



PARKWOOD

PARKWOOD HOLDINGS BERHAD

COMPANY REGISTRATION NO. 196901000692 (9118-M)

**Interim Financial Report
For Fourth Quarter**

Ended 31 December 2023

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

Condensed Consolidated Statement of Comprehensive Income for the Fourth Quarter Ended 31 December 2023

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 31.12.2023 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 31.12.2023 RM	Preceding Year Corresponding Period RM
Revenue	239,867	4,878,488	27,425,119	18,415,098
Operating expenses	(4,231,061)	(6,163,572)	(31,020,171)	(21,273,148)
Other operating income	425,425	5,663,532	1,843,908	7,260,388
Profit/(Loss) from operations	(3,565,769)	4,378,448	(1,751,144)	4,402,338
Finance costs	(1,221,546)	(320,334)	(2,463,261)	(1,120,859)
Profit/(Loss) before taxation	(4,787,315)	4,058,114	(4,214,405)	3,281,479
Tax income/(expenses)	184,088	(571,535)	52,445	(934,405)
Profit/(Loss) for the period	(4,603,227)	3,486,579	(4,161,960)	2,347,074
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income/(expenses) for the period	(4,603,227)	3,486,579	(4,161,960)	2,347,074
Profit/(Loss) attributable to:				
Owners of the Parent	(4,603,227)	3,486,579	(4,161,960)	2,347,074
Non-Controlling Interest	-	-	-	-
	(4,603,227)	3,486,579	(4,161,960)	2,347,074

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 31.12.2023 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 31.12.2023 RM	Preceding Year Corresponding Period RM
Total comprehensive income/(expenses) attributable to:				
Owners of the Parent	(4,603,227)	3,486,579	(4,161,960)	2,347,074
Non-Controlling Interest	-	-	-	-
	<u>(4,603,227)</u>	<u>3,486,579</u>	<u>(4,161,960)</u>	<u>2,347,074</u>
	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Profit/(loss) per share:				
- basic (sen)	<u>(1.67)</u>	<u>1.27</u>	<u>(1.51)</u>	<u>0.85</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 FOURTH QUARTER ENDED 31 DECEMBER 2023

Condensed Consolidated Statement of Financial Position as at 31 December 2023

	As At 31.12.2023 (Unaudited) RM	As At 31.12.2022 (Audited) RM
NON-CURRENT ASSETS		
Land held for development	33,573,886	33,354,196
Equipment	80,040	127,370
Investment property	41,700,000	41,700,000
Right-of-use assets	626,421	1,113,916
Other assets	2,330,618	42,424
Other investment	881,000	577,000
Total Non-Current Assets	79,191,965	76,914,906
CURRENT ASSETS		
Property development costs	37,856,191	74,168,040
Contract costs Assets	-	2,864,709
Trade and other receivables	4,912,377	1,803,928
Contract assets	-	7,691,138
Current tax assets	950,480	1,115
Fixed deposit with licensed bank	2,599,751	2,542,860
Short-term investments	8,499,681	8,124,192
Cash and bank balances	16,406,757	12,142,812
Inventories	32,136,967	-
Total Current Assets	103,362,204	109,338,794
TOTAL ASSETS	182,554,169	186,253,700

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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

	As At 31.12.2023 (Unaudited) RM	As At 31.12.2022 (Audited) RM
EQUITY		
Share capital	46,239,324	46,239,324
Reserves	106,444,673	110,606,633
Treasury shares	(3,724,544)	(3,724,544)
Total Equity	148,959,453	153,121,413
NON-CURRENT LIABILITIES		
Lease liabilities	332,941	646,539
Borrowings	22,450,180	21,713,063
Retirement benefit obligations	81,744	81,744
Deferred tax liabilities	666,442	666,442
Total Non-Current Liabilities	23,531,307	23,107,788
CURRENT LIABILITIES		
Trade and other payables	7,795,285	5,973,571
Lease liabilities	313,599	469,664
Borrowings	1,835,381	3,462,120
Current tax liabilities	119,144	119,144
Total Current Liabilities	10,063,409	10,024,499
TOTAL LIABILITIES	33,594,716	33,132,287
TOTAL EQUITY AND LIABILITIES	182,554,169	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 Twelve Months Ended 31 December 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	-	-	-	-	(4,161,960)	(4,161,960)
Balance as at 31 December 2023	46,239,324	(3,724,544)	24,539,768	48,208,750	33,696,155	148,959,453

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 FOURTH QUARTER ENDED 31 DECEMBER 2023

Condensed Consolidated Statement of Cash Flows

	Current Year To-date Ended 31.12.2023 RM	Audited 2022 RM
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/profit before taxation	(4,214,405)	3,281,479
Amortisation of club membership	364	363
Depreciation of equipment	49,829	67,228
Depreciation of right-of-use assets	487,495	434,268
Interest expense on lease liabilities	54,196	52,167
Interest expense on bridging loan	310,506	16,219
Interest expense on term loans	1,299,063	1,052,473
Interest expense on bank overdrafts	131	-
Others interest expense	799,365	-
Dividend income	(161,291)	(51,102)
Fair value gain on investment property	-	(5,100,000)
Fair value gain on short-term investments	(214,198)	(171,164)
Gain on modification of a lease	-	(84,230)
Interest income	(335,984)	(191,892)
Operating loss before working capital changes	(1,924,929)	(694,191)
Decrease/(increase) in property development costs	36,311,849	(5,450,566)
Decrease in contract costs	2,864,709	474,012
Decrease/(increase) in contract assets	7,691,138	(2,803,459)
Increase in Inventories	(32,136,967)	-
(Increase)/decrease in trade and other receivables	(6,196,372)	1,159,459
Decrease in trade and other payables	1,832,019	193,637
CASH FROM/(FOR) OPERATIONS	8,441,447	(7,121,108)
Tax refund	90	-
Income tax paid	(897,009)	(424,405)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	7,544,528	(7,545,513)
CASH FLOWS FOR INVESTING ACTIVITIES		
Dividend received	161,291	51,102
Interest received	335,984	191,892
Fair value gain on short term investments	214,198	171,164
Increase in pledged bank balances with a licensed bank	(159,724)	(374,383)
Increase in pledged fixed deposits with licensed banks	(56,891)	(40,203)
Purchase of equipment	(2,499)	(67,603)
Additional investment in other investment	(304,000)	(119,000)
Increase in land held for property development	(219,690)	(219,844)
NET CASH FOR INVESTING ACTIVITIES	(31,331)	(406,875)

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

Condensed Consolidated Statement of Cash Flows (Cont'd)

	Current Year To-date Ended 31.12.2023 RM	Audited 2022 RM
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of bridging loan	2,485,318	7,514,682
Drawdown of bank overdraft	17,201	-
Interest paid	(1,659,501)	(1,136,557)
Repayment of lease liabilities	(469,664)	(423,606)
Repayment of bridging loan	(3,406,841)	(4,039,499)
Repayment of term loans	-	(2,017,020)
NET CASH FOR FINANCING ACTIVITIES	(3,033,487)	(102,000)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	4,479,710	(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	20,857,095	16,377,385
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: -		
Fixed deposits with licensed banks	2,599,751	2,542,860
Short-term investments	8,499,681	8,124,192
Cash and bank balances	16,406,757	12,142,812
	27,506,189	22,809,864
Less: Fixed deposits pledged with licensed bank	(2,599,751)	(2,542,860)
Less: Bank balances held in escrow	(549,382)	(475,809)
Less: Bank balances pledged with a licensed bank	(3,499,961)	(3,413,810)
	20,857,095	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

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 FOURTH QUARTER ENDED 31 DECEMBER 2023

A8 Operating Segment Information

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

	Investment Holding RM	Property Development RM	Group RM
Revenue			
External revenue	2,202,515	25,222,604	27,425,119
Results			
Segment operating (loss)	(2,192,227)	(56,192)	(2,248,419)
Dividend income			161,291
Interest income			335,984
Finance costs			(2,463,261)
Income tax expense			52,445
Consolidated loss after taxation			(4,161,960)
Assets			
Segment assets	53,775,809	127,827,880	181,603,689
Current tax assets			950,480
Consolidated total assets			182,554,169
Liabilities			
Segment liabilities	1,379,829	31,429,301	32,809,130
Unallocated tax liabilities			785,586
Consolidated total liabilities			33,594,716

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 December 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 RM0.24 million for the fourth quarter ("Q4") of year 2023. This represents a revenue difference of RM4.64 million compared to the RM4.88 million reported in the previous corresponding quarter ("PCQ4"). This decrease was primarily attributed to the absence of new sales during the quarter.

During the Q4 of year 2023, the Group incurred a loss before tax of RM4.79 million as compared to the RM4.06 million profit before tax recorded in PCQ4. The profit during the PCQ4 was mainly due to recognition of fair value gain of RM5.1 million on investment property.

In the current financial period under review, the Group experienced a loss before tax amounting to RM4.21 million, as compared to the RM3.28 million profit before tax reported in the corresponding period of the previous year. The difference was mainly due to the recognition of fair value gain of investment property in the preceding year as highlighted above.

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

The Group recorded a loss before tax of RM4.21 million in Q4 compared to a profit before tax of RM1.2 million in the preceding quarter. The completion of the project and absence of new sales during the quarter were the primary causes of the current quarter's higher loss before tax of RM5.99 million.

B3 Prospects

The overall country's macroeconomic environment is expected to improve in the current financial year. Given the numerous initiatives scheduled for the year, the country's property market is expected to stabilize with more positive outcomes.

Hence the Group will capitalize on these opportunities and at the same time introduce new sales packages to further accelerate the sales of the remaining Utamara units.

At the same time the Group will continue with its development planning for projects in the pipeline.

B4 Profit Forecast or Profit Guarantee

This does not apply to the Group.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B5 Taxation

	Current Quarter Ended 31.12.2023	Preceding Year Corresponding Quarter	Current Year To-date Ended 31.12.2023	Preceding Year Corresponding Period
	RM	RM	RM	RM
In respect of current period income tax	184,088	(571,535)	52,445	(934,405)
Tax expense	<u>184,088</u>	<u>(571,535)</u>	<u>52,445</u>	<u>(934,405)</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.

B7 Group Borrowings and Debt Securities

The Group borrowings were as follows:

	The Group	
	2023	2022
	RM	RM
Borrowings (Secured)		
Current liabilities	1,835,381	3,462,120
Non-current liabilities	22,450,180	21,713,063
	<u>24,285,561</u>	<u>25,175,183</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 ended 31 December 2023.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31.12.2023	Current Year To-date Ended 31.12.2023
	RM	RM
Interest income	(118,145)	(335,984)
Other income	(408,310)	(1,507,924)
Interest expense	1,221,546	2,463,260
Depreciation and amortisation	<u>131,625</u>	<u>537,687</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 Profit/(loss) per Share

	Current Quarter Ended 31.12.2023	Preceding Year Corresponding Quarter	Current Year To-date Ended 31.12.2023	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>(4,603,227)</u>	<u>3,486,579</u>	<u>(4,161,960)</u>	<u>2,347,074</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>(1.67)</u>	<u>1.27</u>	<u>(1.51)</u>	<u>0.85</u>