

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

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 31 March 2021

	3 months ended 31 March		3 months ended 31 March	
	Unaudited 2021 RM'000	Unaudited 2020 RM'000	Unaudited 2021 RM'000	Unaudited 2020 RM'000
Revenue	35,572	27,810	35,572	27,810
Operating expenses	(34,148)	(25,200)	(34,148)	(25,200)
Other income	457	477	457	477
Share of results of associates, net of tax	543	(27)	543	(27)
Profit before tax	2,424	3,060	2,424	3,060
Income tax expense	(752)	(937)	(752)	(937)
Profit net of tax	1,672	2,123	1,672	2,123
Other comprehensive income, net of tax:				
Fair value gain on debt instruments at fair value through other comprehensive income	(4)	(503)	(4)	(503)
Foreign currency translation differences for foreign operations	1,588	(769)	1,588	(769)
Total comprehensive income for the period	3,256	851	3,256	851
Profit attributable to:				
- Owners of the Company	1,701	2,128	1,701	2,128
- Non-controlling interests	(29)	(5)	(29)	(5)
	1,672	2,123	1,672	2,123
Total comprehensive income attributable to:				
- Owners of the Company	3,288	919	3,288	919
- Non-controlling interests	(32)	(68)	(32)	(68)
	3,256	851	3,256	851
Earnings per ordinary share (sen):				
- Basic	0.35	0.44	0.35	0.44
- 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 2020 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 2021

	Unaudited 31 March 2021 RM'000	Audited 31 December 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10,060	10,268
Right-of-use assets	5,367	5,685
Investment in associates	20,239	19,696
Investment securities	4,388	5,069
Other receivables	1,783	1,762
	<u>41,837</u>	<u>42,480</u>
Current assets		
Inventories	3,447	3,587
Contract assets	44,887	56,000
Trade and other receivables	34,995	33,287
Tax recoverable	35	141
Cash and bank balances	80,669	75,870
	<u>164,033</u>	<u>168,885</u>
TOTAL ASSETS	205,870	211,365
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	29,240	29,240
Treasury shares, at cost	(2,154)	(2,154)
Reserves	151,103	147,815
Total equity attributable to owners of the Company	178,189	174,901
Non-controlling interests	638	670
Total equity	178,827	175,571
Non-current liabilities		
Lease liabilities	1,099	1,081
Provision for reinstatement cost	771	759
Deferred tax liabilities	117	115
	<u>1,987</u>	<u>1,955</u>
Current liabilities		
Lease liabilities	1,109	1,442
Contract liabilities	966	5,522
Provisions	599	596
Trade and other payables	18,779	21,609
Tax payable	3,603	4,670
	<u>25,056</u>	<u>33,839</u>
Total liabilities	27,043	35,794
TOTAL EQUITY AND LIABILITIES	205,870	211,365
Net assets per share (RM)	0.37	0.36
Number of ordinary shares in issue ('000)	485,536	485,536

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2021

	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
At 1 January 2021	29,240	(2,154)	(7,585)	14,555	262	140,583	174,901	670	175,571
Total comprehensive income	-	-	-	1,591	(4)	1,701	3,288	(32)	3,256
At 31 March 2021	29,240	(2,154)	(7,585)	16,146	258	142,284	178,189	638	178,827
At 1 January 2020	29,240	(1,747)	(7,585)	14,716	11	129,997	164,632	391	165,023
Total comprehensive income	-	-	-	(706)	(503)	2,128	919	(68)	851
Repurchase of treasury shares	-	(257)	-	-	-	-	(257)	-	(257)
At 31 March 2020	29,240	(2,004)	(7,585)	14,010	(492)	132,125	165,294	323	165,617

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2021

	Unaudited 31 March 2021 RM'000	Unaudited 31 March 2020 RM'000
Operating activities		
Profit before tax	2,424	3,060
Adjustments for non-cash items	188	223
Operating profit before changes in working capital	2,612	3,283
Changes in working capital:		
Net changes in inventories	140	426
Net changes in contract customers	6,557	9,867
Net changes in receivables	(1,729)	588
Net changes in payables	(2,815)	(7,195)
Cash flows from operations	4,765	6,969
Interest received	158	337
Interest paid	(15)	(24)
Income tax paid	(1,713)	(834)
Net cash flows from operations	3,195	6,448
Investing activities		
Purchase of property, plant and equipment	(256)	(293)
Changes in pledged deposits	(7)	(38)
Changes in time deposits	318	3,098
Proceeds from disposal of investment securities	762	-
Net cash flows from investing activities	817	2,767
Financing activities		
Repayment of lease liability	(330)	-
Repurchase of treasury shares	-	(257)
Net cash flows used in financing activities	(330)	(257)
Net changes in cash and cash equivalents	3,682	8,958
Cash and cash equivalents at 1 January	72,286	71,218
Effect of exchange rate changes	1,428	(434)
Cash and cash equivalents at 31 March	77,396	79,742
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	2,707	11,649
Time deposits	887	6,341
Short term investments	14,907	9,080
Cash and bank balances	62,168	60,600
	80,669	87,670
Less: Pledged deposits	(2,386)	(1,587)
Time deposits	(887)	(6,341)
	77,396	79,742

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2020.

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 2020 except for the adoption of the Amendments/Improvements to MFRSs that are applicable to the Group effective 1 January 2021. 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 2020 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

There were no share buyback during the current quarter. As at the end of the current quarter, a total of 10,464,200 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

The final single tier dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2020 amounting to RM7,283,037 was paid on 18 May 2021.

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.

Current Year To Date	Malaysia	Singapore	Others	Adjustments & Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:					
External customers	10,114	25,458	-	-	35,572
Inter-segment	333	-	-	(333)	-
Total revenue	10,447	25,458	-	(333)	35,572
Results:					
Interest income	55	53	50	-	158
Interest expense	(1)	(14)	-	-	(15)
Depreciation	(240)	(634)	-	-	(874)
Income tax expense	-	(752)	-	-	(752)
Share of results of associates	-	-	-	543	543
Segment profit/(loss)	4,591	4,893	50	(7,110)	2,424

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 2020.

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 2020.

A12 Capital commitments

There were no material capital commitments as at 31 March 2021.

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 27.91% to RM35.57 million from RM27.81 million recorded in the corresponding quarter of last financial year. Profit before tax reduced to RM2.42 million compared to RM3.06 million recorded in the preceding year corresponding quarter. The lower profit before taxation is mainly due to recognition of profits from lower margin projects.

The Group's main market continue to be Malaysia and Singapore where the Malaysia operations contributed 28.43% of the Group's revenue with the balance coming from Singapore operations. Revenue contributed by the Malaysia and Singapore operations has increased by 102.08% and 11.63% respectively compared to the preceding year corresponding quarter.

B2 Material change in results against preceding quarter

	Current Quarter 31/03/2021 RM'000	Preceding Quarter 31/12/2021 RM'000
Revenue	35,572	53,817
Profit before tax	2,424	11,180

For the current quarter, the Group recorded lower revenue of RM35.57 million compared to RM53.82 million recorded in the preceding quarter. The profit before tax reduced to RM2.42 million from RM11.18 million recorded in the preceding quarter. The decrease in profit before tax is mainly due to lower revenue, lower government grants received and lower contribution from our associate in Canada.

B3 Current year prospects

The Group expect the economic and business environment 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.

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 31/03/2021 RM'000	3 months ended 31/03/2021 RM'000
Current Taxation	752	752
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	752	752

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 2021.

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 current quarter.

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	
	2021	2020	2021	2020
Net profit attributable to equity holders of the Company (RM'000)	1,701	2,128	1,701	2,128
Weighted average number of ordinary shares in issue during the period ('000)	485,536	486,488	485,536	486,488
Basic earnings per ordinary share (sen)	0.35	0.44	0.35	0.44
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**

	3 months ended 31/03/2021 RM'000	3 months ended 31/03/2021 RM'000
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	522	522
Depreciation of right-of-use assets	352	352
Provision for and write off of inventories	-	-
Foreign exchange loss	58	58
Impairment losses on trade receivables	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	15	15
Exceptional items	N/A	N/A
And crediting:-		
Interest income	158	158
Government grants	299	299
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