



PARKWOOD

PARKWOOD HOLDINGS BERHAD

(FORMERLY KNOWN AS AMALGAMATED
INDUSTRIAL STEEL BERHAD)
COMPANY REGISTRATION NO. 196901000692 (9118-M)

**Interim Financial Report
for Second Quarter**

Ended 30 June 2021

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

Condensed Consolidated Statement of Comprehensive Income For The Second Quarter Ended 30 June 2021

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year 2nd Quarter 01.04.2021 to 30.06.2021 RM	Preceding Year Corresponding Quarter RM	Current Year To-date 01.01.2021 to 30.06.2021 RM	Preceding Year Corresponding Period RM
Revenue	3,972,773	845,821	5,142,617	1,434,670
Operating expenses	(3,819,429)	(1,666,069)	(6,131,950)	(3,435,103)
Other operating income	233,108	243,409	369,052	595,498
Profit/(Loss) from operations	386,452	(576,839)	(620,281)	(1,404,935)
Finance costs	(305,235)	(22,831)	(971,401)	(119,985)
Profit/(Loss) before taxation	81,217	(599,670)	(1,591,682)	(1,524,920)
Tax expenses	(93,529)	(21,877)	(233,587)	(63,754)
(Loss)/ Profit for the period	(12,312)	(621,547)	(1,825,269)	(1,588,674)
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income for the period	(12,312)	(621,547)	(1,825,269)	(1,588,674)
Loss attributable to:				
Owners of the Parent	(12,312)	(621,547)	(1,825,269)	(1,588,674)
Non-Controlling Interest	-	-	-	-
	(12,312)	(621,547)	(1,825,269)	(1,588,674)

Condensed Consolidated Statement of Comprehensive Income For The Second Quarter Ended 30 June 2021 (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year 2nd Quarter 01.04.2021 to 30.06.2021 RM	Preceding Year Corresponding Quarter RM	Current Year To-date 01.01.2021 to 30.06.2021 RM	Preceding Year Corresponding Period RM
Total comprehensive expenses attributable to:				
Owners of the Parent	(12,312)	(621,547)	(1,825,269)	(1,588,674)
Non-Controlling Interest	-	-	-	-
	(12,312)	(621,547)	(1,825,269)	(1,588,674)
	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
(Loss)/ Earnings per share:				
- basic (sen)	(0.00)	(0.45)	(0.66)	(1.15)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

Condensed Consolidated Statement of Financial Position As At 30 June 2021

	As At 30.06.2021 (Unaudited) RM	As At 31.12.2020 (Audited) RM
NON-CURRENT ASSETS		
Land held for development	33,018,772	32,589,351
Plant and equipment	534,294	597,590
Investment property	36,600,000	36,600,000
Right-of-use assets	1,271,769	1,515,505
Other assets	43,151	43,151
Other investment	6,000	-
Total Non-Current Assets	71,473,986	71,345,597
CURRENT ASSETS		
Property development costs	66,147,213	65,917,067
Contract costs	3,523,844	3,210,092
Contract assets	5,550,879	4,249,022
Trade and other receivables	2,722,956	1,052,537
Current tax assets	41,155	41,155
Fixed deposit with licensed bank	2,482,849	2,463,197
Short-term investments	4,675,812	10,065,558
Cash and bank balances	28,491,030	5,800,556
Total Current Assets	113,635,738	92,799,184
TOTAL ASSETS	185,109,724	164,144,781
EQUITY		
Share capital	46,239,323	22,160,982
Capital reserve	48,208,750	48,208,750
Reserves	24,539,768	24,539,768
Retained profits	38,000,522	39,825,791
Treasury shares	(3,724,544)	(3,724,544)
TOTAL SHAREHOLDERS' EQUITY	153,263,819	131,010,747

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

Condensed Consolidated Statement of Financial Position As At 30 June 2021 (Cont'd)

	As At 30.06.2021 (Unaudited) RM	As At 31.12.2020 (Audited) RM
NON-CURRENT LIABILITIES		
Lease liabilities	1,118,165	1,118,165
Term loan	25,144,294	25,639,403
Retirement benefit obligations	180,686	163,940
Deferred tax liabilities	156,442	156,442
Total Non-Current Liabilities	26,599,587	27,077,950
CURRENT LIABILITIES		
Trade and other payables	4,189,238	4,758,658
Lease liabilities	245,426	485,772
Term loan	692,510	692,510
Current tax liabilities	119,144	119,144
Total Current Liabilities	5,246,318	6,056,084
TOTAL LIABILITIES	31,845,905	33,134,034
TOTAL EQUITY AND LIABILITIES	185,109,724	164,144,781

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020.

Condensed Consolidated Statement of Changes In Equity For The Six Months Ended 30 June 2021

	Share Capital	Treasury Shares	Asset Revaluation Reserve	Capital Reserve	Retained Profit	Total Equity
	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2020	19,566,458	(3,724,544)	24,539,768	48,208,750	43,815,626	135,000,582
Profit after taxation for the financial year	-	-	-	-	(3,989,835)	(3,989,835)
Balance as at 31 December 2020	22,160,982	(3,724,544)	24,539,768	48,208,750	39,825,791	131,010,747
Right issue	24,078,341	-	-	-	-	24,078,341
Profit after taxation for the financial period	-	-	-	-	(1,825,269)	(1,825,269)
Balance as at 30 June 2021	46,239,323	(3,724,544)	24,539,768	48,208,750	38,000,522	153,263,819

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

Condensed Consolidated Statement of Cash Flows

	6 Months to 30.06.2021 RM	Audited 2020 RM
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(1,591,681)	(3,814,317)
Amortization of club membership	-	363
Covid-19-related rent concessions	-	(13,413)
Depreciation of equipment	63,688	127,903
Depreciation of right-of-use assets	243,735	490,522
Fair value loss/(gain) on short-term investments	189,019	(562,502)
Gain on disposal of a subsidiary	(9,741)	-
Gain on modification of a lease	-	(61,775)
Interest income	(123,207)	(145,549)
Interest expense on lease liabilities	40,935	90,261
Interest expense	741,447	635,510
Retirement benefit obligations	16,746	33,492
Operating loss before working capital changes	(429,059)	(3,219,505)
Increase in property development costs	(230,146)	(4,095,115)
Increase in contract costs	(313,752)	(295,856)
Increase in contract assets	(1,301,856)	(2,172,335)
Increase in trade and other receivables	(1,130,624)	(377,247)
(Increase)/Decrease in trade and other payables	(1,104,667)	1,999,799
CASH FOR OPERATIONS	(4,510,104)	(8,160,259)
Income tax refunded	-	230
Income tax paid	(233,587)	(215,692)
NET CASH FOR OPERATING ACTIVITIES	(4,743,691)	(8,375,721)
 CASH FLOWS FOR INVESTING ACTIVITIES		
Interest (paid)/received	(65,813)	708,051
Increase in pledged bank balances with a licensed bank	(329,621)	(3,407,432)
Purchase of equipment	(393)	(16,273)
Withdrawal of fixed deposits with tenure more than 3 months	-	5,093,280
Increase in land held for property development	(429,422)	(29,481,351)
Net cash outflow from the disposal of a subsidiary	(809)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(826,058)	27,103,725

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

Condensed Consolidated Statement of Cash Flows (Cont'd)

	6 Months to 30.06.2021 RM	Audited 2020 RM
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of lease liabilities	(240,345)	(455,886)
Repayment of term loans	(495,108)	(510,304)
Drawdown of term loan	-	22,300,499
Proceed from right issue	24,078,341	-
Interest paid	(613,476)	(604,885)
NET CASH FROM FINANCING ACTIVITIES	22,729,412	20,729,424
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	17,159,663	(14,750,022)
CASH AND BANK BALANCES: -		
AT BEGINNING OF THE FINANCIAL PERIOD	<u>12,458,682</u>	<u>27,208,704</u>
AT END OF THE FINANCIAL PERIOD	<u>29,618,345</u>	<u>12,458,682</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statement for the year ended 31 December 2020.

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Accounting Policies and Methods of Computation

The interim financial statements of the Group are unaudited and have been prepared under the historical cost convention and modified to include other bases of valuation, and in compliance with the requirements of Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”), the requirements of the Companies Act 2016 in Malaysia and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

The accounting policies and methods of computation used in preparing the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2020.

The Group and Company have not applied the following MFRSs and Amendments to MFRSs, Issue Committee Interpretations (“IC Interpretations”) and Amendments to IC Interpretation that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective.

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

	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022

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

Effective Date

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

1 January 2022

Annual Improvements to MFRS Standards 2018 – 2020

1 January 2022

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

A2 **Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 December 2020 was not qualified.

A3 **Comments about Seasonal or Cyclical Factors**

The business operations of the Group are not affected by seasonal or cyclical factor.

A4 **Unusual Items Due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter.

A5 **Material Changes in Estimates**

There have been no significant changes in estimates used for the preparation of the interim financial statements.

A6 **Debt and Equity Securities**

There was no other issuance, cancellation, repurchase, resale and repayment of equity securities for the current financial year-to-date.

A7 **Dividend Paid**

There was no payment of dividend during the quarter.

A8 Operating Segment Information

Segmental information for the financial period ended 30 June 2021 is as follows:

	Investment Property RM	Property Development RM	Group RM
Revenue			
External revenue	1,138,866	4,003,751	5,142,617
Results			
Segment operating profit/(loss)	(89,093)	(654,395)	(743,488)
Interest income			123,207
Finance costs			(971,401)
Income tax expense			(233,587)
Consolidated loss after taxation			(1,825,269)
Assets			
Segment assets	104,917,999	80,150,570	185,068,569
Current tax assets			41,155
Consolidated total assets			185,109,724
Liabilities			
Segment liabilities	1,937,246	29,633,073	31,570,319
Unallocated tax liabilities			275,586
Consolidated total liabilities			31,845,905

The Group's business is operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

A9 Subsequent Events

There were no other material events after the end of the current period, up to the date of this announcement, that has not been reflected in the financial statements for the period ended 30 June 2021.

A10 Changes in Composition of the Group

There was no change in the composition of the Group during the current quarter.

A11 Contingent Liabilities or Assets

There was no contingent liability and contingent asset for the Group as at end of the current quarter.

A12 Capital Commitments

There was no capital commitment for the Group at the end of the current quarter.

EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance of the Group and Company

The Group recorded a total revenue of RM3.97 million for the second quarter (“Q2”) ended 30 June 2021 of which RM3.40 million was recorded from the property development segment and RM0.57 million from the investment property segment. This represents an increase of RM3.12 million as compared to a revenue of RM0.85 million recorded during the previous corresponding quarter 2 (“PCQ2”). The increase was mainly attributed to higher revenue recognition in respect of property development activities.

The profit before tax for Q2 was RM0.08 million as compared to a loss before tax of RM0.60 million in PCQ2. The turnaround was mainly due to increase in profit contribution from its property development segment in current quarter.

Other income for the current 6 months period consists of the interest income earned from fund placements with licensed bank and rental income receivable from the leasing of properties. The decline in other income by RM0.23 million as compared with last corresponding period was mainly due to lower interest income earned as a result of the decreased in fund placement due to fund utilized for working capital and property development activities during the period.

For the 6 months period under review, the Group recorded a loss before tax of RM1.59 million, representing an increase of RM0.07 million from RM1.52 million reported in the previous corresponding period. Higher losses recorded during the current period was mainly due to higher operating expenses incurred and lower interest income earned.

B2 Material Changes in the Group Quarterly Results Compared to the Results of the Preceding Quarter

The Group posted a pre-tax profit of RM0.08 million in this second quarter as compared to a pre-tax loss of RM1.67 million in the first quarter. The decrease in pre-tax loss reported was due to higher profit contribution from its property development segment and the overall decrease in operating expenses incurred in the current quarter.

B3 Prospect For The Current Financial Year

The Group's prospects for the current financial period remain challenging due to the Covid-19 pandemic. The Group foresee that the property sale and construction progress of its ongoing project will move at a slower pace in the midst of Movement Control under the National Recovery Plan (NRP). Nevertheless, the Group is hopeful that the speeding up of the ongoing Covid-19 national immunisation programme will allow for a return to normalcy which in turn will have a positive impact on the Malaysian economy and better prospects for the Group's businesses generally.

B4 **Profit Forecast or Profit Guarantee**

This does not apply to the Group.

B5 **Taxation**

	Current Quarter 01.04.2021 to 30.06.2021 RM	Preceding Year Corresponding Quarter 30.06.2020 RM	Current Year To-date Ended 30.06.2021 RM	Preceding Year Corresponding Period 30.06.2020 RM
In respect of current period income tax	(93,529)	(21,877)	(233,587)	(63,754)
Tax expense	(93,529)	(21,877)	(233,587)	(63,754)

B6 **Status of Corporate Proposals**

The rights issue has been completed on 27 April 2021 following the listing and quotation of 137,585,442 rights shares on the Main Market of Bursa Securities.

Proposed utilisation of proceeds raised from Right Issues.

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Proceeds Balance RM'000	Timeframe for Utilisation
Utamara's project	21,000	(1,041)	19,959	Within 18 months
Working capital & the estimated expenses for the corporate exercises	3,765	(1,456)	2,309	Within 6 months
	24,765	(2,497)	22,268	

B7 **Group Borrowings and Debt Securities**

The Group's borrowing was as follows:

	The Group	
	2021	2020
	RM	RM
Term Loan (Secured)		
Current liabilities	692,510	692,510
Non-current liabilities	25,144,294	25,639,403
	<u>25,836,804</u>	<u>26,331,913</u>

B8 Pending Material Litigation

There is no material litigation which may materially affect the Group for the current quarter under review.

B9 Dividend Payable

No interim dividend has been declared for the financial period-to-date ended 30 June 2021.

B10 (Loss)/Earnings per Share

	Current Year Second Quarter Ended 30.06.2021 RM	Preceding Year Corresponding Quarter Ended 30.06.2020 RM	Current Year To-date Ended 30.06.2021 RM	Preceding Year Corresponding Period Ended 30.06.2020 RM
<u>Basic (loss)/earnings per share</u>				
Profit/(Loss) for the financial period attributable to owners of the Parent (<i>RM</i>)	(12,312)	(621,547)	(1,825,269)	(1,588,674)
Weighted average number of ordinary shares in issue	275,170,884	137,585,442	275,170,884	137,585,442
Basic earnings/(loss) per share (sen)	(0.00)	(0.45)	(0.66)	(1.15)