

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

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 30 June 2021

	3 months ended 30 June		6 months ended 30 June	
	Unaudited 2021 RM'000	Unaudited 2020 RM'000	Unaudited 2021 RM'000	Unaudited 2020 RM'000
Revenue	42,342	34,151	77,914	61,961
Operating expenses	(37,859)	(33,702)	(72,007)	(58,902)
Other income	210	3,175	667	3,652
Share of results of associates, net of tax	(572)	90	(29)	63
Profit before tax	4,121	3,714	6,545	6,774
Income tax expense	(1,011)	(951)	(1,763)	(1,888)
Profit net of tax	3,110	2,763	4,782	4,886
Other comprehensive income, net of tax:				
Fair value gain on debt instruments at fair value through other comprehensive income	26	449	22	(54)
Foreign currency translation differences for foreign operations	38	2,004	1,626	1,235
Total comprehensive income for the period	3,174	5,216	6,430	6,067
Profit attributable to:				
- Owners of the Company	3,059	2,767	4,760	4,895
- Non-controlling interests	51	(4)	22	(9)
	3,110	2,763	4,782	4,886
Total comprehensive income attributable to:				
- Owners of the Company	3,121	5,148	6,409	6,067
- Non-controlling interests	53	68	21	-
	3,174	5,216	6,430	6,067
Earnings per ordinary share (sen):				
- Basic	0.63	0.56	0.98	1.00
- 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 30 June 2021

	Unaudited 30 June 2021 RM'000	Audited 31 December 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,748	10,268
Right-of-use assets	5,005	5,685
Investment in associates	19,668	19,696
Investment securities	5,336	5,069
Other receivables	1,767	1,762
	<u>41,524</u>	<u>42,480</u>
Current assets		
Inventories	3,163	3,587
Contract assets	55,532	56,000
Trade and other receivables	27,697	33,287
Tax recoverable	169	141
Cash and bank balances	74,160	75,870
	<u>160,721</u>	<u>168,885</u>
TOTAL ASSETS	<u>202,245</u>	<u>211,365</u>
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	29,240	29,240
Treasury shares, at cost	(2,154)	(2,154)
Reserves	146,941	147,815
Total equity attributable to owners of the Company	<u>174,027</u>	<u>174,901</u>
Non-controlling interests	691	670
Total equity	<u>174,718</u>	<u>175,571</u>
Non-current liabilities		
Lease liabilities	1,098	1,081
Provision for reinstatement cost	771	759
Deferred tax liabilities	117	115
	<u>1,986</u>	<u>1,955</u>
Current liabilities		
Lease liabilities	752	1,442
Contract liabilities	1,100	5,522
Provisions	650	596
Trade and other payables	19,761	21,609
Tax payable	3,278	4,670
	<u>25,541</u>	<u>33,839</u>
Total liabilities	<u>27,527</u>	<u>35,794</u>
TOTAL EQUITY AND LIABILITIES	<u>202,245</u>	<u>211,365</u>
Net assets per share (RM)	0.36	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 30 June 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	-	-	-	1,627	22	4,760	6,409	21	6,430
Final dividend for the financial year ended 31 December 2020	-	-	-	-	-	(7,283)	(7,283)	-	(7,283)
At 30 June 2021	29,240	(2,154)	(7,585)	16,182	284	138,060	174,027	691	174,718
At 1 January 2020	29,240	(1,747)	(7,585)	14,716	11	129,997	164,632	391	165,023
Total comprehensive income	-	-	-	1,226	(54)	4,895	6,067	-	6,067
Repurchase of treasury shares	-	(300)	-	-	-	-	(300)	-	(300)
Final dividend for the financial year ended 31 December 2019	-	-	-	-	-	(7,287)	(7,287)	-	(7,287)
At 30 June 2020	29,240	(2,047)	(7,585)	15,942	(43)	127,605	163,112	391	163,503

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 30 June 2021

	Unaudited 30 June 2021 RM'000	Unaudited 30 June 2020 RM'000
Operating activities		
Profit before tax	6,545	6,774
Adjustments for non-cash items	1,519	352
Operating profit before changes in working capital	8,064	7,126
Changes in working capital:		
Net changes in inventories	424	277
Net changes in contract customers	(3,954)	(4,848)
Net changes in receivables	5,584	9,800
Net changes in payables	(1,782)	483
Cash flows from operations	8,336	12,838
Interest received	295	627
Interest paid	(30)	(46)
Income tax paid	(3,183)	(223)
Net cash flows from operations	5,418	13,196
Investing activities		
Purchase of property, plant and equipment	(466)	(767)
Changes in pledged deposits	(13)	(85)
Changes in time deposits	(1,227)	9,124
Proceeds from disposal of investment securities	2,313	-
Purchase of investment securities	(2,482)	-
Net cash flows used in/(from) investing activities	(1,875)	8,272
Financing activities		
Repayment of lease liability	(764)	-
Dividends paid	(7,283)	(7,287)
Repurchase of treasury shares	-	(300)
Net cash flows used in financing activities	(8,047)	(7,587)
Net changes in cash and cash equivalents	(4,504)	13,881
Cash and cash equivalents at 1 January	72,286	71,218
Effect of exchange rate changes	1,554	958
Cash and cash equivalents at 30 June	69,336	86,057
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	2,392	17,404
Time deposits	2,432	988
Short term investments	3,277	5,287
Cash and bank balances	66,059	64,286
	74,160	87,965
Less: Pledged deposits	(2,392)	(1,593)
Time deposits	(2,432)	(315)
	69,336	86,057

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 financial period to date.

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	24,018	53,896	-	-	77,914
Inter-segment	2,458	755	-	(3,213)	-
Total revenue	26,476	54,651	-	(3,213)	77,914
Results:					
Interest income	111	98	86	-	295
Interest expense	(3)	(27)	-	-	(30)
Depreciation	(484)	(1,272)	-	-	(1,756)
Income tax expense	(22)	(1,741)	-	-	(1,763)
Share of results of associates	-	-	-	(29)	(29)
Segment profit/(loss)	3,428	10,712	86	(7,681)	6,545

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 financial period 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 2020.

A12 Capital commitments

There were no material capital commitments as at 30 June 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 23.98% to RM42.34 million from RM34.15 million recorded in the corresponding quarter of last financial year. Profit before tax increased to RM4.12 million compared to RM3.71 million achieved in the preceding year corresponding quarter.

For the 6 months ended 30 June 2021, the Group's revenue increased by 25.75% to RM77.91 million from RM61.96 million recorded in the preceding year corresponding period. Profit before tax reduced to RM6.55 million from RM6.77 million recorded in the corresponding period of last financial year. Despite the increase in revenue, profit before tax has reduced mainly due to lower government grants received during the current financial period compared to the corresponding period of 2020.

Revenue contributed by the Malaysia and Singapore operations has increased by 118.13% and 5.78% respectively compared to the preceding year corresponding period. The Malaysia operations contributed 30.83% of the Group's revenue with the balance coming from Singapore operations. Our associate in Canada has incurred losses during the current Quarter mainly due to its expansion into new markets in Canada.

B2 Material change in results against preceding quarter

	Current Quarter 30/06/2021 RM'000	Preceding Quarter 31/03/2021 RM'000
Revenue	42,342	35,572
Profit before tax	4,121	2,424

For the current quarter, the Group recorded higher revenue of RM42.34 million compared to RM35.57 million recorded in the preceding quarter. The profit before tax increased to RM4.12 million from RM2.42 million recorded in the last quarter. The increase in profit before tax is mainly due to higher revenue and lower overheads.

B3 Current year prospects

The economic and business environment remains volatile and challenging. Rising material cost, material availability and project progress delays due to Covid-19 pandemic will be the key challenges to the Group and the Group will look into ways to minimize the impact.

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.

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

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

Not applicable.

B7 Income tax expense

	3 months ended 30/06/2021 RM'000	6 months ended 30/06/2021 RM'000
Current Taxation	1,011	1,763
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	1,011	1,763

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 June 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 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 June		6 months ended 30 June	
	2021	2020	2021	2020
Net profit attributable to equity holders of the Company (RM'000)	3,059	2,767	4,760	4,895
Weighted average number of ordinary shares in issue during the period ('000)	485,536	485,791	485,536	486,139
Basic earnings per ordinary share (sen)	0.63	0.56	0.98	1.00
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 30/06/2021 RM'000	6 months ended 30/06/2021 RM'000
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	524	1,046
Depreciation of right-of-use assets	358	710
Provision for and write off of inventories	-	-
Foreign exchange loss	38	96
Impairment losses on trade receivables	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	15	30
Exceptional items	N/A	N/A
And crediting:-		
Interest income	137	295
Government grants	73	372
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