



PARKWOOD

PARKWOOD HOLDINGS BERHAD

COMPANY REGISTRATION NO. 196901000692 (9118-M)

**Interim Financial Report
for Second Quarter**

Ended 30 June 2022

Condensed Consolidated Statement of Comprehensive Income for the Second Quarter Ended 30 June 2022

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 30.06.2022	Preceding Year Corresponding Quarter	Current Year To-date Ended 30.06.2022	Preceding Year Corresponding Period
	RM	RM	RM	RM
Revenue	2,650,189	3,972,773	7,041,763	5,142,617
Operating expenses	(3,323,440)	(3,819,429)	(8,176,298)	(6,131,950)
Other operating income	470,396	233,108	966,352	369,052
(Loss)/profit from operations	(202,855)	386,452	(168,183)	(620,281)
Finance costs	(256,206)	(305,235)	(522,584)	(971,401)
(Loss)/profit before taxation	(459,061)	81,217	(690,767)	(1,591,682)
Tax expenses	(133,583)	(93,529)	(205,093)	(233,587)
Loss for the period	(592,644)	(12,312)	(895,860)	(1,825,269)
Other comprehensive income net of tax	-	-	-	-
Total comprehensive expenses for the period	(592,644)	(12,312)	(895,860)	(1,825,269)
Loss attributable to:				
Owners of the Parent	(592,644)	(12,312)	(895,860)	(1,825,269)
Non-Controlling Interest	-	-	-	-
	(592,644)	(12,312)	(895,860)	(1,825,269)

Condensed Consolidated Statement of Comprehensive Income for the Second Quarter Ended 30 June 2022 (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 30.06.2022 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 30.06.2022 RM	Preceding Year Corresponding Period RM
Total comprehensive expenses attributable to:				
Owners of the Parent	(592,644)	(12,312)	(895,860)	(1,825,269)
Non-Controlling Interest	-	-	-	-
	<u>(592,644)</u>	<u>(12,312)</u>	<u>(895,860)</u>	<u>(1,825,269)</u>
	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Loss per share:				
- basic (sen)	<u>(0.22)</u>	<u>(0.00)</u>	<u>(0.33)</u>	<u>(0.66)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

Condensed Consolidated Statement of Financial Position as at 30 June 2022

	As At 30.06.2022 (Unaudited) RM	As At 31.12.2021 (Audited) RM
NON-CURRENT ASSETS		
Land held for development	33,214,806	33,134,352
Plant and equipment	149,324	126,995
Investment property	36,600,000	36,600,000
Right-of-use assets	764,571	986,857
Other assets	42,787	42,787
Other investment	458,000	458,000
Total Non-Current Assets	71,229,488	71,348,991
CURRENT ASSETS		
Property development costs	72,875,512	68,717,474
Contract costs	2,452,240	3,338,721
Contract assets	2,198,383	4,887,679
Trade and other receivables	1,236,089	2,963,387
Current tax assets	1,115	1,115
Fixed deposit with licensed bank	2,522,624	6,505,560
Short-term investments	14,781,613	16,192,344
Cash and bank balances	9,991,393	7,751,762
Total Current Assets	106,058,969	110,358,042
TOTAL ASSETS	177,288,457	181,707,033

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

Condensed Consolidated Statement of Financial Position as at 30 June 2022 (Cont'd)

	As At 30.06.2022 (Unaudited) RM	As At 31.12.2021 (Audited) RM
EQUITY		
Share capital	46,239,324	46,239,324
Capital reserve	48,208,750	48,208,750
Reserves	24,539,768	24,539,768
Retained profits	34,615,183	35,511,041
Treasury shares	(3,724,544)	(3,724,544)
Total Equity	149,878,481	150,774,339
NON-CURRENT LIABILITIES		
Lease liabilities	636,985	636,985
Term loan	21,700,000	22,823,634
Retirement benefit obligations	81,744	81,744
Deferred tax liabilities	156,442	156,442
Total Non-Current Liabilities	22,575,171	23,698,805
CURRENT LIABILITIES		
Trade and other payables	4,514,652	5,779,934
Lease liabilities	201,009	425,727
Term loan	-	909,084
Current tax liabilities	119,144	119,144
Total Current Liabilities	4,834,805	7,233,889
TOTAL LIABILITIES	27,409,976	30,932,694
TOTAL EQUITY AND LIABILITIES	177,288,457	181,707,033

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2022

Condensed Consolidated Statement of Changes in Equity for the Six Months Ended 30 June 2022

	Share Capital	Treasury Shares	Asset Revaluation Reserve	Capital Reserve	Retained Profit	Total Equity
	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2021	22,160,982	(3,724,544)	24,539,768	48,208,750	39,825,791	131,010,747
Contributions by owners of the Company						
- Issuance of shares	24,765,380	-	-	-	-	24,765,380
- Shares issuance expenses	(687,038)	-	-	-	-	(687,038)
Total transactions with owners	24,078,342	-	-	-	-	24,078,342
Loss after taxation for the financial year	-	-	-	-	(4,314,750)	(4,314,750)
Balance as at 31 December 2021	46,239,324	(3,724,544)	24,539,768	48,208,750	35,511,041	150,774,339
Loss after taxation for the financial period	-	-	-	-	(895,860)	(895,860)
Balance as at 30 June 2022	46,239,324	(3,724,544)	24,539,768	48,208,750	34,615,181	149,878,479

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021.

Condensed Consolidated Statement of Cash Flows

	Current Year To-date Ended 30.06.2022 RM	Audited 2021 RM
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(690,768)	(3,817,054)
Amortisation of club membership	-	364
Covid-19-related rent concessions	-	(10,413)
Depreciation of equipment	33,823	126,971
Depreciation of right-of-use assets	206,256	480,298
Equipment written off	-	358,016
Fair value loss on short-term investments	32,560	307,328
Gain on disposal of a subsidiary	-	(9,741)
Gain on modification of a lease	(4,998)	(16,375)
Interest income	(105,353)	(468,521)
Interest expense on lease liabilities	25,091	76,060
Interest expense	497,494	1,140,841
Retirement benefit obligations	-	19,537
Operating loss before working capital changes	(5,895)	(1,812,689)
Increase in property development costs	(4,158,037)	(2,800,407)
Decrease/(increase) in contract costs	886,482	(128,629)
Decrease/(increase) in contract assets	2,689,295	(638,657)
Decrease/(increase) in trade and other receivables	1,727,298	(1,910,850)
(Decrease)/increase in trade and other payables	(1,265,282)	1,025,826
CASH FOR OPERATIONS	(126,139)	(6,265,406)
Income tax paid	(205,093)	(457,656)
Retirement benefits paid	-	(101,733)
NET CASH FOR OPERATING ACTIVITIES	(331,232)	(6,824,795)
 CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	72,793	161,193
Increase in pledged bank balances with a licensed bank	(104,276)	(107,804)
Increase in pledged fixed deposits with licensed banks	-	(39,460)
Purchase of equipment	(56,151)	(14,392)
Purchase of other investment	-	(452,000)
Increase in land held for property development	(80,454)	(545,001)
Net cash outflow from the disposal of a subsidiary	-	(810)
NET CASH FOR INVESTING ACTIVITIES	(168,088)	(998,274)

Condensed Consolidated Statement of Cash Flows (Cont'd)

	Current Year To-date Ended 30.06.2022 RM	Audited 2021 RM
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of lease liabilities	(203,689)	(466,086)
Repayment of term loans	(2,017,020)	(2,595,423)
Proceeds from issuance of ordinary shares	-	24,765,380
Payment of share issuance expenses	-	(687,038)
Interest paid	(538,283)	(1,220,673)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(2,758,992)	19,796,160
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	(3,258,312)	11,973,091
CASH AND BANK BALANCES: -		
AT BEGINNING OF THE FINANCIAL PERIOD	24,431,773	12,458,682
AT END OF THE FINANCIAL PERIOD	21,173,461	24,431,773
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: -		
Fixed deposits with licensed banks	2,522,624	6,505,560
Short-term investments	14,781,613	16,192,344
Cash and bank balances	9,991,393	7,751,762
	27,295,630	30,449,666
Less: Fixed deposits pledged with licensed bank	(2,522,624)	(2,502,657)
Less: Bank balances held in escrow	(219,945)	(159,011)
Less: Bank balances pledged with a licensed bank	(3,379,600)	(3,356,225)
	21,173,461	24,431,773

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statement for the year ended 31 December 2021.

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 2021. 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 2021.

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 2021, except for the adoption of the following new MFRSs and/or IC interpretations (including The Consequential Amendments) which became effective for the financial year beginning on or after 1 January 2022.

The Group has 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
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023

A1 **Accounting Policies and Methods of Computation (cont'd.)**

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 2021 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 2022 is as follows:

	Investment Property RM	Property Development RM	Group RM
Revenue			
External revenue	1,106,366	5,935,397	7,041,763
Results			
Segment operating (loss)/profit	(550,454)	279,918	(273,536)
Interest income			105,353
Finance costs			(522,584)
Income tax expense			(205,093)
Consolidated loss after taxation			(895,860)
Assets			
Segment assets	54,390,838	122,896,504	177,287,342
Current tax assets			1,115
Consolidated total assets			177,288,457
Liabilities			
Segment liabilities	889,944	26,244,446	27,134,390
Unallocated tax liabilities			275,586
Consolidated total liabilities			27,409,976

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

A9 **Subsequent Events**

Apart from the disclosure in note B6, 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 2022.

A10 **Changes in Composition of the Group**

There was no change in the composition of the Group during the 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 total revenue of RM2.65 million for the second quarter ("Q2") ended 30 June 2022, of which RM2.1 million was from property development segment and RM0.55 million from investment holding segment. This represents a decrease of RM1.32 million as compared to the revenue of RM3.97 million reported in the previous corresponding quarter ("PCQ2"). This was mainly due to the lower sales take-up rate in property development activities.

The Group recorded a loss before tax of RM0.46 million in Q2 as compared to a profit before tax of RM0.08 million in PCQ2. The increase of RM0.54 million in loss before tax was due to lower revenue recognition from property development activities as compared to the previous corresponding quarter.

During the current financial period under review, the Group's other income consisted of interest income from fund placements with licensed bank, rental income from property leasing and development management fee. The increase of RM 0.24 million in other income was mainly due to the increase in rental income and development management fee. The Group recorded rental income of RM0.3 million, as compared with RM0.13 million reported in PCQ2. Higher rental income in the current quarter was due to new tenancy secured. The increase in development management fee of RM0.13 million was due to the Group entering into a development management agreement of which a development management fee of RM0.13 million will be charged on a quarterly basis effective 1 January 2022.

For the 6 months period under review, the Group recorded a loss before tax of RM0.69 million, a decrease of RM0.9 million as compared with RM1.59 million reported in the same period last year. Lower loss before tax was due to higher revenue recognised from the completion of construction works. In addition, the increase in other income and lower general and administrative expenses during the period have further reduced the loss before tax.

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

The Group recorded a higher loss before tax of RM0.46 million in Q2 compared to a loss before tax of RM0.23 million in the first quarter. The higher loss before tax in Q2 was due to a decrease in revenue recognition in the property development segment and an increase in sales and marketing expenses in the current quarter.

B3 Prospect For The Current Financial Year

Following the unprecedented Covid-19 events, the country's economy appears to be on the right track to recovery as we move into the endemic phase. However, for the property market, there is lingering uncertainty as it continues to face challenges such as the increase in construction materials cost, shortages of skilled labour and property overhung.

Nevertheless, the Group will strive to improve the sales of Utamara Boutique Residence ("UBR"). Product awareness is also being intensified through various marketing campaign initiatives and via digital marketing platforms by focusing on its strategic location with good accessibility and connectivity.

B4 Profit Forecast or Profit Guarantee

This does not apply to the Group.

B5 Taxation

	Current Quarter Ended 30.06.2022	Preceding Year Corresponding Quarter	Current Year To-date Ended 30.06.2022	Preceding Year Corresponding Period
	RM	RM	RM	RM
In respect of current period income tax	(133,583)	(93,529)	(205,093)	(233,587)
Tax expense	<u>(133,583)</u>	<u>(93,529)</u>	<u>(205,093)</u>	<u>(233,587)</u>

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 rights issue.

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Proceeds Balance RM'000	Timeframe for Utilisation
Utamara project	21,000	(14,395)	6,605	Within 18 months
Working capital & the estimated expenses for the corporate exercises	3,765	(3,752)	13	Within 6 months
	24,765	(18,147)	6,618	

B7 Group Borrowings and Debt Securities

The Group borrowings were as follows:

	The Group	
	2022	2021
	RM	RM
Term Loans (Secured)		
Current liabilities	-	909,084
Non-current liabilities	21,700,000	22,823,634
	<u>21,700,000</u>	<u>23,732,718</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 2022.

B10 Notes to the Condensed Consolidated Statement of Comprehensive Income

Total comprehensive income for the current quarter and financial year to date is arrived at after charging/(crediting) the following items:

	Current Quarter Ended 30.06.2022	Current Year To-date Ended 30.06.2022
	RM	RM
Interest income	(42,396)	(105,353)
Other income	(428,000)	(860,999)
Interest expense	256,206	522,584
Depreciation and amortisation	<u>117,958</u>	<u>240,079</u>

The above disclosure is prepared in accordance with paragraph 16 of Appendix 9B of the Main Listing Requirements (“MLR”) issued by Bursa Malaysia Securities Berhad. Except for the above, the rest of the items required for disclosures pursuant to paragraph 16 of MLR are not applicable to the Group.

B11 Loss per Share

	Current Quarter Ended 30.06.2022	Preceding Year Corresponding Quarter	Current Year To-date Ended 30.06.2022	Preceding Year Corresponding Period
<u>Basic loss per share</u>				
Loss for the financial period attributable to owners of the Parent (RM)	<u>(592,644)</u>	<u>(12,312)</u>	<u>(895,860)</u>	<u>(1,825,269)</u>
Weighted average number of ordinary shares in issue	<u>275,170,884</u>	<u>275,170,884</u>	<u>275,170,884</u>	<u>275,170,884</u>
Basic loss per share (sen)	<u>(0.22)</u>	<u>(0.00)</u>	<u>(0.33)</u>	<u>(0.66)</u>