

# WILLOWGLEN MSC BERHAD (Registration No. 199801006521 (462648-V))

## CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 31 March 2020

	3 months ended 31 March		3 months ended 31 March	
	Unaudited 2020 RM'000	Unaudited 2019 RM'000	Unaudited 2020 RM'000	Unaudited 2019 RM'000
Revenue	27,810	29,161	27,810	29,161
Operating expenses	(25,200)	(24,228)	(25,200)	(24,228)
Other income	477	428	477	428
Share of results of associates, net of tax	(27)	255	(27)	255
Profit before tax	3,060	5,616	3,060	5,616
Income tax expense	(937)	(1,044)	(937)	(1,044)
<b>Profit net of tax</b>	<b>2,123</b>	<b>4,572</b>	<b>2,123</b>	<b>4,572</b>
Other comprehensive income, net of tax:				
Fair value gain on debt instruments at fair value through other comprehensive income	(503)	123	(503)	123
Foreign currency translation differences for foreign operations	(769)	(829)	(769)	(829)
<b>Total comprehensive income for the period</b>	<b>851</b>	<b>3,866</b>	<b>851</b>	<b>3,866</b>
Profit attributable to:				
- Owners of the Company	2,128	4,576	2,128	4,576
- Non-controlling interests	(5)	(4)	(5)	(4)
	<b>2,123</b>	<b>4,572</b>	<b>2,123</b>	<b>4,572</b>
Total comprehensive income attributable to:				
- Owners of the Company	919	3,867	919	3,867
- Non-controlling interests	(68)	(1)	(68)	(1)
	<b>851</b>	<b>3,866</b>	<b>851</b>	<b>3,866</b>
Earnings per ordinary share (sen):				
- Basic	0.44	0.94	0.44	0.94
- Diluted	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

# WILLOWGLEN MSC BERHAD (Registration No. 199801006521 (462648-V))

## CONDENSED STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

	Unaudited 31 March 2020 RM'000	Audited 31 December 2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,020	11,253
Right-of-use assets	6,237	6,612
Investment in associates	15,721	15,748
Investment securities	5,785	6,332
Other receivables	1,787	1,807
	<u>40,550</u>	<u>41,752</u>
<b>Current assets</b>		
Inventories	2,176	2,602
Contract assets	20,097	38,498
Trade and other receivables	31,884	32,452
Tax recoverable	132	106
Cash and bank balances	87,670	82,206
	<u>141,959</u>	<u>155,864</u>
<b>TOTAL ASSETS</b>	<b>182,509</b>	<b>197,616</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	29,240	29,240
Treasury shares, at cost	(2,004)	(1,747)
Reserves	138,058	137,139
<b>Total equity attributable to owners of the Company</b>	<b>165,294</b>	<b>164,632</b>
Non-controlling interests	323	391
<b>Total equity</b>	<b>165,617</b>	<b>165,023</b>
<b>Non-current liabilities</b>		
Lease liabilities	2,481	2,506
Provision for reinstatement cost	755	760
Deferred tax liabilities	115	115
	<u>3,351</u>	<u>3,381</u>
<b>Current liabilities</b>		
Lease liabilities	1,046	1,363
Contract liabilities	1,015	9,549
Provisions	600	595
Trade and other payables	6,485	13,440
Tax payable	4,395	4,265
	<u>13,541</u>	<u>29,212</u>
<b>Total liabilities</b>	<b>16,892</b>	<b>32,593</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>182,509</b>	<b>197,616</b>
Net assets per share (RM)	0.34	0.34
Number of ordinary shares in issue ('000)	485,892	486,583

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

# WILLOWGLEN MSC BERHAD (Registration No. 199801006521 (462648-V))

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2020

	Share Capital	Treasury Shares	Merger deficit	Translation reserve	Fair Value Adjustment Reserve	Retained profits	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2020</b>	29,240	(1,747)	(7,585)	14,716	11	129,997	164,632	391	165,023
<b>Total comprehensive income</b>	-	-	-	(706)	(503)	2,128	919	(68)	851
<b>Repurchase of treasury shares</b>	-	(257)	-	-	-	-	(257)	-	(257)
<b>At 31 March 2020</b>	29,240	(2,004)	(7,585)	14,010	(492)	132,125	165,294	323	165,617
<b>At 1 January 2019</b>	29,240	(1,747)	(7,585)	14,513	(177)	119,993	154,237	343	154,580
<b>Adoption of MFRS16</b>	-	-	-	-	-	(222)	(222)	-	(222)
<b>Restated balances as at 1 January 2019</b>	29,240	(1,747)	(7,585)	14,513	(177)	119,771	154,015	343	154,358
<b>Total comprehensive income</b>	-	-	-	(832)	123	4,576	3,867	(1)	3,866
<b>At 31 March 2019</b>	29,240	(1,747)	(7,585)	13,681	(54)	124,347	157,882	342	158,224

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**WILLOWGLEN MSC BERHAD** (Registration No. 199801006521 (462648-V))**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period ended 31 March 2020

	<b>Unaudited 31 March 2020 RM'000</b>	<b>Unaudited 31 March 2019 RM'000</b>
<b>Operating activities</b>		
Profit before tax	3,060	5,616
Adjustments for non-cash items	223	239
<b>Operating profit before changes in working capital</b>	<b>3,283</b>	<b>5,855</b>
Changes in working capital:		
Net changes in inventories	426	656
Net changes in contract customers	9,867	6,047
Net changes in receivables	588	474
Net changes in payables	(7,195)	(2,773)
<b>Cash flows from operations</b>	<b>6,969</b>	<b>10,259</b>
Interest received	337	294
Interest paid	(24)	-
Income tax paid	(834)	84
<b>Net cash flows from operations</b>	<b>6,448</b>	<b>10,637</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(293)	(44)
Changes in pledged deposits	(38)	(21)
Changes in time deposits	3,098	-
<b>Net cash flows from investing activities</b>	<b>2,767</b>	<b>(65)</b>
<b>Financing activities</b>		
Repurchase of treasury shares	(257)	-
<b>Net cash flows used in financing activities</b>	<b>(257)</b>	<b>-</b>
<b>Net changes in cash and cash equivalents</b>	<b>8,958</b>	<b>10,572</b>
<b>Cash and cash equivalents at 1 January</b>	<b>71,218</b>	<b>67,033</b>
Effect of exchange rate changes	(434)	(1,033)
<b>Cash and cash equivalents at 31 March</b>	<b>79,742</b>	<b>76,572</b>
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	11,649	41,671
Time deposits	6,341	-
Short term investments	9,080	4,578
Cash and bank balances	60,600	31,851
	87,670	78,100
Less: Pledged deposits	(1,587)	(1,528)
Time deposits	(6,341)	-
	79,742	76,572

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

# **WILLOWGLEN MSC BERHAD** (Registration No. 199801006521 (462648-V))

## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **A1 Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2019.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2019 except for the adoption of the Amendments/Improvements to MFRSs that are applicable to the Group effective 1 January 2020. The adoption of these MFRSs does not have any material impact on the Group’s results and financial position.

### **A2 Audit report on preceding annual financial statement**

The auditor’s report of the Group’s annual audited financial statements for the year ended 31 December 2019 was not subject to any qualification.

### **A3 Seasonal or cyclical factors**

The Group’s operations were not materially affected by any seasonal or cyclical changes.

### **A4 Changes in estimates of amounts reported in prior interim reports or prior financial years which have a material effect in the current quarter**

There were no changes in estimates of amounts reported in the prior interim reports or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

### **A5 Issuance, cancellations, repurchases, resale and repayments of debt and equity securities**

During the current quarter, 691,000 shares were repurchased. The share buy-back transactions were financed by internally generated funds.

As at the end of the current quarter, a total of 10,107,800 shares were held as treasury shares.

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

### **A6 Dividends paid**

No dividend was paid during the current quarter.

# WILLOWGLEN MSC BERHAD (Registration No. 199801006521 (462648-V))

## A7 Segmental reporting

The Group operates in two (2) principal geographical areas for the sales, implementation and maintenance of computer based control systems.

<b>Current Year To Date</b>	<b>Malaysia</b>	<b>Singapore</b>	<b>Others</b>	<b>Adjustments &amp; Eliminations</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue:</b>					
External customers	5,005	22,805	-	-	27,810
Inter-segment	380	-	-	(380)	-
<b>Total revenue</b>	<b>5,385</b>	<b>22,805</b>	<b>-</b>	<b>(380)</b>	<b>27,810</b>
<b>Results:</b>					
Interest income	109	179	49	-	337
Interest expense	(2)	(22)	-	-	(24)
Depreciation	(191)	(319)	-	-	(510)
Income tax expense	-	(937)	-	-	(937)
Share of results of associates	-	-	-	(27)	(27)
<b>Segment profit/(loss)</b>	<b>(2,912)</b>	<b>5,975</b>	<b>24</b>	<b>(27)</b>	<b>3,060</b>

## A8 Valuation of property, plant and equipment

No revaluation of property, plant and equipment has been done since the preceding financial year ended 31 December 2019.

## A9 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period.

## A10 Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter.

## A11 Changes in contingent liabilities or contingent assets

There were no contingent assets arising since the last audited financial statements for the year ended 31 December 2019.

## A12 Capital commitments

There were no material capital commitments as at 31 March 2020.

# WILLOWGLEN MSC BERHAD (Registration No. 199801006521 (462648-V))

## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

### B1 Review of performance

Revenue for the current quarter reduced by 4.63% to RM27.81 million from RM29.16 million achieved in the corresponding quarter of 2019. Profit before tax reduced to RM3.06 million compared to RM5.62 million recorded in the corresponding quarter of last financial year. The lower profit before taxation is mainly due to higher overheads and lower revenue as a result of the movement control.

The Group's revenue was mainly derived from Singapore operations amounting to RM22.81 million, representing 82.00% of the Group's revenue with the balance coming from Malaysia operations. Revenue of the Malaysia operations remain low as many of the projects on hand are at the early stage of implementation or completion stage where income recognition from projects is low.

### B2 Material change in results against preceding quarter

	Current Quarter 31/03/2020 RM'000	Preceding Quarter 31/12/2019 RM'000
Revenue	27,810	52,266
Profit before tax	3,060	5,066

For the current quarter, the Group recorded lower revenue of RM27.81 million compared to RM52.27 million recorded in the last quarter. The profit before tax reduced to RM3.06 million from RM5.07 million recorded in the preceding quarter. The decrease in profit before tax is mainly due to lower revenue.

### B3 Current year prospects

The Covid-19 pandemic has resulted in a more volatile and challenging business environment. Movement control imposed by the governments to contain the spread of Covid-19 has adversely affected the Group's revenue, supply chain and operations. The Group will take appropriate measures to minimize the impact on the Group's operations and performance.

With the current projects at hand, the financial performance of the Group is expected to remain profitable.

### B4 Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced

There was no financial forecast previously announced by the Group.

### B5 Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable.

### B6 Variance of actual profit from financial estimate, forecast profit or shortfall of profit guarantee

Not applicable.

# WILLOWGLEN MSC BERHAD (Registration No. 199801006521 (462648-V))

## B7 Income tax expense

	3 months ended 31/03/2020 RM'000	3 months ended 31/03/2020 RM'000
Current Taxation	937	937
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	937	937

The tax charge relates to tax on profits of an overseas subsidiary which is subject to a lower tax rate.

## B8 Status of corporate proposal announced

There were no corporate proposals announced but not completed at the date of this announcement.

## B9 Group borrowings and debt securities

There were no group borrowings and debt securities outstanding as at 31 March 2020.

## B10 Changes in Material Litigation

The Group does not have any outstanding material litigation as at the date of this announcement.

## B11 Proposed Dividend

A final single-tier dividend of 1.50 sen per ordinary share for the financial year ended 31 December 2019 has been approved by the Board of Directors. The entitlement and payment dates for the dividend will be on 29 May 2020 and 25 June 2020 respectively.

## B12 Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the net profit attributable to shareholders divided by the weighted average number of ordinary shares outstanding during the period, calculated as follows:-

	3 months ended 31 March		3 months ended 31 March	
	2020	2019	2020	2019
Net profit attributable to equity holders of the Company (RM'000)	2,128	4,576	2,128	4,576
Weighted average number of ordinary shares in issue during the period ('000)	486,488	486,648	486,488	486,652
Basic earnings per ordinary share (sen)	0.44	0.94	0.44	0.94
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

N/A: Not applicable, the Group does not have in issue any financial instrument or other contract that may entitle its shareholders to ordinary shares, and therefore dilute its basic earnings per share.



**WILLOWGLEN MSC BERHAD** (Registration No. 199801006521 (462648-V))**B13 Operating profit**

	<b>3 months ended 31/03/2020 RM'000</b>	<b>3 months ended 31/03/2020 RM'000</b>
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	510	510
Provision for and write off of inventories	-	-
Foreign exchange loss	47	47
Provision for and write off of receivables	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	24	24
Exceptional items	N/A	N/A
And crediting:-		
Interest income	337	337
Other income including investment income	-	-
Gain on disposal of quoted or unquoted investments or properties	-	-
Gain on fair value adjustment on investment property	N/A	N/A
Gain or loss on derivatives	N/A	N/A

By order of the Board  
**WILLOWGLEN MSC BERHAD**

**WONG AH CHIEW**  
Group Managing Director