

WOODLANDOR HOLDINGS BERHAD

(Incorporated in Malaysia) Company No.199601004347 (376693-D)

Selected Explanatory Notes to the Interim Financial Statements for the first quarter ended 30 September 2021

A1 Accounting policies

The interim financial statements of the Group are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“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 30 June 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 Woodlandor Holdings Berhad (“Woodlandor” or the “Company”) and its subsidiaries (“Group”) since the year ended 30 June 2021.

Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 30 June 2021, except for the adoption of the following Malaysian Financial Reporting Standard (“MFRSs”) and amendments to MFRS for financial year beginning on or after 1 January 2021 are as follows:

- Amendments to MFRS Standards arising from Interest Rate Benchmark Reform – Phase 2.
 - Amendments to MFRS 4, “Insurance Contracts”
 - Amendments to MFRS 7, “Financial Instruments: Disclosures”
 - Amendments to MFRS 9, “Financial Instruments”
 - Amendments to MFRS 16, “Leases”
 - Amendments to MFRS 139, “Financial Instruments: Recognition and Measurement”

Annual periods beginning on/after 1 January 2022

- Amendments to MFRS 3, “Business Combinations” (Reference to the Conceptual Framework)
- Amendments to MFRS 116, “Property, Plant and Equipment” (Proceeds before Intended Use)
- Amendments to MFRS 137, “Provision, Contingent Liabilities and Contingent Assets” (Onerous Contracts - Cost of Fulfilling a Contract)

A1 Significant Accounting Policies (Cont'd)

Annual periods beginning on/after 1 January 2022(Cont'd)

- Annual Improvement to MFRS Standards 2018 – 2020:
 - Amendment to MFRS 101, “First-time Adoption of Malaysian Financial Reporting Standards”
 - Amendment to MFRS 9, “Financial Instruments”
 - Amendment to Illustrative Examples accompanying MFRS 16, “Leases”
 - Amendment to MFRS 141, “Agriculture”

Annual periods beginning on/after 1 January 2023

- MFRS 17, “Insurance Contracts”
- Amendments to MFRS 17, “Insurance Contracts”
- Amendments to MFRS 101, “Presentation of Financial Statements” (Classification of Liabilities as Current or Non-current)

Effective date yet to be determined by the Malaysian Accounting Standards Board

- Amendments to MFRS 10 and MFRS 128, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The Group will adopt the above pronouncement when they become effective in the respective financial year. The adoption of the above accounting standards, amendments to accounting standards and IC Interpretations effective during the financial year is not expected to have any significant impact to the financial results and position 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.

A5 Change in estimates

There was no material changes in estimates of amounts reported in prior financial year ended 30 June 2021.

A6 Debts and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the period ended 30 September 2021.

A7 Dividend paid

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

A8 Segmental reporting

Segmental reporting for the financial period ended 30 September 2021:

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Property Development RM'000	Elimination RM'000	Consolidated RM'000
<u>Revenue</u>						
External						
Inter-segment	297	1,000	244	-	(481)	1,060
Total revenue	<u>297</u>	<u>1,000</u>	<u>244</u>	<u>-</u>	<u>(481)</u>	<u>1,060</u>
<u>Results</u>						
Segment results	(48)	(1,172)	(164)	(1)	20	(1,365)
Finance costs						(84)
Finance income						<u>14</u>
Loss before tax						<u>(1,435)</u>
Income tax expense						<u>11</u>
Net loss for the period						<u><u>(1,424)</u></u>

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 to date.

A11 Changes in composition of the Group

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

A12 Changes in contingent liabilities and contingent assets

There were no changes in contingent liabilities and contingent assets since the date of the last annual financial statements.

A13 Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Input for the asset or liability that is not based on observable market data.

The following table analyses the fair value hierarchy for financial instruments carried at fair value as at the reporting date.

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 30 September 2021				
Financial assets				
Available-for-sales financial assets				
-Other investments	28	-	-	28
As at 30 June 2021				
Financial assets				
Available-for-sales financial assets				
-Other investments	28	-	-	28

B1 Review of performance

The Group's revenue for the current financial quarter compared to preceding year corresponding quarter (Q1 2020) decreased by RM1.544 million. The decrease was mainly due to Manufacturing segment.

Manufacturing segment

Revenue from manufacturing segment decreased from RM2.386 million to RM0.826 million over the corresponding quarter.

Trading segment

Trading revenue increased from RM0.218 million to RM0.234 million over the corresponding quarter.

Overall, the Group registered a loss before tax of RM1.435 million for the current financial quarter as compared to loss before tax of RM1.163 million in preceding year corresponding quarter (Q1 2020). This was mainly due to lower sales volume.

B2 Comparison with the immediate preceding quarter's result

The Group posted a loss before tax of RM1.435 million for the current financial quarter as compared to loss before tax of RM2.160 million in the immediate preceding quarter. This was mainly attributable to the higher impairment cost on inventory in the immediate preceding quarter.

B3 Prospect

The prolonged lockdown in Malaysia to curb the spread of COVID-19 remains a dampening factor to our national economic recovery.

The Group views that business operation will continue to be very challenging in view of the increasing prices of raw materials, inflationary cost pressure and moderate growth. The Board will continue to be prudent in operations and investments, focus on efforts to enhance operational and cost efficiencies.

B4 Profit forecast or profit guarantee

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

**Listing Requirements of Bursa Malaysia Securities Berhad – Part A of Appendix 9B
(Cont'd)**

B5 Loss before tax

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

	Current Quarter ended 30 September 2021 RM'000	Cumulative Quarter ended 30 September 2021 RM'000
Finance Income	(14)	(14)
Depreciation	192	192
Amortisation	3	3
Finance Costs	84	84

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

B6 Income tax expense

	Current Quarter ended 30 September 2021 RM'000	For the period ended 30 September 2021 RM'000
Income tax		
-Current quarter/period	(1)	(1)
Deferred taxation	12	12
	<u>11</u>	<u>11</u>

The effective tax rate on the Group's profit for the current quarter/period is higher than the statutory tax rate mainly due to chargeable income 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.

**Listing Requirements of Bursa Malaysia Securities Berhad – Part A of Appendix 9B
(Cont'd)**

B8 Group borrowings

Group borrowings for the financial period ended 30 September 2021:

	Total RM'000
Secured:	
Short term borrowings	5,710
Long term borrowings	156
	<u>5,866</u>

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

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

B11 Earnings per share

	Individual Period		Cumulative Quarter	
	Current Quarter Ended 30 September 2021	Corresponding Quarter Ended 30 September 2020	Cumulative Year To Date 30 September 2021	Corresponding Year To Date 30 September 2020
Loss attributable to the owners of the Company (RM'000)	(1,424)	(1,165)	(1,424)	(1,165)
Weighted average number of ordinary shares ('000)	40,002	40,002	40,002	40,002
Basic loss per share (sen)	<u>(3.56)</u>	<u>(2.91)</u>	<u>(3.56)</u>	<u>(2.91)</u>