



PARKWOOD

PARKWOOD HOLDINGS BERHAD

COMPANY REGISTRATION NO. 196901000692 (9118-M)

**Interim Financial Report
for First Quarter**

Ended 31 March 2023

Condensed Consolidated Statement of Comprehensive Income for the First Quarter Ended 31 March 2023

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 31.03.2023	Preceding Year Corresponding Quarter	Current Year To-date Ended 31.03.2023	Preceding Year Corresponding Period
	RM	RM	RM	RM
Revenue	5,785,164	4,391,573	5,785,164	4,391,573
Operating expenses	(6,215,392)	(4,852,858)	(6,215,392)	(4,852,858)
Other operating income	468,339	495,956	468,339	495,956
Profit from operations	38,111	34,671	38,111	34,671
Finance costs	(396,122)	(266,378)	(396,122)	(266,378)
Loss before taxation	(358,011)	(231,707)	(358,011)	(231,707)
Tax expenses	(86,550)	(71,510)	(86,550)	(71,510)
Loss for the period	(444,561)	(303,217)	(444,561)	(303,217)
Other comprehensive income net of tax	-	-	-	-
Total comprehensive expenses for the period	(444,561)	(303,217)	(444,561)	(303,217)
Loss attributable to:				
Owners of the Parent	(444,561)	(303,217)	(444,561)	(303,217)
Non-Controlling Interest	-	-	-	-
	(444,561)	(303,217)	(444,561)	(303,217)

Condensed Consolidated Statement of Comprehensive Income for the First Quarter Ended 31 March 2023 (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 31.03.2023 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 31.03.2023 RM	Preceding Year Corresponding Period RM
Total comprehensive expenses attributable to:				
Owners of the Parent	(444,561)	(303,217)	(444,561)	(303,217)
Non-Controlling Interest	-	-	-	-
	<u>(444,561)</u>	<u>(303,217)</u>	<u>(444,561)</u>	<u>(303,217)</u>
	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Loss per share:				
- basic (sen)	<u>(0.16)</u>	<u>(0.11)</u>	<u>(0.16)</u>	<u>(0.11)</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 FIRST QUARTER ENDED 31 MARCH 2023

Condensed Consolidated Statement of Financial Position as at 31 March 2023

	As At 31.03.2023 (Unaudited) RM	As At 31.12.2022 (Audited) RM
NON-CURRENT ASSETS		
Land held for development	33,354,196	33,354,196
Equipment	116,428	127,370
Investment property	41,700,000	41,700,000
Right-of-use assets	992,042	1,113,916
Other assets	42,424	42,424
Other investment	577,000	577,000
Total Non-Current Assets	76,782,090	76,914,906
CURRENT ASSETS		
Property development costs	76,500,401	74,168,040
Contract costs	2,181,020	2,864,709
Trade and other receivables	2,232,899	1,803,928
Contract assets	9,025,177	7,691,138
Current tax assets	1,115	1,115
Fixed deposit with licensed bank	2,542,860	2,542,860
Short-term investments	8,246,148	8,124,192
Cash and bank balances	10,127,126	12,142,812
Total Current Assets	110,856,746	109,338,794
TOTAL ASSETS	187,638,836	186,253,700

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

Condensed Consolidated Statement of Financial Position as at 31 March 2023 (Cont'd)

	As At 31.03.2023 (Unaudited) RM	As At 31.12.2022 (Audited) RM
EQUITY		
Share capital	46,239,324	46,239,324
Reserves	110,162,072	110,606,633
Treasury shares	(3,724,544)	(3,724,544)
Total Equity	152,676,852	153,121,413
NON-CURRENT LIABILITIES		
Lease liabilities	646,539	646,539
Borrowings	22,857,590	21,713,063
Retirement benefit obligations	81,744	81,744
Deferred tax liabilities	666,442	666,442
Total Non-Current Liabilities	24,252,315	23,107,788
CURRENT LIABILITIES		
Trade and other payables	5,418,989	5,973,571
Lease liabilities	354,871	469,664
Borrowings	4,816,665	3,462,120
Current tax liabilities	119,144	119,144
Total Current Liabilities	10,709,669	10,024,499
TOTAL LIABILITIES	34,961,984	33,132,287
TOTAL EQUITY AND LIABILITIES	187,638,836	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 Three Months Ended 31 March 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	150,774,339
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	153,121,413
Loss after taxation for the financial period	-	-	-	-	(444,561)	(444,561)
Balance as at 31 March 2023	46,239,324	(3,724,544)	24,539,768	48,208,750	37,413,554	152,676,852

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.

Condensed Consolidated Statement of Cash Flows

	Current Year To-date Ended 31.03.2023 RM	Audited 2022 RM
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(358,011)	3,281,479
Amortisation of club membership	-	363
Depreciation of equipment	13,440	67,228
Depreciation of right-of-use assets	121,874	434,268
Interest expense on lease liabilities	16,171	52,167
Interest expense on term loans	296,725	1,052,473
Interest expense on bridging loan	83,226	16,219
Dividend income	(36,764)	(51,102)
Fair value gain on investment property	-	(5,100,000)
Fair value gain on short-term investments	(85,193)	(171,164)
Gain on modification of a lease	-	(84,230)
Interest income	(68,382)	(191,892)
Operating loss before working capital changes	(16,914)	(694,191)
Increase in property development costs	(2,332,361)	(5,450,566)
Decrease in contract costs	683,689	474,012
Increase in contract assets	(1,334,039)	(2,803,459)
(Increase)/decrease in trade and other receivables	(428,970)	1,159,459
(Decrease)/increase in trade and other payables	(554,580)	193,637
CASH FOR OPERATIONS	(3,983,175)	(7,121,108)
Income tax paid	(86,550)	(424,405)
NET CASH FOR OPERATING ACTIVITIES	(4,069,725)	(7,545,513)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Dividend received	36,764	51,102
Interest received	68,382	191,892
Proceeds from disposal of short-term investments	85,193	171,164
Increase in pledged bank balances with a licensed bank	319,330	(374,383)
Increase in pledged fixed deposits with licensed banks	-	(40,203)
Purchase of equipment	(2,499)	(67,603)
Additional investment in other investment	-	(119,000)
Increase in land held for property development	-	(219,844)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	507,170	(406,875)

Condensed Consolidated Statement of Cash Flows (Cont'd)

	Current Year To-date Ended 31.03.2023 RM	Audited 2022 RM
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Drawdown of bridging loan	2,485,318	7,514,682
Interest paid	(364,497)	(1,136,557)
Repayment of lease liabilities	(114,794)	(423,606)
Repayment of bridging loan	(17,872)	(4,039,499)
Repayment of term loans	-	(2,017,020)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	1,988,155	(102,000)
NET DECREASE IN CASH AND BANK BALANCES	(1,574,400)	(8,054,388)
CASH AND BANK BALANCES: -		
AT BEGINNING OF THE FINANCIAL PERIOD	<u>16,377,385</u>	<u>24,431,773</u>
AT END OF THE FINANCIAL PERIOD	<u>14,802,985</u>	<u>16,377,385</u>
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: -		
Fixed deposits with licensed banks	2,542,860	2,542,860
Short-term investments	8,246,148	8,124,192
Cash and bank balances	<u>10,127,126</u>	<u>12,142,812</u>
	20,916,134	22,809,864
Less: Fixed deposits pledged with licensed bank	(2,542,860)	(2,542,860)
Less: Bank balances held in escrow	(136,642)	(475,809)
Less: Bank balances pledged with a licensed bank	<u>(3,433,647)</u>	<u>(3,413,810)</u>
	<u>14,802,985</u>	<u>16,377,385</u>

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

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 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.

A8 Operating Segment Information

Segmental information for the financial period ended 31 March 2023 is as follows:

	Investment Holding RM	Property Development RM	Group RM
Revenue			
External revenue	549,933	5,235,231	5,785,164
Results			
Segment operating (loss)/profit	(443,636)	376,601	(67,035)
Dividend income			36,764
Interest income			68,382
Finance costs			(396,122)
Income tax expense			(86,550)
Consolidated loss after taxation			(444,561)
Assets			
Segment assets	53,052,817	134,584,904	187,637,721
Current tax assets			1,115
Consolidated total assets			187,638,836
Liabilities			
Segment liabilities	935,363	33,241,035	34,176,398
Unallocated tax liabilities			785,586
Consolidated total liabilities			34,961,984

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 31 March 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 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 RM5.78 million for the first quarter ("Q1") ended 31 March 2023, of which RM5.23 million was from the property development segment and RM0.55 million from the investment holding segment. This represents an increase of RM1.39 million as compared to the revenue of RM4.39 million reported in the previous corresponding quarter ("PCQ1"), mainly due to the higher revenue recognition from its property development activities and new sales recorded.

The Group recorded a loss before tax of RM0.36 million in Q1 as compared to a loss before tax of RM0.23 million in PCQ1. The increase of RM0.13 million in loss before tax was due to higher operating expenses incurred 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.

For the current financial period under review, the Group recorded a loss before tax of RM0.36 million, an increase of RM0.13 million as compared with RM0.23 million loss before tax reported in the previous corresponding period. Higher loss before tax was due to higher general and administrative expenses during the period.

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

The Group recorded a loss before tax of RM0.36 million in Q1 compared to a profit before tax of RM4.06 million in the preceding quarter. A higher profit before tax of RM4.42 million recorded in the preceding quarter was mainly attributed to the fair value gain on investment property.

B3 Prospect For The Current Financial Year

The property market remains challenging during 1Q2023 despite Malaysia economy expanded by 8.7% year-on-year basis in 2022. The market continued to face inflationary pressure due to rising operating cost across all sectors. This was further compounded by the increase in OPR to 2.75% from its historic low of 1.75%.

As such, the consumer sentiment tends to be cautious, especially when it comes to large purchases like property and hefty loan commitment. Nevertheless, the Group expects its sales to improve in the coming quarters through its various marketing efforts especially in utilising the digital platforms.

B4 Profit Forecast or Profit Guarantee

This does not apply to the Group.

B5 Taxation

	Current Quarter Ended 31.03.2023 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 31.03.2023 RM	Preceding Year Corresponding Period RM
In respect of current period income tax	(86,550)	(71,510)	(86,550)	(71,510)
Tax expense	(86,550)	(71,510)	(86,550)	(71,510)

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	(21,000)	-	Within 18 months
Working capital & the estimated expenses for the corporate exercises	3,765	(3,765)	-	Within 6 months
	24,765	(24,765)	-	

B7 Group Borrowings and Debt Securities

The Group borrowings were as follows:

	The Group	
	2023	2022
	RM	RM
Borrowings (Secured)		
Current liabilities	4,816,665	3,462,120
Non-current liabilities	22,857,590	21,713,063
	27,674,255	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 31 March 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 31.03.2023	Current Year To-date Ended 31.03.2023
	RM	RM
Interest income	(68,382)	(68,382)
Other income	(399,957)	(399,957)
Interest expense	396,122	396,122
Depreciation and amortisation	<u>135,314</u>	<u>135,314</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 31.03.2023	Preceding Year Corresponding Quarter	Current Year To-date Ended 31.03.2023	Preceding Year Corresponding Period
<u>Basic loss per share</u>				
Loss for the financial period attributable to owners of the Parent (RM)	<u>(444,561)</u>	<u>(303,217)</u>	<u>(444,561)</u>	<u>(303,217)</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>(0.16)</u>	<u>(0.11)</u>	<u>(0.16)</u>	<u>(0.11)</u>