

# WOODLANDOR HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No.376693-D)

## **Selected Explanatory Notes to the Interim Financial Statements for the period ended 30 June 2015**

### **A1 *Accounting policies***

The interim financial statements of the Group are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. 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 Woodlandor Holdings Berhad (“Woodlandor” or the “Company”) and its subsidiaries (“Group”) since the year ended 31 December 2014.

### **Significant Accounting Policies**

The significant accounting policies adopted by the Group in this quarterly financial statements are consistent with those adopted in the recent annual audited financial statements for the year ended 31 December 2014 except for the adoption of the following new and revised Standards and IC Interpretations with effect from 1 January 2015:-

<u>MFRSs</u>	<u>Titles</u>
Amendments to:	
MFRS 2	Share Based Payment
MFRS 3	Business Combination
MFRS 8	Operating Segments
MFRS 13	Fair Value Measurement
MFRS 116	Property, Plant and Equipment and MFRS 138 Intangible Assets
MFRS 119	Employee Benefits
MFRS 124	Related Party Disclosure
MFRS 140	Investment Property
Annual Improvements to FRSs 2010-2012 Cycle	
Annual Improvements to FRSs 2011-2013 Cycle	

## ***A1 Accounting policies (Cont'd)***

### **Significant Accounting Policies (Cont'd)**

The following accounting standards, amendments to accounting standards and interpretations that have been issued but not yet effective and not yet adopted by the Group. The adoption of the following new and revised Standards and IC Interpretations with effect from 1 January 2015.

MFRSs	Titles
Amendments to:	
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal
MFRS 7	Financial Instruments: Disclosures – Servicing contracts; Applicability of the amendments to MFRS 7 to condensed interim financial statements
MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 101	Disclosure Initiative
MFRS 119	Employee Benefits – Discount rate: Regional market issue
MFRS 127	Separate Financial Statements – Investment Entities
MFRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
MFRS 134	Interim Financial Reporting – Disclosure of information ‘elsewhere in the interim financial report’
MFRS 136	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Account
IC Interpretation 21	Levies
MFRS 14	Regulatory Deferral Accounts
MFRS 15	Revenue from Contracts with Customers
MFRS 9	Financial Instruments

The adoption of the above Standards and IC Interpretations did not have any material effect on the financial statements of the Group.

**A2**    *Declaration of audit qualification*

The audit report on the Group's preceding annual audited financial statements was not subject to any qualification.

**A3**    *Seasonal or cyclical factors*

The Group's operations were not materially affected by any seasonality or cyclicity in the quarter under review.

**A4**    *Unusual items affecting assets, liabilities, equity, net income or cash flows*

There was no item of material and unusual nature, which would adversely affect the Group's assets, liabilities, equity, net income or cash flows for the current financial period to date.

**A5**    *Change in estimates*

There were no material changes in estimates of amounts reported in prior financial years.

**A6**    *Debts and equity securities*

There were no issuances, repurchases and repayments of debt and equity securities during the quarter ended 30 June 2015.

**A7**    *Dividend paid*

There was no dividend paid by the Company since the end of the previous financial year.

## A8 *Segmental reporting*

Segmental reporting for the financial period ended 30 June 2015:

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Property Development RM'000	Elimination RM'000	Consolidated RM'000
<u>Revenue</u>						
External	40	9,497	4,088	-	-	13,625
Inter-segment	654	3,323	847	-	(4,824)	-
Total revenue	694	12,820	4,935	-	(4,824)	13,625
<u>Results</u>						
Segment results	(408)	1,208	(43)	(3)	468	1,222
Interest expense						(189)
Interest income						32
Profit before tax						1,065
Income tax expense						(457)
Net profit for the year						608

## A9 *Valuation of property, plant and equipment*

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual audited financial statements.

## A10 *Subsequent material events*

There was no item of material and unusual nature, which would adversely affect the Group's assets, liabilities, equity, net income or cash flow for the current financial period to date.

## A11 *Changes in composition of the Group*

There were no other changes in the composition of the Group for the current financial period to date.

## A12 *Contingent liability*

The Group has no contingent liability for the current financial period to date.

## **Listing Requirements of Bursa Malaysia Securities Berhad – Part A of Appendix 9B**

### **B1 *Review of performance***

The Group's revenue for the current financial quarter compared to the previous corresponding quarter decreased by RM1.294 million. The decrease was mainly attributable to the manufacturing as well as trading segment.

#### Manufacturing segment

Revenue from manufacturing segment decreased from RM5.388 million to RM5.083 million over the corresponding quarter.

#### Trading segment

Revenue from trading segment decreased from RM2.065 million to RM1.073 over the corresponding quarter.

Overall, the Group registered a profit before tax of RM0.437 million for the current financial quarter as compared to a profit before tax of RM1.003 million in previous corresponding quarter. This was mainly due to low revenue achieved.

### **B2 *Comparison with the immediate preceding quarter's result***

The Group posted a profit before tax of RM0.437 million for the current financial quarter as compared to profit before tax of RM0.628 million in the immediate preceding quarter. This was due to decrease in other operating income recorded in the current financial quarter.

### **B3 *Prospect***

The Group's business segments are expected to operate in a challenging environment in 2015. However, the Group will strike to continue to improve its efficiency and focus on better margin product mix to improve the Group's profitability.

### **B4 *Profit forecast or profit guarantee***

Not applicable as there was no profit forecast/guarantee published.

**B5 Profit before tax**

Profit before tax is arrived at after charging/(crediting) the following:

	2015 Current quarter ended 30 Jun RM'000	2015 6 months Cumulative to date RM'000
Interest income	(15)	(32)
Depreciation and amortisation	323	650
Interest expenses	90	189

Other disclosure items pursuant to Appendix B 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**B6 Income tax expense**

	2015 Current period ended 30 Jun RM'000	2015 6 months Cumulative to date RM'000
Estimated current tax payable	179	443
Deferred tax	(5)	14
	<u>174</u>	<u>457</u>

The effective tax rate on the Group's profit for the current quarter is higher than the statutory rate mainly due to operating profits of certain companies, which, for tax purposes, cannot be offset against operating losses of other companies in the Group.

**B7 Status of corporate proposals**

There was no corporate proposal announced but not completed at the date of issuance of the interim financial statements.

**B8** *Group borrowings*

Group borrowings for the financial quarter ended:

	Total RM'000
Secured:	
Short term borrowings	3,648
Long term borrowings	1,355
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	5,003
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The Group does not have any borrowings denominated in foreign currency.

**B9** *Material litigations*

There is no material litigation as at the date of this quarterly report.

**B10** *Dividend*

No interim dividend was recommended for the current quarter and financial period to date.

**B11 Earnings per Ordinary Share**

	2015 Current Quarter ended 30 Jun	2014 Comparative Quarter ended 30 Jun	2015 6 months Cumulative to date	2014 6 months Cumulative to date
a) Profit attributable to ordinary shareholders (RM'000)	263	724	608	957
b) Weighted average number of ordinary shares ('000)				
No. of ordinary shares at beginning of the year	40,001	40,001	40,001	40,001
Effect of shares issued	-	-	-	-
No. of ordinary shares at end of the year	40,001	40,001	40,001	40,001
c) Earnings per ordinary share (sen)				
- Basic	0.66	1.81	1.52	2.39

**B12 Realised and Unrealised Profit/(Losses) Disclosure**

	As at 30 Jun 2015 RM'000	As at 30 Jun 2014 RM'000
Total accumulated profit of the Company and its subsidiaries:		
- Realised	5,542	3,262
- Unrealised	1,370	1,590
	6,912	4,852
Less: Consolidation adjustments	(6,825)	(4,850)
Total Group accumulated profit	87	2