



PARKWOOD

PARKWOOD HOLDINGS BERHAD

COMPANY REGISTRATION NO. 196901000692 (9118-M)

**Interim Financial Report
For Second Quarter**

Ended 30 June 2024

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Condensed Consolidated Statement of Comprehensive Income for the Second Quarter Ended 30 June 2024

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 30.06.2024 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 30.06.2024 RM	Preceding Year Corresponding Period RM
Revenue	7,410,762	6,400,674	8,025,393	12,185,838
Operating expenses	(7,029,911)	(6,692,770)	(9,529,596)	(12,908,162)
Other operating income	372,820	436,315	762,933	904,654
Profit/(Loss) from operations	753,671	144,219	(741,270)	182,330
Finance costs	(411,822)	(415,227)	(824,231)	(811,349)
Profit/(Loss) before taxation	341,849	(271,008)	(1,565,501)	(629,019)
Income tax expense	(237,978)	(86,394)	(615,267)	(172,944)
Profit/(Loss) for the period	103,871	(357,402)	(2,180,768)	(801,963)
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income /(expenses) for the period	103,871	(357,402)	(2,180,768)	(801,963)
Profit/(Loss) attributable to:				
Owners of the Parent	103,871	(357,402)	(2,180,768)	(801,963)
Non-Controlling Interest	-	-	-	-
	103,871	(357,402)	(2,180,768)	(801,963)

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Condensed Consolidated Statement of Comprehensive Income for the Second Quarter Ended 30 June 2024 (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 30.06.2024 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 30.06.2024 RM	Preceding Year Corresponding Period RM
Total comprehensive income/(expenses) attributable to:				
Owners of the Parent	103,871	(357,402)	(2,180,768)	(801,963)
Non-Controlling Interest	-	-	-	-
	<u>103,871</u>	<u>(357,402)</u>	<u>(2,180,768)</u>	<u>(801,963)</u>
	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Profit/(Loss) per share:				
- basic (sen)	0.04	(0.13)	(0.79)	(0.29)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Condensed Consolidated Statement of Financial Position as at 30 June 2024

	As At 30.06.2024 (Unaudited) RM	As At 31.12.2023 (Audited) RM
NON-CURRENT ASSETS		
Equipment	85,779	80,040
Investment property	41,700,000	41,700,000
Right-of-use assets	469,816	626,421
Trade Receivables	2,363,207	2,288,558
Land held for property development	33,612,283	33,573,886
Other assets	42,060	42,060
Other investment	881,000	881,000
Total Non-Current Assets	79,154,145	79,191,965
CURRENT ASSETS		
Property development costs	38,170,913	37,856,191
Inventories	27,473,643	32,136,967
Trade and other receivables	6,951,105	4,912,377
Current tax assets	903,869	903,869
Fixed deposits with licensed bank	2,629,894	2,599,751
Short-term investments	10,663,790	8,499,681
Cash and bank balances	18,715,479	16,406,757
Total Current Assets	105,508,693	103,315,593
TOTAL ASSETS	184,662,838	182,507,558

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Condensed Consolidated Statement of Financial Position as at 30 June 2024 (Cont'd)

	As At 30.06.2024 (Unaudited) RM	As At 31.12.2023 (Audited) RM
EQUITY		
Share capital	46,239,324	46,239,324
Reserves	104,225,538	106,406,306
Treasury shares	(3,724,544)	(3,724,544)
Total Equity	146,740,318	148,921,086
NON-CURRENT LIABILITIES		
Lease liabilities	332,940	332,941
Borrowings	21,700,000	22,450,180
Retirement benefit obligations	81,744	81,744
Deferred tax liabilities	666,442	666,442
Total Non-Current Liabilities	22,781,126	23,531,307
CURRENT LIABILITIES		
Trade and other payables	6,182,624	7,833,652
Contract Cost Liabilities	1,486,928	-
Lease liabilities	159,145	313,599
Borrowings	7,240,164	1,835,381
Current tax liabilities	72,533	72,533
Total Current Liabilities	15,141,394	10,055,165
TOTAL LIABILITIES	37,922,520	33,586,472
TOTAL EQUITY AND LIABILITIES	184,662,838	182,507,558

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023.

Condensed Consolidated Statement of Changes in Equity for the Six Months Ended 30 June 2024

	Share Capital	Treasury Shares	Asset Revaluation Reserve	Capital Reserve	Retained Profit	Total Equity
	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2023	46,239,324	(3,724,544)	24,539,768	48,208,750	37,858,115	153,121,413
Loss after taxation for the financial year	-	-	-	-	(4,200,327)	(4,200,327)
Balance as at 31 December 2023/1 January 2024	46,239,324	(3,724,544)	24,539,768	48,208,750	33,657,788	148,921,086
Loss after taxation for the financial period	-	-	-	-	(2,180,768)	(2,180,768)
Balance as at 30 June 2024	46,239,324	(3,724,544)	24,539,768	48,208,750	31,477,020	146,740,318

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Condensed Consolidated Statement of Cash Flows

	Current Year To-date Ended 30.06.2024 RM	Audited 2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,565,501)	(4,252,772)
Amortisation of club membership	-	364
Depreciation of equipment	14,733	49,829
Depreciation of right-of-use assets	156,605	487,495
Interest expense on lease liabilities	17,477	54,196
Interest expense on bridging loan	82,568	310,506
Interest expense on term loans	717,777	1,299,063
Interest expense on overdraft facility	6,410	131
Others interest expense	-	799,365
Dividend income	(102,023)	(161,291)
Fair value gain on short-term investments	(80,357)	(214,198)
Interest income	(417,223)	(335,984)
Operating loss before working capital changes	(1,169,534)	(1,963,296)
Decrease/(Increase) in inventories	4,663,323	(32,136,967)
(Increase)/Decrease in property development costs	(314,722)	36,311,849
Decrease in contract costs	-	2,864,709
Decrease in contract assets	-	7,691,138
Increase in contract liabilities	1,486,927	-
Increase in trade and other receivables	(2,038,727)	(6,196,372)
(Decrease)/Increase in trade and other payables	(1,678,110)	1,860,081
CASH FROM OPERATIONS	949,158	8,431,142
Income tax paid	(615,267)	(897,010)
Interest paid	(6,410)	(131)
Tax refund received	-	90
NET CASH FROM OPERATING ACTIVITIES	327,481	7,534,091
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Dividend received	102,023	161,291
Decrease/(Increase) in pledged bank balances with a licensed bank	335,958	(159,724)
Interest income received	342,574	335,984
Additional investment in short-term investment	80,357	214,198
Purchase of equipment	(20,473)	(2,499)
Purchase of land held for property development	(38,396)	(219,690)
Increase in pledged fixed deposits with licensed banks	(30,143)	(56,891)
Additional investment in other investment	-	(304,000)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	771,900	(31,331)

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

Condensed Consolidated Statement of Cash Flows (Cont'd)

	Current Year To-date Ended 30.06.2024 RM	Audited 2023 RM
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of bridging loan	-	2,485,318
Interest paid	(805,438)	(1,649,065)
Repayment of lease liabilities	(154,453)	(469,663)
Repayment of bridging loan	(311,019)	(3,406,841)
NET CASH FOR FINANCING ACTIVITIES	(1,270,910)	(3,040,251)
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	(171,529)	4,462,509
CASH AND BANK BALANCES: -		
AT BEGINNING OF THE FINANCIAL PERIOD	20,839,894	16,377,385
AT END OF THE FINANCIAL PERIOD	20,668,365	20,839,894
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: -		
Fixed deposits with licensed banks	2,629,894	2,599,751
Short-term investments	10,663,790	8,499,681
Cash and bank balances	18,715,479	16,406,757
Bank overdraft	(4,997,520)	(17,201)
	27,011,643	27,488,988
Less: Fixed deposits pledged with licensed bank	(2,629,894)	(2,599,751)
Less: Bank balances held in escrow	(167,757)	(549,382)
Less: Bank balances pledged with a licensed bank	(3,545,627)	(3,499,961)
	20,668,365	20,839,894

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statement for the year ended 31 December 2023.

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 2023. 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 2023.

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 2023, 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 2024.

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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	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 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

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 2023 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 SECOND QUARTER ENDED 30 JUNE 2024

A8 Operating Segment Information

Segmental information for the financial period ended 30 June 2024 is as follows:

	Investment Holding RM	Property Development RM	Group RM
Revenue			
External revenue	1,229,262	6,796,131	8,025,393
Results			
Segment operating (loss)/profit	(1,338,665)	78,148	(1,260,517)
Dividend income			102,023
Interest income			417,223
Finance costs			(824,231)
Income tax expense			(615,267)
Consolidated loss after taxation			(2,180,769)
Assets			
Segment assets	60,531,487	123,227,482	183,758,969
Current tax assets			903,869
Consolidated total assets			184,662,838
Liabilities			
Segment liabilities	6,770,227	30,413,318	37,183,545
Unallocated tax liabilities			738,975
Consolidated total liabilities			37,922,520

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 2024.

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 achieved RM7.41 million in revenue for the second quarter ("Q2") of the year 2024, an increase from RM6.4 million in the previous corresponding quarter ("PCQ2"). This growth is mainly due to new inventory sales during the quarter.

On the back of higher revenue, the Group recorded a profit before tax of RM0.34 million for the same quarter, as compared to a loss before tax of RM0.27 million in PCQ2.

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

The Group turned a profit before tax of RM0.34 million in Q2, reversing a loss before tax of RM1.91 million in the preceding quarter. This improvement was due to successful inventory sales during the current quarter.

B3 Prospects

The property market remained stable and resilient in Q2, with notable improvements in certain submarkets, particularly mid-range properties. Barring any unforeseen events and with the stability of inflation and interest rate, the property market is expected to maintain its current trend for the near term.

Driven by the encouraging sales in Q2, the Group will continue its efforts to unlock the remaining units while preparing for the launch of new projects.

B4 Profit Forecast or Profit Guarantee

This does not apply to the Group.

B5 Taxation

	Current Quarter Ended 30.06.2024	Preceding Year Corresponding Quarter	Current Year To-date Ended 30.06.2024	Preceding Year Corresponding Period
	RM	RM	RM	RM
In respect of current period income tax	<u>(237,978)</u>	<u>(86,394)</u>	<u>(615,267)</u>	<u>(172,944)</u>
Tax expense	<u>(237,978)</u>	<u>(86,394)</u>	<u>(615,267)</u>	<u>(172,944)</u>

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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	
	2024	2023
	RM	RM
Borrowings (Secured)		
Current liabilities	7,240,163	1,835,381
Non-current liabilities	21,700,000	22,450,180
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	28,940,163	24,285,561
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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 June 2024.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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 30.06.2024	Current Year To-date Ended 30.06.2024
	RM	RM
Interest income	(207,051)	(417,222)
Other income	(165,769)	(345,711)
Interest expense	411,822	824,230
Depreciation and amortisation	<u>84,624</u>	<u>171,338</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 30.06.2024	Preceding Year Corresponding Quarter	Current Year To-date Ended 30.06.2024	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>103,871</u>	<u>(357,401)</u>	<u>(2,180,768)</u>	<u>(801,963)</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>0.04</u>	<u>(0.13)</u>	<u>(0.79)</u>	<u>(0.29)</u>