



PARKWOOD

PARKWOOD HOLDINGS BERHAD

COMPANY REGISTRATION NO. 196901000692 (9118-M)

**Interim Financial Report
for Fourth Quarter**

Ended 31 December 2022

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

Condensed Consolidated Statement of Comprehensive Income for the Fourth Quarter Ended 31 December 2022

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 31.12.2022	Preceding Year Corresponding Quarter	Current Year To-date Ended 31.12.2022	Preceding Year Corresponding Period
	RM	RM	RM	RM
Revenue	4,878,487	3,229,293	18,415,098	9,905,523
Operating expenses	(6,163,572)	(4,518,322)	(21,273,148)	(13,613,182)
Other operating income	5,663,532	447,312	7,260,388	1,107,506
Profit/(Loss) from operations	4,378,447	(841,717)	4,402,338	(2,600,153)
Finance costs	(320,334)	(333,484)	(1,120,859)	(1,216,901)
Profit/(Loss) before taxation	4,058,113	(1,175,201)	3,281,479	(3,817,054)
Tax expenses	(571,535)	(117,091)	(934,405)	(497,696)
Profit/(Loss) for the period	3,486,578	(1,292,292)	2,347,074	(4,314,750)
Other comprehensive income net of tax	-	-	-	-
Total comprehensive income/(expenses) for the period	<u>3,486,578</u>	<u>(1,292,292)</u>	<u>2,347,074</u>	<u>(4,314,750)</u>
Profit/(Loss) attributable to:				
Owners of the Parent	3,486,578	(1,292,292)	2,347,074	(4,314,750)
Non-Controlling Interest	-	-	-	-
	<u>3,486,578</u>	<u>(1,292,292)</u>	<u>2,347,074</u>	<u>(4,314,750)</u>

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

Condensed Consolidated Statement of Comprehensive Income for the Fourth Quarter Ended 31 December 2022 (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Quarter Ended 31.12.2022	Preceding Year Corresponding Quarter	Current Year To-date Ended 31.12.2022	Preceding Year Corresponding Period
	RM	RM	RM	RM
Total comprehensive income/(expenses) attributable to:				
Owners of the Parent	3,486,578	(1,292,292)	2,347,074	(4,314,750)
Non-Controlling Interest	-	-	-	-
	<u>3,486,578</u>	<u>(1,292,292)</u>	<u>2,347,074</u>	<u>(4,314,750)</u>
	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Earnings/(Loss) per share:				
- basic (sen)	<u>1.27</u>	<u>(0.47)</u>	<u>0.85</u>	<u>(1.79)</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 FOURTH QUARTER ENDED 31 DECEMBER 2022

Condensed Consolidated Statement of Financial Position as at 31 December 2022

	<div> As At 31.12.2022 (Unaudited) RM </div>	<div> As At 31.12.2021 (Audited) RM </div>
NON-CURRENT ASSETS		
Land held for development	33,354,196	33,134,352
Plant and equipment	127,370	126,995
Investment property	41,700,000	36,600,000
Right-of-use assets	1,113,916	986,857
Other assets	42,424	42,787
Other investment	577,000	458,000
Total Non-Current Assets	76,914,906	71,348,991
CURRENT ASSETS		
Property development costs	74,168,040	68,717,474
Contract costs	2,864,709	3,338,721
Contract assets	7,691,138	4,887,679
Trade and other receivables	1,803,928	2,963,387
Current tax assets	1,115	1,115
Fixed deposit with licensed bank	2,542,860	6,505,560
Short-term investments	8,124,192	16,192,344
Cash and bank balances	12,142,812	7,751,762
Total Current Assets	109,338,794	110,358,042
TOTAL ASSETS	186,253,700	181,707,033

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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

	<div> As At 31.12.2022 (Unaudited) RM </div>	<div> As At 31.12.2021 (Audited) RM </div>
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	37,858,115	35,511,041
Treasury shares	(3,724,544)	(3,724,544)
Total Equity	153,121,413	150,774,339
NON-CURRENT LIABILITIES		
Lease liabilities	646,539	636,985
Borrowings	21,713,063	22,823,634
Retirement benefit obligations	81,744	81,744
Deferred tax liabilities	666,442	156,442
Total Non-Current Liabilities	23,107,788	23,698,805
CURRENT LIABILITIES		
Trade and other payables	5,973,571	5,779,934
Lease liabilities	469,664	425,727
Borrowings	3,462,120	909,084
Current tax liabilities	119,144	119,144
Total Current Liabilities	10,024,499	7,233,889
TOTAL LIABILITIES	33,132,287	30,932,694
TOTAL EQUITY AND LIABILITIES	186,253,700	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.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

Condensed Consolidated Statement of Changes in Equity for the Six Months Ended 31 December 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
Profit after taxation for the financial period	-	-	-	-	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

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.

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

Condensed Consolidated Statement of Cash Flows

	<div>Current Year To-date Ended 31.12.2022 RM</div>	<div>Audited 2021 RM</div>
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit/(Loss) before taxation	3,281,479	(3,817,054)
Amortisation of club membership	363	364
Covid-19-related rent concessions	-	(10,413)
Depreciation of equipment	67,228	126,971
Depreciation of right-of-use assets	434,268	480,298
Equipment written off	-	358,016
Fair value gain on investment property	(5,100,000)	-
Fair value (gain)/loss on short-term investments	(171,164)	307,328
Gain on disposal of a subsidiary	-	(9,741)
Gain on modification of a lease	(84,229)	(16,375)
Interest income	(242,994)	(468,521)
Interest expense on lease liabilities	52,167	76,060
Interest expense on term loans	1,052,473	1,140,841
Interest expense on bridging loan	16,219	-
Retirement benefit obligations	-	19,537
Operating loss before working capital changes	(694,190)	(1,812,689)
Increase in property development costs	(5,450,566)	(2,800,407)
Decrease/(increase) in contract costs	474,012	(128,629)
Increase in contract assets	(2,803,459)	(638,657)
Decrease/(increase) in trade and other receivables	1,159,459	(1,910,850)
Increase in trade and other payables	193,637	1,025,826
CASH FOR OPERATIONS	(7,121,107)	(6,265,406)
Income tax paid	(424,405)	(457,656)
Retirement benefits paid	-	(101,733)
NET CASH FOR OPERATING ACTIVITIES	(7,545,512)	(6,824,795)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	414,158	161,193
Increase in pledged bank balances with a licensed bank	(374,383)	(107,804)
Increase in pledged fixed deposits with licensed banks	(40,203)	(39,460)
Purchase of equipment	(67,603)	(14,392)
Additional investment in other investment	(119,000)	(452,000)
Increase in land held for property development	(219,844)	(545,001)
Net cash outflow from the disposal of a subsidiary	-	(810)
NET CASH FOR INVESTING ACTIVITIES	(406,875)	(998,274)

PARKWOOD HOLDINGS BERHAD-QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

Condensed Consolidated Statement of Cash Flows (Cont'd)

	Current Year To-date Ended 31.12.2022 RM	Audited 2021 RM
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Drawdown of bridging loan	7,514,682	-
Repayment of lease liabilities	(423,607)	(466,086)
Repayment of term loans	(2,017,020)	(2,595,423)
Repayment of bridging loan	(4,039,499)	-
Proceeds from issuance of ordinary shares	-	24,765,380
Payment of share issuance expenses	-	(687,038)
Interest paid	(1,136,557)	(1,220,673)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(102,001)	19,796,160
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	(8,054,388)	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	16,377,385	24,431,773
CASH AND CASH EQUIVALENTS COMPRISE THE FOLLOWING: -		
Fixed deposits with licensed banks	2,542,860	6,505,560
Short-term investments	8,124,192	16,192,344
Cash and bank balances	12,142,812	7,751,762
	22,809,864	30,449,666
Less: Fixed deposits pledged with licensed bank	(2,542,860)	(2,502,657)
Less: Bank balances held in escrow	(475,809)	(159,011)
Less: Bank balances pledged with a licensed bank	(3,413,810)	(3,356,225)
	16,377,385	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, 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 2022.

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 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
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

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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 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 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 year ended 31 December 2022 is as follows:

	Investment Holding RM	Property Development RM	Group RM
Revenue			
External revenue	2,206,232	16,208,866	18,415,098
Results			
Segment operating profit	3,611,009	548,335	4,159,344
Interest income			242,994
Finance costs			(1,120,859)
Income tax expense			(934,405)
Consolidated loss after taxation			2,347,074
Assets			
Segment assets	53,543,915	132,708,670	186,252,585
Current tax assets			1,115
Consolidated total assets			186,253,700
Liabilities			
Segment liabilities	1,246,492	31,100,209	32,346,701
Unallocated tax liabilities			785,586
Consolidated total liabilities			33,132,287

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 year ended 31 December 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 recorded a total revenue of RM4.88 million for the fourth quarter ("Q4") ended 31 December 2022, of which RM4.33 million was from the property development segment and RM0.55 million from the investment holding segment. This represents an increase of RM1.65 million as compared to the revenue of RM3.23 million reported in the previous corresponding quarter ("PCQ4"), mainly due to the higher revenue recognition from its property development activities.

The Group recorded a profit before tax of RM4.06 million in Q4 as compared to a loss before tax of RM1.18 million in PCQ4. The increase of RM5.23 million in profit before tax was due to fair value gain on investment property and higher revenue recognition from property development activities as compared to the previous corresponding quarter.

During the current financial year under review, the Group's other income consisted of fair value gain on investment property, interest income from fund placements with licensed bank, rental income from property leasing and development management fee. The increase of RM6.15 million in other income was mainly due to the increase in fair value gain on investment property, rental income and development management fee. The increase in fair value gain was resulted from the increase in fair value of investment property by RM5.1 million. The Group recorded rental income of RM1.16 million, as compared with RM0.46 million reported in the same period last year. Higher rental income was due to new tenancy secured. The increase in development management fee of RM0.5 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 from 1 January 2022.

For the current financial year under review, the Group recorded a profit before tax of RM3.28 million, an increase of RM7.1 million as compared with RM3.82 million loss before tax reported in the previous corresponding year. Higher profit before tax was due to fair value gain on investment property and higher revenue recognised from the property development segment. In addition, the increase in other income and lower general and administrative expenses during the period have further increased profit before tax.

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

The Group recorded a profit before tax of RM4.06 million in Q4 compared to a loss before tax of RM0.09 million in the third quarter. The higher profit before tax in Q4 was due to the fair value gain on investment property.

B3 Prospect For The Financial Year 2023

The short-term outlook for the property market remains challenging albeit a slow and uneven recovery due to headwinds in the global and domestic markets such as rising inflationary pressures and sharp spike in commodity prices.

Despite the numerous challenges ahead, the Group will strive to remain vigilant in its cash conservation measures and focus on rental generation under the property investment segment as well as accelerate the sale of its Utamara Boutique Residence units.

B4 Profit Forecast or Profit Guarantee

This does not apply to the Group.

B5 Taxation

	Current Quarter Ended 31.12.2022 RM	Preceding Year Corresponding Quarter RM	Current Year To-date Ended 31.12.2022 RM	Preceding Year Corresponding Period RM
In respect of current period income tax	(571,535)	(117,091)	(934,405)	(497,696)
Tax expense	<u>(571,535)</u>	<u>(117,091)</u>	<u>(934,405)</u>	<u>(497,696)</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	(21,000)	-	Within 18 months
Working capital & the estimated expenses for the corporate exercises	3,765	(3,752)	13	Within 6 months
	24,765	(24,752)	13	

B7 Group Borrowings and Debt Securities

The Group borrowings were as follows:

	The Group	
	2022 RM	2021 RM
Borrowings (Secured)		
Current liabilities	3,462,120	909,084
Non-current liabilities	21,713,063	22,823,634
	<u>25,175,183</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 year ended 31 December 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 Quarter Ended 31.12.2022	Current Year To-date Ended 31.12.2022
	RM	RM
Interest income	(80,793)	(242,994)
Other income	(5,582,739)	(7,017,394)
Interest expense	320,334	1,120,859
Depreciation and amortisation	<u>136,707</u>	<u>501,859</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 Earnings/(Loss) per Share

	Current Quarter Ended 31.12.2022	Preceding Year Corresponding Quarter	Current Year To-date Ended 31.12.2022	Preceding Year Corresponding Period
<u>Basic earnings/(loss) per share</u>				
Profit/(Loss) for the financial period attributable to owners of the Parent (RM)	<u>3,486,578</u>	<u>(1,292,292)</u>	<u>2,347,074</u>	<u>(4,314,750)</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 earnings/(loss) per share (sen)	<u>1.27</u>	<u>(0.47)</u>	<u>0.85</u>	<u>(1.79)</u>