

# WOODLANDOR HOLDINGS BERHAD

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

## **Selected Explanatory Notes to the Interim Financial Statements for the Second quarter ended 31 December 2023**

### **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 2023. 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 2023.

### **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 2023, 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 2023 are as follows:

#### ***Annual periods beginning on/after 1 January 2023***

- MFRS 17, “Insurance Contracts”
- Amendments to MFRS 17, “Insurance Contracts” (Initial application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 101, “Presentation of Financial Statements” (Disclosure of Accounting Policies)
- Amendments to MFRS 108, “Accounting Policies, Changes in Accounting Estimates and Errors” (Definition of Accounting Estimates)
- Amendments to MFRS 112, “Income Taxes” (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)
- Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

## **A1 Significant Accounting Policies (Cont'd)**

### ***Annual periods beginning on/after 1 January 2024***

- Amendments to MFRS 16, “Leases” (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, “Presentation of Financial Statements” (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101, “Presentation of Financial Statements” (Non-current Liabilities with Covenants)
- Amendments to MFRS 7 Financial Instruments : Disclosures and MFRS 107 Cash Flow Statement - Supplier Finance Arrangements
- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates- Lack of Exchangeability

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

- Amendments to MFRS 10, “Consolidated Financial Statements” and MFRS 128, “Investments in Associates and Joint Ventures” (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 2023.

**A6 Debts and equity securities**

There were no issuances, repurchases and repayments of debt and equity securities during the period ended 30 June 2023.

**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 31 December 2023:

	Investment holding RM'000	Manu- facturing RM'000	Trading RM'000	Property Development RM'000	Elimination RM'000	Total RM'000
<u>Revenue</u>						
External	-	5,386	1,109	-	-	6,495
Inter-segment	594	819	-	-	(1,413)	-
Total Revenue	<u>594</u>	<u>6,205</u>	<u>1,109</u>	<u>-</u>	<u>(1,413)</u>	<u>6,495</u>
<u>Results</u>						
Segment results	(150)	(463)	(93)	(5)	178	(533)
Finance costs						(92)
Finance income						<u>60</u>
Loss before tax						(565)
Taxation						<u>(1)</u>
Loss for the period						<u><u>(566)</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.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 31 December 2023</b>				
<b>Financial assets</b>				
Available-for-sales financial assets				
-Other investments	6	-	-	6
<b>As at 30 June 2023</b>				
<b>Financial assets</b>				
Available-for-sales financial assets				
-Other investments	6	-	-	6

**B1 Review of performance**

The Group's revenue for the current financial quarter compared to preceding year corresponding quarter (Q2 2023) increased by RM1.422 million. The increase was mainly due to manufacturing and trading segment.

Manufacturing segment

Revenue from manufacturing segment increased from RM1.696 million to RM2.802 million over the corresponding quarter.

Trading segment

Trading revenue increased from RM0.363 million to RM0.679 million over the corresponding quarter.

Overall, the Group registered a profit before tax of RM0.038 million for the current financial quarter as compared to loss before tax of RM0.899 million in preceding year corresponding quarter (Q2 2023). This was mainly due to the increase of sale in current quarter compare to preceding year corresponding quarter.

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

The Group posted a profit before tax of RM 0.038 million for the current financial quarter as compared to loss before tax of RM 0.603 million in the immediate preceding quarter. This was mainly attributable to the increase of sale and other operating income in current financial quarter.

**B3 Prospect**

The global economy forecasted to muddle through a soft landing in 2024 albeit macro risks still remaining. These include elevated trade tensions for the global economy and the recent outbreak of wars.

The Board remain cautious about the Group's outlook amidst the weakening in local currency and the continuous rising costs. However, our Group will continuously seek opportunities in domestic and overseas markets to strengthen our market presence.

**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 31 Dec 2023 RM'000	Cumulative Quarter ended 31 Dec 2023 RM'000
Finance Income	(29)	(60)
Depreciation	102	211
Amortisation	3	6
Finance Costs	49	92

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 31 Dec 2023 RM'000	For the period ended 31 Dec 2023 RM'000
Income tax		
-Current quarter/period	(2)	2
Deferred taxation	-	(1)
	<u>(2)</u>	<u>1</u>

The effective tax rate on the Group's profit for the current 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 31 Dec 2023:

	Total RM'000
Secured:	
Short term borrowings	2,598
Long term borrowings	186
	<u>2,784</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 Earning/(Loss) per share**

	Individual Period		Cumulative Quarter	
	Current Quarter Ended 31 Dec 2023	Corresponding Quarter Ended 31 Dec 2022	Cumulative Year To Date 31 Dec 2023	Corresponding Year To Date 31 Dec 2022
Profit/(Loss) attributable to the owners of the Company (RM'000)	40	(900)	(566)	(1,145)
Weighted average number of ordinary shares ('000)	40,002	40,002	40,002	40,002
Basic earning/(loss) per share (sen)	0.10	(2.25)	(1.41)	(2.86)