

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

## CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 31 December 2020

	3 months ended 31 December		12 months ended 31 December	
	Unaudited 2020 RM'000	Unaudited 2019 RM'000	Unaudited 2020 RM'000	Audited 2019 RM'000
Revenue	53,817	52,266	146,147	139,338
Operating expenses	(47,835)	(48,172)	(135,712)	(122,633)
Other income	2,165	415	7,081	1,533
Share of results of associates, net of tax	3,033	557	3,968	654
Profit before tax	11,180	5,066	21,484	18,892
Income tax expense	(613)	(1,251)	(3,316)	(3,991)
<b>Profit net of tax</b>	<b>10,567</b>	<b>3,815</b>	<b>18,168</b>	<b>14,901</b>
Other comprehensive income, net of tax:				
Fair value gain on debt instruments at fair value through other comprehensive income	199	68	251	188
Foreign currency translation differences for foreign operations	(10)	267	(177)	220
<b>Total comprehensive income for the period</b>	<b>10,756</b>	<b>4,150</b>	<b>18,242</b>	<b>15,309</b>
Profit attributable to:				
- Owners of the Company	10,260	3,771	17,873	14,870
- Non-controlling interests	307	44	295	31
	<b>10,567</b>	<b>3,815</b>	<b>18,168</b>	<b>14,901</b>
Total comprehensive income attributable to:				
- Owners of the Company	10,434	4,091	17,963	15,261
- Non-controlling interests	322	59	279	48
	<b>10,756</b>	<b>4,150</b>	<b>18,242</b>	<b>15,309</b>
Earnings per ordinary share (sen):				
- Basic	2.11	0.78	3.68	3.06
- 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 December 2020

	Unaudited 31 December 2020 RM'000	Audited 31 December 2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10,268	11,253
Right-of-use assets	5,685	6,612
Investment in associates	19,696	15,748
Investment securities	5,069	6,332
Other receivables	1,762	1,807
	42,480	41,752
<b>Current assets</b>		
Inventories	3,587	2,602
Contract assets	56,000	38,498
Trade and other receivables	33,287	32,452
Tax recoverable	141	106
Cash and bank balances	75,871	82,206
	168,886	155,864
<b>TOTAL ASSETS</b>	211,366	197,616
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	29,240	29,240
Treasury shares, at cost	(2,154)	(1,747)
Reserves	147,815	137,139
<b>Total equity attributable to owners of the Company</b>	174,901	164,632
Non-controlling interests	670	391
<b>Total equity</b>	175,571	165,023
<b>Non-current liabilities</b>		
Lease liabilities	1,081	2,506
Provision for reinstatement cost	759	760
Deferred tax liabilities	115	115
	1,955	3,381
<b>Current liabilities</b>		
Lease liabilities	1,442	1,363
Contract liabilities	5,522	9,549
Provisions	596	595
Trade and other payables	21,610	13,440
Tax payable	4,670	4,265
	33,840	29,212
<b>Total liabilities</b>	35,795	32,593
<b>TOTAL EQUITY AND LIABILITIES</b>	211,366	197,616
Net assets per share (RM)	0.36	0.34
Number of ordinary shares in issue ('000)	485,536	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 December 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>	-	-	-	(161)	251	17,873	17,963	279	18,242
<b>Repurchase of treasury shares</b>	-	(407)	-	-	-	-	(407)	-	(407)
<b>Final dividend for the financial year ended 31 December 2019</b>	-	-	-	-	-	(7,287)	(7,287)	-	(7,287)
<b>At 31 December 2020</b>	29,240	(2,154)	(7,585)	14,555	262	140,583	174,901	670	175,571
<b>At 1 January 2019</b>	29,240	(1,747)	(7,585)	14,513	(177)	119,993	154,237	343	154,580
<b>Total comprehensive income</b>	-	-	-	203	188	14,870	15,261	48	15,309
<b>Final dividend for the financial year ended 31 December 2018</b>	-	-	-	-	-	(4,866)	(4,866)	-	(4,866)
<b>At 31 December 2020</b>	29,240	(1,747)	(7,585)	14,716	11	129,997	164,632	391	165,023

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 December 2020

	<b>Unaudited</b> <b>31 December 2020</b> <b>RM'000</b>	<b>Audited</b> <b>31 December 2019</b> <b>RM'000</b>
<b>Operating activities</b>		
Profit before tax	21,484	18,892
Adjustments for non-cash items	428	2,120
<b>Operating profit before changes in working capital</b>	<b>21,912</b>	<b>21,012</b>
Changes in working capital:		
Net changes in inventories	(983)	150
Net changes in contract customers	(21,529)	(3,316)
Net changes in receivables	(2,556)	3,741
Net changes in payables	8,169	633
<b>Cash flows from operations</b>	<b>5,013</b>	<b>22,220</b>
Interest received	1,008	1,394
Interest paid	(86)	(106)
Income tax paid	(3,052)	(3,435)
<b>Net cash flows from operations</b>	<b>2,883</b>	<b>20,073</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,656)	(1,102)
Changes in pledged deposits	(830)	(41)
Changes in time deposits	8,234	(6,400)
Proceeds from disposal of investment securities	1,519	758
Proceeds from disposal of property, plant and equipment	-	1
Investment in associate	-	(60)
<b>Net cash flows from investing activities</b>	<b>7,267</b>	<b>(6,844)</b>
<b>Financing activities</b>		
Repurchase of treasury shares	(407)	-
Dividends paid	(7,287)	(4,866)
Repayment of lease liability	(1,346)	(1,324)
<b>Net cash flows used in financing activities</b>	<b>(9,040)</b>	<b>(6,190)</b>
<b>Net changes in cash and cash equivalents</b>	<b>1,110</b>	<b>7,039</b>
<b>Cash and cash equivalents at 1 January</b>	<b>71,218</b>	<b>63,994</b>
Effect of exchange rate changes	(41)	185
<b>Cash and cash equivalents at 31 December</b>	<b>72,287</b>	<b>71,218</b>
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	2,379	22,232
Time deposits	1,205	9,439
Short term investments	5,619	11,788
Cash and bank balances	66,668	38,747
	75,871	82,206
Less: Pledged deposits	(2,379)	(1,549)
Time deposits	(1,205)	(9,439)
	72,287	71,218

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.

**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, 57,200 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 10,464,200 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.

# 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	42,981	103,166	-	-	146,147
Inter-segment	8,296	1,237	-	(9,533)	-
Total revenue	51,277	104,403	-	(9,533)	146,147
<b>Results:</b>					
Interest income	278	472	258	-	1,008
Interest expense	(6)	(77)	(3)	-	(86)
Depreciation	(920)	(2,633)	-	-	(3,553)
Income tax expense	(43)	(3,273)	-	-	(3,316)
Impairment loss on trade receivables	(1,766)	-	-	-	(1,766)
Share of results of associates	-	-	-	3,968	3,968
Segment profit/(loss)	4,285	23,582	177	(6,560)	21,484

## 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 31 December 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 2.97% to RM53.82 million from RM52.27 million recorded in the corresponding quarter of 2019. Profit before tax increased to RM11.18 million compared to RM5.07 million recorded in the preceding year corresponding quarter.

For the financial year ended 31 December 2020, the Group's revenue increased by 4.89% to RM146.15 million from RM139.34 million recorded in the last financial year. Profit before tax increased to RM21.48 million from RM18.89 million recorded in last financial year. The higher profit before taxation is mainly due to higher contribution from our associate in Canada and government grants received from our main markets.

The Group's main market continue to be Malaysia and Singapore where the Malaysia operations contributed 29.41% of the Group's revenue with the balance coming from Singapore operations. Revenue contributed by the Malaysia operations has increased by 68.55% compared to last financial year whereas contribution by the Singapore operations has reduced by 9.37%. The financial performance of our associate in Canada has improved compared to last financial year and has contributed RM3.97 million to the bottom line of the Group due to a one-off sale of software licenses to a customer.

### B2 Material change in results against preceding quarter

	Current Quarter 31/12/2020 RM'000	Preceding Quarter 30/09/2020 RM'000
Revenue	53,817	30,369
Profit before tax	11,180	3,530

For the current quarter, the Group recorded higher revenue of RM53.82 million compared to RM30.37 million recorded in the last quarter. The profit before tax increased to RM11.18 million from RM3.53 million recorded in the preceding quarter. The increase in profit before tax is mainly due to increase in revenue and higher contribution from our associate in Canada.

### B3 Prospects for 2021

With the imposition of MCO 2.0, the Group expect the economic and business environment to remain competitive and challenging in 2021. However, the financial performance of the Group is expected to remain profitable in view of the current projects at hand.

### 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 31/12/2020 RM'000	12 months ended 31/12/2020 RM'000
Current Taxation	613	3,316
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	613	3,316

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 December 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 has been proposed for the financial year ended 31 December 2020. The entitlement and payment dates for the dividend will be on 27 April 2021 and 18 May 2021 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 December		12 months ended 31 December	
	2020	2019	2020	2019
Net profit attributable to equity holders of the Company (RM'000)	10,260	3,771	17,873	14,870
Weighted average number of ordinary shares in issue during the period ('000)	485,536	486,583	485,891	486,583
Basic earnings per ordinary share (sen)	2.11	0.78	3.68	3.06
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>31/12/2020</b> <b>RM'000</b>	<b>12 months ended</b> <b>31/12/2020</b> <b>RM'000</b>
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	839	2,128
Depreciation of right-of-use assets	409	1,425
Provision for and write off of inventories	-	-
Foreign exchange loss	(190)	76
Impairment losses on trade receivables	1,412	1,766
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	14	86
Exceptional items	N/A	N/A
And crediting:-		
Interest income	218	1,008
Government grants	1,831	5,957
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