

**WILLOWGLEN MSC BERHAD** (Registration No. 199801006521 (462648-V))**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**

For the period ended 30 September 2020

	3 months ended 30 September		9 months ended 30 September	
	Unaudited 2020 RM'000	Unaudited 2019 RM'000	Unaudited 2020 RM'000	Unaudited 2019 RM'000
Revenue	30,369	29,109	92,330	87,072
Operating expenses	(28,975)	(24,995)	(87,877)	(74,461)
Other income	1,264	356	4,916	1,118
Share of results of associates, net of tax	872	(543)	935	97
Profit before tax	3,530	3,927	10,304	13,826
Income tax expense	(815)	(695)	(2,703)	(2,740)
<b>Profit net of tax</b>	<b>2,715</b>	<b>3,232</b>	<b>7,601</b>	<b>11,086</b>
Other comprehensive income, net of tax:				
Fair value gain on debt instruments at fair value through other comprehensive income	106	(35)	52	120
Foreign currency translation differences for foreign operations	(1,402)	(960)	(167)	(47)
<b>Total comprehensive income for the period</b>	<b>1,419</b>	<b>2,237</b>	<b>7,486</b>	<b>11,159</b>
Profit attributable to:				
- Owners of the Company	2,718	3,235	7,613	11,099
- Non-controlling interests	(3)	(3)	(12)	(13)
	<b>2,715</b>	<b>3,232</b>	<b>7,601</b>	<b>11,086</b>
Total comprehensive income attributable to:				
- Owners of the Company	1,462	2,240	7,529	11,170
- Non-controlling interests	(43)	(3)	(43)	(11)
	<b>1,419</b>	<b>2,237</b>	<b>7,486</b>	<b>11,159</b>
Earnings per ordinary share (sen):				
- Basic	0.57	0.66	1.57	2.28
- 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 30 September 2020

	Unaudited 30 September 2020 RM'000	Audited 31 December 2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10,508	11,253
Right-of-use assets	5,651	6,612
Investment in associates	16,683	15,748
Investment securities	4,881	6,332
Other receivables	1,781	1,807
	39,504	41,752
<b>Current assets</b>		
Inventories	2,548	2,602
Contract assets	40,159	38,498
Trade and other receivables	23,361	32,452
Tax recoverable	163	106
Cash and bank balances	76,668	82,206
	142,899	155,864
<b>TOTAL ASSETS</b>	182,403	197,616
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	29,240	29,240
Treasury shares, at cost	(2,130)	(1,747)
Reserves	137,381	137,139
<b>Total equity attributable to owners of the Company</b>	164,491	164,632
Non-controlling interests	348	391
<b>Total equity</b>	164,839	165,023
<b>Non-current liabilities</b>		
Lease liabilities	2,494	2,506
Provision for reinstatement cost	759	760
Deferred tax liabilities	115	115
	3,368	3,381
<b>Current liabilities</b>		
Lease liabilities	512	1,363
Contract liabilities	817	9,549
Provisions	610	595
Trade and other payables	7,130	13,440
Tax payable	5,127	4,265
	14,196	29,212
<b>Total liabilities</b>	17,564	32,593
<b>TOTAL EQUITY AND LIABILITIES</b>	182,403	197,616
Net assets per share (RM)	0.34	0.34
Number of ordinary shares in issue ('000)	485,593	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 30 September 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>	-	-	-	(136)	52	7,613	7,529	(43)	7,486
<b>Repurchase of treasury shares</b>	-	(383)	-	-	-	-	(383)	-	(383)
<b>Final dividend for the financial year ended 31 December 2019</b>	-	-	-	-	-	(7,287)	(7,287)	-	(7,287)
<b>At 30 September 2020</b>	29,240	(2,130)	(7,585)	14,580	63	130,323	164,491	348	164,839
<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>	-	-	-	(49)	120	11,099	11,170	(11)	11,159
<b>Final dividend for the financial year ended 31 December 2018</b>	-	-	-	-	-	(4,866)	(4,866)	-	(4,866)
<b>At 30 September 2019</b>	29,240	(1,747)	(7,585)	14,464	(57)	126,004	160,319	332	160,651

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 30 September 2020

	Unaudited 30 September 2020 RM'000	Unaudited 30 September 2019 RM'000
<b>Operating activities</b>		
Profit before tax	10,304	13,826
Adjustments for non-cash items	1,005	718
<b>Operating profit before changes in working capital</b>	11,309	14,544
Changes in working capital:		
Net changes in inventories	54	(427)
Net changes in contract customers	(10,393)	9,168
Net changes in receivables	9,471	3,157
Net changes in payables	(6,569)	(4,455)
<b>Cash flows from operations</b>	3,872	21,987
Interest received	790	978
Interest paid	(72)	-
Income tax paid	(2,004)	(3,615)
<b>Net cash flows from operations</b>	2,586	19,350
<b>Investing activities</b>		
Purchase of property, plant and equipment	(768)	(922)
Changes in pledged deposits	(38)	(34)
Changes in time deposits	9,126	-
Proceeds from disposal of investment securities	1,519	758
<b>Net cash flows from investing activities</b>	9,839	(198)
<b>Financing activities</b>		
Repurchase of treasury shares	(383)	-
Dividends paid	(7,287)	(4,866)
Repayment of lease liability	(1,083)	-
<b>Net cash flows used in financing activities</b>	(8,753)	(4,866)
<b>Net changes in cash and cash equivalents</b>	3,672	14,286
<b>Cash and cash equivalents at 1 January</b>	71,218	67,033
Effect of exchange rate changes	(122)	(13)
<b>Cash and cash equivalents at 30 September</b>	74,768	81,306
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	2,564	39,243
Time deposits	313	-
Short term investments	4,171	7,037
Cash and bank balances	69,620	36,568
	76,668	82,848
Less: Pledged deposits	(1,587)	(1,542)
Time deposits	(313)	-
	74,768	81,306

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, 192,700 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 10,407,000 shares were held as treasury shares.

Apart from the above, there were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial year to date.

### **A6 Dividends paid**

No dividend was paid during the current quarter.

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## 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	17,329	75,001	-	-	92,330
Inter-segment	1,599	168	-	(1,767)	-
Total revenue	18,928	75,169	-	(1,767)	92,330
<b>Results:</b>					
Interest income	213	416	161	-	790
Interest expense	(11)	(61)	-	-	(72)
Depreciation	(417)	(1,888)	-	-	(2,305)
Income tax expense	-	(2,703)	-	-	(2,703)
Impairment loss on trade receivables	(354)	-	-	-	(354)
Share of results of associates	-	-	-	935	935
Segment profit/(loss)	551	16,365	103	(6,715)	10,304

## 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 financial year to date.

## 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 30 September 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 increased by 4.33% to RM30.37 million from RM29.11 million recorded in the corresponding quarter of last financial year. Profit before tax reduced to RM3.53 million compared to RM3.93 million recorded in the preceding year corresponding quarter.

For the 9 months ended 30 September 2020, the Group's revenue increased by 6.04% to RM92.33 million from RM87.07 million recorded in the corresponding period of 2019. Profit before tax reduced to RM10.30 million from RM13.83 million recorded in the preceding year corresponding period. The lower profit before taxation is mainly due to lower Group margins and higher overheads.

Revenue contributed by the Singapore operations has increased by 8.04% whereas contribution by the Malaysia operations has reduced by 1.84% compared to the corresponding period of last financial year. The financial performance of our associate in Canada has improved compared to the last financial year and has contributed RM0.94 million to the bottom line of the Group.

### B2 Material change in results against preceding quarter

	Current Quarter 30/09/2020 RM'000	Preceding Quarter 30/06/2020 RM'000
Revenue	30,369	34,151
Profit before tax	3,530	3,714

For the current quarter, the Group recorded lower revenue of RM30.37 million compared to RM34.15 million recorded in the last quarter. The profit before tax reduced to RM3.53 million from RM3.71 million recorded in the preceding quarter. The decrease in profit before tax is mainly due to lower revenue.

### B3 Current year prospects

The economic and business environment is expected to remain uncertain and challenging.

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.

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

Not applicable.

## B7 Income tax expense

	3 months ended 30/09/2020 RM'000	9 months ended 30/09/2020 RM'000
Current Taxation	815	2,703
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	815	2,703

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 30 September 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

No dividend was declared for the financial period to date.

## 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 30 September 2020		9 months ended 30 September 2019	
Net profit attributable to equity holders of the Company (RM'000)	2,718	3,235	7,613	11,099
Weighted average number of ordinary shares in issue during the period ('000)	485,756	486,583	486,011	486,583
Basic earnings per ordinary share (sen)	0.57	0.66	1.57	2.28
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</b> <b>30/09/2020</b> <b>RM'000</b>	<b>9 months ended</b> <b>30/09/2020</b> <b>RM'000</b>
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	1,263	2,305
Provision for and write off of inventories	-	-
Foreign exchange loss	82	266
Provision for and write off of receivables	354	354
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	26	72
Exceptional items	N/A	N/A
And crediting:-		
Interest income	163	790
Government grants	1,101	4,126
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