



PARKWOOD

# PARKWOOD HOLDINGS BERHAD

(FORMERLY KNOWN AS AMALGAMATED  
INDUSTRIAL STEEL BERHAD)  
COMPANY REGISTRATION NO. 196901000692 (9118-M)

## **Interim Financial Report for Third Quarter**

**Ended 30 September 2021**

*PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021*

**Condensed Consolidated Statement of Comprehensive Income for the Third Quarter Ended 30 September 2021**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>Current Year 3rd Quarter 01.07.2021 to 30.09.2021 RM</b>	<b>Preceding Year Corresponding Quarter RM</b>	<b>Current Year To-date 01.01.2021 to 30.09.2021 RM</b>	<b>Preceding Year Corresponding Period RM</b>
<b>Revenue</b>	1,533,613	2,204,242	6,676,230	3,638,912
<b>Operating expenses</b>	(2,476,932)	(3,698,823)	(8,608,883)	(7,133,926)
<b>Other operating income</b>	294,710	112,109	663,762	707,607
<b>Loss from operations</b>	(648,609)	(1,382,472)	(1,268,891)	(2,787,407)
<b>Finance costs</b>	(401,559)	(56,508)	(1,372,959)	(176,492)
<b>Loss before taxation</b>	(1,050,168)	(1,438,980)	(2,641,850)	(2,963,899)
<b>Tax expenses</b>	(147,018)	(11,647)	(380,605)	(75,401)
<b>Loss for the period</b>	(1,197,186)	(1,450,627)	(3,022,455)	(3,039,300)
<b>Other comprehensive income net of tax</b>	-	-	-	-
<b>Total comprehensive expenses for the period</b>	(1,197,186)	(1,450,627)	(3,022,455)	(3,039,300)
<b>Loss attributable to:</b>				
<b>Owners of the Parent</b>	(1,197,186)	(1,450,627)	(3,022,455)	(3,039,300)
<b>Non-Controlling Interest</b>	-	-	-	-
	(1,197,186)	(1,450,627)	(3,022,455)	(3,039,300)

**Condensed Consolidated Statement of Comprehensive Income for the Third Quarter Ended 30 September 2021 (Cont'd)**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
	<b>Current Year 3rd Quarter 01.07.2021 to 30.09.2021 RM</b>	<b>Preceding Year Corresponding Quarter RM</b>	<b>Current Year To-date 01.01.2021 to 30.09.2021 RM</b>	<b>Preceding Year Corresponding Period RM</b>
<b>Total comprehensive expenses attributable to:</b>				
<b>Owners of the Parent</b>	(1,197,186)	(1,450,627)	(3,022,455)	(3,039,300)
<b>Non-Controlling Interest</b>	-	-	-	-
	(1,197,186)	(1,450,627)	(3,022,455)	(3,039,300)
	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
<b>Loss per share:</b>				
<b>- basic (sen)</b>	(0.44)	(1.05)	(1.10)	(2.21)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020.

*PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021*

**Condensed Consolidated Statement of Financial Position as at 30 September 2021**

	<b>As At 30.09.2021 (Unaudited) RM</b>	<b>As At 31.12.2020 (Audited) RM</b>
<b>NON-CURRENT ASSETS</b>		
Land held for development	33,072,654	32,589,351
Plant and equipment	502,443	597,590
Investment property	36,600,000	36,600,000
Right-of-use assets	1,149,906	1,515,505
Other assets	43,151	43,151
Other investment	6,000	-
<b>Total Non-Current Assets</b>	<b>71,374,154</b>	<b>71,345,597</b>
<b>CURRENT ASSETS</b>		
Property development costs	66,513,668	65,917,067
Contract costs	3,528,653	3,210,092
Contract assets	6,242,174	4,249,022
Trade and other receivables	1,883,598	1,052,537
Current tax assets	41,155	41,155
Fixed deposit with licensed bank	20,949,944	2,463,197
Short-term investments	4,686,714	10,065,558
Cash and bank balances	6,803,721	5,800,556
<b>Total Current Assets</b>	<b>110,649,627</b>	<b>92,799,184</b>
<b>TOTAL ASSETS</b>	<b>182,023,781</b>	<b>164,144,781</b>
<b>EQUITY</b>		
Share capital	46,239,323	22,160,982
Capital reserve	48,208,750	48,208,750
Reserves	24,539,768	24,539,768
Retained profits	36,803,336	39,825,791
Treasury shares	(3,724,544)	(3,724,544)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>152,066,633</b>	<b>131,010,747</b>

*PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021*

**Condensed Consolidated Statement of Financial Position as at 30 September 2021 (Cont'd)**

	<div> <b>As At</b>  <b>30.09.2021</b>  <b>(Unaudited)</b>  <b>RM</b> </div>	<div> <b>As At</b>  <b>31.12.2020</b>  <b>(Audited)</b>  <b>RM</b> </div>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	1,118,165	1,118,165
Term loan	24,947,877	25,639,403
Retirement benefit obligations	81,744	163,940
Deferred tax liabilities	156,442	156,442
<b>Total Non-Current Liabilities</b>	<b>26,304,228</b>	<b>27,077,950</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,727,911	4,758,658
Lease liabilities	113,355	485,772
Term loan	692,510	692,510
Current tax liabilities	119,144	119,144
<b>Total Current Liabilities</b>	<b>3,652,920</b>	<b>6,056,084</b>
<b>TOTAL LIABILITIES</b>	<b>29,957,148</b>	<b>33,134,034</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>182,023,781</b>	<b>164,144,781</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020.

**Condensed Consolidated Statement of Changes in Equity for The Nine Months Ended 30 September 2021**

	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Asset Revaluation Reserve</b>	<b>Capital Reserve</b>	<b>Retained Profit</b>	<b>Total Equity</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Balance as at 1 January 2020</b>	<b>22,160,982</b>	<b>(3,724,544)</b>	<b>24,539,768</b>	<b>48,208,750</b>	<b>43,815,626</b>	<b>135,000,582</b>
Loss after taxation for the financial year	-	-	-	-	(3,989,835)	(3,989,835)
<b>Balance as at 31 December 2020</b>	<b>22,160,982</b>	<b>(3,724,544)</b>	<b>24,539,768</b>	<b>48,208,750</b>	<b>39,825,791</b>	<b>131,010,747</b>
Rights issue	24,078,341	-	-	-	-	24,078,341
Loss after taxation for the financial period	-	-	-	-	(3,022,455)	(3,022,455)
<b>Balance as at 30 September 2021</b>	<b>46,239,323</b>	<b>(3,724,544)</b>	<b>24,539,768</b>	<b>48,208,750</b>	<b>36,803,336</b>	<b>152,066,633</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020.

*PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021*

**Condensed Consolidated Statement of Cash Flows**

	9 Months to 30.09.2021 RM	Audited 2020 RM
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Loss before taxation	(2,641,850)	(3,814,317)
Amortization of club membership	-	363
Covid-19-related rent concessions	(10,413)	(13,413)
Depreciation of equipment	95,539	127,903
Depreciation of right-of-use assets	365,598	490,522
Fair value loss/(gain) on short-term investments	286,719	(562,502)
Gain on disposal of a subsidiary	(9,741)	-
Gain on modification of a lease	-	(61,775)
Interest income	(343,004)	(145,549)
Interest expense on lease liabilities	59,503	90,261
Interest expense	1,026,738	635,510
Retirement benefit obligations	19,537	33,492
Operating loss before working capital changes	(1,151,374)	(3,219,505)
Increase in property development costs	(596,601)	(4,095,115)
Increase in contract costs	(318,561)	(295,856)
Increase in contract assets	(1,993,152)	(2,172,335)
Increase in trade and other receivables	(332,454)	(377,247)
(Decrease)/Increase in trade and other payables	(2,524,803)	1,999,799
CASH FOR OPERATIONS	(6,916,945)	(8,160,259)
Income tax refunded	-	230
Income tax paid	(380,605)	(215,692)
Retirement benefit paid	(101,733)	-
NET CASH FOR OPERATING ACTIVITIES	(7,399,283)	(8,375,721)
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest (paid)/received	(112,621)	708,051
Increase in pledged bank balances with a licensed bank	(280,649)	(3,407,432)
Purchase of equipment	(393)	(16,273)
Withdrawal of fixed deposits with tenure more than 3 months	-	5,093,280
Increase in land held for property development	(483,304)	(29,481,351)
Net cash outflow from the disposal of a subsidiary	(809)	-
NET CASH FOR INVESTING ACTIVITIES	(877,776)	(27,103,725)

**Condensed Consolidated Statement of Cash Flows (Cont'd)**

	<b>9 Months to 30.09.2021 RM</b>	<b>Audited 2020 RM</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(362,004)	(455,886)
Repayment of term loans	(849,827)	(510,304)
Drawdown of term loan	-	22,300,499
Proceed from rights issue	24,078,342	-
Interest paid	(759,033)	(604,885)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>22,107,478</b>	<b>20,729,424</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>13,830,419</b>	<b>(14,750,022)</b>
<b>CASH AND CASH EQUIVALENTS: -</b>		
AT BEGINNING OF THE FINANCIAL PERIOD	12,458,682	27,208,704
AT END OF THE FINANCIAL PERIOD	<b>26,289,101</b>	<b>12,458,682</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: -</b>		
Fixed deposits with licensed banks	20,949,944	2,463,197
Short-term investments	4,686,714	10,065,558
Cash and bank balances	6,803,721	5,800,556
	32,440,379	18,329,311
Less: Fixed deposits pledged with licensed bank	(2,482,848)	(2,463,197)
Less: Bank balances held in escrow	(323,605)	(96,208)
Less: Bank balances pledged with a licensed bank	(3,344,825)	(3,311,224)
	<b>26,289,101</b>	<b>12,485,682</b>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statement for the year ended 31 December 2020.



## **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 2020. 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 2020.

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 2020.

The Group and Company have 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)**

	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022

**MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

**Effective Date**

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

1 January 2022

Annual Improvements to MFRS Standards 2018 – 2020

1 January 2022

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 2020 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 September 2021 is as follows:

	<b>Investment Property RM</b>	<b>Property Development RM</b>	<b>Group RM</b>
<b>Revenue</b>			
External revenue	1,702,449	4,973,781	6,676,230
<b>Results</b>			
Segment operating loss	(230,728)	(1,381,167)	(1,611,895)
Interest income			343,004
Finance costs			(1,372,959)
Income tax expense			(380,605)
Consolidated loss after taxation			(3,022,455)
<b>Assets</b>			
Segment assets	101,121,055	80,861,571	181,982,626
Current tax assets			41,155
Consolidated total assets			182,023,781
<b>Liabilities</b>			
Segment liabilities	861,182	28,820,380	29,681,562
Unallocated tax liabilities			275,586
Consolidated total liabilities			29,957,148

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

**A9 Subsequent Events**

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 2021.

**A10 Changes in Composition of the Group**

There was no change in the composition of the Group during the current 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 RM1.53 million for the third quarter (“Q3”) ended 30 September 2021 of which RM0.97 million was recorded from the property development segment and RM0.56 million from the investment property segment. This represents a decrease of RM0.67 million as compared to a revenue of RM2.20 million recorded during the previous corresponding quarter 3 (“PCQ3”). The decrease in revenue was mainly due to lower revenue recognition from its property development activities during the current quarter.

The loss before tax for Q3 was RM1.05 million as compared to a loss before tax of RM1.44 million reported in PCQ3. A lower loss of RM0.39 million recorded was due to the increase in other income mainly from its property leasing activities. Besides that, lower operating expenses incurred as compared with the previous corresponding quarter also contributed to the improvement of results.

Other income for the current 9 months period consists of the interest income earned from fund placements with licensed bank and rental income receivable from the leasing of properties. The Group recorded a rental income of RM0.31 million in the current period, representing an increase of RM0.26 million as compared with RM0.05 million reported in the previous corresponding period. Higher rental income for the period was due to new tenancies secured for its property leasing activities. However, the Group recorded a lower interest income of RM0.35 million as compared with RM0.66 million reported in the previous corresponding period. A lower interest income earned of RM0.31 million was due to the decreased in placement as part of the funds have been utilized for working capital and property development activities.

For the 9 months period under review, the Group posted a loss before tax of RM2.64 million as compared with RM2.96 million recorded in the previous corresponding period. The decrease in losses of RM0.32 million reported in the current period was mainly due to higher revenue contribution from its property development activities as compared with the previous corresponding period.

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

The Group posted a pre-tax loss of RM1.05 million in the current third quarter as compared to a pre-tax profit of RM0.08 million reported in the second quarter. The loss recorded was mainly due to lower profit contribution from its property development segment as a result of the construction work stoppage and slow sales progress during MCO lockdown period. Besides that, the overall increase in operating expenses also contributed to the loss.

**B3 Prospect for the Current Financial Year**

The Group's prospect for the remaining financial period continues to be challenging due to the negative impact of Covid-19 pandemic. The introduction of Full Movement Control Order ("FMCO") imposed under Phase 1 of the National Recovery Plan (NRP) from 1 June 2021 onwards has slowed down the resumption of economic activities and further disrupted the property market recovery. The Group foresees that the property sale of its ongoing project will continue to move at a slower pace in the midst of the NRP. Nonetheless, Covid-19 infection rates have reduced drastically in recent weeks amid a ramped-up vaccination programme, boosting hopes of a turnaround in the country's economy which will translate to a better prospect for the Group's business going forward.

**B4 Profit Forecast or Profit Guarantee**

This does not apply to the Group.

**B5 Taxation**

	<b>Current Quarter 01.07.2021 to 30.09.2021 RM</b>	<b>Preceding Year Corresponding Quarter 30.09.2020 RM</b>	<b>Current Year To-date Ended 30.09.2021 RM</b>	<b>Preceding Year Corresponding Period 30.09.2020 RM</b>
In respect of current period income tax	(147,018)	(11,647)	(380,605)	(75,401)
Tax expense	(147,018)	(11,647)	(380,605)	(75,401)

**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's project	21,000	(2,154)	18,846	Within 18 months
Working capital & the estimated expenses for the corporate exercises	3,765	(2,746)	1,019	Within 6 months
	24,765	(4,900)	19,865	

**B7 Group Borrowings and Debt Securities**

The Group borrowings were as follows:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<b>Term Loans (Secured)</b>		
Current liabilities	692,510	692,510
Non-current liabilities	24,947,877	25,639,403
	<u>25,640,387</u>	<u>26,331,913</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 September 2021.

**B10 Loss per Share**

	<b>Current Year Third Quarter Ended 30.09.2021 RM</b>	<b>Preceding Year Corresponding Quarter Ended 30.09.2020 RM</b>	<b>Current Year To-date Ended 30.09.2021 RM</b>	<b>Preceding Year Corresponding Period Ended 30.09.2020 RM</b>
<b><u>Basic loss per share</u></b>				
Loss for the financial period attributable to owners of the Parent (RM)	(1,197,186)	(1,450,627)	(3,022,455)	(3,039,300)
Weighted average number of ordinary shares in issue	275,170,884	137,585,442	275,170,884	137,585,442
Basic loss per share (sen)	(0.44)	(1.05)	(1.10)	(2.21)