

# WOODLANDOR HOLDINGS BERHAD

(Incorporated in Malaysia)

(Company No.376693-D)

## Selected Explanatory Notes to the Interim Financial Statements for the year 31 December 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

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

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

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

The following accounting standards, amendments to accounting standards and interpretations have been issued but not yet effective and not yet adopted by the Group.

MFRSs		Effective Date On/after
Amendments to:		
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal	1 January 2016
MFRS 7	Financial Instruments: Disclosures – Servicing contracts; Applicability of the amendments to MFRS 7 to condensed interim financial statements	1 January 2016
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interest in Other Entities	1 January 2016
MFRS 101	Disclosure Initiative	1 January 2016
MFRS 116	Property, Plant and Equipment	1 January 2016
MFSR 119	Employee Benefits – Discount rate: Regional market issue	1 January 2016
MFRS 127	Separate Financial Statements – Investment Entities	1 January 2016
MFRS 134	Interim Financial Reporting – Disclosure of information ‘elsewhere in the interim financial report’	1 January 2016
MFRS 138	Intangible Assets	1 January 2016
MFRS 139	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Account	1 January 2016
IC Interpretation 21	Levies	1 January 2016
MFRS 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments	1 January 2018

The adoption of the above Standards and IC Interpretations should not expect 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 year.

**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 year ended 31 December 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 year ended 31 December 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	82	19,160	6,828	-	-	26,070
Inter-segment	1,308	5,576	954	-	(7,838)	-
Total revenue	1,390	24,736	7,782	-	(7,838)	26,070
<u>Results</u>						
Segment results	(640)	2,279	10	(5)	(38)	1,606
Interest expense						(357)
Interest income						67
Profit before tax						1,316
Income tax expense						(745)
Net profit for the year						571

## 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 year.

## A11 *Changes in composition of the Group*

There were no other changes in the composition of the Group for the current financial year.

## A12 *Contingent liability*

The Group has no contingent liability for the current financial year.

## **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 RM1.362 million. The decreased was mainly attributable to the trading segment.

#### Manufacturing segment

Revenue from manufacturing segment increased from RM5.384 million to RM5.569 million over the corresponding quarter.

#### Trading segment

Revenue from trading segment decreased from RM3,210 million to RM1.662 over the corresponding quarter.

Overall, the Group registered a profit before tax of RM0.412 million for the current financial quarter as compared to RM0.113 million in previous corresponding quarter. This was mainly due to better margin product mix.

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

The Group posted a profit before tax of RM0.412 million for the current financial quarter as compared to loss before tax of RM0.161 million in the immediate preceding quarter. This was due to higher revenue recorded in the current financial quarter.

### **B3 *Prospect***

The Group's business segments are expected to operate in a more challenging environment in 2016. 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 31 December RM'000	2015 12 months Cumulative to date RM'000
Interest income	(22)	(67)
Depreciation and amortisation	315	1,280
Interest expenses	89	357

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 quarter ended 31 December RM'000	2015 12 months Cumulative to date RM'000
Estimated current tax payable	272	735
Deferred tax	0	10
	<u>272</u>	<u>745</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 31 December 2015:

	Total RM'000
Secured:	
Short term borrowings	4,858
Long term borrowings	724
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	5,582
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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 year.

**B11 Earnings per Ordinary Share**

	2015 Current Quarter ended 31 December	2014 Comparative Quarter ended 31 December	2015 12 months Cumulative to date	2014 12 months Cumulative to date
a) Profit/(Loss) attributable to ordinary shareholders (RM'000)	140	(211)	571	1,421
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/(Losses) per ordinary share (sen)				
- Basic	0.35	(0.53)	1.43	3.55

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

	As at 31 December 2015 RM'000	As at 31 December 2014 RM'000
Total accumulated profit of the company and its subsidiaries :		
- Realised	7,288	6,153
- Unrealised	1,374	(820)
	8,662	5,333
Less: Consolidation adjustments	(7,625)	(4,867)
Total Group accumulated (loss) / profit	1,037	466