



PARKWOOD

PARKWOOD HOLDINGS BERHAD

COMPANY REGISTRATION NO. 196901000692 (9118-M)

**Interim Financial Report
For Third Quarter**

Ended 30 September 2023

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

Condensed Consolidated Statement of Comprehensive Income for the Third Quarter Ended 30 September 2023

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 30.09.2023 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 30.09.2023 RM	Preceding Year Corresponding Period RM
Revenue	15,451,289	6,494,848	27,637,127	13,536,610
Operating expenses	(14,231,795)	(6,933,278)	(27,139,957)	(15,109,576)
Other operating income	412,799	630,504	1,317,453	1,596,856
Profit from operations	1,632,293	192,074	1,814,623	23,890
Finance costs	(430,366)	(277,941)	(1,241,715)	(800,525)
Profit/(Loss) before taxation	1,201,927	(85,867)	572,908	(776,635)
Tax expenses	41,301	(157,777)	(131,643)	(362,870)
Profit/(Loss) for the period	1,243,228	(243,644)	441,265	(1,139,505)
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income /(expenses) for the period	1,243,228	(243,644)	441,265	(1,139,505)
Profit/(Loss) attributable to:				
Owners of the Parent	1,243,228	(243,644)	441,265	(1,139,505)
Non-Controlling Interest	-	-	-	-
	1,243,228	(243,644)	441,265	(1,139,505)

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

Condensed Consolidated Statement of Comprehensive Income for the Third Quarter Ended 30 September 2023 (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 30.09.2023 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 30.09.2023 RM	Preceding Year Corresponding Quarter RM
Total comprehensive income/(expenses) attributable to:				
Owners of the Parent	1,243,228	(243,644)	441,265	(1,139,505)
Non-Controlling Interest	-	-	-	-
	<u>1,243,228</u>	<u>(243,644)</u>	<u>441,265</u>	<u>(1,139,505)</u>
	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Profit/(loss) per share:				
- basic (sen)	<u>0.45</u>	<u>(0.09)</u>	<u>0.16</u>	<u>(0.41)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

Condensed Consolidated Statement of Financial Position as at 30 September 2023

	As At 30.09.2023 (Unaudited) RM	As At 31.12.2022 (Audited) RM
NON-CURRENT ASSETS		
Land held for development	33,573,086	33,354,196
Equipment	98,261	127,370
Investment property	41,700,000	41,700,000
Right-of-use assets	748,295	1,113,916
Other assets	42,424	42,424
Other investment	577,000	577,000
Total Non-Current Assets	76,739,066	76,914,906
CURRENT ASSETS		
Property development costs	38,263,051	74,168,040
Contract costs Assets	-	2,864,709
Trade and other receivables	15,886,670	1,803,928
Contract assets	53,508	7,691,138
Current tax assets	108,898	1,115
Fixed deposit with licensed bank	2,571,389	2,542,860
Short-term investments	8,387,988	8,124,192
Cash and bank balances	13,458,771	12,142,812
Inventories	32,432,358	-
Total Current Assets	111,162,633	109,338,794
TOTAL ASSETS	187,901,698	186,253,700

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

Condensed Consolidated Statement of Financial Position as at 30 September 2023 (Cont'd)

	As At 30.09.2023 (Unaudited) RM	As At 31.12.2022 (Audited) RM
EQUITY		
Share capital	46,239,324	46,239,324
Reserves	111,047,899	110,606,633
Treasury shares	(3,724,544)	(3,724,544)
Total Equity	153,562,679	153,121,413
NON-CURRENT LIABILITIES		
Lease liabilities	646,539	646,539
Borrowings	17,753,721	21,713,063
Retirement benefit obligations	81,744	81,744
Deferred tax liabilities	666,442	666,442
Total Non-Current Liabilities	19,148,446	23,107,788
CURRENT LIABILITIES		
Trade and other payables	7,733,185	5,973,571
Lease liabilities	120,064	469,664
Borrowings	7,218,180	3,462,120
Current tax liabilities	119,144	119,144
Total Current Liabilities	15,190,573	10,024,499
TOTAL LIABILITIES	34,339,019	33,132,287
TOTAL EQUITY AND LIABILITIES	187,901,698	186,253,700

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022.

Condensed Consolidated Statement of Changes in Equity for the Nine Months Ended 30 September 2023

	Share Capital	Treasury Shares	Asset Revaluation Reserve	Capital Reserve	Retained Profit	Total Equity
	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2022	46,239,324	(3,724,544)	24,539,768	48,208,750	35,511,041	150,774,340
Profit after taxation for the financial year	-	-	-	-	2,347,074	2,347,074
Balance as at 31 December 2022	46,239,324	(3,724,544)	24,539,768	48,208,750	37,858,115	153,121,414
Profit after taxation for the financial period	-	-	-	-	441,265	441,265
Balance as at 30 September 2023	46,239,324	(3,724,544)	24,539,768	48,208,750	38,299,380	153,562,679

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

Condensed Consolidated Statement of Cash Flows

	Current Year To-date Ended 30.09.2023 RM	Audited 2022 RM
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	572,908	3,281,479
Amortisation of club membership	-	363
Depreciation of equipment	40,441	67,228
Depreciation of right-of-use assets	365,621	434,268
Interest expense on lease liabilities	43,295	52,167
Interest expense on bridging loan	263,078	16,219
Interest expense on term loans	935,341	1,052,473
Dividend income	(111,139)	(51,102)
Fair value gain on investment property	-	(5,100,000)
Fair value gain on short-term investments	(152,657)	(171,164)
Gain on modification of a lease	-	(84,229)
Interest income	(217,840)	(191,892)
Operating gain/(loss) before working capital changes	1,739,049	(694,190)
Decrease/(increase) in property development costs	35,904,988	(5,450,566)
Decrease in contract costs	2,864,709	474,012
Decrease/(increase) in contract assets	7,637,630	(2,803,459)
Increase in Inventories	(32,432,358)	-
(Increase)/decrease in trade and other receivables	(14,082,741)	1,159,459
Decrease in trade and other payables	1,759,614	193,637
CASH FROM/(FOR) OPERATIONS	3,390,891	(7,121,107)
Tax refund	90	-
Income tax paid	(237,905)	(424,405)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	3,153,076	(7,545,513)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Dividend received	111,139	51,102
Interest received	216,229	191,892
Proceeds from disposal of short-term investments	152,657	171,164
Decrease/(increase) in pledged bank balances with a licensed bank	139,439	(374,383)
Increase in pledged fixed deposits with licensed banks	(28,529)	(40,203)
Purchase of equipment	(11,332)	(67,603)
Additional investment in other investment	-	(119,000)
Increase in land held for property development	(218,890)	(219,844)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	360,713	(406,875)

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

Condensed Consolidated Statement of Cash Flows (Cont'd)

	Current Year To-date Ended 30.09.2023 RM	Audited 2022 RM
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Drawdown of bridging loan	2,485,318	7,514,682
Interest paid	(1,215,301)	(1,136,557)
Repayment of lease liabilities	(349,600)	(423,606)
Repayment of bridging loan	(2,715,014)	(4,039,499)
Repayment of term loans	-	(2,017,020)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	(1,794,597)	(102,001)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	1,719,193	(8,054,388)
CASH AND BANK BALANCES: -		
AT BEGINNING OF THE FINANCIAL PERIOD	16,377,385	24,431,773
AT END OF THE FINANCIAL PERIOD	18,096,578	16,377,385
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: -		
Fixed deposits with licensed banks	2,571,389	2,542,860
Short-term investments	8,387,988	8,124,192
Cash and bank balances	13,458,771	12,142,812
	24,418,148	22,809,864
Less: Fixed deposits pledged with licensed bank	(2,571,389)	(2,542,860)
Less: Bank balances held in escrow	(273,080)	(475,809)
Less: Bank balances pledged with a licensed bank	(3,477,101)	(3,413,810)
	18,096,578	16,377,385

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statement for the year ended 31 December 2022.

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 2022. 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 2022.

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 2022, 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 2023.

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
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules	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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
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 2022 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.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

A8 Operating Segment Information

Segmental information for the financial period ended 30 September 2023 is as follows:

	Investment Holding RM	Property Development RM	Group RM
Revenue			
External revenue	1,649,799	25,987,328	27,637,127
Results			
Segment operating (loss)/profit	(1,280,607)	2,766,251	1,485,644
Dividend income			111,139
Interest income			217,840
Finance costs			(1,241,715)
Income tax expense			(131,643)
Consolidated profit after taxation			441,265
Assets			
Segment assets	53,357,488	134,435,312	187,792,800
Current tax assets			108,898
Consolidated total assets			187,901,698
Liabilities			
Segment liabilities	847,997	32,705,436	33,553,433
Unallocated tax liabilities			785,586
Consolidated total liabilities			34,339,019

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 September 2023.

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 assets 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 RM15.5 million for the third quarter ("Q3") of year 2023, of which RM14.9 million was from the property development segment and RM0.55 million from the investment holding segment. This represents a revenue growth of RM8.96 million when compared to the RM6.49 million reported in the previous corresponding quarter ("PCQ3"). This increase was primarily attributed to improved revenue recognition from property development activities and the inclusion of revenue generated from new sales.

The Group recorded a profit before tax of RM1.2 million in Q3 of year 2023, compared to a loss before tax of RM0.09 million in PCQ3. The increase of RM1.29 million in profit before tax was attributed to the completion and the addition of revenue from new sales of Utamara Boutique Residences.

For the current financial period under review, the Group's other sources of income were interest income from fund placements with licensed banks, rental income from property leasing, fair value gain on short-term investments, and development management fees.

The Group recorded a profit before tax of RM0.57 million for the current financial period under review, an increase of RM1.35 million over the RM0.78 million loss before tax reported in the previous corresponding period. The higher profit before tax was due to improved revenue recognition from property development activities and the inclusion of revenue generated from new sales.

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

The Group recorded a profit before tax of RM1.2 million in Q3 compared to a loss before tax of RM0.27 million in the preceding quarter. The completion of one project and the inclusion of revenue from new sales were the primary causes of the current quarter's higher profit before tax of RM1.47 million

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

B3 Prospects

The recently tabled Malaysia Budget 2024 have addressed the slow property market by drafting various counter measures with the hope to rejuvenate and to achieve a more sustainable property market in the coming years.

While welcoming the positive Government efforts, the Group will continue with its development planning for new projects in the pipeline and at the same time escalating the sales of the remaining Utamara Boutique Residence units.

B4 Profit Forecast or Profit Guarantee

This does not apply to the Group.

B5 Taxation

	Current Quarter Ended 30.09.2023 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 30.09.2023 RM	Preceding Year Corresponding Period RM
In respect of current period income tax	<u>41,301</u>	<u>(157,777)</u>	<u>(131,643)</u>	<u>(362,870)</u>
Tax expense	<u>41,301</u>	<u>(157,777)</u>	<u>(131,643)</u>	<u>(362,870)</u>

B6 Status of Corporate Proposals

There were no corporate proposals announced by the Company but not completed as at the date of this interim financial report.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

B7 Group Borrowings and Debt Securities

The Group borrowings were as follows:

	The Group	
	2023	2022
	RM	RM
Borrowings (Secured)		
Current liabilities	7,218,180	3,462,120
Non-current liabilities	17,753,721	21,713,063
	24,971,901	25,175,183

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 ended 30 September 2023.

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 30.09.2023	Current Year To-date Ended 30.09.2023
	RM	RM
Interest income	(82,546)	(217,840)
Other income	(330,253)	(1,099,613)
Interest expense	430,366	1,241,715
Depreciation and amortisation	135,394	406,062

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.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

B11 Profit/(loss) per Share

	Current Quarter Ended 30.09.2023	Preceding Year Corresponding Quarter	Current Year To-date Ended 30.09.2023	Preceding Year Corresponding Period
<u>Basic profit/(loss) per share</u>				
Profit/(Loss) for the financial period attributable to owners of the Parent (RM)	<u>1,243,228</u>	<u>(243,644)</u>	<u>441,265</u>	<u>(1,139,505)</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 profit/(loss) per share (sen)	<u>0.45</u>	<u>(0.09)</u>	<u>0.16</u>	<u>(0.41)</u>