

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

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 30 September 2021

	3 months ended 30 September		9 months ended 30 September	
	Unaudited 2021 RM'000	Unaudited 2020 RM'000	Unaudited 2021 RM'000	Unaudited 2020 RM'000
Revenue	38,987	30,369	116,901	92,330
Operating expenses	(35,335)	(28,975)	(107,342)	(87,877)
Other income	322	1,264	989	4,916
Share of results of associates, net of tax	231	872	202	935
Profit before tax	4,205	3,530	10,750	10,304
Income tax expense	(868)	(815)	(2,631)	(2,703)
Profit net of tax	3,337	2,715	8,119	7,601
Other comprehensive income, net of tax:				
Fair value (loss)/gain on debt instruments at fair value through other comprehensive income	(118)	106	(96)	52
Foreign currency translation differences for foreign operations	(269)	(1,402)	1,357	(167)
Total comprehensive income for the period	2,950	1,419	9,380	7,486
Profit attributable to:				
- Owners of the Company	3,359	2,718	8,119	7,613
- Non-controlling interests	(22)	(3)	-	(12)
	3,337	2,715	8,119	7,601
Total comprehensive income attributable to:				
- Owners of the Company	2,958	1,462	9,367	7,529
- Non-controlling interests	(8)	(43)	13	(43)
	2,950	1,419	9,380	7,486
Earnings per ordinary share (sen):				
- Basic	0.69	0.57	1.67	1.57
- 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 September 2021

	Unaudited 30 September 2021 RM'000	Audited 31 December 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,445	10,268
Right-of-use assets	4,627	5,685
Investment in associates	19,899	19,696
Investment securities	5,221	5,069
Other receivables	1,752	1,762
	40,944	42,480
Current assets		
Inventories	2,718	3,587
Contract assets	61,073	56,000
Trade and other receivables	34,290	33,287
Tax recoverable	182	141
Cash and bank balances	65,945	75,870
	164,208	168,885
TOTAL ASSETS	205,152	211,365
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	29,240	29,240
Treasury shares, at cost	(2,154)	(2,154)
Reserves	149,899	147,815
Total equity attributable to owners of the Company	176,985	174,901
Non-controlling interests	683	670
Total equity	177,668	175,571
Non-current liabilities		
Lease liabilities	26	1,081
Provision for reinstatement cost	769	759
Deferred tax liabilities	117	115
	912	1,955
Current liabilities		
Lease liabilities	1,431	1,442
Contract liabilities	1,226	5,522
Provisions	659	596
Trade and other payables	20,243	21,609
Tax payable	3,013	4,670
	26,572	33,839
Total liabilities	27,484	35,794
TOTAL EQUITY AND LIABILITIES	205,152	211,365
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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 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	-	-	-	1,344	(96)	8,119	9,367	13	9,380
Final dividend for the financial year ended 31 December 2020	-	-	-	-	-	(7,283)	(7,283)	-	(7,283)
At 30 September 2021	29,240	(2,154)	(7,585)	15,899	166	141,419	176,985	683	177,668
At 1 January 2020	29,240	(1,747)	(7,585)	14,716	11	129,997	164,632	391	165,023
Total comprehensive income	-	-	-	(136)	52	7,613	7,529	(43)	7,486
Repurchase of treasury shares	-	(383)	-	-	-	-	(383)	-	(383)
Final dividend for the financial year ended 31 December 2019	-	-	-	-	-	(7,287)	(7,287)	-	(7,287)
At 30 September 2020	29,240	(2,130)	(7,585)	14,580	63	130,323	164,491	348	164,839

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 September 2021

	Unaudited 30 September 2021 RM'000	Unaudited 30 September 2020 RM'000
Operating activities		
Profit before tax	10,750	10,304
Adjustments for non-cash items	2,033	1,005
Operating profit before changes in working capital	12,783	11,309
Changes in working capital:		
Net changes in inventories	869	54
Net changes in contract customers	(9,369)	(10,393)
Net changes in receivables	(994)	9,471
Net changes in payables	(1,292)	(6,569)
Cash flows from operating activities	1,997	3,872
Interest received	439	790
Interest paid	(37)	(72)
Income tax paid	(4,329)	(2,004)
Net cash (used in)/generated from operating activities	(1,930)	2,586
Investing activities		
Purchase of property, plant and equipment	(695)	(768)
Changes in pledged deposits	(19)	(38)
Changes in time deposits	(1,247)	9,126
Proceeds from disposal of investment securities	2,313	(1,519)
Purchase of investment securities	(2,482)	-
Net cash (used in)/generated from investing activities	(2,130)	9,839
Financing activities		
Repayment of lease liability	(1,103)	(1,083)
Dividends paid	(7,283)	(7,287)
Repurchase of treasury shares	-	(383)
Net cash used in financing activities	(8,386)	(8,753)
Net changes in cash and cash equivalents	(12,446)	3,672
Cash and cash equivalents at 1 January	72,286	71,218
Effect of exchange rate changes	1,255	(122)
Cash and cash equivalents at 30 September	61,095	74,768
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	2,398	2,564
Time deposits	2,452	313
Short term investments	154	4,171
Cash and bank balances	60,941	69,620
	65,945	76,668
Less: Pledged deposits	(2,398)	(1,587)
Time deposits	(2,452)	(313)
	61,095	74,768

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.

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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

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.

Current Year To Date	Malaysia	Singapore	Others	Adjustments & Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:					
External customers	36,151	80,750	-	-	116,901
Inter-segment	3,150	1,522	-	(4,672)	-
Total revenue	39,301	82,272	-	(4,672)	116,901
Results:					
Interest income	137	146	156	-	439
Interest expense	(3)	(34)	-	-	(37)
Depreciation	(731)	(1,907)	-	-	(2,638)
Income tax expense	-	(2,631)	-	-	(2,631)
Share of results of associates	-	-	-	202	202
Segment profit/(loss)	2,097	15,947	156	(7,450)	10,750

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 liabilities or 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 September 2021.

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1 Review of performance

Revenue for the current quarter increased by 28.38% to RM38.99 million from RM30.37 million achieved in the preceding year corresponding quarter. Profit before tax increased to RM4.21 million compared to RM3.53 million recorded in the corresponding quarter of 2020.

For the 9 months ended 30 September 2021, the Group's revenue increased by 26.61% to RM116.90 million from RM92.33 million recorded in the corresponding period of last financial year. Profit before tax increased to RM10.75 million from RM10.30 million recorded in the preceding year corresponding period. The higher profit before tax is mainly due to higher turnover. The profit before tax did not increase in the same proportion as the turnover as a result of lower government grants received during the current financial period compared to the corresponding period of 2020.

The Malaysia operations contributed 30.90% of the Group's revenue with the balance coming from Singapore operations. Revenue contributed by the Malaysia and Singapore operations has increased by 108.62% and 7.67% respectively compared to the corresponding period of 2020. Our associate in Canada has contributed RM202,000 to the bottom line of the Group and is currently expanding into new markets in Canada.

B2 Material change in results against preceding quarter

	Current Quarter 30/09/2021 RM'000	Preceding Quarter 30/06/2021 RM'000
Revenue	38,987	42,342
Profit before tax	4,205	4,121

For the current quarter, the Group recorded lower revenue of RM38.99 million compared to RM42.34 million recorded in the preceding quarter. The profit before tax increased marginally to RM4.21 million from RM4.12 million recorded in the last quarter. The increase in profit before tax is mainly due to lower overheads.

B3 Current year prospects

Rising material cost, material availability and project site delays due to Covid-19 pandemic continue to be the key challenges of the Group. Nevertheless, 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 30/09/2021 RM'000	9 months ended 30/09/2021 RM'000
Current Taxation	868	2,631
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	868	2,631

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 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 September 2021		9 months ended 30 September 2021	
	2021	2020	2021	2020
Net profit attributable to equity holders of the Company (RM'000)	3,359	2,718	8,119	7,613
Weighted average number of ordinary shares in issue during the period ('000)	485,536	485,756	485,536	486,011
Basic earnings per ordinary share (sen)	0.69	0.57	1.67	1.57
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 30/09/2021 RM'000	9 months ended 30/09/2021 RM'000
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	526	1,572
Depreciation of right-of-use assets	356	1,066
Provision for and write off of inventories	-	-
Foreign exchange loss	(63)	33
Impairment losses on trade receivables	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	7	37
Exceptional items	N/A	N/A
And crediting:-		
Interest income	144	439
Government grants	178	550
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