

13. ACCOUNTANTS' REPORT**23 JUN 2026**

The Board of Directors
Parkland Berhad
No. 112, Jalan Tun Perak
75300 Melaka

Dear Sirs/Madam,

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
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**REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED
IN THE ACCOUNTANTS' REPORT OF PARKLAND BERHAD ("THE COMPANY" OR
"PARKLAND")**

OPINION

We have audited the financial information of the Company and its subsidiaries (collectively known as the "Group") which comprises the following:

- (i) The combined statements of financial position as at 30 June 2023, combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for financial year ended ("FYE") 30 June 2023;
- (ii) The consolidated statements of financial position as at 30 June 2024, 30 June 2025 and 31 December 2025, consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for FYE 30 June 2024, FYE 30 June 2025 and financial period ended ("FPE") 31 December 2025, as set out in pages 5 to 18; and
- (iii) Notes to the combined and consolidated financial statements, including a summary of material accounting policy information and other explanatory information, as set out in pages 19 to 134.

The historical financial information has been prepared for inclusion in the prospectus of Parkland in connection with the listing of and quotation for the entire enlarged issued ordinary shares of Parkland on the Main Market of Bursa Malaysia Securities Berhad. This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia ("SC") (the "Prospectus Guidelines") and is given for the purpose of complying with Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines and for no other purpose.

In our opinion, the financial information contained in the Accountant's Report gives a true and fair view of the financial position of the Group as at 30 June 2023, 30 June 2024, 30 June 2025 and 31 December 2025 and of its financial performance and its cash flows for each of the FYE 30 June 2023, FYE 30 June 2024, FYE 30 June 2025 and FPE 31 December 2025 in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards ("IFRSs").

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 *Reporting Accountants' Responsibilities for the Audit of the Financial Information* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

13. ACCOUNTANTS' REPORT (CONT'D)**INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES**

We are independent of the Group 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.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL INFORMATION

The directors of the Group ("Directors") are responsible for the preparation of the financial information of the Group that give a true and fair view in accordance with MFRSs and IFRSs. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial information of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Group, the Directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL INFORMATION

Our objectives are to obtain reasonable assurance about whether the financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 information.

13. ACCOUNTANTS' REPORT (CONT'D)**REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL INFORMATION (CONT'D)**

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

- Identify and assess the risks of material misstatement of the financial information of the Group, 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Group 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information of the Group, including the disclosures, and whether the financial information of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial information. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

13. ACCOUNTANTS' REPORT (CONT'D)**OTHER MATTERS**

The comparative information in respect of the consolidated statements of profit or loss and other comprehensive income, consolidated statements of cash flows and notes to the financial statements of the Group for the 6-month financial period ended 31 December 2024 has not been audited.

The significant events occurred after FPE 31 December 2025 have been disclosed in Note 46 to the combined and consolidated financial statements.

RESTRICTION ON DISTRIBUTION AND USE

This report is made solely to the Group to comply with the Prospectus Guidelines issued by the SC and for inclusion in the prospectus of Parkland in connection with the listing of and quotation for the entire enlarged issued ordinary shares of Parkland on the Main Market of Bursa Malaysia Securities Berhad. As such, this report should not be relied upon for any other purpose without prior written consent. 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

Melaka

Chin Siew Choo
03720/03/2027 J
Chartered Accountant

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	← Audited →			
		30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in joint ventures	5	-	652	220	35
Investment in associates	6	6,055	5,884	6,123	6,398
Property, plant and equipment	7	68,266	79,091	141,530	140,807
Investment properties	8	8,308	10,107	9,927	9,837
Right-of-use assets	9	17,511	16,990	17,166	16,874
Inventories	10	671,171	630,220	596,004	627,622
Other receivables, deposits and prepayments	11	9,766	11,010	15,215	18,251
Amount owing by related parties	12	1,754	750	6,815	13,267
Deferred tax assets	13	16,067	22,789	31,407	36,349
		<u>798,898</u>	<u>777,493</u>	<u>824,407</u>	<u>869,440</u>
CURRENT ASSETS					
Inventories	10	334,339	591,041	853,247	880,962
Contract costs assets	14	551	-	328	-
Trade receivables and contract assets	15	144,454	80,017	73,456	78,702
Other receivables, deposits and prepayments	11	31,605	48,737	78,656	89,840
Amount owing by related parties	12	40	30,795	86	76
Short-term investments	17	-	222	2,025	2,503
Fixed deposits with licensed banks	18	13,048	17,557	28,123	25,611
Cash and bank balances	19	37,228	48,520	107,316	104,442
		561,265	816,889	1,143,237	1,182,136
Assets of disposal group classified as held for sale	20	-	-	-	12,739
		<u>561,265</u>	<u>816,889</u>	<u>1,143,237</u>	<u>1,194,875</u>
TOTAL ASSETS		<u>1,360,163</u>	<u>1,594,382</u>	<u>1,967,644</u>	<u>2,064,315</u>

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	Note	← Audited →			
		30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	21(a)	10	419,960	463,159	499,083
Invested capital	21(b)	7,000	-	-	-
Merger deficit	22	-	(53,395)	(53,395)	(53,395)
Retained profits		448,028	213,053	354,223	413,583
Equity attributable to owners of the Company		455,038	579,618	763,987	859,271
Non-controlling interests		40,085	38,071	36,290	28,012
TOTAL EQUITY		495,123	617,689	800,277	887,283
NON-CURRENT LIABILITIES					
Trade payables, provisions and contract liabilities	23	130,818	55,212	28,463	28,219
Amount owing to related parties	12	2,298	4,498	571	-
Amount owing to directors	25	51,753	38,472	14,155	-
Amount owing to shareholders	26	73,529	64,371	27,059	-
Amount owing to non-controlling shareholders	27	5,961	7,903	-	-
Lease liabilities	28	735	407	732	629
Hire purchase payables	29	861	1,664	1,693	1,604
Term loans	30	301,317	318,911	588,095	616,435
		567,272	491,438	660,768	646,887

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

Note	← Audited →				
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000	
EQUITY AND LIABILITIES (CONT'D)					
CURRENT LIABILITIES					
Trade payables, provision and contract liabilities	23	157,425	289,622	286,755	330,597
Other payables, accruals and provision	24	17,199	16,715	37,700	38,197
Amount owing to related parties	12	49,785	57,383	21,252	16,208
Amount owing to directors	25	9	12,932	23,561	15,000
Amount owing to shareholders	26	-	8,701	38,840	38,046
Amount owing to non-controlling shareholders	27	-	10,990	-	-
Lease liabilities	28	412	427	502	422
Hire purchase payables	29	504	787	931	1,006
Term loans	30	56,562	63,618	61,551	64,903
Bank overdrafts	31	9,460	3,780	13,580	183
Current tax liabilities		6,412	20,300	21,927	11,305
		297,768	485,255	506,599	515,867
Liabilities of disposal group classified as held for sale	20	-	-	-	14,278
		297,768	485,255	506,599	530,145
TOTAL LIABILITIES		865,040	976,693	1,167,367	1,177,032
TOTAL EQUITY AND LIABILITIES		1,360,163	1,594,382	1,967,644	2,064,315
Weighted average number of ordinary shares ('000)		1,868,105*	1,868,105*	1,868,125#	1,891,857#
Net assets ("NA") attributable to owners of the Company (RM'000)		455,038	579,618	763,987	859,271
NA per ordinary share attributable to owners of the Company (RM)		0.24	0.31	0.41	0.45

Note:

(*) – It is assumed to be the weighted average number of ordinary shares before acquisition of AVE Engineering and Megaform Builders and public issue.

(#) – It is assumed to be the weighted average number of ordinary shares before public issue.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		← Audited →				
	Note	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	Unaudited 1.7.2024 to 31.12.2024 RM'000	Audited 1.7.2025 to 31.12.2025 RM'000
REVENUE	32	500,172	617,384	745,792	386,881	417,949
COST OF SALES	33	(337,657)	(368,949)	(437,404)	(237,382)	(251,053)
GROSS PROFIT ("GP")		162,515	248,435	308,388	149,499	166,896
OTHER INCOME		11,787	1,974	13,389	1,529	6,192
		174,302	250,409	321,777	151,028	173,088
ADMINISTRATIVE EXPENSES		(27,186)	(30,791)	(40,113)	(13,099)	(24,522)
SELLING AND PROMOTION EXPENSES		(15,583)	(31,122)	(38,450)	(21,174)	(19,943)
OTHER EXPENSES		(2,128)	(3,088)	(4,079)	(2,040)	(2,964)
FINANCE COSTS		(7,952)	(9,210)	(12,879)	(5,586)	(8,355)
NET (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS	34	(15)	735	-	-	-
SHARE OF NET (LOSSES)/PROFIT OF AN EQUITY ACCOUNTED ASSOCIATE		(1,657)	(119)	239	310	275
SHARE OF NET LOSSES OF EQUITY ACCOUNTED JOINT VENTURES		-	(8)	(432)	(87)	(185)
PROFIT BEFORE TAXATION ("PBT")	35	119,781	176,806	226,063	109,352	117,394
TAX EXPENSE	36	(26,539)	(42,510)	(54,241)	(28,120)	(30,388)
PROFIT FOR THE FINANCIAL YEAR/PERIOD ("PAT")		93,242	134,296	171,822	81,232	87,006

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)**

	← Audited →			Unaudited	Audited
	1.7.2022 to 30.6.2023	1.7.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.7.2024 to 31.12.2024	1.7.2025 to 31.12.2025
Note	RM'000	RM'000	RM'000	RM'000	RM'000
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company	87,669	125,360	158,666	72,126	80,873
Non-controlling interests	5,573	8,936	13,156	9,106	6,133
	<u>93,242</u>	<u>134,296</u>	<u>171,822</u>	<u>81,232</u>	<u>87,006</u>
GP Margin (%)	32.49	40.24	41.35	38.64	39.93
PBT Margin (%)	23.95	28.64	30.31	28.27	28.09
PAT Margin (%)	18.64	21.75	23.04	21.00	20.82
Effective tax rate (%)	22.16	24.04	23.99	25.72	25.89
Earnings before interest, tax, depreciation and amortisation ("EBITDA") (RM'000)	129,249	188,365	241,922	116,499	127,945
Weighted average number of ordinary shares ('000)	1,868,105*	1,868,105*	1,868,125*	1,868,105*	1,891,857*
Basic and diluted earnings per share ("EPS") (sen)	37 4.69	6.71	8.49	3.86	4.27

Note:

(*) – It is assumed to be the weighted average number of ordinary shares before acquisition of AVE Engineering and Megaform Builders and public issue.

(*) – It is assumed to be the weighted average number of ordinary shares before public issue.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

<u>Audited</u>	Note	Share Capital RM'000	Invested Capital RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total RM'000
Balance at 1.7.2022		*	7,000	386,381	393,381	29,912	423,293
Profit after taxation/Total comprehensive income for the financial year		-	-	87,669	87,669	5,573	93,242
Issuance of shares:							
- by the Company	21(a)	10	-	-	10	-	10
- by subsidiaries to non-controlling interests		-	-	-	-	400	400
Dividends paid:							
- by the subsidiary to non-controlling interests		-	-	-	-	(800)	(800)
- by the subsidiary to shareholders	3	-	-	(26,022)	(26,022)	-	(26,022)
Total contributions by and distributions to owners		10	-	(26,022)	(26,012)	(400)	(26,412)
Issuance of redeemable non-convertible non- cumulative preference shares:							
- by subsidiaries to non-controlling interest		-	-	-	-	5,000	5,000
Balance at 30.6.2023		10	7,000	448,028	455,038	40,085	495,123

Note:

(*) – Denotes amount less than RM500

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

<u>Audited</u>	Note	Share Capital RM'000	Invested Capital RM'000	Merger Deficit RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total RM'000
Balance at 30.6.2023/1.7.2023		10	7,000	-	448,028	455,038	40,085	495,123
Profit after taxation/Total comprehensive income for the financial year		-	-	-	125,360	125,360	8,936	134,296
Issuance of shares:								
- by the Company	21(a)	419,950	-	-	-	419,950	-	419,950
- by subsidiaries to non-controlling interests		-	-	-	-	-	40	40
Dividends paid:								
- by the subsidiary to non-controlling interests		-	-	-	-	-	(10,990)	(10,990)
- by the subsidiary to shareholders	3	-	-	-	(780)	(780)	-	(780)
- for the acquisition of subsidiaries	3	-	-	-	(359,555)	(359,555)	-	(359,555)
Total contributions by and distribution to owners		419,950	-	-	(360,335)	59,615	(10,950)	48,665
Adjustment on the acquisition of subsidiaries		-	(7,000)	(53,395)	-	(60,395)	-	(60,395)
Balance at 30.6.2024		419,960	-	(53,395)	213,053	579,618	38,071	617,689

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

<u>Audited</u>	Note	Share Capital RM'000	Merger Deficit RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total RM'000
Balance at 30.6.2024/1.7.2024		419,960	(53,395)	213,053	579,618	38,071	617,689
Profit after taxation/Total comprehensive income for the financial year		-	-	158,666	158,666	13,156	171,822
Issuance of shares: - by the Company	21(a)	43,199	-	-	43,199	-	43,199
Redemption of non-convertible non-cumulative preference shares by non-controlling interests		-	-	-	-	(5,000)	(5,000)
Dividends paid: - by the subsidiary to non-controlling interests		-	-	-	-	(492)	(492)
Total contributions by and distributions to owners		43,199	-	-	43,199	(5,492)	37,707
Acquisition of non-controlling interests	38.2	-	-	(17,496)	(17,496)	(9,445)	(26,941)
Balance at 30.6.2025		463,159	(53,395)	354,223	763,987	36,290	800,277

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

<u>Audited</u>	Note	Share Capital RM'000	Merger Deficit RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- controlling Interests RM'000	Total RM'000
Balance at 30.6.2025/1.7.2025		463,159	(53,395)	354,223	763,987	36,290	800,277
Profit after taxation/Total comprehensive income for the financial period		-	-	80,873	80,873	6,133	87,006
Issuance of shares: - by the Company	21(a)	35,924	-	-	35,924	-	35,924
Acquisition of non-controlling interests	38.2	-	-	(21,513)	(21,513)	(14,411)	(35,924)
Balance at 31.12.2025		499,083	(53,395)	413,583	859,271	28,012	887,283

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS**

	← Audited →			Unaudited 1.7.2024 to 31.12.2024 RM'000	Audited 1.7.2025 to 31.12.2025 RM'000
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000		
	Note				
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		119,781	176,806	226,063	109,352
Adjustments for:-					
Depreciation:					
- Property, plant and equipment		1,625	2,246	3,224	1,611
- Investment properties		160	173	180	77
- Right-of-use assets		459	687	762	392
Gain on bargain purchase 38.1		-	-	(10,510)	-
Gain on disposal of property, plant and equipment		(83)	(129)	(149)	(139)
Gain on disposal of investment properties		(10,154)	-	-	-
Fair value loss/(gain) on short-term investment		-	29	(128)	(79)
Interest expenses		7,893	9,157	12,803	5,552
Interest expenses on lease liabilities		59	53	76	34
Interest income		(728)	(757)	(1,186)	(792)
Property, plant and equipment written off		4	29	4	3
Deposit written off		*	6	3	3
Reversal of provision on defect liabilities		-	(604)	-	-
Share of net losses/(profit) of an equity accounted associate		1,657	119	(239)	(310)
Share of net losses of equity accounted joint ventures		-	8	432	87
Operating profit before working capital changes		120,673	187,823	231,335	116,054

Note:

(*) – Denotes amount less than RM500

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

	← Audited →				
	1.7.2022 to 30.6.2023 RM'000	Audited 1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	Unaudited 1.7.2024 to 31.12.2024 RM'000	Audited 1.7.2025 to 31.12.2025 RM'000
Balance brought forward	120,673	187,823	231,335	116,054	127,643
Decrease/(Increase) in inventories	22,112	(140,554)	(92,579)	(74,996)	(21,119)
Decrease/(Increase) in receivables and contract assets	1,082	57,929	(20,154)	(25,481)	(16,874)
Increase/(Decrease) in payables and contract liabilities	38,169	106,708	(26,664)	54,309	45,837
(Increase)/Decrease in contract cost assets	(551)	551	(328)	-	328
CASH FROM OPERATIONS	181,485	212,457	91,610	69,886	135,815
Income tax paid	(42,466)	(35,461)	(63,575)	(27,362)	(46,068)
Income tax refunded	622	5	2,128	2,060	210
NET CASH FROM OPERATING ACTIVITIES	139,641	177,001	30,163	44,584	89,957

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13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

	←	Audited	→	Unaudited	Audited
	1.7.2022 to 30.6.2023	1.7.2023 to 30.6.2024	1.7.2024 to 30.6.2025	1.7.2024 to 31.12.2024	1.7.2025 to 31.12.2025
Note	RM'000	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Increase in inventories	(188,715)	(96,779)	(165,123)	(22,835)	(33,135)
Interest received	728	757	1,186	517	792
Deposit paid for acquisition of land	-	(10,507)	-	-	-
Deposit paid for acquisition of development right	-	(1,249)	(4,205)	(1,205)	(3,000)
Investment in joint ventures	-	(660)	-	-	-
Investment in associate	(6,630)	-	*	-	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	38.1 -	-	2,125	-	-
Withdrawal/(Additions) of pledged fixed deposits with licensed banks	1,366	(4,509)	(10,566)	(6,670)	2,429
Proceeds from disposal of investment properties	18,800	-	-	-	-
Proceeds from disposal of short-term investment	-	-	43,752	16,703	48,595
Proceeds from disposal of property, plant and equipment	123	347	214	214	192
Purchase of property, plant and equipment	39(a) (4,193)	(11,035)	(2,549)	(2,102)	(12,131)
Acquisition of right-of-use assets	39(a) (14,298)	-	-	-	-
Purchase of investment properties	39(a) (3,049)	-	-	-	-
Purchase of short-term investment	-	(250)	(43,402)	(16,400)	(49,000)
Repayment from/(Advances to) related parties	5,234	(29,757)	30,266	19,457	(6,443)
NET CASH FOR INVESTING ACTIVITIES	(190,634)	(153,642)	(148,302)	(12,321)	(51,701)

Note:

(*) – Denotes amount less than RM500

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

	Note	← Audited →			Unaudited	Audited
		1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES						
Drawdown of term loans	39(b)	181,335	143,597	357,105	40,292	126,217
Interest paid	39(b)	(21,699)	(28,498)	(25,934)	(12,345)	(17,504)
(Repayment to)/Advances from directors	39(b)	(394)	(58)	(3,824)	11,851	(20,392)
(Repayment to)/Advances from shareholders	39(b)	(133)	(397)	(13,632)	8,933	(21,175)
Advances from/(Repayment to) non-controlling shareholders	39(b)	2,414	1,942	(687)	39	-
Redemption of non-convertible non-cumulative preference shares		-	-	(5,000)	-	-
Repayment of hire purchase obligations	39(b)	(637)	(1,197)	(873)	(453)	(509)
Repayment of term loans	39(b)	(105,231)	(119,138)	(94,240)	(41,469)	(82,161)
Advances from/(Repayment to) related parties	39(b)	7,895	(1,059)	(12,136)	(1,911)	(2,147)
Repayment of lease liabilities	39(b)	(313)	(479)	(538)	(282)	(249)
Proceeds from issuance of ordinary shares		10	-	-	-	-
Proceeds from issuance of shares by the subsidiary to non-controlling interests		400	40	-	-	-
Dividend paid by the subsidiary to non-controlling interests	39(b)	(800)	-	(11,482)	(10,990)	-
Dividend paid by the subsidiary to shareholders	39(b)	(4,038)	(1,140)	(21,624)	(21,624)	(9,002)
NET CASH FROM/(FOR) FINANCING ACTIVITIES		58,809	(6,387)	167,135	(27,959)	(26,922)

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	←	Audited			→	Unaudited	Audited
		1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000			
Note							
NET INCREASE IN CASH AND CASH EQUIVALENTS		7,816	16,972	48,996	4,304	11,334	
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEARS/PERIODS		19,952	27,768	44,740	44,740	93,736	
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEARS/PERIODS	39(d)	27,768	44,740	93,736	49,044	105,070	

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13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****1. ABBREVIATIONS**

Unless the context otherwise requires, the following abbreviations shall apply throughout this report:

Abbreviations

Parkland or Company	Parkland Berhad Registration No: 202101008874 (1409173-M)
Group	the Company, its Subsidiaries, Joint Ventures and Associates, collectively
Parkland City	Parkland City Sdn. Bhd. Registration No: 201201031906 (1016393-K)
Parkland Residence	Parkland Residence Sdn. Bhd. Registration No: 201501021313 (1146641-X)
TYT Builders	TYT Builders Sdn. Bhd. Registration No: 200801008774 (810061-V)
Parkland Solar	Parkland Solar Sdn. Bhd. Registration No: 202301036593 (1530516-X)
Parkland Building Materials	Parkland Building Materials Sdn. Bhd. Registration No: 202501043346 (1644754-M)
Jubli Merdeka	Jubli Merdeka Sdn. Bhd. Registration No: 201801022182 (1284201-K)
Merlimau Land	Merlimau Land Sdn. Bhd. Registration No: 201401015597 (1091684-M)
Millennium Tulips	Millennium Tulips Sdn. Bhd. Registration No: 201401020551 (1096637-D)
Pentagon Petro	Pentagon Petro Sdn. Bhd. (Formerly known as Parkland Energy Sdn. Bhd.) Registration No: 201801021954 (1283973-V)
Parkland Global	Parkland Global Sdn. Bhd. Registration No: 201601027880 (1198819-X)
Parkland Southern	Parkland Southern Sdn. Bhd. Registration No: 202201028968 (1474665-D)
Taipan Oracle	Taipan Oracle Sdn. Bhd. Registration No: 201801022184 (1284203-V)
Parkland Diversified	Parkland Diversified Sdn. Bhd. Registration No: 201701038530 (1252701-H)
Parkland Central	Parkland Central Sdn. Bhd. Registration No: 201901032196 (1341526-X)
Parkland Avenue	Parkland Avenue Sdn. Bhd. Registration No: 201901035574 (1344904-D)
Pentagon Fuels	Pentagon Fuels Sdn. Bhd. (Formerly known as Parkland Fuels Sdn. Bhd.) Registration No: 202301001838 (1495757-D)

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**1. ABBREVIATIONS (CONT'D)**

Unless the context otherwise requires, the following abbreviations shall apply throughout this report (Cont'd):

Pentagon Hybrid	Pentagon Hybrid Sdn. Bhd. <i>(Formerly known as Parkland Hybrid Sdn. Bhd.)</i> Registration No: 202301010409 (1504330-D)
PGB Parkland	PGB Parkland Sdn. Bhd. Registration No: 202501025456 (1626869-T)
SKL Realty	SKL Realty Sdn. Bhd. Registration No: 201301032472 (1062301-M)
Atlantis Venture	Atlantis Venture Sdn. Bhd. Registration No: 201501007199 (1132532-W)
TSB Builders	TSB Builders Sdn. Bhd. Registration No: 202301016217 (1510139-U)
Megaform Builders	Megaform Builders Sdn. Bhd. Registration No: 201501037796 (1163117-W)
AVE Engineering	AVE Engineering Sdn. Bhd. Registration No: 201801037802 (1299832-K)
Floracode	Floracode Sdn. Bhd. Registration No: 201501011185 (1136520-K)
Parkland Renewable Energy	Parkland Renewable Energy Sdn. Bhd. Registration No: 202401008266 (1554116-M)
Parkland RPVI	Parkland RPVI Sdn. Bhd. Registration No: 202401012364 (1558214-P)
Parkland LSS5	Parkland LSS5 Sdn. Bhd. Registration No: 202501002493 (1603906-U)
Ortus Synergy	Ortus Synergy Sdn. Bhd. Registration No: 202401037033 (1582880-U)
Parkland Cress Grisek	Parkland Cress Grisek Sdn. Bhd. Registration No: 202601001242 (1663339-X)
Parkland Techpark	Parkland Techpark Sdn. Bhd. Registration No: 202601015995 (1678092-A)
Excel VC	Excel Venture Capital Sdn. Bhd. Registration No: 202601001391 (1663488-U)

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**1. ABBREVIATIONS (CONT'D)**

Unless the context otherwise requires, the following abbreviations shall apply throughout this report (Cont'd):

JVA	Joint Venture Agreement
Listing	Admission of Parkland to the official list of Bursa Malaysia Securities Berhad and listing of and quotation for the entire enlarged issued ordinary shares of Parkland on the Main Market of Bursa Malaysia Securities Berhad.
IC	IFRS Interpretations Committee
IFRS	International Financial Reporting Standards
MASB	Malaysian Accounting Standards Board
MFRS	Malaysian Financial Reporting Standards
FYE	Financial Year Ended
FPE	Financial Period Ended
RM and Sen	Ringgit Malaysia and sen, respectively
CA 2016	Companies Act 2016
Shareholders of Excel VC	Direct shareholders of Parkland before the Subscription by Excel VC, collectively Datuk Tan See Sen, Datuk Yap Kim Huat, Poh Seng Kian, Ching Ah Lai, Ting Kah Kin, Poh Giok Kai, Datuk Liem Ah Pau, Tai Meow Pang, Jacky Toh Kie Chieh, Chu Hwee Boon, Tee Kai Loon, Lim Ah Yew, Lim Yee Huat, Yap Boon Ta, Ting Kah Chun, Tan Seng Heng, Lim Hau Long, Kerk Lin Siong, Lim Poh Thong, Yong Kok Hin, Wong Tark Keong, Tan Chin Giap and Wee Sue Woon

2. GENERAL INFORMATION**2.1 INCORPORATION AND PRINCIPAL ACTIVITIES**

The Company was incorporated in Malaysia under CA 2016 on 11 March 2021, as a private limited liability company and is principally engaged in the business of investment holding. On 7 May 2026, the Company was converted to a public limited liability company and assumed its current name of Parkland Berhad.

The registered office and principal place of business of the Company are as follows:-

Registered office	:	No. 60-1, Jalan Lagenda 5 Taman 1 Lagenda 75400 Melaka
Principal place of business	:	No. 112, Jalan Tun Perak 75300 Melaka

The combined and consolidated financial statements are presented in RM, which is the Group's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**2. GENERAL INFORMATION (CONT'D)****2.1 INCORPORATION AND PRINCIPAL ACTIVITIES (CONT'D)**

Details of the subsidiaries, associates and joint ventures are as follows:

Name of subsidiary, associate and joint venture	Date and place of incorporation	Effective equity interest (%)				Issued share capital RM'000	Principal activities
		30.6.2023	30.6.2024	30.6.2025	31.12.2025		
<i>Subsidiaries of the Company</i>							
Parkland City	10 September 2012 Malaysia	100	100	100	100	256,536	Property development and investment holding
Parkland Residence	1 June 2015 Malaysia	100	100	100	100	171,683	Property development and investment holding
TYT Builders	17 March 2008 Malaysia	100	100	100	100	17,459	Construction and investment holding
Parkland Solar	19 September 2023 Malaysia	-	90	100	100	*	Investment holding
Parkland Building Materials	12 September 2025 Malaysia	-	-	-	100	1,000	Trading of construction materials and construction related supplies

Note:

(*) – Denotes amount less than RM500

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**2. GENERAL INFORMATION (CONT'D)****2.1 INCORPORATION AND PRINCIPAL ACTIVITIES (CONT'D)**

Details of the subsidiaries, associates and joint ventures are as follows (Cont'd):

Name of subsidiary, associate and joint venture	Date and place of incorporation	Effective equity interest (%)				Issued share capital RM'000	Principal activities
		30.6.2023	30.6.2024	30.6.2025	31.12.2025		
<i>Subsidiaries of Parkland City</i>							
Jubli Merdeka	19 June 2018 Malaysia	100	100	100	100	1,500	Investment holding
Merlimau Land	30 April 2014 Malaysia	100	100	100	100	250	Property development
Millennium Tulips	6 June 2014 Malaysia	100	100	100	100	48,000	Coconut plantation
Pentagon Petro	14 June 2018 Malaysia	100	100	100	100	1,000	Petrol service station
Parkland Global	18 August 2016 Malaysia	80	80	100	100	1,000	Property development
Taipan Oracle	19 June 2018 Malaysia	100	100	100	100	500	Property rental
Parkland Southern	8 August 2022 Malaysia	87	87	100	100	5,000	Property development
SKL Realty	13 September 2013 Malaysia	-	-	100	100	500	Property development

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**2. GENERAL INFORMATION (CONT'D)****2.1 INCORPORATION AND PRINCIPAL ACTIVITIES (CONT'D)**

Details of the subsidiaries, associates and joint ventures are as follows (Cont'd):

Name of subsidiary, associate and joint venture	Date and place of incorporation	Effective equity interest (%)				Issued share capital RM'000	Principal activities
		30.6.2023	30.6.2024	30.6.2025	31.12.2025		
<i>Subsidiaries of Parkland Residence</i>							
Parkland Diversified	25 October 2017 Malaysia	85	85	85	100	9,400	Dormant
Parkland Central	6 September 2019 Malaysia	75	75	100	100	300	Property development
Parkland Avenue	2 October 2019 Malaysia	90	90	90	100	2,000	Property development
Pentagon Fuels	16 January 2023 Malaysia	90	90	100	100	200	Dormant
Pentagon Hybrid	20 March 2023 Malaysia	90	90	100	100	200	Dormant
<i>Subsidiaries of TYT Builders</i>							
Atlantis Venture	24 February 2015 Malaysia	67	67	67	67	1,500	Property development and property rental
TSB Builders	28 April 2023 Malaysia	51	51	51	51	750	General contractor
Megaform Builders	21 October 2015 Malaysia	-	-	100	100	750	General contractor
AVE Engineering	17 October 2018 Malaysia	-	-	100	100	750	General contractor

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****2. GENERAL INFORMATION (CONT'D)**

2.1 INCORPORATION AND PRINCIPAL ACTIVITIES (CONT'D)

Details of the subsidiaries, associates and joint ventures are as follows (Cont'd):

Name of subsidiary, associate and joint venture	Date and place of incorporation	Effective equity interest (%)				Issued share capital RM'000	Principal activities
		30.6.2023	30.6.2024	30.6.2025	31.12.2025		
<i>Associate of Parkland City</i>							
PGB Parkland	6 June 2025 Malaysia	-	-	49	49	*	Dormant
<i>Associate of Parkland Residence</i>							
Floracode	23 March 2015 Malaysia	51	51	51	51	15,250	Property development
<i>Joint venture of Parkland Solar</i>							
Parkland Renewable Energy	1 March 2024 Malaysia	-	60	60	60	1,100	Investment holding
<i>Subsidiary of Parkland Renewable Energy</i>							
Parkland RPVI	27 March 2024 Malaysia	-	100	100	100	1,050	Supply of electricity
Parkland LSS5	16 January 2025 Malaysia	-	-	100	100	1,000	Operation of generation facilities that produce electric energy
Ortus Synergy	3 September 2024 Malaysia	-	-	55	55	150	Provision of engineering, procurement, construction and commissioning service for solar photovoltaics systems

Note:

(*) – Denotes amount less than RM500

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**3. DIVIDENDS**

Details of dividends paid/payable by the subsidiary companies during the financial years under review are as follows:-

Related to	Company	Declaration date	Payment date	Type of dividend	Dividend rate (RM/share)	Net Amount (RM'000)
FYE 30 June 2023	Parkland City	9 August 2022	9 August 2022 10 August 2022	First interim single-tier dividend	0.23	1,035
	Parkland Residence	31 December 2022	5 January 2023 6 January 2023 9 January 2023	First interim single-tier dividend	2.31	3,003
	TYT Builders	30 June 2023	31 October 2023 17 May 2024 21 June 2024 4 July 2024	First interim single-tier dividend	18.32	21,984
						26,022
FYE 30 June 2024	Parkland City	15 April 2024	18 April 2024	First interim single-tier dividend	51.26	230,685
	Parkland Residence	15 February 2024	14 March 2024	First interim single-tier dividend	0.60	780
	Parkland Residence	15 April 2024	18 April 2024	Second interim single-tier dividend	99.13	128,870
						360,335

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION****4.1 BASIS OF PREPARATION**

For the purposes of inclusion of combined and consolidated financial statements in the prospectus of Parkland in connection with the Listing, the financial statements consist of:-

- i) the combined statements of financial position as at 30 June 2023, combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the FYE 30 June 2023; and
- ii) the consolidated statements of financial position as at 30 June 2024, 30 June 2025 and 31 December 2025, consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the FYE 30 June 2024, FYE 30 June 2025 and FPE 31 December 2025.

The combined financial statements of the Group for the relevant period were prepared in a manner similar to the merger method, as if the entities within the Group were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of entities within the Group, if later. Such manner of presentation reflects the economic substance of the combining companies, which were under common control throughout the relevant period.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of common controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The identifiable assets and liabilities of all commonly controlled entities are accounted for at their historical costs. The accounting policies of common controlled entities have been changed where necessary to align them with the policies adopted by the Group.

All material intra-group transactions and balances have been eliminated on combination.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.1 BASIS OF PREPARATION (CONT'D)**

These combined and consolidated financial statements of the Group have been prepared based on the financial statements/results for the relevant financial years/periods as follows:-

	<-----FYE 30 June----->			<--FPE 31 December-->	
	2023	2024	2025	2024	2025
Parkland	✓	^	^	∞	^
Parkland City	✓	^	^	∞	^
Parkland Residence	✓	^	^	∞	^
TYT Builders	✓	^	^	∞	^
Parkland Solar	(i)	^	^	∞	^
Parkland Building Materials	(i)	(i)	(i)	(i)	^
Jubli Merdeka	✓	^	^	∞	^
Merlimau Land	✓	^	^	∞	^
Millennium Tulips	✓	^	^	∞	^
Pentagon Petro	✓	^	^	∞	^
Parkland Global	✓	^	^	∞	^
Taipan Oracle	✓	^	^	∞	^
Parkland Southern	✓	^	^	∞	^
SKL Realty	\$	\$	@	\$	^
Parkland Diversified	✓	^	^	∞	^
Parkland Central	✓	^	^	∞	^
Parkland Avenue	✓	^	^	∞	^
Pentagon Fuels	(i),*	^	^	∞	^
Pentagon Hybrid	(i),*	^	^	∞	^
Atlantis Venture	✓	^	^	∞	^
TSB Builders	(i),*	^	^	∞	^

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.1 BASIS OF PREPARATION (CONT'D)**

These combined and consolidated financial statements of the Group have been prepared based on the financial statements/results for the relevant financial years/periods as follows (Cont'd):-

	<-----FYE 30 June----->			<--FPE 31 December-->	
	2023	2024	2025	2024	2025
Megaform Builders	\$	\$	^,#	\$	^
AVE Engineering	\$	\$	^,#	\$	^
Floracode	&	&	&	∞	&
PGB Parkland	(i)	(i)	(i)	(i)	(ii)
Parkland Renewable Energy	(i)	(i),~	&	∞	&
Parkland RPVI	(i)	(i),~	&	∞	&
Parkland LSS5	(i)	(i)	&	(i)	&
Ortus Synergy	(i)	(i)	&	∞	&

✓ *The combined financial statements of the Group include the financial statements of these combining entities for the financial year. The financial statements of these entities were re-produced by its directors to comply with MFRSs and IFRSs and were re-audited by Crowe Malaysia PLT for the purpose of inclusion in the prospectus of Parkland in connection with the Listing and should not be relied upon for any other purpose.*

(i) *No financial statements are available for Parkland Solar, Parkland Building Materials, Pentagon Fuels, Pentagon Hybrid, TSB Builders, PGB Parkland, Parkland Renewable Energy, Parkland RPVI, Parkland LSS5 and Ortus Synergy as they were incorporated on 19 September 2023, 12 September 2025, 16 January 2023, 20 March 2023, 28 April 2023, 6 June 2025, 1 March 2024, 27 March 2024, 16 January 2025 and 3 September 2024, respectively.*

(ii) *The consolidated financial statements do not include the results of PGB Parkland, as the amount is immaterial to the Group's financial statements.*

\$ *No financial statements are available for SKL Realty, Megaform Builders and AVE Engineering as they were acquired and became wholly owned subsidiaries on 9 June 2025 (SKL Realty) and 30 June 2025 (Megaform Builders and AVE Engineering).*

* *The subsidiaries have been combined based on unaudited financial information as the subsidiaries are not required to be audited for the financial year ended 30 June 2023 under the laws in the country of incorporation.*

~ *The joint venture (Parkland Renewable Energy) and subsidiary of joint venture (Parkland RPVI) have been equity accounted based on unaudited financial information as they are not required to be audited for the financial year ended 30 June 2024 under the laws in the country of incorporation.*

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.1 BASIS OF PREPARATION (CONT'D)**

These combined and consolidated financial statements of the Group have been prepared based on the financial statements/results for the relevant financial years/periods as follows (Cont'd):-

- @ *During the FYE 30 June 2025, Parkland City acquired SKL Realty for a total consideration of approximately RM500,000 as disclosed in Note 38.1 to the financial statements.*
- # *During the FYE 30 June 2025, TYT Builders acquired AVE Engineering and Megaform Builders for a total consideration of approximately RM8,182,000 and RM8,077,000, respectively, as disclosed in Note 38.1 to the financial statements.*
- ^ *The consolidated financial statements of the Group are prepared for the respective financial year/period. The basis of consolidation is disclosed in Note 4.4(iii) to the financial statements.*
- & *The combined and consolidated financial statements of the Group include the results of its associates and joint ventures, which are accounted for using the equity method.*
- ∞ *The consolidated financial statements of the Group include the financial results of its subsidiaries, associates, and joint ventures for the financial period have been prepared based on unaudited financial information and for comparison purpose only.*

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

- 4.2 During the current financial period, 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 121: Lack of Exchangeability

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

- 4.3 NEW MFRSs, AMENDMENT TO MFRSs AND IC INTERPRETATIONS THAT HAVE BEEN ISSUED BUT ARE NOT YET EFFECTIVE

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 MASB but are not yet effective for the current financial period:-

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

	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

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 consolidated financial statements of the Group upon their initial application except as follows:

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group has yet to be assessed.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION****(i) Critical Accounting Estimates and Judgements***Key Sources of Estimation Uncertainty*

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

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and 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 property, plant and 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.

(b) Impairment of Inventories

The Group has four types of inventories namely, properties held for future development, completed properties held for sales, properties under development for sales and trading goods. Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(c) Impairment of Trade Receivables and Contract Assets

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

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(i) Critical Accounting Estimates and Judgements (Cont'd)***Key Sources of Estimation Uncertainty (Cont'd)***(d) Impairment on Non-Trade Receivables and Related Party Balances**

The loss allowances for non-trade financial assets and related party balances are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

(e) 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 value transferred by the Group to the customer to the satisfaction of the performance obligation. Significant judgement is required in determining the progress of property development. In making the judgement, the Group relies on works of quantity surveyors.

(f) Revenue and Cost Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(i) Critical Accounting Estimates and Judgements (Cont'd)***Key Sources of Estimation Uncertainty (Cont'd)***(g) 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.

(h) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

(i) Provision For Affordable Housing

The provision for affordable housing represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing in the development of affordable housing on involuntary basis. This provision is capitalised in the form of common costs for the development of premium housing. In determining the provision for affordable housing, estimates and assumptions are made by the Group on the structure and construction costs in constructing the affordable housing. In making those judgements, the Group evaluates the provisions based on past experience.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(i) Critical Accounting Estimates and Judgements (Cont'd)***Critical Judgement Made in Applying Accounting Policies*

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

(a) 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).

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the directors are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group is remote.

(ii) Financial Instruments**(a) Financial Assets**Financial Assets Through Profit or Loss

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

Financial Assets at Amortised Cost

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

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(ii) Financial Instruments (Cont'd)****(b) Financial Liabilities**Financial Liabilities at Amortised Cost

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

(c) EquityOrdinary Shares

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

(d) Financial Guarantee Contracts

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

(iii) Basis of Combination

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for applying the merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the financial statements of the Group at their carrying amounts reported in the individual financial statements. The combined statement of profit or loss and other comprehensive income reflects the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(iii) Basis of Combination (Cont'd)**

The difference between the cost of the merger, the share capital and capital reserves of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

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. 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.

(iv) Investment in Subsidiaries

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

(v) Investment in Joint Venture

Investment in joint venture is stated in the financial statements of the Company at cost less impairment losses, if any. The Group recognises its interest in the joint venture using the equity method.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(vi) Investment In Associates**

Investment in associates is stated in the financial statements of the Company at cost less impairment losses, if any. The Group recognises its interest in the associates using the equity method.

(vii) Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants of the Group are coconut trees. The bearer plants are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of planting.

Freehold land is not depreciated. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Building	2%
Bearer plants	18 years
Motor vehicles	20%
Office equipment, furniture and fittings	10% - 25%
Plant and machinery	8% - 14%
Renovation	10%
Tool and equipment	10% - 15%

Capital work-in-progress represent building under construction. It is not depreciated until such time when the asset is available for use.

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13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(viii) Investment Properties**

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation rate is:-

Buildings	2%
-----------	----

(ix) Right-of-use Assets and Lease Liabilities**(a) Short-term Leases and Leases of Low-value Assets**

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. 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 appropriate.

(b) Right-of-use Assets

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

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

(c) Lease Liabilities

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

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(x) Inventories****(a) Property Held for Future Development**

Property held for future development are stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land including landowner's entitlement, conversion fees, aggregate cost of development, materials and supplies, wages, other direct expenses, an appropriate proportion of common infrastructure costs, borrowing costs capitalised and cost of constructing affordable houses.

Property held for future property development is transferred to 'property under development for sale' category when development activities have commenced and are expected to be completed within the normal operating cycle.

(b) Property Under Development for Sale

Property under development for sale is stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land including landowner's entitlement, conversion fees, aggregate cost of development, materials and supplies, wages, other direct expenses, an appropriate proportion of common infrastructure costs, borrowing costs capitalised and cost of constructing affordable houses less cumulative amounts recognised as expenses in profit or loss.

The property development costs of unsold units are transferred to completed properties held for sale once the development is completed.

(c) Completed Properties Held for Sale

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

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(xi) Costs to Secure Contracts***Incremental Costs of Obtaining A Contract*

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.

The costs to secure contracts are initially measured at cost and amortised in a systematic basis that is consistent with the pattern of revenue recognition to which the assets relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the costs to secure contracts 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 costs to secure contracts does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(xii) Revenue and Other Income**(a) Revenue from Contracts with Customers**

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration 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.

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.

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(xii) Revenue and Other Income (Cont'd)****(a) Revenue from Contracts with Customers (Cont'd)**

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. 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 received 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.

Property Development Activities

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. 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 the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Property development revenue is recognised progressively, when property units have been sold, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of the property development activities can be estimated reliably, property development revenue and property development cost are recognised in profit or loss by using the stage of completion method.

The stage of completion is determined by reference to the survey of work performed.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(xii) Revenue and Other Income (Cont'd)****(a) Revenue from Contracts with Customers (Cont'd)**Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the output method, determined based on the progress towards complete satisfaction of the performance obligation based on the contract work certified to date. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered 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. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

Sales of Completed Properties

The Group recognises revenue (net of discount) for the sale of completed properties at a point in time when the properties have been delivered to and accepted by the customers.

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**4. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****4.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****(xii) Revenue and Other Income (Cont'd)****(b) Income from Other Sources**Interest Income

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

Rental Income

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

Sales of Plantation Produce

Revenue from the sales of plantation produce is recognised upon delivery of products and customer acceptance.

Sale of Goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer and where the Group does not have continuing managerial involvement and effective control over the goods sold.

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13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****5. INVESTMENT IN JOINT VENTURES**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Unquoted ordinary shares, at cost	-	660	660	660
Share of post-acquisition losses	-	(8)	(440)	(625)
	-	652	220	35

The details of the joint ventures are as follows:-

Name of Joint Venture	Principal Place of Business and Country of Incorporation	Percentage of Ownership				Principal Activities
		30.6.2023	30.6.2024	30.6.2025	31.12.2025	
		%	%	%	%	
Joint Venture of Parkland Solar						
Parkland Renewable Energy	Malaysia	-	60 [#]	60	60	Investment holding
Subsidiary of Parkland Renewable Energy						
Ortus Synergy	Malaysia	-	-	55	55	Provision of engineering, procurement, construction and commissioning ("EPCC") services for solar photovoltaics systems
Parkland LSS5	Malaysia	-	-	100	100	Operation of generation facilities that produce electric energy
Parkland RPVI	Malaysia	-	100 [#]	100	100	Supply of electricity

[#]The entities are newly incorporated during FYE 30 June 2024, therefore, are not required to be audited under the laws in the country of incorporation.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**5. INVESTMENT IN JOINT VENTURES (CONT'D)**

- (a) The joint arrangement is structured through separate vehicles which provide the Group a right to the net assets of the entity. Accordingly, this investment is classified as joint venture.
- (b) Although Parkland Solar holds 60% equity interest in Parkland Renewable Energy, Parkland Solar does not exercise control and accordingly considers Parkland Renewable Energy as a joint venture.
- (c) The summarised audited consolidated financial statement/results for the joint ventures are as follows:-

	← Unaudited →		← Audited →	
	30.6.2023 RM'000	30.6.2024* RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Non-current asset	-	7	2,753	3,487
Current assets	-	46,122	10,128	19,918
Non-current liabilities	-	(42)	(11,519)	(22,265)
Current liabilities	-	(45,000)	(977)	(917)
Net assets	-	1,087	385	223
Less: Non-controlling interest	-	-	(18)	(165)
Net assets attributable to the Owners of the Company	-	1,087	367	58

*The joint venture is newly incorporated during FYE 30 June 2024, therefore, is not required to be audited under the laws in the country of incorporation.

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**5. INVESTMENT IN JOINT VENTURES (CONT'D)**

- (c) The summarised audited consolidated financial statement/results for the joint ventures are as follows (Cont'd):-

	← Unaudited →		← Audited →	
	30.6.2023 RM'000	30.6.2024* RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Results				
Loss for the financial years/period	-	(13)	(767)	(162)
(Loss)/Profit for the financial years/period attributable to:				
Owners of the Company	-	(13)	(720)	(309)
Non-controlling interest	-	-	(47)	147
	<u>-</u>	<u>(13)</u>	<u>(767)</u>	<u>(162)</u>
Company's share of loss for the financial years/period attributable to Owners of the Company	-	(8)	(432)	(185)
Reconciliation of Net Assets to Carrying Amount				
Company's share of net assets attributable to the Owners of the Company	-	652	220	35
Carrying amount of the Company's interests in joint ventures	<u>-</u>	<u>652</u>	<u>220</u>	<u>35</u>

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**6. INVESTMENT IN ASSOCIATES**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Unquoted ordinary shares, at cost	1,148	1,148	1,148	1,148
Unquoted redeemable non-convertible non-cumulative preference shares	6,630	6,630	6,630	6,630
Share of post-acquisition (losses)/profits	(1,723)	(1,842)	574	1,347
Elimination of unrealised profit, net of tax	-	(52)	(2,229)	(2,727)
	6,055	5,884	6,123	6,398

The details of the associates are as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership				Principal Activity
		30.6.2023	30.6.2024	30.6.2025	31.12.2025	
		%	%	%	%	
Associate of Parkland City						
PGB Parkland ⁽¹⁾	Malaysia	-	-	49	49	Dormant
Associate of Parkland Residence						
Floracode ^(#)	Malaysia	51	51	51	51	Property development

Note:

(1) PGB Parkland is newly incorporated during FYE 30 June 2025, therefore, is not required to be audited under the laws in the country of incorporation. The Group has not recognised its share of post-acquisition loss from PGB Parkland, as the amount is immaterial to the Group's financial statements. On 26 January 2026, the Group has disposed its entire equity interest in PGB Parkland.

(#) Although Parkland Residence holds 51% equity interest in Floracode, Parkland Residence does not exercise control and accordingly considers Floracode as an associate.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**7. PROPERTY, PLANT AND EQUIPMENT**Audited

	At 1.7.2022 RM'000	Additions (Note 39(a)) RM'000	Transfer from Investment Properties (Note 8) RM'000	Disposal RM'000	Written Off (Note 35) RM'000	Depreciation Charges (Note 35) RM'000	At 30.6.2023 RM'000
<i>Carrying amount</i>							
Freehold land	45,637	58	-	-	-	-	45,695
Building	10,158	187	-	-	-	(216)	10,129
Building in progress	2,612	1,514	-	-	-	-	4,126
Bearer plant	2,278	302	-	-	-	(49)	2,531
Motor vehicles	1,244	409	-	(37)	-	(604)	1,012
Office equipment, furniture and fittings	1,517	271	-	(3)	(4)	(340)	1,441
Plant and machinery	1,268	1,733	91	-	-	(335)	2,757
Renovation	579	22	-	-	-	(72)	529
Tools and equipment	35	20	-	-	-	(9)	46
	65,328	4,516	91	(40)	(4)	(1,625)	68,266

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**Audited

	At 1.7.2023 RM'000	Additions (Note 39(a)) RM'000	Reclassification RM'000	Disposal RM'000	Written Off (Note 35) RM'000	Depreciation Charges (Note 35) RM'000	At 30.6.2024 RM'000
<i>Carrying amount</i>							
Freehold land	45,695	-	-	-	-	-	45,695
Building	10,129	116	220	-	-	(221)	10,244
Building in progress	4,126	4,211	(220)	-	-	-	8,117
Bearer plant	2,531	-	-	-	-	(82)	2,449
Motor vehicles	1,012	1,897	-	(214)	*	(645)	2,050
Office equipment, furniture and fittings	1,441	441	-	(4)	(17)	(352)	1,509
Plant and machinery	2,757	1,863	-	-	(3)	(614)	4,003
Renovation	529	7	-	-	-	(73)	463
Tools and equipment	46	4,783	-	-	(9)	(259)	4,561
	68,266	13,318	-	(218)	(29)	(2,246)	79,091

Note:

(*) – Denotes amount less than RM500

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**Audited

	At 1.7.2024 RM'000	Additions (Note 39(a)) RM'000	Reclassification RM'000	Disposal RM'000	Written Off (Note 35) RM'000	Reversal RM'000	Transfer from Inventories (Note 10(a) and (b)) RM'000	Acquisition of subsidiary (Note 38.1) RM'000	Depreciation Charges (Note 35) RM'000	At 30.6.2025 RM'000
<i>Carrying amount</i>										
Freehold land	45,695	793	-	-	-	-	2,735	1,496	-	50,719
Building	10,244	74	6,733	-	-	-	2,065	(363)	18,753	
Building in progress	8,117	1,226	(7,991)	-	-	(153)	50,081	-	51,280	
Bearer plant	2,449	-	-	-	-	-	-	(92)	2,357	
Motor vehicles	2,050	586	-	-	-	-	-	232	(692)	2,176
Office equipment, furniture and fittings	1,509	293	1,258	(5)	(4)	-	-	81	(486)	2,646
Plant and machinery	4,003	1,651	-	-	-	-	-	4,208	(799)	9,063
Renovation	463	114	-	-	-	-	-	-	(82)	495
Tools and equipment	4,561	134	-	(60)	-	-	-	116	(710)	4,041
	79,091	4,871	-	(65)	(4)	(153)	52,816	8,198	(3,224)	141,530

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**Audited

	At 1.7.2025 RM'000	Additions (Note 39(a)) RM'000	Reclassification RM'000	Disposal RM'000	Written Off (Note 35) RM'000	Depreciation Charges (Note 35) RM'000	Classified as Held for Sale (Note 20) RM'000	At 31.12.2025 RM'000
<i>Carrying amount</i>								
Freehold land	50,719	1,432	-	-	-	-	(3,389)	48,762
Building	18,753	-	(27)	-	-	(197)	(3,703)	14,826
Building in progress	51,280	9,982	27	-	-	-	(3,917)	57,372
Bearer plant	2,357	-	-	-	-	(54)	-	2,303
Motor vehicles	2,176	529	-	(53)	-	(421)	-	2,231
Office equipment, furniture and fittings	2,646	106	-	-	-	(267)	(126)	2,359
Plant and machinery	9,063	744	(2,233)	-	*	(851)	-	6,723
Renovation	495	-	-	-	-	(42)	-	453
Tools and equipment	4,041	212	2,233	-	-	(708)	-	5,778
	141,530	13,005	-	(53)	*	(2,540)	(11,135)	140,807

Note:

(*) – Denotes amount less than RM500

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**Audited

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
30.6.2023			
Freehold land	45,695	-	45,695
Building	10,856	(727)	10,129
Building in progress	4,126	-	4,126
Bearer plant	2,586	(55)	2,531
Motor vehicles	5,384	(4,372)	1,012
Office equipment, furniture and fittings	2,712	(1,271)	1,441
Plant and machinery	4,418	(1,661)	2,757
Renovation	727	(198)	529
Tools and equipment	135	(89)	46
	76,639	(8,373)	68,266

Audited

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
30.6.2024			
Freehold land	45,695	-	45,695
Building	11,192	(948)	10,244
Building in progress	8,117	-	8,117
Bearer plant	2,586	(137)	2,449
Motor vehicles	5,998	(3,948)	2,050
Office equipment, furniture and fittings	3,047	(1,538)	1,509
Plant and machinery	6,277	(2,274)	4,003
Renovation	734	(271)	463
Tools and equipment	4,909	(348)	4,561
	88,555	(9,464)	79,091

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**Audited

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
30.6.2025			
Freehold land	50,719	-	50,719
Building	20,268	(1,515)	18,753
Building in progress	51,280	-	51,280
Bearer plant	2,586	(229)	2,357
Motor vehicles	6,649	(4,473)	2,176
Office equipment, furniture and fittings	4,759	(2,113)	2,646
Plant and machinery	33,010	(23,947)	9,063
Renovation	848	(353)	495
Tools and equipment	5,076	(1,035)	4,041
	175,195	(33,665)	141,530

Audited

	At Cost RM'000	Accumulated Depreciation RM'000	Carrying Amount RM'000
31.12.2025			
Freehold land	48,762	-	48,762
Building	16,149	(1,323)	14,826
Building in progress	57,372	-	57,372
Bearer plant	2,586	(283)	2,303
Motor vehicles	6,910	(4,679)	2,231
Office equipment, furniture and fittings	4,750	(2,391)	2,359
Plant and machinery	14,482	(7,759)	6,723
Renovation	848	(395)	453
Tools and equipment	24,543	(18,765)	5,778
	176,402	(35,595)	140,807

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

- (a) Included in the property, plant and equipment of the Group are the followings assets acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities of the Group as disclosed in Note 29 to the financial statements.

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Motor vehicles	860	1,687	1,999	2,179
Plant and machinery	-	629	975	1,205
	860	2,316	2,974	3,384

- (b) The carrying amount of the following property, plant and equipment pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 30 and 31 to the financial statements.

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Freehold land	41,484	41,484	44,375	41,139
Building	7,065	7,247	14,196	10,314
Building-in-progress	4,126	8,117	51,280	57,372
Bearer plant	2,531	2,449	2,357	2,303
Plant and machinery	1,180	1,076	1,433	920
Tools and equipment	-	4,299	3,618	3,950
	56,386	64,672	117,259	115,998

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13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****8. INVESTMENT PROPERTIES**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Cost:-				
At 1 July	14,613	8,397	10,369	10,369
Additions (Note 39(a))	3,094	-	-	-
Disposals	(9,219)	-	-	-
Transfer to property, plant and equipment (Note 7)	(91)	-	-	-
Transfer from inventories (Note 10(b))	-	1,972	-	-
At 30 June/31 December	<u>8,397</u>	<u>10,369</u>	<u>10,369</u>	<u>10,369</u>
Accumulated depreciation:-				
At 1 July	(502)	(89)	(262)	(442)
Depreciation during the financial years/period (Note 35)	(160)	(173)	(180)	(90)
Disposals	573	-	-	-
At 30 June/31 December	<u>(89)</u>	<u>(262)</u>	<u>(442)</u>	<u>(532)</u>
	<u>8,308</u>	<u>10,107</u>	<u>9,927</u>	<u>9,837</u>
Represented by:-				
Freehold land	1,290	1,390	1,390	1,390
Buildings	7,018	8,717	8,537	8,447
At 30 June/31 December	<u>8,308</u>	<u>10,107</u>	<u>9,927</u>	<u>9,837</u>
Fair value	<u>17,400</u>	<u>21,400</u>	<u>21,400</u>	<u>16,000</u>

- (a) The following investment properties have been pledged to licensed bank as security for banking facilities granted to the Group as disclosed in Note 30 to the financial statements.

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Freehold land	1,290	1,390	1,390	1,390
Buildings	7,018	8,717	8,537	8,447
	<u>8,308</u>	<u>10,107</u>	<u>9,927</u>	<u>9,837</u>

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****8. INVESTMENT PROPERTIES (CONT'D)**

(b) The fair values of the investment properties are within level 2 of the fair value hierarchy. The fair values were determined using the market comparison and income approaches based on valuations performed by registered valuers with appropriate recognised professional qualifications. The key inputs for the market comparison approach include the price per square foot of comparable properties, adjusted for differences in transaction timing and size in order to arrive at a common basis. The key inputs for the income approach include net annual income per square foot, as well as rental yields.

9. RIGHT-OF-USE ASSETSAudited

	At 1.7.2022 RM'000	Reassessment of Lease Liabilities (Note 28) RM'000	Additions (Notes 28 and 39(a)) RM'000	Depreciation Charges (Note 35) RM'000	At 30.6.2023 RM'000
<i>Carrying amount</i>					
Leasehold land	-	-	16,518	(56)	16,462
Rented land	-	-	1,206	(251)	955
Rented building	231	15	-	(152)	94
	231	15	17,724	(459)	17,511

Audited

	At 1.7.2023 RM'000	Reassessment of Lease Liabilities (Note 28) RM'000	Depreciation Charges (Note 35) RM'000	At 30.6.2024 RM'000
<i>Carrying amount</i>				
Leasehold land	16,462	-	(223)	16,239
Rented land	955	-	(301)	654
Rented building	94	166	(163)	97
	17,511	166	(687)	16,990

Audited

	At 1.7.2024 RM'000	Addition (Notes 28 and 39(a)) RM'000	Depreciation Charges (Note 35) RM'000	At 30.6.2025 RM'000
<i>Carrying amount</i>				
Leasehold land	16,239	-	(223)	16,016
Rented land	654	938	(442)	1,150
Rented building	97	-	(97)	-
	16,990	938	(762)	17,166

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**9. RIGHT-OF-USE ASSETS (CONT'D)**Audited

	At 1.7.2025 RM'000	Addition (Notes 28 and 39(a)) RM'000	Depreciation Charges (Note 35) RM'000	At 31.12.2025 RM'000
<i>Carrying amount</i>				
Leasehold land	16,016	-	(112)	15,904
Rented land	1,150	-	(244)	906
Rented building	-	66	(2)	64
	<u>17,166</u>	<u>66</u>	<u>(358)</u>	<u>16,874</u>

(a) The Group leases a piece of leasehold land, two pieces of vacant land and a building of which the leasing activities are summarised below:-

- (i) Leasehold land The Group has entered into 1 (30.6.2025 – 1, 30.6.2024 – 1 and 30.6.2023 – 1) non-cancellable operating lease agreement for the use of the land. The lease is for a period of 74 (30.6.2025 – 74, 30.6.2024 – 74 and 30.6.2023 – 74) years.
- (ii) Rented land The Group has leased two pieces of land with 3 to 5 (30.6.2025 – 3 to 5, 30.6.2024 – 3 and 30.6.2023 – 3) years contract with option to renew for the purpose of constructing for temporary buildings as show house and workers quarters.
- (iii) Rented building The Group has leased a building that runs for 3 (30.6.2025 – Nil, 30.6.2024 – 2 and 30.6.2023 – 2) years.

10. INVENTORIES

Note	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
<u>Non-current</u>				
Properties held for future development (a)	<u>671,171</u>	<u>630,220</u>	<u>596,004</u>	<u>627,622</u>
<u>Current</u>				
Properties under development for sale (b)	308,122	527,850	798,416	840,763
Completed properties held for sale (c)	25,954	62,946	54,564	40,199
Trading goods (d)	263	245	267	-
	<u>334,339</u>	<u>591,041</u>	<u>853,247</u>	<u>880,962</u>

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**10. INVENTORIES (CONT'D)**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
<u>Recognised in profit or loss during the financial years/period:-</u>				
Cost of completed properties held for sale	13,771	13,725	35,146	21,159
Cost of property development recognised during the current financial years/period	283,023	332,504	378,370	217,549
Trading goods	15,595	19,200	22,122	11,257

(i) Included in the development costs are interests on borrowing capitalised by the Group during the financial period/years of RM9,341,000 (30.6.2025 – RM13,554,000, 30.6.2024 – RM15,562,000 and 30.6.2023 – RM12,218,000).

(ii) Certain development properties of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 30 and 31 to the financial statements.

(a) Properties held for future development

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Land, at cost				
At 1 July	382,868	440,116	378,453	399,123
Cost incurred during the financial years/period	78,244	21,477	123,784	9,302
Transfer to property, plant and equipment (Note 7)	-	-	(11,267)	-
Transfer from non-current deposits	7,081	-	-	-
Transfer to properties under development for sale (Note 10(b))	(28,077)	(83,140)	(91,847)	-
At 30 June/31 December	440,116	378,453	399,123	408,425
Development cost				
At 1 July	146,073	231,055	251,767	196,881
Cost incurred during the financial years/period	110,470	75,303	51,845	31,920
Transfer to property, plant and equipment (Note 7)	-	-	(38,814)	-
Transfer from non-current deposits	1,343	-	-	-
Transfer to properties under development for sale (Note 10(b))	(26,831)	(54,591)	(67,917)	(9,604)
At 30 June/31 December	231,055	251,767	196,881	219,197
Carrying amount as at 30 June/31 December	671,171	630,220	596,004	627,622

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****10. INVENTORIES (CONT'D)**

(b) Properties under development for sale

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Land, at cost				
At 1 July	178,634	204,313	274,630	352,315
Cost incurred during the financial years/period	68,649	124,616	22,907	3,904
Transfer from properties held for future development (Note 10(a))	28,077	83,140	91,847	-
Transfer to completed properties held for sale (Note 10(c))	(4,776)	(18,481)	(2,555)	(972)
Transfer to property, plant and equipment (Note 7)	-	-	(1,164)	-
Transfer to investment properties (Note 8)	-	(100)	-	-
Reversal of completed projects	(66,271)	(118,858)	(34,560)	(22,965)
Acquisition of a subsidiary (Note 38.1)	-	-	1,210	-
At 30 June/31 December	204,313	274,630	352,315	332,282

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**10. INVENTORIES (CONT'D)**

(b) Properties under development for sale (Cont'd)

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Development cost				
At 1 July	330,446	437,028	505,710	738,343
Costs incurred during the years/period	295,115	342,574	494,157	253,182
Transfer from properties held for future development (Note 10(a))	26,831	54,591	67,917	9,604
Transfer to completed properties held for sale (Note 10(c))	(7,495)	(32,236)	(24,209)	(5,822)
Transfer to property, plant and equipment (Note 7)	-	-	(1,571)	-
Transfer to investment properties (Note 8)	-	(1,872)	-	-
Reversal of completed projects	(207,869)	(294,375)	(304,058)	(147,191)
Acquisition of a subsidiary (Note 38.1)	-	-	397	-
At 30 June/31 December	437,028	505,710	738,343	848,116
Cumulative cost	641,341	780,340	1,090,658	1,180,398
Less: Cumulative cost recognised in profit or loss				
At 1 July	(324,336)	(333,219)	(252,490)	(292,242)
Addition during the financial years/period	(283,023)	(332,504)	(378,370)	(217,549)
Reversal of completed projects	274,140	413,233	338,618	170,156
At 30 June/31 December	(333,219)	(252,490)	(292,242)	(339,635)
Carrying amount as at 30 June/31 December	308,122	527,850	798,416	840,763

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**10. INVENTORIES (CONT'D)**

(c) Completed properties held for sale

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
At 1 July	27,454	25,954	62,946	54,564
Unsold units transferred from properties under development for sale (Note 10(b))	12,271	50,717	26,764	6,794
Disposal during the years/period	(13,771)	(13,725)	(35,146)	(21,159)
At 30 June/31 December	<u>25,954</u>	<u>62,946</u>	<u>54,564</u>	<u>40,199</u>

(d) Trading goods

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Petroleum and lubricants	202	162	195	-
Trading merchandise	61	83	72	-
	<u>263</u>	<u>245</u>	<u>267</u>	<u>-</u>

None of the inventories are stated at net realisable value.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
<u>Non-current</u>				
Deposits	5	5	5	5
Deposits paid for acquisition of development right	6,390	6,390	10,545	13,545
Prepayment	3,371	4,615	4,665	4,701
	<u>9,766</u>	<u>11,010</u>	<u>15,215</u>	<u>18,251</u>
<u>Current</u>				
Other receivables	1,600	4,007	8,229	6,940
Advances paid to supplier	463	288	349	473
Deposits	6,786	7,882	11,396	10,147
Deposit paid for land acquisition	2,464	10,507	-	-
Prepayments	3,330	3,691	9,428	11,389
Cost to secure contracts (Note 11(a))	16,262	21,362	48,254	59,891
Refundable security deposit paid to an associate	700	1,000	1,000	1,000
	<u>31,605</u>	<u>48,737</u>	<u>78,656</u>	<u>89,840</u>
	<u>41,371</u>	<u>59,747</u>	<u>93,871</u>	<u>108,091</u>

(a) Costs to secure contracts

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
<i>Incremental costs of obtaining a contract</i>				
At beginning of the financial years/period	9,448	16,262	21,362	48,254
Add: Incurred during the years/period	19,122	27,514	56,406	28,725
	<u>28,570</u>	<u>43,776</u>	<u>77,768</u>	<u>76,979</u>
Less: Cost recognised in profit or loss during the financial years/period	(12,308)	(22,414)	(29,514)	(17,088)
At the end of the financial years/period	<u>16,262</u>	<u>21,362</u>	<u>48,254</u>	<u>59,891</u>

Costs to secure contracts relates to sales agent commission and legal costs incurred to secure sales of property units which are expected to be recovered from property development revenue earned from customers. These incremental costs would not have been incurred if the respective sale contracts had not been obtained. The costs are subsequently expensed off as selling and promotion expenses by reference to the performance completed to date, consistent with the revenue recognition patterns.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**12. AMOUNT OWING BY/(TO) RELATED PARTIES**

	NOTE	← Audited →			
		30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Amount owing by:-					
<u>Non-current</u>					
<u>Non-trade</u>					
Joint venture	(a)	-	42	6,061	13,267
Companies in which certain directors have substantial interests	(a)	1,754	708	754	-
		<u>1,754</u>	<u>750</u>	<u>6,815</u>	<u>13,267</u>
<u>Current</u>					
<u>Trade</u>					
Companies in which certain directors have substantial interests	(g)	22	16	-	-
Joint venture	(g)	-	-	-	6
<u>Non-trade</u>					
Companies in which certain directors have substantial interests	(b)	18	190	14	-
Joint venture	(b)	-	-	-	*
Associate	(c)	-	3,581	-	-
Joint venture	(c)	-	27,000	-	-
Companies in which certain shareholders have substantial interests	(b)	-	8	70	66
Partnership in which a director is a partner	(b)	-	-	2	4
		<u>40</u>	<u>30,795</u>	<u>86</u>	<u>76</u>

Note:

(*) – Denotes amount less than RM500

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**12. AMOUNT OWING BY/(TO) RELATED PARTIES (CONT'D)**

	NOTE	← Audited →			
		30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Amount owing to:-					
<u>Non-current</u>					
<u>Non-trade</u>					
Companies in which certain directors have substantial interests	(d)	(2,298)	(4,498)	(571)	-
		<u>(2,298)</u>	<u>(4,498)</u>	<u>(571)</u>	<u>-</u>
<u>Current</u>					
<u>Trade</u>					
Companies in which certain directors have substantial interests	(h)	(17,885)	(25,491)	-	-
Companies in which certain shareholders have substantial interests	(h)	(16,141)	(23,262)	(19,624)	(16,098)
Partnership in which a director is a partner	(h)	(169)	(216)	(52)	(110)
<u>Non-trade</u>					
Companies in which certain directors have substantial interests	(e)	(15,532)	(8,411)	(1,576)	-
Companies in which certain directors have substantial interests	(f)	(58)	(3)	-	-
		<u>(49,785)</u>	<u>(57,383)</u>	<u>(21,252)</u>	<u>(16,208)</u>

Non-trade balances**Amount owing by:-**

- (a) The Group's non-trade balances (non-current) represent unsecured advances which bear interest rates ranging from 6.13% to 6.61% (30.6.2025 – 6.34% to 6.80%, 30.6.2024 – 6.52% to 7.04% and 30.6.2023 – 6.13% to 8.15%) per annum. The amounts owing are to be settled in cash and not repayable within the next 12 months.
- (b) The non-trade balances (current) represent unsecured payment on behalf. The amount owing is to be repayable on demand and is to be settled in cash.
- (c) The non-trade balances (current) represent unsecured advances. The amount owing is to be repayable on demand and is to be settled in cash.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**12. AMOUNT OWING BY/(TO) RELATED PARTIES (CONT'D)****Non-trade balances (Cont'd)****Amount owing to:-**

- (d) The Group's non-trade balances (non-current) represent unsecured advances which bear interest rate of Nil (30.6.2025 – 6.34% to 6.80%, 30.6.2024 – 6.60% to 8.15% and 30.6.2023 – 5.88% to 7.20%) per annum. The amounts owing are to be settled in cash and not repayable within the next 12 months.
- (e) The Group's non-trade balances (current) represent unsecured advances which bear interest rate of Nil (30.6.2025 – 6.34% to 6.80%, 30.6.2024 – 6.50% to 7.20% and 30.6.2023 – 5.16% to 8.15%) per annum. The amounts owing are to be settled in cash and are repayable on demand.
- (f) The non-trade balances (current) represent unsecured payment on behalf. The amount owing is to be repayable on demand and is to be settled in cash.

Trade balances

- (g) The Group's normal trade credit terms are range from 30 to 90 (30.6.2025 – 30 to 90, 30.6.2024 – 30 to 90 and 30.6.2023 – 30 to 90) days. The amounts owing are to be settled in cash.
- (h) The normal trade credit terms granted to the Group are range from 30 to 90 (30.6.2025 – 30 to 90, 30.6.2024 – 30 to 90 and 30.6.2023 – 30 to 90) days. The amounts owing are to be settled in cash. Included in the trade balances are retention sums summarised as below:-

← Audited →			
30.6.2023	30.6.2024	30.6.2025	31.12.2025
RM'000	RM'000	RM'000	RM'000

Amount owing to:**Current**

Companies in which certain directors have substantial interests	(7,356)	(13,326)	-	-
Companies in which certain shareholders have substantial interests	(1,274)	(1,792)	(982)	(993)
	(1,274)	(1,792)	(982)	(993)

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****13. DEFERRED TAX ASSETS/(LIABILITIES)**Audited

	At 1.7.2022 RM'000	Recognised in Profit or Loss (Note 36) RM'000	At 30.6.2023 RM'000
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	(214)	(2)	(216)
Right-of-use-assets	(56)	(196)	(252)
	(270)	(198)	(468)
<i>Deferred Tax Assets</i>			
Lease liabilities	57	218	275
Unabsorbed tax losses	-	218	218
Temporary difference on profit recognition from property development project	3,074	8,874	11,948
Unrealised profits arising from intercompany transactions	4,348	(1,246)	3,102
Provisions	820	172	992
	8,299	8,236	16,535
	8,029	8,038	16,067

Audited

	At 1.7.2023 RM'000	Recognised in Profit or Loss (Note 36) RM'000	At 30.6.2024 RM'000
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	(216)	(405)	(621)
Right-of-use-assets	(252)	72	(180)
	(468)	(333)	(801)
<i>Deferred Tax Assets</i>			
Lease liabilities	275	(75)	200
Unabsorbed tax losses	218	(218)	-
Temporary difference on profit recognition from property development project	11,948	2,894	14,842
Unrealised profits arising from intercompany transactions	3,102	4,097	7,199
Provisions	992	357	1,349
	16,535	7,055	23,590
	16,067	6,722	22,789

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)**Audited

	At 1.7.2024 RM'000	Recognised in Profit or Loss (Note 36) RM'000	Acquisition of Subsidiary (Note 38.1) RM'000	At 30.6.2025 RM'000
30.6.2025				
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment	(621)	(567)	(601)	(1,789)
Right-of-use-assets	(180)	(93)	-	(273)
	(801)	(660)	(601)	(2,062)
<i>Deferred Tax Assets</i>				
Lease liabilities	200	96	-	296
Unabsorbed tax losses	-	519	-	519
Temporary difference on profit recognition from property development project	14,842	4,406	-	19,248
Unrealised profits arising from intercompany transactions	7,199	3,365	542	11,106
Provisions	1,349	625	326	2,300
	23,590	9,011	868	33,469
	22,789	8,351	267	31,407

Audited

	At 1.7.2025 RM'000	Recognised in Profit or Loss (Note 36) RM'000	Classified as Held for Sale (Note 20) RM'000	At 30.12.2025 RM'000
31.12.2025				
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment	(1,789)	218	22	(1,549)
Right-of-use-assets	(273)	42	-	(231)
	(2,062)	260	22	(1,780)
<i>Deferred Tax Assets</i>				
Lease liabilities	296	(151)	-	145
Unabsorbed tax losses	519	-	-	519
Temporary difference on profit recognition from property development project	19,248	1,637	-	20,885
Unrealised profits arising from intercompany transactions	11,106	2,241	-	13,347
Provisions	2,300	933	-	3,233
	33,469	4,660	-	38,129
	31,407	4,920	22	36,349

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**14. CONTRACT COSTS ASSETS**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Costs to fulfil a contract	551	-	328	-

The costs to fulfil a contract represent cost incurred in construction of projects that are used to fulfil the contracts in future. The costs are to be recognised in profit or loss consistently with the pattern of recognition of the associated revenue.

15. TRADE RECEIVABLES AND CONTRACT ASSETS

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Trade receivables	89,472	77,570	72,062	76,877
Retention sum	5,915	2,306	1,814	2,245
Contract assets in relation to property development (Note 16)	49,792	141	-	-
Contract assets in relation to construction contract (Note 16)	10	-	-	-
	<u>145,189</u>	<u>80,017</u>	<u>73,876</u>	<u>79,122</u>
Allowance for impairment losses	(735)	-	(420)	(420)
	<u>144,454</u>	<u>80,017</u>	<u>73,456</u>	<u>78,702</u>

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13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**15. TRADE RECEIVABLES AND CONTRACT ASSETS (CONT'D)**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Allowance for impairment losses:				
At 1 July	720	735	-	420
Addition during the financial year	15	-	-	-
Acquisition of a subsidiary	-	-	420	-
Reversal during the financial year (Note 34)	-	(735)	-	-
At 30 June/31 December	<u>735</u>	<u>-</u>	<u>420</u>	<u>420</u>

The Group's normal trade credit terms range from 30 to 90 (30.6.2025 – 30 to 90, 30.6.2024 – 30 to 90 and 30.6.2023 – 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

16. CONTRACT ASSETS/(LIABILITIES)

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Net carrying amount of contract assets/(contract liabilities) is analysed as follows:-				
At 1 July				
Contract assets	72,854	49,802	141	-
Contract liabilities	(15,151)	(18,347)	(53,491)	(55,351)
	57,703	31,455	(53,350)	(55,351)
Revenue on performance obligations recognised during the years/period:				
- property development	453,579	590,935	720,102	404,178
- construction	28,410	3,848	48	509
	481,989	594,783	720,150	404,687
Less: Progress billings during the years/period				
- property development	(476,235)	(675,730)	(722,103)	(434,146)
- construction	(32,002)	(3,858)	(48)	(509)
	(508,237)	(679,588)	(722,151)	(434,655)
At 30 June/31 December	<u>31,455</u>	<u>(53,350)</u>	<u>(55,351)</u>	<u>(85,319)</u>
At 30 June/31 December				
- Contract assets (Note 15)	49,802	141	-	-
- Contract liabilities (Note 23)	(18,347)	(53,491)	(55,351)	(85,319)
	<u>31,455</u>	<u>(53,350)</u>	<u>(55,351)</u>	<u>(85,319)</u>

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)**

- (a) The contract assets and liabilities represent the timing differences in revenue recognition and the milestone billings in respect of the property development activities and construction activities.
- (b) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied at reporting date are as follows:-

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
<u>Property development revenue</u>				
Within 1 year	286,314	421,903	491,848	585,549
More than one year	74,478	47,490	70,405	246,821
	360,792	469,393	562,253	832,370
<u>Construction revenue</u>				
Within 1 year	3,578	-	-	-
	<u>364,370</u>	<u>469,393</u>	<u>562,253</u>	<u>832,370</u>

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**17. SHORT TERM INVESTMENTS**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Quoted ordinary shares, at fair value	-	222	-	-
Money market funds, at fair value	-	-	2,025	2,503

The funds were invested mainly into money market instruments and are subject to a significant risk of changes in value.

The money market funds of the Group at the end of the reporting period bore effective interest rates of 0.14% (30.6.2025 – 0.27% to 0.30%, 30.6.2024 – Nil and 30.6.2023 – Nil).

There is no maturity period for money market funds as these money are callable on demand.

18. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.25% to 2.20% (30.6.2025 – 1.50% to 3.66%, 30.6.2024 – 2.00% to 3.10% and 30.6.2023 – 1.60% to 3.10%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (30.6.2025 – 30 to 365, 30.6.2024 – 30 to 365 and 30.6.2023 – 30 to 365) days.
- (b) All the fixed deposits with licensed banks of the Group at the end of the reporting period have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 30 to the financial statements.

19. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM23,841,000 (30.6.2025 – RM29,658,000, 30.6.2024 – RM28,734,000 and 30.6.2023 – RM9,022,000) 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 banks and is available only to the subsidiaries involved in the property development activities.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**20. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

On 5 December 2025, the Group announced its plan to dispose its entire equity interest in Pentagon Petro, Pentagon Fuels and Pentagon Hybrid for a total consideration of RM900,000, RM20,000 and RM20,000 respectively.

At the end of the current reporting period, the assets and liabilities of the subsidiaries have been presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". The results have not been presented separately on the consolidated statement of profit or loss and other comprehensive income as "Loss after taxation from discontinued operations" as the results is immaterial to the Group's financial statements. The disposal is completed on 5 February 2026.

The assets and liabilities of the disposal group are as follows:-

	The Group 31.12.2025 RM'000
Assets	
Property, plant and equipment (Note 7)	11,135
Inventories	301
Trade receivables	136
Deposits and prepayment	273
Fixed deposits with a licensed bank – pledged	83
Cash and bank balances (Note 39(d))	811
	<hr/>
Assets of disposal group classified as held for sale	12,739
	<hr/>
Liabilities	
Trade payables	148
Other payables and accruals	1,480
Term loans (Note 39(b))	12,556
Deferred tax liabilities (Note 13)	22
Current tax liabilities	72
	<hr/>
Liabilities of disposal group classified as held for sale	14,278
	<hr/>

The carrying amount of the non-current asset is the same as its carrying value before it was reclassified as held for sale.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****21. SHARE CAPITAL AND INVESTED CAPITAL****(a) Share capital**

	← Audited →			
	30.6.2023	30.6.2024	30.6.2025	31.12.2025
	Number Of Shares ('000)			
Issued And Fully Paid-Up				
Ordinary Shares				
At 1 July	^	10	419,960	429,036
Issuance of new shares	10	419,950	9,076	7,547
At 30 June/31 December	10	419,960	429,036	436,583

Note:

(^) – Denotes amount less than 500

	← Audited →			
	30.6.2023	30.6.2024	30.6.2025	31.12.2025
	RM'000			
Issued And Fully Paid-Up				
Ordinary Shares				
At 1 July	*	10	419,960	463,159
Issuance of new shares	10	419,950	43,199	35,924
At 30 June/31 December	10	419,960	463,159	499,083

Note:

(*) – Denotes amount less than RM500

The holders of ordinary 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.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**21. SHARE CAPITAL AND INVESTED CAPITAL (CONT'D)****(b) Invested Capital**

	← Audited →			
	30.6.2023	30.6.2024	30.6.2025	31.12.2025
	Number Of Shares ('000)			
Issued And Fully Paid-Up				
Ordinary Shares				
At 1 July	7,000	7,000	-	-
Adjustment pursuant to the acquisition of subsidiaries	-	(7,000)	-	-
At 30 June/31 December	7,000	-	-	-
	← Audited →			
	30.6.2023	30.6.2024	30.6.2025	31.12.2025
	RM'000			
Issued And Fully Paid-Up				
Ordinary Shares				
At 1 July	7,000	7,000	-	-
Adjustment pursuant to the acquisition of subsidiaries	-	(7,000)	-	-
At 30 June/31 December	7,000	-	-	-

Invested capital comprised the aggregate number of issued and paid-up ordinary shares of the combined entities of the Group. The amount has been reversed pursuant to the completion of the acquisition of the subsidiaries.

22. MERGER DEFICIT

The merger deficit arises from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under merger accounting principles.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****23. TRADE PAYABLES, PROVISIONS AND CONTRACT LIABILITIES**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
<u>Non-current</u>				
Trade payables (Note 23(a))	46,958	28,803	-	-
Provision (Note 23(c))	83,860	26,409	28,463	28,219
	130,818	55,212	28,463	28,219
<u>Current</u>				
Trade payables (Note 23(b))	94,607	88,870	70,629	83,526
Retention sum	24,615	32,162	39,719	43,176
Provision (Note 23(c))	1,499	27,235	15,589	11,870
Accrued development costs (Note 23(d))	18,357	87,864	105,467	106,706
Contract liabilities in relation to property development (Note 16)	18,347	53,491	55,351	85,319
	157,425	289,622	286,755	330,597
	288,243	344,834	315,218	358,816

Included in trade payables of the Group are:

- (a) The trade payable (non-current) represents liabilities to the landowner of a development project which is repayable over Nil (30.6.2025 – Nil, 30.6.2024 – 2 and 30.6.2023 – 3) years. The trade payable is measured at amortised cost at imputed interest rate of Nil (30.6.2025 – Nil, 30.6.2024 – 4% and 30.6.2023 – 4%) per annum.
- (b) The normal trade credit term granted to the Group range from 30 to 90 (30.6.2025 – 30 to 90, 30.6.2024 – 30 to 90 and 30.6.2023 – 30 to 90) days.
- (c) The provision relates to provision for affordable housing, represent the unavoidable costs exceeding the economic benefits expected to the received by the Group.
- (d) Included in accrued development costs of the Group is the landowner entitlement owing to an associate of RM24,990,000 (30.6.2025 – RM31,442,000, 30.6.2024 – RM49,685,000 and 30.6.2023 – RM Nil). This amount represents the entitlement of utilising the associate's land for a development project and is expected to be settled progressively over the course of the development process.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****24. OTHER PAYABLES, ACCRUALS AND PROVISIONS**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Current				
Other payables (Note 24(a))	7,628	5,873	14,787	14,265
Accruals	2,016	1,723	4,969	3,166
Deposits received	3,306	3,427	6,295	5,819
Provision of defect liabilities for contract work	4,143	5,692	10,873	10,819
Provision for Bumiputera quota penalty (Note 24(b))	-	-	-	4,128
Unpaid balance for acquisition of equipment (Note 39(a))	61	-	4	-
Unpaid balance for construction of investment properties (Note 39(a))	45	-	-	-
Unpaid balance for construction of property (Note 39(a))	-	-	772	-
	17,199	16,715	37,700	38,197

- (a) In the FYE 30 June 2025, the Group's other payables (current) included an amount of RM808,000, which represents unsecured advances granted to the Group by a third party, which bear interest rates ranging from 5.60% to 6.64% per annum. The amounts owing is fully settled during FPE 31 December 2025.
- (b) The provision for the Bumiputera quota penalty represents management's best estimate of the penalty to be imposed for the oversale of Bumiputera units, based on the expected outcome and obligations arising from non-compliance with the relevant regulatory requirements.

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13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****25. AMOUNT OWING TO DIRECTORS**

	Note	← Audited →			
		30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Non-current					
Amount owing to directors	a	38,530	38,472	14,155	-
Amount owing to directors	b	13,223	-	-	-
		51,753	38,472	14,155	-
Current					
Amount owing to directors	b	-	12,923	-	-
Amount owing to directors	c	-	-	3,059	735
Amount owing to directors	d	9	9	20,502	14,265
		9	12,932	23,561	15,000

- (a) The Group's amount owing to directors (non-current) represents unsecured and interest-free advances which are not repayable within the next 12 months.
- (b) This represents monies payable in respect of dividends declared during the FYE 30 June 2023.
- (c) This represents monies payable in respect of dividends declared during the FYE 30 June 2025.
- (d) The Group's amount owing to directors (current) represents unsecured and interest-free advances which are repayable on demand.

26. AMOUNT OWING TO SHAREHOLDERS

	Note	← Audited →			
		30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Non-current					
Amount owing to shareholders	a	64,768	64,371	27,059	-
Amount owing to shareholders	b	8,761	-	-	-
		73,529	64,371	27,059	-
Current					
Amount owing to shareholders	b	-	8,701	-	-
Amount owing to shareholders	c	-	-	7,943	1,265
Amount owing to shareholders	d	-	-	30,897	36,781
		-	8,701	38,840	38,046

- (a) The Group's amount owing to shareholders (non-current) represents unsecured and interest-free advances which are not repayable within the next 12 months.
- (b) This represents monies payable in respect of dividends declared during the FYE 30 June 2023.
- (c) This represents monies payable in respect of dividends declared during the FYE 30 June 2025.
- (d) The Group's amount owing to shareholders (current) represents unsecured and interest-free advances which are repayable on demand and are to be settled in cash.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****27. AMOUNT OWING TO NON-CONTROLLING SHAREHOLDERS**

	Note	← Audited →			
		30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Non-current					
Amount owing to non-controlling shareholders	a	-	250	-	-
Amount owing to non-controlling shareholders	b	5,961	7,653	-	-
		<u>5,961</u>	<u>7,903</u>	<u>-</u>	<u>-</u>
Current					
Amount owing to non-controlling shareholders	c	-	10,990	-	-

- (a) The Group's amount owing to non-controlling shareholders (non-current) represent unsecured advances which bear interest rates ranging from 6.28% to 6.87% per annum for FYE 30 June 2024. The amounts owing have been settled in FYE 30 June 2025.
- (b) The Group's amount owing to non-controlling shareholders (non-current) represents unsecured and interest-free advances which are not repayable within the next 12 months.
- (c) This represents monies owing in respect of dividends declared in the FYE 30 June 2024.

28. LEASE LIABILITIES

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
At 1 July	239	1,147	834	1,234
Additions (Notes 9 and 39(a))	1,206	-	938	66
Changes due to reassessment of lease term (Notes 9 and 39(b))	15	166	-	-
Interest expense recognised in profit or loss (Note 35)	59	53	76	35
Repayment of principal	(313)	(479)	(538)	(249)
Repayment of interest expense	(59)	(53)	(76)	(35)
At 30 June/31 December	<u>1,147</u>	<u>834</u>	<u>1,234</u>	<u>1,051</u>
Analysed by:-				
Current liabilities	412	427	502	422
Non-current liabilities	735	407	732	629
	<u>1,147</u>	<u>834</u>	<u>1,234</u>	<u>1,051</u>

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****29. HIRE PURCHASE PAYABLES**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Minimum hire purchase payments:				
- not later than 1 year	554	889	1,037	1,102
- later than 1 year and not later than 5 years	910	1,780	1,794	1,683
	<u>1,464</u>	<u>2,669</u>	<u>2,831</u>	<u>2,785</u>
Less: Future finance charges	(99)	(218)	(207)	(175)
Present value of hire purchase payables	<u>1,365</u>	<u>2,451</u>	<u>2,624</u>	<u>2,610</u>
Analysed by:-				
Current liabilities	504	787	931	1,006
Non-current liabilities	861	1,664	1,693	1,604
	<u>1,365</u>	<u>2,451</u>	<u>2,624</u>	<u>2,610</u>

- (a) The hire purchase payables of the Group are secured by the property, plant and equipment of the Group under finance lease as disclosed in Note 7 to the financial statements.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 3.82% to 7.51% (30.6.2025 – 3.96% to 7.51%, 30.6.2024 – 3.82% to 7.04% and 30.6.2023 – 3.82% to 7.04%).

30. TERM LOANS

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Current liabilities	56,562	63,618	61,551	64,903
Non-current liabilities	301,317	318,911	588,095	616,435
	<u>357,879</u>	<u>382,529</u>	<u>649,646</u>	<u>681,338</u>

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**30. TERM LOANS (CONT'D)**

- (a) The term loans are secured as follows:-
- (i) fixed and legal charges over property, plant and equipment as disclosed in Note 7 to the financial statements;
 - (ii) fixed charges over investment properties as disclosed in Note 8 to the financial statements;
 - (iii) floating and fixed charges over the Group's development properties as disclosed in Note 10 to the financial statements;
 - (iv) by lien over the Group's fixed deposits with licensed banks as disclosed in Note 18 to the financial statements;
 - (v) corporate guarantee by the Company, certain subsidiaries and a non-controlling shareholder;
 - (vi) by joint and several guarantee by all the directors of the Company, certain directors of certain subsidiaries, a former director of a subsidiary and certain shareholders of the Company;
 - (vii) by assignment of rental proceeds;
 - (viii) assignment of life insurance policy by a director and a shareholder of the Company; and
 - (ix) by guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad.
- (b) The major covenants of the term loans related to certain subsidiaries are as follows:-
- (i) gearing ratio shall not exceed the range of 1.5 to 3.5 times; and
 - (ii) ratio of unbilled development projects to total outstanding borrowings shall not fall below 2.0 times.

The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenants assessments.

- (c) The interest rate profile of the term loans is summarised below:-

	← Audited →			
	30.6.2023 %	30.6.2024 %	30.6.2025 %	31.12.2025 %
Fixed rate term loan	3.50	3.50	3.50	3.50
Floating rate term loans	<u>3.30 – 7.39</u>	<u>3.50 – 7.39</u>	<u>4.20 – 7.39</u>	<u>3.95 – 7.14</u>

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****31. BANK OVERDRAFTS (SECURED)**

- (a) The bank overdrafts of the Group at the end of the reporting period bore floating interest rates ranging from 6.42% to 6.60% (30.6.2025 – 6.67% to 8.75%, 30.6.2024 – 6.70% to 7.39% and 30.6.2023 – 6.67% to 7.39%) per annum.
- (b) The bank overdrafts are secured as follows:-
- (i) by fixed charge over the Group's property, plant and equipment as disclosed in Note 7 to the financial statements;
 - (ii) by legal charges over the Group's development properties as disclosed in Note 10 to the financial statements;
 - (iii) corporate guarantee by the Company, certain subsidiaries and a non-controlling shareholder;
 - (iv) by joint and several guarantee by all the directors of the Company, all directors of certain subsidiaries and certain shareholders of the Company; and
 - (v) by guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad.

32. REVENUE

	← Audited →		Unaudited	Audited	
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Revenue from Contracts with Customers					
<u>Recognised over time</u>					
- property development revenue	422,763	557,200	637,400	336,601	364,308
- construction revenue	28,410	3,848	48	38	509
- rental and administrative income	1,054	1,150	1,431	663	772
	<u>452,227</u>	<u>562,198</u>	<u>638,879</u>	<u>337,302</u>	<u>365,589</u>
<u>Recognised at point in time</u>					
- sales of completed properties	30,816	33,735	82,702	37,145	39,870
- sales of trading goods	16,785	20,702	23,742	12,172	12,122
- sales of plantation produce	344	749	469	262	368
	<u>47,945</u>	<u>55,186</u>	<u>106,913</u>	<u>49,579</u>	<u>52,360</u>
	<u>500,172</u>	<u>617,384</u>	<u>745,792</u>	<u>386,881</u>	<u>417,949</u>

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

33. COST OF SALES

Included in cost of sales are the following:

	← Audited →			Unaudited	Audited
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Property development costs	283,023	332,504	378,370	207,279	217,549
Construction expenditures	24,667	2,501	(13)	26	338
Cost of completed properties sold	13,771	13,725	35,146	17,731	21,159
Rental and administrative support expenditures	357	332	866	478	302
Trading goods	15,595	19,200	22,122	11,386	11,257
Plantation produce	244	687	913	482	448
	<u>337,657</u>	<u>368,949</u>	<u>437,404</u>	<u>237,382</u>	<u>251,053</u>

34. NET IMPAIRMENT LOSSES/(REVERSAL OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	← Audited →			Unaudited	Audited
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Impairment losses (Note 15 and 45.1(b)(iii)):					
- trade receivables	15	-	-	-	-
Reversal of impairment losses (Note 15 and 45.1(b)(iii)):					
- trade receivables	-	(735)	-	-	-
	<u>15</u>	<u>(735)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS
35. PROFIT BEFORE TAXATION

	← Audited →		Unaudited	Audited	
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Profit before taxation is arrived:-					
<i>After charging:</i>					
Auditors' remuneration:					
- audit fees					
- current financial year/period	296	459	637	319	300
- (over)/under provision in the previous financial year	(11)	11	30	30	(127)
- non-audit fees					
- current financial period	-	-	-	-	200
- under provision in the previous financial year	-	-	-	-	50
Depreciation of property, plant and equipment (Note 7)	1,625	2,246	3,224	1,611	2,540
Depreciation of investment properties (Note 8)	160	173	180	77	90
Depreciation of right-of-use assets (Note 9)	459	687	762	392	358
Deposits written off	*	6	3	3	-
Directors' remuneration (Note 40)	4,691	7,375	10,408	2,297	3,167
Fair value loss on financial assets					
- short-term investment	-	29	-	-	-
Property, plant and equipment written off (Note 7)	4	29	4	3	*

Note:

(*) – Denotes amount less than RM500

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****35. PROFIT BEFORE TAXATION (CONT'D)**

	← Audited →			Unaudited	Audited
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Profit before taxation is arrived (Cont'd):-					
<i>After charging (Cont'd):</i>					
Staff costs:					
- short term employee benefits	19,004	29,666	29,050	10,010	19,852
- defined contribution benefits	1,783	2,222	2,728	1,023	1,492
- others	692	532	1,298	322	362
	21,479	32,420	33,076	11,355	21,706
Interest expense on financial liabilities that are not at fair value through profit or loss:					
- bank overdrafts	308	638	492	198	94
- hire purchase payables	77	131	128	64	65
- term loans	6,275	7,559	11,565	4,978	8,128
- non-controlling shareholders	-	17	3	3	-
- related parties	372	649	327	194	8
- unwinding interest	295	162	281	115	18
- other interest expense	566	1	7	-	7
Interest expenses on lease liabilities (Note 28)	59	53	76	34	35
Lease expense:					
- short term lease	4,835	7,298	8,659	4,770	7,518
- low value assets	21	96	76	42	52
Listing expense	-	-	-	-	1,247

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****35. PROFIT BEFORE TAXATION (CONT'D)**

	← Audited →			Unaudited 1.7.2024 to 31.12.2024 RM'000	Audited 1.7.2025 to 31.12.2025 RM'000
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000		
<i>After Crediting:-</i>					
Fair value gain on financial assets:					
- short-term investment	-	-	(128)	(79)	(73)
Gain on disposal of property, plant and equipment	(83)	(129)	(149)	(149)	(139)
Gain from bargain purchase (Note 38.1)	-	-	(10,510)	-	-
Gain on disposal of investment properties	(10,154)	-	-	-	-
Reversal of provision on defect liabilities	-	(604)	-	-	-
Interest income on financial assets measured at fair value through profit or loss:					
- short-term investments	(56)	(10)	(12)	(6)	(13)
Interest income on financial assets measured at amortised cost:					
- bank interest	(108)	(68)	(260)	(128)	(146)
- fixed deposits with licensed banks	(120)	(53)	(679)	(293)	(330)
- related parties	(76)	(47)	(173)	(35)	(292)
- other interest income	(368)	(579)	(62)	(57)	(11)
Lease income	(253)	(575)	(512)	(279)	(264)

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

36. TAX EXPENSE

	← Audited →			Unaudited	Audited
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Income tax:					
- Current financial years/periods	36,370	49,905	61,279	30,722	32,857
- (Over)/Under provision in the previous financial years	(2,204)	(673)	1,313	1,313	2,451
	<u>34,166</u>	<u>49,232</u>	<u>62,592</u>	<u>32,035</u>	<u>35,308</u>
Deferred tax (Note 13):					
- Origination and reversal of temporary differences	(5,053)	(6,054)	(7,763)	(3,327)	(1,808)
- (Under)/Over provision of deferred tax assets in the previous financial years	(1,484)	165	(588)	(588)	(3,112)
- Over provision of deferred tax liabilities in the previous financial years	(1,501)	(833)	-	-	-
	<u>(8,038)</u>	<u>(6,722)</u>	<u>(8,351)</u>	<u>(3,915)</u>	<u>(4,920)</u>
Sub-total	<u>26,128</u>	<u>42,510</u>	<u>54,241</u>	<u>28,120</u>	<u>30,388</u>
Real property gains tax	411	-	-	-	-
Tax expense	<u><u>26,539</u></u>	<u><u>42,510</u></u>	<u><u>54,241</u></u>	<u><u>28,120</u></u>	<u><u>30,388</u></u>

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****36. TAX EXPENSE (CONT'D)**

A reconciliation of the tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows:-

	←	Audited		→	Unaudited	Audited
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000		1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Profit before taxation	119,781	176,806	226,063		109,352	117,394
Tax expense at statutory rate of 24%	28,747	42,433	54,255		26,244	28,175
Tax effects of:-						
Non-deductible expenses	2,950	1,381	1,990		1,134	2,683
Non-taxable income	(13)	(22)	(2,583)		(51)	(59)
(Over)/Under provision of current tax in the previous financial year	(2,204)	(673)	1,313		1,313	2,451
(Under)/Over provision of deferred tax assets in the previous financial year	(1,484)	165	(588)		(588)	(3,112)
Over provision of deferred tax liabilities in the previous financial year	(1,501)	(833)	-		-	-
Deferred tax assets not recognised during the financial year/period	56	28	121		121	271
Reversal of deferred tax assets not recognised in the previous financial year	(23)	-	-		-	-
Deferred tax assets recognised in respect of previously unrecognised tax losses	-	-	(314)		-	-
Profit subject to real property gain tax	(798)	-	-		-	-
Share of result in associate	398	29	(57)		(74)	(66)
Share of result in joint venture	-	2	104		21	45
Tax expense for the financial year/period	26,128	42,510	54,241		28,120	30,388

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****36. TAX EXPENSE (CONT'D)**

Subject to agreement with the tax authorities, at the end of the reporting period, the unabsorbed tax losses, unutilised capital allowances and unutilised agriculture allowances of the Group are as follows:

	← Audited →			Unaudited	Audited
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Unabsorbed tax losses	1,785	1,785	2,143	2,214	2,192
Unutilised capital allowances	537	317	386	372	440
Unutilised agriculture allowances	1,560	1,577	1,596	1,589	1,614
Others	-	-	-	-	996
	<u>3,882</u>	<u>3,679</u>	<u>4,125</u>	<u>4,175</u>	<u>5,242</u>

A subsidiary of the Company, Millennium Tulips has obtained an incentive under Income Tax Exemption (No.3) 2011 [P.U. 166/2011] for tax exemption of 100% on statutory income for the period of 10 consecutive years of assessment ("YA") commencing from the first year of assessment in which Millennium Tulips derives statutory income from the food production project.

Any amount of adjusted loss incurred in the YA immediately prior to the commencement of the exemption period and within the period exemption, may be carried forward and be deducted from the statutory income of the project after the exemption period has ended until it is fully absorbed.

Based on the current tax legislation, the unutilised capital allowances and unutilised agriculture allowances are allowed to be carried forward indefinitely and to be utilised against income from the same business source.

No deferred tax assets have been recognised in respect of the following items as it is not probable that future taxable profits of the Group will be available against which the deductible temporary differences can be utilised.

	← Audited →			Unaudited	Audited
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Unabsorbed tax losses	1,785	1,266	1,770	1,758	1,904
Unutilised agriculture allowances	287	-	-	-	-
Others	-	-	-	-	996
	<u>2,072</u>	<u>1,266</u>	<u>1,770</u>	<u>1,758</u>	<u>2,900</u>

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**37. EARNINGS PER SHARE**

	← Audited →	← Audited →	← Audited →	← Unaudited →	← Audited →
	30.6.2023	30.6.2024	30.6.2025	31.12.2024	31.12.2025
Profit attributable to the owners of the Company (RM'000)	87,669	125,360	158,666	72,126	80,873
Weighted average number of ordinary shares ('000)	1,868,105 ⁽	1,868,105 ⁽	1,868,125 [#]	1,868,105 ⁽	1,891,857 [#]
Basic and diluted earnings per share (sen)	4.69	6.71	8.49	3.86	4.27

Note:

(⁽) – It is assumed to be the weighted average number of ordinary shares before acquisition of AVE Engineering and Megaform Builders and public issue.

([#]) – It is assumed to be the weighted average number of ordinary shares before public issue.

38. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS**38.1 ACQUISITION OF SUBSIDIARIES**

In the FYE 30 June 2025:-

- (a) On 9 June 2025, Parkland City acquired 100% equity interest in SKL Realty, for a cash consideration of approximately RM500,000.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	The Group 30.6.2025 RM'000
Inventories (Note 10(b))	1,607
Cash and bank balances	^
Trade creditors	(12)
Other creditors and accruals	(5)
Amount owing to immediate holding company	(1,090)
Net identifiable assets acquired	<u>500</u>
Less: Cash and bank balances of subsidiary acquired	^
Net cash outflow for the acquisition of a subsidiary	<u>500</u>

([^]) – Denote amount less than RM500

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**38. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONT'D)****38.1 ACQUISITION OF SUBSIDIARIES (CONT'D)**

In the FYE 30 June 2025:-

- (b) On 30 June 2025, TYT Builders acquired 100% equity interest in AVE Engineering, for a purchase consideration of approximately RM8,182,000 which was satisfied by way of issuance of 1,718,900 ordinary shares in Parkland at an issue price of RM4.76 per share.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	The Group 30.6.2025 RM'000
Property, plant and equipment (Note 7)	2,942
Deferred tax assets (Note 13)	640
Contract cost	1,618
Other receivables, deposits and prepayment	1,373
Amount owing by related party	25,781
Cash and bank balances	943
Current tax assets	252
Term loan	(335)
Trade creditors	(10,817)
Other creditors and accruals	(5,421)
Amount owing to directors	(1,103)
Amount owing to related parties	(1,246)
Amount owing to shareholders	(1,897)
Net identifiable assets acquired	<u>12,730</u>
Less: Gain on bargain purchase	(4,548)
Total purchase consideration	<u>8,182</u>
Less: Purchase consideration settled by issuance of 1,718,900 ordinary share at RM4.76 per share	<u>(8,182)</u>
	-
Less: Cash and bank balances of subsidiary acquired	(943)
Net cash inflow from the acquisition of a subsidiary	<u>(943)</u>

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**38. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONT'D)****38.1 ACQUISITION OF SUBSIDIARIES (CONT'D)**

In the FYE 30 June 2025:-

- (c) On 30 June 2025, TYT Builders acquired 100% equity interest in Megaform Builders, for a purchase consideration of approximately RM8,077,000 which was satisfied by way of issuance of 1,696,800 ordinary shares in Parkland at an issue price of RM4.76 per share.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:-

	The Group 30.6.2025 RM'000
Property, plant and equipment (Note 7)	5,256
Contract cost	5,256
Trade receivables	780
Other receivables, deposits and prepayment	27
Amount owing by related parties	18,634
Other investment	2,025
Cash and bank balances	1,682
Hire purchase payables	(179)
Term loan	(3,418)
Deferred tax liabilities (Note 13)	(373)
Trade creditors	(6,208)
Other creditors and accruals	(580)
Amount owing to directors	(1,956)
Amount owing to related parties	(125)
Amount owing to shareholders	(6,047)
Current tax liabilities	(735)
Net identifiable assets acquired	<u>14,039</u>
Less: Gain on bargain purchase	(5,962)
Total purchase consideration	<u>8,077</u>
Less: Purchase consideration settled by issuance of 1,696,800 ordinary share at RM4.76 per share	<u>(8,077)</u>
	-
Less: Cash and bank balances of subsidiary acquired	<u>(1,682)</u>
Net cash inflow from the acquisition of a subsidiary	<u>(1,682)</u>

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**38. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS****38.1 ACQUISITION OF SUBSIDIARIES (CONT'D)**

- (i) The bargain purchase was recognised in profit or loss under the "Other income" line item as disclosed in Note 35 to the financial statements.
- (ii) The subsidiaries have not contributed any revenue and profit after taxation to the Group since the date of acquisition. If the acquisition was effective at the beginning of the current financial year, the Group's revenue and profit after taxation for the current financial year would have been RM754,665,000 and RM173,934,000 respectively.

There were no acquisitions of new subsidiaries in the previous financial year.

38.2 ACQUISITION OF NON-CONTROLLING INTERESTS

In the FYE 30 June 2025:-

- (a) On 17 June 2025, Parkland acquired additional 10% equity interest in Parkland Solar for a purchase consideration of RM10 in cash, increasing its ownership from 90% to 100%. The carrying amount of Parkland Solar's net liabilities in Group's financial statements on that date was RM509,000. The Group recognised an increase in non-controlling interests of RM51,000 and a decrease in retained profits of RM51,000.
- (b) On 30 June 2025, Parkland City acquired additional 20% equity interest in Parkland Global for a purchase consideration of approximately RM20,772,000 which was satisfied by way of issuance of 4,363,800 ordinary shares in Parkland at an issue price of RM4.76 per share, increasing its ownership from 80% to 100%. The carrying amount of Parkland Global's net assets in Group's financial statements on that date was RM32,322,000. The Group recognised a decrease in non-controlling interests of RM6,867,000 and a decrease in retained profits of RM13,905,000.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**38. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONT'D)****38.2 ACQUISITION OF NON-CONTROLLING INTERESTS (CONT'D)**

In the FYE 30 June 2025:-

- (c) On 21 May 2025, Parkland City subscribed for an additional 4,750,000 new ordinary shares issued by Parkland Southern for a total consideration of RM4,750,000. Following this subscription, Parkland City's effective equity interest in Parkland Southern increased from 87% to 99.35%.

Subsequently, on 30 June 2025, Parkland City acquired the remaining 0.65% equity interest in Parkland Southern representing existing shares held by non-controlling shareholders, for a purchase consideration of approximately RM579,000 which was satisfied by way of issuance of 121,700 ordinary shares in Parkland at an issue price of RM4.76 per share, increasing its ownership from 99.35% to 100%. The carrying amount of Parkland Southern's net liabilities in Group's financial statements on that date was RM1,259,000. The Group recognised an increase in non-controlling interests of RM781,000 and a decrease in retained profits of RM1,360,000.

- (d) On 30 June 2025, Parkland Residence acquired additional 25% equity interest in Parkland Central for a purchase consideration of approximately RM5,553,000 which was satisfied by way of issuance of 1,166,600 ordinary shares in Parkland at an issue price of RM4.76 per share, increasing its ownership from 75% to 100%. The carrying amount of Parkland Central's net assets in Group's financial statements on that date was RM13,643,000. The Group recognised a decrease in non-controlling interests of RM3,411,000 and a decrease in retained profits of RM2,142,000.
- (e) On 30 June 2025, Parkland Residence acquired additional 10% equity interest in Pentagon Fuels for a purchase consideration of approximately RM19,000 which was satisfied by way of issuance of 3,900 ordinary shares in Parkland at an issue price of RM4.76 per share, increasing its ownership from 90% to 100%. The carrying amount of Pentagon Fuels's net assets in Group's financial statements on that date was RM7,000. The Group recognised a decrease in non-controlling interests of RM1,000 and a decrease in retained profits of RM18,000.
- (f) On 30 June 2025, Parkland Residence acquired additional 10% equity interest in Pentagon Hybrid for a purchase consideration of approximately RM18,000 which was satisfied by way of issuance of 3,800 ordinary shares in Parkland at an issue price of RM4.76 per share, increasing its ownership from 90% to 100%. The carrying amount of Pentagon Hybrid's net liabilities in Group's financial statements on that date was RM19,000. The Group recognised an increase in non-controlling interests of RM2,000 and a decrease in retained profits of RM20,000.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**38. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONT'D)****38.2 ACQUISITION OF NON-CONTROLLING INTERESTS (CONT'D)**

During the FPE 31 December 2025:-

- (a) On 23 December 2025, Parkland Residence acquired additional 15% equity interest in Parkland Diversified, for a purchase consideration of approximately RM707,000 which was satisfied by way of issuance of 148,500 ordinary shares in Parkland at an issue price of RM4.76 per share, increasing its ownership from 85% to 100%. The carrying amount of Parkland Diversified's net assets in Group's financial statements on that date was approximately RM1,880,000. The Group recognised a decrease in non-controlling interest of approximately RM281,000 and a decrease in retained profits of approximately RM426,000.
- (b) On 23 December 2025, Parkland Residence acquired additional 10% equity interest in Parkland Avenue for a purchase consideration of approximately RM35,217,000 which was satisfied by way of issuance of 7,398,500 ordinary shares in Parkland at an issue price of RM4.76 per share, increasing its ownership from 90% to 100%. The carrying amount of Parkland Avenue's net assets in Group's financial statements on that date was approximately RM141,297,000. The Group recognised a decrease in non-controlling interest of approximately RM14,130,000 and a decrease in retained profits of approximately RM21,087,000.

The following summarises the effect of changes in the equity interests that is attributable to the owners of the Company:-

	The Group	
	31.12.2025	30.6.2025
	RM'000	RM'000
Equity interest at 1 July	98,932	23,084
Effect of increase in the Company's ownership interest	14,411	9,445
Share of post-acquisition profits	29,834	11,656
	<u>143,177</u>	<u>44,185</u>

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****39. CASH FLOW INFORMATION**

- (a) The cash disbursed for the purchase of property, plant and equipment, right-of-use assets and investment properties are as follows:-

	← Audited →			Unaudited 1.7.2024 to 31.12.2024 RM'000	Audited 1.7.2025 to 31.12.2025 RM'000
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000		
Property, plant and equipment					
Cost of property, plant and equipment purchased (Note 7)	4,516	13,318	4,871	2,423	13,005
Less: Amount financed through hire purchase	(262)	(2,283)	(867)	(321)	(495)
Less: Unpaid balances for acquisition of equipment (Note 24)	(61)	-	(4)	-	-
Less: Unpaid balances for construction of property (Note 24)	-	-	(772)	-	-
Less: Unpaid balances for construction of properties related to disposal group classified as held for sale	-	-	-	-	(383)
Less: Deposit paid in previous financial year	-	-	(679)	-	-
Add: Payment made in respect of previous financial year's purchase	-	-	-	-	4
Cash disbursed for purchase of property, plant and equipment	4,193	11,035	2,549	2,102	12,131

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**39. CASH FLOW INFORMATION (CONT'D)**

- (a) The cash disbursed for the purchase of property, plant and equipment, right-of-use assets and investment properties are as follows (Cont'd):-

	← Audited →		← Unaudited →	
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000
		Audited		1.7.2025 to 31.12.2025 RM'000
Right-of-use assets				
Cost of right-of-use assets (Note 9)	17,724	-	938	938
Less: Addition of lease liabilities (Notes 28 and 39(b))	(1,206)	-	(938)	(938)
Less: Deposit paid in previous financial year	(2,220)	-	-	-
Cash disbursed for addition of right-of-use assets	14,298	-	-	-
Investment properties				
Cost of investment properties purchased (Note 8)	3,094	-	-	-
Less: Unpaid balances for construction of investment properties (Note 24)	(45)	-	-	-
Cash disbursed for purchase of investment properties	3,049	-	-	-

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**39. CASH FLOW INFORMATION (CONT'D)**

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

Audited

	Term Loans RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Amount Owing to Related Parties RM'000	Amount Owing to Directors RM'000	Amount Owing to Shareholders RM'000	Amount Owing to Non-controlling Shareholders RM'000	Bank Overdrafts RM'000	Others RM'000	Total RM'000
30.6.2024										
At 1 July	357,879	1,365	1,147	17,888	51,762	73,529	5,961	*	-	509,531
<u>Changes in Financing Cash Flows</u>										
Dividend paid	-	-	-	-	(533)	(607)	-	-	-	(1,140)
Net (repayment)/ advances	-	-	-	(1,059)	(58)	(397)	1,942	-	-	428
Proceeds from drawdown	143,597	-	-	-	-	-	-	-	-	143,597
Repayment of principal	(119,138)	(1,197)	(479)	-	-	-	-	-	-	(120,814)
Repayment of interests	(20,215)	(131)	(53)	(4,918)	-	-	(17)	(638)	(2,526)	(28,498)
	4,244	(1,328)	(532)	(5,977)	(591)	(1,004)	1,925	(638)	(2,526)	(6,427)
<u>Other Changes</u>										
Acquisition under hire purchase	-	2,283	-	-	-	-	-	-	-	2,283
Reassessment of leases (Note 28)	-	-	166	-	-	-	-	-	-	166
Dividend declared	-	-	-	-	233	547	10,990	-	-	11,770
Interest expense recognised in profit or loss (Note 35)	7,559	131	53	649	-	-	17	638	163	9,210
Interest expense capitalised in inventories (Note 10)	12,847	-	-	352	-	-	-	-	2,363	15,562
	20,406	2,414	219	1,001	233	547	11,007	638	2,526	38,991
At 30 June	382,529	2,451	834	12,912	51,404	73,072	18,893	*	-	542,095

* Bank overdrafts form part of the cash and cash equivalents, therefore, no movement is presented.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

39. CASH FLOW INFORMATION (CONT'D)

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

Unaudited

31.12.2024	Term Loans RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Amount Owing to Related Parties RM'000	Amount Owing to Directors RM'000	Amount Owing to Shareholders RM'000	Amount Owing to Non-controlling Shareholders RM'000	Bank Overdrafts RM'000	Others RM'000	Total RM'000
At 1 July	382,529	2,451	834	12,912	51,404	73,072	18,893	*	-	542,095
<u>Changes in Financing Cash Flows</u>										
Dividend paid	-	-	-	-	(12,923)	(8,701)	(10,990)	-	-	(32,614)
Net (repayment)/advances	-	-	-	(1,911)	11,851	8,933	39	-	-	18,912
Proceeds from drawdown	40,292	-	-	-	-	-	-	-	-	40,292
Repayment of principal	(41,469)	(453)	(282)	-	-	-	-	-	-	(42,204)
Repayment of interests	(11,545)	(64)	(34)	(386)	-	-	(3)	(198)	(115)	(12,345)
	(12,722)	(517)	(316)	(2,297)	(1,072)	232	(10,954)	(198)	(115)	(27,959)
<u>Other Changes</u>										
Acquisition under hire purchase	-	321	-	-	-	-	-	-	-	321
Acquisition of new leases	-	-	938	-	-	-	-	-	-	938
Interest expense recognised in profit or loss (Note 35)	4,978	64	34	194	-	-	3	198	115	5,586
Interest expense capitalised in inventories (Note 10)	6,582	-	-	192	-	-	-	-	-	6,774
	11,560	385	972	386	-	-	3	198	115	13,619
At 31 December	381,367	2,319	1,490	11,001	50,332	73,304	7,942	*	-	527,755

* Bank overdrafts form part of the cash and cash equivalents, therefore, no movement is presented.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**39. CASH FLOW INFORMATION (CONT'D)**

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

Audited

	Term Loans RM'000	Hire Purchase RM'000	Lease Liabilities RM'000	Amount Owing to Related Parties RM'000	Amount Owing to Directors RM'000	Amount Owing to Shareholders RM'000	Bank Overdrafts RM'000	Others RM'000	Total RM'000
31.12.2025									
At 1 July	649,646	2,624	1,234	2,147	37,716	65,899	*	-	759,266
<u>Changes in Financing Cash Flows</u>									
Dividend paid	-	-	-	-	(2,324)	(6,678)	-	-	(9,002)
Net repayment	-	-	-	(2,147)	(20,392)	(21,175)	-	-	(43,714)
Proceeds from drawdown	126,217	-	-	-	-	-	-	-	126,217
Repayment of principal	(82,161)	(509)	(249)	-	-	-	-	-	(82,919)
Repayment of interests	(17,273)	(65)	(35)	(12)	-	-	(94)	(25)	(17,504)
	26,783	(574)	(284)	(2,159)	(22,716)	(27,853)	(94)	(25)	(26,922)
<u>Other Changes</u>									
Acquisition under hire purchase	-	495	-	-	-	-	-	-	495
Acquisition of new leases	-	-	66	-	-	-	-	-	66
Interest expense recognised in profit or loss (Note 35)	8,128	65	35	8	-	-	94	25	8,355
Interest expense capitalised in inventories (Note 10)	9,337	-	-	4	-	-	-	-	9,341
Classified as held for sale (Note 20)	(12,556)	-	-	-	-	-	-	-	(12,556)
	4,909	560	101	12	-	-	94	25	5,701
At 31 December	681,338	2,610	1,051	-	15,000	38,046	*	-	738,045

* Bank overdrafts form part of the cash and cash equivalents, therefore, no movement is presented.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**39. CASH FLOW INFORMATION (CONT'D)**

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

	← Audited →			Unaudited 1.7.2024 to 31.12.2024 RM'000	Audited 1.7.2025 to 31.12.2025 RM'000
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000		
Payment of short-term leases	4,835	7,298	8,659	4,770	7,518
Payment of low-value assets	21	96	76	42	52
Interest paid on lease liabilities	59	53	76	34	35
Payment of lease liabilities	313	479	538	282	249
	<u>5,228</u>	<u>7,926</u>	<u>9,349</u>	<u>5,128</u>	<u>7,854</u>

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

	← Audited →			Unaudited 31.12.2024 RM'000	Audited 31.12.2025 RM'000
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000		
Cash and bank balances	37,228	48,520	107,316	57,574	104,442
Fixed deposits with licensed banks	13,048	17,557	28,123	24,227	25,611
Bank overdrafts	(9,460)	(3,780)	(13,580)	(8,530)	(183)
	<u>40,816</u>	<u>62,297</u>	<u>121,859</u>	<u>73,271</u>	<u>129,870</u>
Less: Fixed deposits pledged to licensed banks (Note 18)	(13,048)	(17,557)	(28,123)	(24,227)	(25,611)
Cash and cash equivalent	<u>27,768</u>	<u>44,740</u>	<u>93,736</u>	<u>49,044</u>	<u>104,259</u>
Cash and cash equivalent from disposal group classified as held for sale (Note 20)	-	-	-	-	811
	<u>27,768</u>	<u>44,740</u>	<u>93,736</u>	<u>49,044</u>	<u>105,070</u>

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**40. KEY MANAGEMENT PERSONNEL COMPENSATION**

The key management personnel of the Group includes executive directors of the Group and certain members of senior management of the Group.

The key management personnel compensation during the financial year/period are as follows:-

	← Audited →		Unaudited	Audited
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000
	1.7.2025 to 31.12.2025 RM'000			
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	2,963	3,984	6,377	1,483
Defined contribution benefits	470	655	994	205
	<u>3,433</u>	<u>4,639</u>	<u>7,371</u>	<u>1,688</u>
				<u>2,289</u>
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	1,169	2,489	2,773	561
Defined contribution benefits	89	247	264	48
	<u>1,258</u>	<u>2,736</u>	<u>3,037</u>	<u>609</u>
				<u>878</u>
Total directors' remuneration (Note 35)	<u><u>4,691</u></u>	<u><u>7,375</u></u>	<u><u>10,408</u></u>	<u><u>2,297</u></u>
				<u><u>3,167</u></u>

The estimated monetary value benefit-in-kind provided by the Group to the directors of the Company were approximately RM18,000 (30.6.2023 – RM24,000; 30.6.2024 – RM35,000; 30.6.2025 – RM35,000; 31.12.2024 – RM18,000).

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**40. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)**

The key management personnel compensation during the financial year/period are as follows (Cont'd):-

	← Audited →			Unaudited 1.7.2024 to 31.12.2024 RM'000	Audited 1.7.2025 to 31.12.2025 RM'000
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000		
(b) Other Key Management Personnel					
Short-term employee benefits:					
- salaries, bonuses and other benefits	1,399	248	287	96	253
Defined contribution benefits	167	30	35	11	35
Total compensation for other key management personnel	1,566	278	322	107	288

41. OPERATING SEGMENTS

The Group operates predominantly in one business segment in Malaysia relating to the business of property developer. Accordingly, the information by business and geographical segments is not presented.

Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

42. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 2 to the financial statements.

(b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the combined and consolidated statements of cash flows, the Group also carried out the following significant transactions with the related parties during the financial years/periods:-

	← Audited →			Unaudited 1.7.2024 to 31.12.2024 RM'000	Audited 1.7.2025 to 31.12.2025 RM'000
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000		
Associate					
Landowner entitlement paid/payable	-	50,000	-	-	-

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS
42. RELATED PARTY DISCLOSURES (CONT'D)

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

In addition to the related party transactions information disclosed in the combined and consolidated statements of cash flows, the Group also carried out the following significant transactions with the related parties during the financial years/periods (Cont'd):-

	← Audited →			Unaudited 1.7.2024 to 31.12.2024 RM'000	Audited 1.7.2025 to 31.12.2025 RM'000
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000		
Joint venture					
Interest income received/receivable	-	(1)	(99)	(11)	(288)
Management fee received/receivable	-	-	-	-	(39)
Non-controlling shareholders					
Dividend paid/payable	-	10,990	-	-	-
Interest expense paid/payable	-	17	3	3	-
Companies in which certain directors have substantial interests					
Contract work paid/payable	44,733	73,675	120,810	83,208	-
Interest expense paid/payable	784	1,001	660	386	12
Interest income received/receivable	(76)	(46)	(74)	(24)	(4)
Management fee received/receivable	(55)	(58)	(59)	(30)	-
Property development revenue received/receivable	-	-	-	-	(6,641)
Purchase of materials	-	-	2,706	-	-
Purchase of property, plant and equipment	90	2	-	-	-
Rental income received/receivable	-	(111)	-	-	-
Sales of property, plant and equipment	(32)	(80)	(76)	(76)	-
Sales of inventories	(607)	-	-	-	-

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**42. RELATED PARTY DISCLOSURES (CONT'D)****(b) Significant Related Party Transactions and Balances (Cont'd)**

In addition to the related party transactions information disclosed in the combined and consolidated statements of cash flows, the Group also carried out the following significant transactions with the related parties during the financial years/periods (Cont'd):-

	← Audited →			Unaudited	Audited
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Companies in which certain shareholders have substantial interests					
Contract work paid/payable	5,876	8,697	6,279	2,083	292
Interest income received/receivable	-	-	*	-	-
Property development revenue received/receivable	-	-	-	-	(471)
Purchase of materials	25,334	44,049	44,095	21,432	31,284
Purchase of property, plant and equipment	-	-	2	-	-
Rental expenses paid/payable	68	118	100	54	63
Sub-contractor work received/receivable	-	-	-	-	(359)
Partnership in which a director is a partner					
Purchase of materials	638	976	507	355	254
Person connected to the directors of the Company					
Property development revenue received/receivable	(1,119)	(704)	(927)	(761)	(1,951)
Person connected to the certain shareholders of the Company					
Property development revenue received/receivable	(425)	(259)	(68)	(37)	(749)

(*) – Denote amount less than RM500

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in Note 12 to the financial statements.

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**43. CAPITAL COMMITMENT**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
<u>Approved and contracted for</u>				
Acquisition of development land	27,676	94,562	-	-
Construction of property	129	-	2,571	4,309
Purchase of water chalet development right	12,000	12,000	8,000	5,000
	39,805	106,562	10,571	9,309

44. CONTINGENT LIABILITIES

During the financial years 2018 and 2019, Parkland City claimed tax incentives amounting to RM6,780,720 relating to investments in a fully owned subsidiary, Millennium Tulips pursuant to Income Tax Rules (Deduction for Investment in Approved Food Production Projects) 2011, Income Tax Act 1967 [P.U.(A) 167/2001]. However, pursuant to a tax investigation conducted by Inland Revenue Board ("IRB"), this claim was disallowed and IRB issued notices of additional assessment amounting to RM9,306,955 together with late payment penalty amounting to RM930,695. Parkland City has taken the necessary actions to appeal against the additional assessments issued by IRB and the case hearing is pending before the judiciary. The directors of Parkland City are of the opinion that IRB's assessment is incorrect and are of the opinion that no provision is required in respect of this contingent additional tax liability and penalty.

45. FINANCIAL INSTRUMENTS

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

45.1 FINANCIAL RISK MANAGEMENT POLICIES

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

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

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

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(ii) Interest rate risk**

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

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

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 12, 30 and 31 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:-

	← Audited →			Unaudited	Audited
	1.7.2022 to 30.6.2023 RM'000	1.7.2023 to 30.6.2024 RM'000	1.7.2024 to 30.6.2025 RM'000	1.7.2024 to 31.12.2024 RM'000	1.7.2025 to 31.12.2025 RM'000
Effects on Profit After Taxation					
Increase of 95 basis points ^(*)	-307	-618	-1,625	-733	-1,152
Decrease of 95 basis points ^(*)	+307	+618	+1,625	+733	+1,152

^(*) Same basis points being applied for the sensitivity test for FYEs and FPEs

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(a) Market Risk (Cont'd)****(iii) Equity Price Risk**

Any reasonable possible change in the prices of quoted investments as classified as fair value through profit or loss at the end of the reporting period does not have a material impact on the profit after taxation of the Group and hence, no sensitivity analysis is presented. There is no impact on the equity of the Group.

(b) Credit Risk

The 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.

Also, the Group's exposure to credit risk includes loans and advances to related parties, and corporate guarantee given to financial institutions for credit facilities granted to certain related parties. The Group monitors the ability of the related parties to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group does not have any significant credit risk related to any individual customer or counterparty.

(ii) Maximum exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group after deducting any allowance for impairment losses (where applicable).

In addition, the Group's maximum exposure to credit risk also includes corporate guarantees provided to its related parties of RM502,000 (30.6.2025 – RM6,986,000, 30.6.2024 – RM23,177,000 and 30.6.2023 – RM27,855,000), representing the outstanding banking facilities of the related parties as at the end of the reporting period.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses**

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

For property development, purchasers are normally supported by end-financiers which are reputable banks in Malaysia. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

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

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

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.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)****Trade Receivables and Contract Assets (Cont'd)***Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (30.6.2025 – 12, 30.6.2024 – 12 and 30.6.2023 – 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The Group has identified the unemployment rate, Gross Domestic Product ("GDP") and inflation rate as the key macroeconomic factors of the forward-looking information.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their combined financial statements and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 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)*****Allowance for Impairment Losses***

The reconciliations of allowance for impairment losses are as follows:-

<u>Audited</u>	Non-credit Impaired RM'000	Credit Impaired RM'000	Carrying Amount RM'000
<u>Trade receivables</u>			
Balance at 1.7.2022	-	720	720
Additions (Note 34)	-	15	15
Balance at 30.6.2023/1.7.2023	-	735	735
Reversals (Note 34)	-	(735)	(735)
Balance at 30.6.2024/1.7.2024	-	-	-
Acquisition of subsidiary	-	420	420
Balance at 30.6.2025/1.7.2025/ 31.12.2025	-	420	420

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:-

<u>Audited</u>	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Carrying Amount RM'000
30.6.2023			
Current (not past due)	68,984	-	68,984
1 to 30 days past due	13,320	(15)	13,305
31 to 60 days past due	7,920	-	7,920
61 to 90 days past due	3,245	-	3,245
More than 90 days past due	1,220	-	1,220
Credit impaired	720	(720)	-
Trade receivables	95,409	(735)	94,674
Contract assets	49,802	-	49,802
	145,211	(735)	144,476

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 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)*****Allowance for Impairment Losses (Cont'd)***

The information about the credit exposure and loss allowances recognised for trade receivables are as follows (Cont'd):-

Audited

	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Carrying Amount RM'000
30.6.2024			
Current (not past due)	48,019	-	48,019
1 to 30 days past due	21,138	-	21,138
31 to 60 days past due	3,913	-	3,913
61 to 90 days past due	1,619	-	1,619
More than 90 days past due	5,203	-	5,203
Credit impaired	-	-	-
Trade receivables	79,892	-	79,892
Contract assets	141	-	141
	80,033	-	80,033

Audited

	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Carrying Amount RM'000
30.6.2025			
Current (not past due)	47,724	-	47,724
1 to 30 days past due	12,666	-	12,666
31 to 60 days past due	5,389	-	5,389
61 to 90 days past due	2,372	-	2,372
More than 90 days past due	5,305	-	5,305
Credit impaired	420	(420)	-
Trade receivables	73,876	(420)	73,456

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 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)***Allowance for Impairment Losses (Cont'd)*

The information about the credit exposure and loss allowances recognised for trade receivables are as follows (Cont'd):-

Audited

	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Carrying Amount RM'000
31.12.2025			
Current (not past due)	47,483	-	47,483
1 to 30 days past due	15,315	-	15,315
31 to 60 days past due	7,456	-	7,456
61 to 90 days past due	2,143	-	2,143
More than 90 days past due	6,311	-	6,311
Credit impaired	420	(420)	-
Trade receivables	<u>79,128</u>	<u>(420)</u>	<u>78,708</u>

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)**

45.1 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)*Allowance for Impairment Losses (Cont'd)*

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. 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.

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Other Receivables (Cont'd)

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

<u>Category</u>	<u>Definition of Category</u>	<u>Loss Allowance</u>
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on an individual basis. The remaining receivables are grouped based on shared credit risk characteristics and assessed on a collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

45. FINANCIAL INSTRUMENTS (CONT'D)

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Other Receivables (Cont'd)

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

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

Fixed Deposits with Licensed Banks and Bank Balances

The Group considers the licensed banks 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.

Amount Owing by Related Parties (Non-trade Balances)

The Group also applies the 3-stage general approach (see information in other receivables above) to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Group measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)****Amount Owing by Related Parties (Non-trade Balances) (Cont'd)*****Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)***

The Group considers loans and advances to related parties have low credit risks. The Group assumes that there is a significant increase in credit risk when a related party's financial position deteriorates significantly. As the Group is able to determine the timing of payments of the loans and advances when they are payable, the Group considers the loans and advances to be in default when the related parties are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the related party does not have sufficient highly liquid resources when the loans and advances are demanded, the Group will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the related party.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

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

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)**

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to related parties are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Group closely monitors the related parties' financial strength to reduce the risk of loss.

The Group considers there is a significant increase in credit risk when a related party's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The related party is unlikely to repay its obligation to the bank in full; or
- The related party is having a deficit in equity and is continuously loss making.

The Group determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)**

45.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

<u>Audited</u>	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
30.6.2023						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	4.00	46,958	59,689	11,262	48,427	-
Trade payables	-	137,579	137,579	137,579	-	-
Other payables and accruals	-	9,644	9,644	9,644	-	-
Amount owing to related parties	5.16 – 8.15	17,830	21,695	14,532	1,176	5,987
Amount owing to related parties	-	34,253	34,253	34,253	-	-
Amount owing to directors	-	51,762	51,762	9	51,753	-
Amount owing to shareholders	-	73,529	73,529	-	73,529	-
Amount owing to non-controlling shareholders	-	5,961	5,961	-	5,961	-
Lease liabilities	4.30 – 5.32	1,147	1,240	460	780	-
Hire purchase payables	3.82 – 7.04	1,365	1,464	554	910	-
Term loans	3.30 – 7.39	357,879	441,249	114,581	217,800	108,868
Bank overdrafts	6.67 – 7.39	9,460	9,460	9,460	-	-
Financial guarantee contracts in relation to corporate guarantee given to related parties	-	-	27,855	27,855	-	-
		747,367	875,380	360,189	400,336	114,855

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)**

45.1 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):-

<u>Audited</u>	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
30.6.2024						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	4.00	28,803	37,166	18,583	18,583	-
Trade payables	-	208,896	208,896	208,896	-	-
Other payables and accruals	-	7,596	7,596	7,596	-	-
Amount owing to related parties	6.50 – 8.15	12,909	17,590	8,040	1,663	7,887
Amount owing to related parties	-	48,972	48,972	48,972	-	-
Amount owing to directors	-	51,404	51,404	12,932	38,472	-
Amount owing to shareholders	-	73,072	73,072	8,701	64,371	-
Amount owing to non-controlling shareholders	6.28 – 6.87	250	412	16	65	331
Amount owing to non-controlling shareholders	-	18,643	18,643	10,990	7,653	-
Lease liabilities	5.32 – 5.47	834	880	460	420	-
Hire purchase payables	3.82 – 7.04	2,451	2,669	889	1,780	-
Term loans	3.50 – 7.39	382,529	527,280	96,453	249,340	181,487
Bank overdrafts	6.70 – 7.39	3,780	3,780	3,780	-	-
Financial guarantee contracts in relation to corporate guarantee given to related parties	-	-	23,177	23,177	-	-
		840,139	1,021,537	449,485	382,347	189,705

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)**

45.1 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):-

<u>Audited</u>	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
30.6.2025						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	215,815	215,815	215,815	-	-
Other payables and accruals	-	18,948	18,948	18,948	-	-
Other payable	5.60 – 6.64	808	1,240	43	173	1,024
Amount owing to related parties	-	19,676	19,676	19,676	-	-
Amount owing to related parties	6.34 – 6.80	2,147	2,606	1,711	180	715
Amount owing to directors	-	37,716	37,716	23,561	14,155	-
Amount owing to shareholders	-	65,899	65,899	38,840	27,059	-
Lease liabilities	5.32 – 6.58	1,234	1,371	564	807	-
Hire purchase payables	3.96 – 7.51	2,624	2,831	1,037	1,794	-
Term loans	3.50 – 7.39	649,646	793,368	84,604	448,162	260,602
Bank overdrafts	6.67 – 8.75	13,580	13,580	13,580	-	-
Financial guarantee contracts in relation to corporate guarantee given to related parties	-	-	6,986	6,986	-	-
		1,028,093	1,180,036	425,365	492,330	262,341

13. ACCOUNTANTS' REPORT (CONT'D)

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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.1 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):-

<u>Audited</u>	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000	
31.12.2025							
<u>Non-derivative Financial Liabilities</u>							
Trade payables	-	233,408	233,408	233,408	-	-	
Other payables and accruals	-	17,431	17,431	17,431	-	-	
Amount owing to related parties	-	16,208	16,208	16,208	-	-	
Amount owing to directors	-	15,000	15,000	15,000	-	-	
Amount owing to shareholders	-	38,046	38,046	38,046	-	-	
Lease liabilities	5.32 – 6.58	1,051	1,159	473	686	-	
Hire purchase payables	3.82 – 7.51	2,610	2,785	1,102	1,683	-	
Term loans	3.50 – 7.14	681,338	814,730	100,190	505,401	209,139	
Bank overdrafts	6.42 – 6.60	183	183	183	-	-	
Financial guarantee contracts in relation to corporate guarantee given to related parties	-	-	502	502	-	-	
			1,005,275	1,139,452	422,543	507,770	209,139

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.2 CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that the entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and bank balances and fixed deposits with licensed banks. 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 is as follows:-

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Term loans (Note 30)	357,879	382,529	649,646	681,338
Hire purchase payables (Note 29)	1,365	2,451	2,624	2,610
Bank overdrafts (Note 31)	9,460	3,780	13,580	183
	<u>368,704</u>	<u>388,760</u>	<u>665,850</u>	<u>684,131</u>
Less: Cash and bank balances	(37,228)	(48,520)	(107,316)	(104,442)
Less: Fixed deposits with licensed banks	(13,048)	(17,557)	(28,123)	(25,611)
Net debt	<u>318,428</u>	<u>322,683</u>	<u>530,411</u>	<u>554,078</u>
Total equity	<u>495,123</u>	<u>617,689</u>	<u>800,277</u>	<u>887,283</u>
Debt-to-equity ratio (times)	<u>0.64</u>	<u>0.52</u>	<u>0.66</u>	<u>0.62</u>

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)**

45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Short-term investment (Note 17)	-	222	2,025	2,503
<u>Amortised Cost</u>				
Trade receivables (Note 15)	94,652	79,876	73,456	78,702
Other receivables (Note 11)	2,300	5,007	9,229	7,940
Amount owing by related parties (Note 12)	1,794	31,545	6,901	13,343
Fixed deposits with licensed banks (Note 18)	13,048	17,557	28,123	25,611
Cash and bank balances (Note 19)	37,228	48,520	107,316	104,442
	<u>149,022</u>	<u>182,505</u>	<u>225,025</u>	<u>230,038</u>

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)**

	← Audited →			
	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2025 RM'000	31.12.2025 RM'000
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables (Note 23)	184,537	237,699	215,815	233,408
Other payables and accruais (Note 24)	9,644	7,596	19,756	17,431
Amount owing to related parties (Note 12)	52,083	61,881	21,823	16,208
Amount owing to directors (Note 25)	51,762	51,404	37,716	15,000
Amount owing to shareholders (Note 26)	73,529	73,072	65,899	38,046
Amount owing to non- controlling shareholders (Note 27)	5,961	18,893	-	-
Lease liabilities (Note 28)	1,147	834	1,234	1,051
Hire purchase payables (Note 29)	1,365	2,451	2,624	2,610
Term loans (Note 30)	357,879	382,529	649,646	681,338
Bank overdrafts (Note 31)	9,460	3,780	13,580	183
	747,367	840,139	1,028,093	1,005,275

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
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NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)**

45.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	←	Audited	→	Unaudited	Audited
	1.7.2022	1.7.2023	1.7.2024	1.7.2024	1.7.2025
	to	to	to	to	to
	30.6.2023	30.6.2024	30.6.2025	31.12.2024	31.12.2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial Assets					
<u>Fair Value</u>					
through Profit					
or Loss					
Net gains/					
(losses)					
recognised in					
profit or loss					
	56	(19)	140	85	86
<u>Amortised Cost</u>					
Net gains					
recognised in					
profit or loss					
	657	1,482	1,174	513	779
Financial Liabilities					
<u>Amortised Cost</u>					
Net losses					
recognised in					
profit or loss					
	(7,952)	(9,210)	(12,879)	(5,586)	(8,355)

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13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)****45.5 FAIR VALUE INFORMATION**

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:-

Audited

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
30.6.2023								
<u>Financial Assets</u>								
Amount owing by related parties (non-current)	-	-	-	-	1,754	-	1,754	1,754
<u>Financial Liabilities</u>								
Trade payable (non-current)	-	-	-	-	46,958	-	46,958	46,958
Amount owing to related parties (non-current)	-	-	-	-	2,298	-	2,298	2,298
Hire purchase payables	-	-	-	-	1,466	-	1,466	1,365
Term loans – fixed rate	-	-	-	-	685	-	685	685
Term loans – floating rate	-	-	-	-	357,194	-	357,194	357,194

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**
(Incorporated in Malaysia)**NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS****45. FINANCIAL INSTRUMENTS (CONT'D)****45.5 FAIR VALUE INFORMATION (CONT'D)**

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

Audited

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
30.6.2024								
<u>Financial Assets</u>								
Short-term investment:								
- quoted share	222	-	-	-	-	-	222	222
Amount owing by related parties (non-current)	-	-	-	-	750	-	750	750
<u>Financial Liabilities</u>								
Trade payable (non-current)	-	-	-	-	28,803	-	28,803	28,803
Amount owing to related parties (non-current)	-	-	-	-	4,498	-	4,498	4,498
Amount owing to non-controlling shareholders (non-current)	-	-	-	-	250	-	250	250
Hire purchase payables	-	-	-	-	2,555	-	2,555	2,451
Term loans – fixed rate	-	-	-	-	484	-	484	484
Term loans – floating rate	-	-	-	-	382,045	-	382,045	382,045

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)**

45.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

Audited

30.6.2025	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<u>Financial Assets</u>								
Short-term investment:								
- money market fund	2,025	-	-	-	-	-	2,025	2,025
Amount owing by related parties (non-current)	-	-	-	-	6,815	-	6,815	6,815
<u>Financial Liabilities</u>								
Amount owing to related parties (non-current)	-	-	-	-	571	-	571	571
Hire purchase payables	-	-	-	-	2,812	-	2,812	2,624
Term loans – fixed rate	-	-	-	-	275	-	275	275
Term loans – floating rate	-	-	-	-	649,371	-	649,371	649,371

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**45. FINANCIAL INSTRUMENTS (CONT'D)**

45.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

Audited

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
31.12.2025								
<u>Financial Assets</u>								
Short-term investment:								
- money market fund	2,503	-	-	-	-	-	2,503	2,503
Amount owing by related parties (non-current)	-	-	-	-	13,267	-	13,267	13,267
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	2,615	-	2,615	2,610
Term loans – fixed rate	-	-	-	-	168	-	168	168
Term loans – floating rate	-	-	-	-	681,170	-	681,170	681,170

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

45. FINANCIAL INSTRUMENTS (CONT'D)

45.5 FAIR VALUE INFORMATION (CONT'D)

(i) Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

- The fair value of the quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.
- The fair value of money market fund is determined by reference to statements provided by the respective financial institutions, with which the investment were entered into.
- There were no transfers between level 1 and level 2 during the financial year.

(ii) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- The fair values of trade payable (non-current), hire purchase payables and term loans that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	← Audited →			
	30.6.2023	30.6.2024	30.6.2025	31.12.2025
	%	%	%	%
Trade payable (non-current)	4.00	4.00	-	-
Hire purchase payables	3.82 – 7.04	3.82 – 7.04	2.08 – 7.04	2.19 – 5.45
Term loans (fixed rate)	3.50	3.50	3.50	3.50

- 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.
- The fair value of amounts owing by/(to) related parties and amount owing to non-controlling shareholders (non-current) approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

13. ACCOUNTANTS' REPORT (CONT'D)

PARKLAND BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS**46. SIGNIFICANT EVENTS OCCURRED AFTER THE REPORTING PERIOD**

(a) The Company had declared the following dividends for the financial year ending 2026:

- (i) A single-tier interim dividend of RM0.07 per ordinary share was declared on 22 January 2026, amounting to RM30,560,775, which was fully paid on 26 May 2026; and
- (ii) A second interim single-tier dividend of RM0.0115 per ordinary share was declared on 15 April 2026, amounting to approximately RM5,020,699, which was fully paid on 26 May 2026.

(b) On 5 February 2026, Parkland City and Parkland Residence entered into sale and purchase agreements with Shareholders of Excel VC for the disposal of their entire equity interests in Pentagon Petro, Pentagon Fuels and Pentagon Hybrid for total cash considerations of RM900,000, RM20,000 and RM20,000 respectively. The disposals were completed on the same date.

Following the completion of the disposals, the aforesaid companies ceased to be subsidiaries of the Group and the financial effects arising from the disposals will be recognised in the financial year ending 30 June 2026.

(c) On 21 April 2026, the Company completed a share split exercise involving the subdivision of 6 existing ordinary shares held by the shareholders whose name appeared in the Register of Members of the Company on 15 April 2026 into 13 ordinary shares.

Upon completion of the share split exercise, the number of ordinary shares of the Company increased from 436,582,500 to 945,928,750 ordinary shares.

(d) On 21 April 2026, the Company has issued and allotted 945,928,750 new ordinary shares at an issue price of RM0.001 per share to Excel VC for a total cash consideration of approximately RM945,929.

Upon completion of the share allotment, Excel VC became the holding company of the Company.

(e) On 10 June 2026, Parkland Techpark entered into a JVA with Cahaya Bumimas Sdn. Bhd. (the "Landowner") for the sole and exclusive rights to develop a parcel of vacant land held under H.S.(M) 5672, PTD 206735, Mukim Plentong, Daerah Johor Bahru, Negeri Johor, measuring approximately 248.04 acres. Pursuant to the JVA, the total consideration payable to the Landowner as landowner's entitlement comprises:

- (i) land cost of 25% of net development value or a minimum of RM219,500,000 ("Minimum Land Cost"), whichever is higher; and
- (ii) relevant profit entitlement ranging from 10% to 20%.

As at the date of JVA, Parkland City had, on behalf of Parkland Techpark, made a payment of RM5,000,000 to the Landowner which represented the partial payment of Minimum Land Cost.

13. ACCOUNTANTS' REPORT (CONT'D)**PARKLAND BERHAD**

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Datuk Tan See Sen and Jacky Toh Kie Chieh, being two of the directors of Parkland Berhad state that, in the opinion of the directors, the combined and consolidated financial statements set out on pages 5 to 134 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and Prospectus Guidelines issued by the Securities Commission Malaysia so as to give a true and fair view of the combined financial position of the Group as at 30 June 2023 and consolidated financial position of the Group as at 30 June 2024, 30 June 2025 and 31 December 2025 and of its combined financial performance and combined cash flows for the FYE 30 June 2023 and consolidated financial performance and consolidated cash flows for the FYE 30 June 2024, FYE 30 June 2025 and for the FPE 31 December 2025.

Signed in accordance with a resolution of the directors dated **23 JUN 2028**

**Datuk Tan See Sen****Jacky Toh Kie Chieh**