



PARKWOOD

PARKWOOD HOLDINGS BERHAD

COMPANY REGISTRATION NO. 196901000692 (9118-M)

Interim Financial Report for First Quarter

Ended 31 March 2022

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

Condensed Consolidated Statement of Comprehensive Income for the First Quarter Ended 31 March 2022

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year 1st Quarter 01.01.2022 to 31.03.2022 RM	Preceding Year Corresponding Quarter RM	Current Year To-date 01.01.2022 to 31.03.2022 RM	Preceding Year Corresponding Period RM
Revenue	4,391,573	1,169,844	4,391,573	1,169,844
Operating expenses	(4,852,858)	(2,670,445)	(4,852,858)	(2,670,445)
Other operating income	495,956	135,944	495,956	135,944
Profit/(loss) from operations	34,671	(1,364,657)	34,671	(1,364,657)
Finance costs	(266,378)	(308,241)	(266,378)	(308,241)
Loss before taxation	(231,707)	(1,672,898)	(231,707)	(1,672,898)
Tax expenses	(71,510)	(140,058)	(71,510)	(140,058)
Loss for the period	(303,217)	(1,812,956)	(303,217)	(1,812,956)
Other comprehensive income net of tax	-	-	-	-
Total comprehensive expenses for the period	(303,217)	(1,812,956)	(303,217)	(1,812,956)
Loss attributable to:				
Owners of the Parent	(303,217)	(1,812,956)	(303,217)	(1,812,956)
Non-Controlling Interest	-	-	-	-
	(303,217)	(1,812,956)	(303,217)	(1,812,956)

**Condensed Consolidated Statement of Comprehensive Income for the First Quarter
Ended 31 March 2022 (Cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year 1st Quarter 01.01.2022 to 31.03.2022 RM	Preceding Year Corresponding Quarter RM	Current Year To-date 01.01.2022 to 31.03.2022 RM	Preceding Year Corresponding Period RM
Total comprehensive expenses attributable to:				
Owners of the Parent	(303,217)	(1,812,956)	(303,217)	(1,812,956)
Non-Controlling Interest	-	-	-	-
	<u>(303,217)</u>	<u>(1,812,956)</u>	<u>(303,217)</u>	<u>(1,812,956)</u>
	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Loss per share:				
- basic (sen)	<u>(0.11)</u>	<u>(1.32)</u>	<u>(0.11)</u>	<u>(1.32)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

Condensed Consolidated Statement of Financial Position as at 31 March 2022

	As At 31.03.2022 (Unaudited) RM	As At 31.12.2021 (Audited) RM
NON-CURRENT ASSETS		
Land held for development	33,134,352	33,134,352
Plant and equipment	144,833	126,995
Investment property	36,600,000	36,600,000
Right-of-use assets	865,027	986,857
Other assets	42,787	42,787
Other investment	458,000	458,000
Total Non-Current Assets	71,244,999	71,348,991
CURRENT ASSETS		
Property development costs	70,381,346	68,717,474
Contract costs	2,911,044	3,338,721
Contract assets	4,378,726	4,887,679
Trade and other receivables	3,354,325	2,963,387
Amount owing by related company	240,034	-
Current tax assets	1,115	1,115
Fixed deposit with licensed bank	2,759,355	6,505,560
Short-term investments	16,205,359	16,192,344
Cash and bank balances	7,865,699	7,751,762
Total Current Assets	108,097,003	110,358,042
TOTAL ASSETS	179,342,002	181,707,033

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

Condensed Consolidated Statement of Financial Position as at 31 March 2022 (Cont'd)

	As At 31.03.2022 (Unaudited) RM	As At 31.12.2021 (Audited) RM
EQUITY		
Share capital	46,239,324	46,239,324
Capital reserve	48,208,750	48,208,750
Reserves	24,539,768	24,539,768
Retained profits	35,207,824	35,511,041
Treasury shares	(3,724,544)	(3,724,544)
Total Equity	150,471,122	150,774,339
NON-CURRENT LIABILITIES		
Lease liabilities	636,985	636,985
Term loan	21,836,146	22,823,634
Retirement benefit obligations	81,744	81,744
Deferred tax liabilities	156,442	156,442
Total Non-Current Liabilities	22,711,317	23,698,805
CURRENT LIABILITIES		
Trade and other payables	4,825,344	5,779,934
Lease liabilities	299,884	425,727
Term loan	915,191	909,084
Current tax liabilities	119,144	119,144
Total Current Liabilities	6,159,563	7,233,889
TOTAL LIABILITIES	28,870,880	30,932,694
TOTAL EQUITY AND LIABILITIES	179,342,002	181,707,033

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021.

Condensed Consolidated Statement of Changes in Equity for the Three Months Ended 31 March 2022

	Share Capital	Treasury Shares	Asset Revaluation Reserve	Capital Reserve	Retained Profit	Total Equity
	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2021	22,160,982	(3,724,544)	24,539,768	48,208,750	39,825,791	131,010,747
Contributions by owners of the Company						
- Issuance of shares	24,765,380	-	-	-	-	24,765,380
- Shares issuance expenses	(687,038)	-	-	-	-	(687,038)
Total transactions with owners	24,078,342	-	-	-	-	24,078,342
Loss after taxation for the financial year	-	-	-	-	(4,314,750)	(4,314,750)
Balance as at 31 December 2021	46,239,324	(3,724,544)	24,539,768	48,208,750	35,511,041	150,774,339
Loss after taxation for the financial period	-	-	-	-	(303,217)	(303,217)
Balance as at 31 March 2022	46,239,324	(3,724,544)	24,539,768	48,208,750	35,207,824	150,471,122

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021.

Condensed Consolidated Statement of Cash Flows

	3 Months to 31.03.2022 RM	Audited 2021 RM
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before taxation	(231,707)	(3,817,054)
Amortisation of club membership	-	364
Covid-19-related rent concessions	-	(10,413)
Depreciation of equipment	16,321	126,971
Depreciation of right-of-use assets	105,800	480,298
Equipment written off	-	358,016
Fair value loss on short-term investments	6,380	307,328
Gain on disposal of a subsidiary	-	(9,741)
Gain on modification of a lease	(4,998)	(16,375)
Interest income	(62,957)	(468,521)
Interest expense on lease liabilities	13,326	76,060
Interest expense	253,052	1,140,841
Retirement benefit obligations	-	19,537
Operating profit/(loss) before working capital changes	95,217	(1,812,689)
Increase in property development costs	(1,663,872)	(2,800,407)
Decrease/(increase) in contract costs	427,677	(128,629)
Decrease/(increase) in contract assets	508,953	(638,657)
Increase in trade and other receivables	(390,938)	(1,910,850)
(Decrease)/increase in trade and other payables	(954,590)	1,025,826
Increase in amount owing by related company	(240,034)	-
CASH FOR OPERATIONS	(2,217,587)	(6,265,406)
Income tax paid	(71,510)	(457,656)
Retirement benefits paid	-	(101,733)
NET CASH FOR OPERATING ACTIVITIES	(2,289,097)	(6,824,795)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	56,577	161,193
Increase in pledged bank balances with a licensed bank	(55,238)	(107,804)
Increase in pledged fixed deposits with licensed banks	-	(39,460)
Purchase of equipment	(34,159)	(14,392)
Purchase of other investment	-	(452,000)
Increase in land held for property development	-	(545,001)
Net cash outflow from the disposal of a subsidiary	-	(810)
NET CASH FOR INVESTING ACTIVITIES	(32,820)	(998,274)

Condensed Consolidated Statement of Cash Flows (Cont'd)

	3 Months to 31.03.2022 RM	Audited 2021 RM
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of lease liabilities	(104,815)	(466,086)
Repayment of term loans	(971,790)	(2,595,423)
Drawdown of term loan	-	-
Proceeds from issuance of ordinary shares	-	24,765,380
Payment of share issuance expenses	-	(687,038)
Interest paid	(275,969)	(1,220,673)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(1,352,574)	19,796,160
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	(3,674,491)	11,973,091
CASH AND BANK BALANCES: -		
AT BEGINNING OF THE FINANCIAL PERIOD	24,431,773	12,458,682
AT END OF THE FINANCIAL PERIOD	20,757,282	24,431,773
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: -		
Fixed deposits with licensed banks	2,759,355	6,505,560
Short-term investments	16,205,359	16,192,344
Cash and bank balances	7,865,699	7,751,762
	26,830,413	30,449,666
Less: Fixed deposits pledged with licensed bank	(2,502,657)	(2,502,657)
Less: Bank balances held in escrow	(203,060)	(159,011)
Less: Bank balances pledged with a licensed bank	(3,367,414)	(3,356,225)
	20,757,282	24,431,773

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statement for the year ended 31 December 2021.

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 2021. 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 2021.

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 2021.

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)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
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 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: 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 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022

A1 Accounting Policies and Methods of Computation (cont'd.)

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 2021 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 2022 is as follows:

	Investment Property RM	Property Development RM	Group RM
Revenue			
External revenue	556,433	3,835,140	4,391,573
Results			
Segment operating loss	(399,812)	371,526	(28,286)
Interest income			62,957
Finance costs			(266,378)
Income tax expense			(71,510)
Consolidated loss after taxation			(303,217)
Assets			
Segment assets	56,232,696	123,108,193	179,340,889
Current tax assets			1,155
Consolidated total assets			179,342,004
Liabilities			
Segment liabilities	1,179,420	27,415,874	28,595,294
Unallocated tax liabilities			275,586
Consolidated total liabilities			28,870,880

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 2022.

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 registered a total revenue of RM4.39 million for the first quarter (“Q1”) ended 31 December 2022 of which RM3.84 million from the property development segment and RM0.55 million from the investment holding segment. This represents an increase of RM3.22 million as compared to a revenue of RM1.17 million recorded in the previous corresponding quarter (“PCQ1”) which was mainly due to higher revenue recognition from its property development activities.

The Group recorded a loss before tax of RM0.23 million for Q1 as compared to a loss before tax of RM1.67 million reported in PCQ1. The decrease of RM1.4 million in loss before tax was due to an increase in other income and decrease in administrative expenses incurred as compared with the previous corresponding quarter.

During the current financial period under review, the Group’s other income consisted of interest income earned from fund placements with licensed bank, rental income receivable from the leasing of properties and development management fee. The increase in other income by RM0.36 million was mainly due to increase in rental income and development management fee. The Group recorded a rental income of RM0.3 million, as compared with RM0.12 million reported in PCQ1. Higher rental income for current quarter was due to new tenancy secured. Increase in development management fee by RM0.13 million was due to the Group entering into a development management agreement of which a development management fee of RM0.13 million will be charged on a quarterly basis effective 1 January 2022. For the 3 months period under review, the Group recorded a loss before tax of RM0.23 million, representing a decrease of RM1.44 million as compared with RM1.67 million reported in the same period last year. Lower loss before tax was due to increase in other income and decrease in administrative expenses incurred.

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

The Group posted a lower loss before tax of RM0.23 million in Q1 as compared to a loss before tax of RM1.18 million in Q4 of 2021. The decrease in loss before tax reported in Q1 was due to increase in percentage of construction work completion and decrease in administrative expenses incurred as compared with Q4 of 2021.

B3 Prospect For The Current Financial Year

Overall, the property market remains challenging with sign of improvement as we move into endemic phase of Covid-19 in 2022. This is in line with the improvement in consumer sentiments as a result of higher vaccination rates and reduced infection, the reopening of commercial activity and a less restricted business environment.

As for the Group, it remains positive and is continuing with its efforts to accelerate the sale of its Utamara Boutique Residence (“UBR”) units by actively creating awareness of the development, especially among the high-net-worth individuals, via various digital marketing platforms. The Group has also launched new marketing initiatives and increased the pool of marketing agents to widen its market coverage and penetration.

As for the prospect of current financial year, the Group expects the property market to remain cautious with gradual recovery.

B4 Profit Forecast or Profit Guarantee

This does not apply to the Group.

B5 Taxation

	Current Quarter 01.01.2022 to 31.03.2022 RM	Preceding Year Corresponding Quarter 31.03.2021 RM	Current Year To-date Ended 31.03.2022 RM	Preceding Year Corresponding Period 31.03.2021 RM
In respect of current period income tax	(71,510)	(140,058)	(71,510)	(140,058)
Tax expense	<u>(71,510)</u>	<u>(140,058)</u>	<u>(71,510)</u>	<u>(140,058)</u>

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	(10,427)	10,573	Within 18 months
Working capital & the estimated expenses for the corporate exercises	3,765	(3,752)	13	Within 6 months
	24,765	(14,179)	10,586	

B7 Group Borrowings and Debt Securities

The Group borrowings were as follows:

	The Group	
	2022 RM	2021 RM
Term Loans (Secured)		
Current liabilities	915,191	909,084
Non-current liabilities	21,836,146	22,823,634
	<u>22,751,337</u>	<u>23,732,718</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 31 March 2022.

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 Year 1st Quarter 01.01.2022 to 31.03.2022 RM	Current Year To-date Ended 31.03.2022 RM
Interest income	(62,957)	(19,873)
Other income	(432,998)	(116,071)
Interest expense	266,378	308,241
Depreciation and amortisation	<u>122,121</u>	<u>153,712</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 Year First Quarter Ended 31.03.2022	Preceding Year Corresponding Quarter Ended 31.03.2021	Current Year To-date Ended 31.03.2022	Preceding Year Corresponding Period Ended 31.03.2021
<u>Basic loss per share</u>				
Loss for the financial period attributable to owners of the Parent (RM)	<u>(303,217)</u>	<u>(1,812,956)</u>	<u>(303,217)</u>	<u>(1,812,956)</u>
Weighted average number of ordinary shares in issue	<u>275,170,884</u>	<u>137,585,442</u>	<u>275,170,884</u>	<u>137,585,442</u>
Basic loss per share (sen)	<u>(0.11)</u>	<u>(1.32)</u>	<u>(0.11)</u>	<u>(1.32)</u>