266,621	1,266,621	1,266,621	-
Lease liabilities	7.00	82,278	90,000	60,000	30,000
Trade and other payables	-	1,130,276	1,130,276	1,130,276	-
Financial guarantee contracts in relation to:					
- Corporate guarantees given to a licensed bank for credit facilities granted to subsidiaries	-	-	26,331,913	26,331,913	-
		2,479,175	28,818,810	28,788,810	30,000

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.

## 39.2 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.

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 39. FINANCIAL INSTRUMENTS (CONT'D)

## 39.2 CAPITAL RISK MANAGEMENT (CONT'D)

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	
	2021 RM	2020 RM
Lease liabilities (Note 23)	1,062,712	1,603,936
Term loans (Note 24)	23,732,718	26,331,913
	24,795,430	27,935,849
Less: Fixed deposits with licensed banks (Note 17)	(6,505,560)	(2,463,197)
Less: Cash and bank balances (Note 19)	(7,751,762)	(5,800,556)
Net debt	10,538,108	19,672,096
Total equity	150,774,339	131,010,747
Debt-to-equity ratio	0.07	0.15

There was no change in the Group's approach to capital management during the financial year.

## 39.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2021		2020	
	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 18)	16,192,344	16,192,344	10,065,558	5,748,752
Other investment	458,000	-	-	-
	16,650,344	16,192,344	10,065,558	5,748,752
<u>Amortised Cost</u>				
Trade and other receivables (Note 14)	2,594,484	82,119	361,652	51,475
Amount owing by subsidiaries (Note 16)	-	8,945,591	-	1,830,082
Fixed deposits with licensed banks (Note 17)	6,505,560	6,505,560	2,463,197	2,463,197
Cash and bank balances	7,751,762	496,853	5,800,556	266,986
	16,851,806	16,030,123	8,625,405	4,611,740
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Amount owing to a subsidiary (Note 16)	-	-	-	1,266,621
Lease liabilities (Note 23)	1,062,712	28,037	1,603,936	82,278
Term loans (Note 24)	23,732,718	-	26,331,913	-
Trade and other payables (Note 27)	5,779,934	1,115,571	4,758,659	1,130,276
	30,575,364	1,143,608	32,694,508	2,479,175

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

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 39. FINANCIAL INSTRUMENTS (CONT'D)

## 39.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2021		2020	
	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 (loss)/gain recognised in profit or loss				
- mandatorily required by MFRS 9	(66,084)	(69,745)	562,502	532,326
<u>Amortised Cost</u>				
Net gain recognised in profit or loss	227,277	154,468	145,549	6,522,351
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Net loss recognised in profit or loss	(1,216,901)	(5,759)	(725,771)	(9,112)

## 39.5 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>2021</b>								
<u>Financial Assets</u>								
Short-term investments	16,192,344	-	-	-	-	-	16,192,344	16,192,344
Other investment	-	458,000	-	-	-	-	458,000	458,000
<u>Financial Liability</u>								
Term loans	-	-	-	-	23,732,718	-	23,732,718	23,732,718
<b>2020</b>								
<u>Financial Asset</u>								
Short-term investments	10,065,558	-	-	-	-	-	10,065,558	10,065,558
<u>Financial Liability</u>								
Term loans	-	-	-	-	26,331,913	-	26,331,913	26,331,913

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

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### 39. FINANCIAL INSTRUMENTS (CONT'D)

#### 39.5 FAIR VALUE INFORMATION (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		
The Company								
2021								
<u>Financial Asset</u>								
Short-term investments	16,192,344	-	-	-	-	-	16,192,344	16,192,344
<hr/>								
2020								
<u>Financial Asset</u>								
Short-term investments	5,748,752	-	-	-	-	-	5,748,752	5,748,752

#### (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 Group's 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.

### 40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 1 January 2021, Parkwood Developments Sdn. Bhd., a subsidiary of the Company disposed off 90% equity interests in Parkwood PJS Sdn. Bhd. to Synergy Estate Sdn. Bhd., a related party for a cash consideration of RM6,834.
- (b) On 27 April 2021, the Company successfully listed its entire enlarged issued share capital of RM24,765,380 comprising 137,585,442 Rights Shares on the Main Market of Bursa Malaysia Securities Berhad at RM0.18 per Rights Share ("Issue Price").
- (c) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Group's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the emergency of the COVID-19 pandemic. The outbreak of COVID-19 in early 2020 has affected the business and economic environments of the Group. The governments and various private corporations have taken different measures to prevent the spread of the virus such as travel bans, quarantines, closures of non-essential services, social distancing and home quarantine requirements which impacted consumers' spending pattern and the Group's operations directly or indirectly.

Although the Group's operations have been disrupted, the management has assessed the impact on the Group and of the opinion that there were no material financial impacts arising from the pandemic.



# PARKWOOD

## PARKWOOD HOLDINGS BERHAD

[Registration No. 196901000692 (9118-M)]

(Incorporated in Malaysia)

## FORM OF PROXY

FIFTY-FIRST ANNUAL GENERAL MEETING

[PLEASE READ NOTES CAREFULLY BEFORE COMPLETING THIS FORM.]

CDS Account No.	
Number of Ordinary Shares held	

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 (1) .....

NRIC No. / Passport No. .... of .....

..... and/or  
(full address and email address)

(The next name and address should be completed if you wish to appoint two proxies) \*(2)

NRIC No. / Passport No. .... of .....

..... or failing him/her,  
(full address and email address)

the Chairman of the Meeting as \*my/our proxy to attend and vote for \*me/us on \*my/our behalf at the Fifty-First Annual General Meeting ("51<sup>st</sup> AGM") of the Company, to be conducted virtually on Meeting Platform <https://meeting.boardroomlimited.my> at the Broadcast Venue at Level 3, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur on Thursday, 16 June 2022 at 11.00 a.m. or at any adjournment thereof.

**[The next paragraph should be completed only when two proxies are appointed]**

The proportion of \*my/\*our holding to be represented by \*my/\*our proxies are as follows:

First Proxy [1] .....% Second Proxy [2] .....%

[\*Delete if not applicable]

Resolution	Ordinary Business	For	Against
<b>Ordinary Resolution 1</b>	To approve the payment of Directors' fees		
<b>Ordinary Resolution 2</b>	To approve the payment of Directors' benefits (other than Directors' fees)		
<b>Ordinary Resolution 3</b>	To re-elect Mr. Lim Chin Sean as Director		
<b>Ordinary Resolution 4</b>	To re-elect Dato' Ghazali Bin Mat Ariff as Director		
<b>Ordinary Resolution 5</b>	To re-appoint Crowe Malaysia PLT as the Company's Auditors		
	<b>Special Business</b>		
<b>Ordinary Resolution 6</b>	To authorise the allotment of shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
<b>Ordinary Resolution 7</b>	To retain Tuan Haji Fauzi Bin Mustapha as Independent Non-Executive Director		
<b>Ordinary Resolution 8</b>	To retain Dato' Ghazali Bin Mat Ariff as Independent Non-Executive Director		

Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

Dated this ..... day of ..... 2022.

Signature/Common Seal of Shareholder(s)



**Notes: -**

1. The Meeting will be conducted on a virtual basis through online meeting platform at <https://meeting.boardroomlimited.my> using Remote Participation and Electronic Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn Bhd. With RPEV facilities, a shareholder may exercise his right to participate and vote at the 51<sup>st</sup> AGM via the following mode of communication: i) Typed text in the Meeting Platform ii) E-mail questions to [admin@parkwood.my](mailto:admin@parkwood.my) prior to the Meeting. Please follow the procedures provided in the Administrative Guide for the 51<sup>st</sup> AGM in order to register, participate and vote remotely via RPEV facilities.
2. The venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue (Broadcast Venue). No shareholders/proxy(ies) from the public shall be physically present at nor admitted to the Broadcast Venue.
3. In regard of deposited securities, only members whose names appear in the Record of Depositors as at **9 June 2022 ("General Meeting Record of Depositors")** shall be eligible to participate and vote at the Meeting.
4. If a member entitled to attend and vote at the Meeting is unable to attend the 51<sup>st</sup> AGM remotely via RPEV facilities, he may appoint a proxy to participate and vote at the Meeting on his 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 participate and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
5. 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.
6. 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.
7. 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.

8. 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.
9. The instrument appointing a proxy must be deposited with the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at Ground Floor or 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, or by electronic means through Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> no later than 48 hours before the Meeting.

**Personal Data Privacy:**

*By registering for the remote participation and electronic voting meeting and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the 51<sup>st</sup> AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the members' personal data by the Company (or its agents) for the 51<sup>st</sup> AGM and matters related thereto, including but not limited to: (a) for the purpose of the processing and administration of proxies and representatives appointed for the 51<sup>st</sup> AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the 51<sup>st</sup> AGM (including any adjournment thereof); and (c) for the Company (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) undertakes and warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company (or its agents) processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes, and (iii) agrees that the member will fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the member's failure to provide accurate and correct information of the personal data or breach of the member's undertaking and/or warranty as set out herein.*

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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

**PARKWOOD HOLDINGS BERHAD**

REGISTRATION NO. 196901000692 (9118-M)

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