

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

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 31 December 2021

	3 months ended 31 December		12 months ended 31 December	
	Unaudited 2021 RM'000	Unaudited 2020 RM'000	Unaudited 2021 RM'000	Audited 2020 RM'000
Revenue	54,403	53,817	171,304	146,147
Operating expenses	(47,251)	(47,835)	(154,593)	(135,712)
Other income	711	2,165	1,700	7,081
Share of results of associates, net of tax	708	3,033	910	3,968
Profit before tax	8,571	11,180	19,321	21,484
Income tax expense	(1,472)	(613)	(4,103)	(3,316)
Profit net of tax	7,099	10,567	15,218	18,168
Other comprehensive income, net of tax:				
Fair value gain on debt instruments at fair value through other comprehensive income	(78)	199	(174)	251
Foreign currency translation differences for foreign operations	241	(10)	1,598	(177)
Total comprehensive income for the period	7,262	10,756	16,642	18,242
Profit attributable to:				
- Owners of the Company	7,142	10,260	15,261	17,873
- Non-controlling interests	(43)	307	(43)	295
	7,099	10,567	15,218	18,168
Total comprehensive income attributable to:				
- Owners of the Company	7,307	10,434	16,674	17,963
- Non-controlling interests	(45)	322	(32)	279
	7,262	10,756	16,642	18,242
Earnings per ordinary share (sen):				
- Basic	1.47	2.11	3.14	3.68
- 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 December 2021

	Unaudited 31 December 2021 RM'000	Audited 31 December 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,332	10,268
Right-of-use assets	4,414	5,685
Investment in associates	20,462	19,696
Investment securities	5,143	5,069
Other receivables	1,410	1,762
	40,761	42,480
Current assets		
Inventories	2,328	3,587
Contract assets	61,195	56,000
Trade and other receivables	31,876	33,287
Tax recoverable	196	141
Cash and bank balances	77,246	75,870
	172,841	168,885
TOTAL ASSETS	213,602	211,365
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	29,240	29,240
Treasury shares, at cost	(2,210)	(2,154)
Reserves	157,206	147,815
Total equity attributable to owners of the Company	184,236	174,901
Non-controlling interests	28	670
Total equity	184,264	175,571
Non-current liabilities		
Lease liabilities	71	1,081
Provision for reinstatement cost	-	759
Deferred tax liabilities	117	115
	188	1,955
Current liabilities		
Lease liabilities	1,169	1,442
Contract liabilities	1,750	5,522
Provisions	1,738	596
Trade and other payables	20,370	21,609
Tax payable	4,123	4,670
	29,150	33,839
Total liabilities	29,338	35,794
TOTAL EQUITY AND LIABILITIES	213,602	211,365
Net assets per share (RM)	0.38	0.36
Number of ordinary shares in issue ('000)	485,386	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 31 December 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	-	-	-	1,587	(174)	15,261	16,674	(32)	16,642
Repurchase of treasury shares	-	(56)	-	-	-	-	(56)	-	(56)
Derecognition of interest in a subsidiary	-	-	-	-	-	-	-	(610)	(610)
Final dividend for the financial year ended 31 December 2020	-	-	-	-	-	(7,283)	(7,283)	-	(7,283)
At 31 December 2021	29,240	(2,210)	(7,585)	16,142	88	148,561	184,236	28	184,264
At 1 January 2020	29,240	(1,747)	(7,585)	14,716	11	129,997	164,632	391	165,023
Total comprehensive income	-	-	-	(161)	251	17,873	17,963	279	18,242
Repurchase of treasury shares	-	(407)	-	-	-	-	(407)	-	(407)
Final dividend for the financial year ended 31 December 2019	-	-	-	-	-	(7,287)	(7,287)	-	(7,287)
At 31 December 2020	29,240	(2,154)	(7,585)	14,555	262	140,583	174,901	670	175,571

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 December 2021

	Unaudited 31 December 2021 RM'000	Unaudited 31 December 2020 RM'000
Operating activities		
Profit before tax	19,321	21,484
Adjustments for non-cash items	2,072	377
Operating profit before changes in working capital	21,393	21,861
Changes in working capital:		
Net changes in inventories	1,218	(984)
Net changes in contract customers	(9,067)	(21,529)
Net changes in receivables	1,334	(2,555)
Net changes in payables	(856)	8,284
Cash flows from operations	14,022	5,077
Interest received	592	1,004
Interest paid	(51)	(83)
Income tax paid	(4,706)	(2,946)
Net cash flows from operations	9,857	3,052
Investing activities		
Purchase of property, plant and equipment	(1,116)	(1,654)
Proceeds from disposal of property, plant and equipment	85	-
Purchase of investment securities	(2,482)	-
Proceeds from disposal of investment securities	2,313	1,518
Changes in pledged deposits	(24)	(830)
Changes in time deposits	1,205	8,234
Net cash flows from/(used in) investing activities	(19)	7,268
Financing activities		
Repayment of lease liability	(1,475)	(1,370)
Dividends paid	(7,283)	(7,287)
Repurchase of treasury shares	(56)	(407)
Net cash flows used in financing activities	(8,814)	(9,064)
Net changes in cash and cash equivalents	1,024	1,256
Cash and cash equivalents at 1 January	72,286	71,218
Effect of exchange rate changes	1,533	(188)
Cash and cash equivalents at 31 December	74,843	72,286
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	2,403	2,379
Time deposits	-	1,205
Short term investments	27,264	5,618
Cash and bank balances	47,579	66,668
	77,246	75,870
Less: Pledged deposits	(2,403)	(2,379)
Time deposits	-	(1,205)
	74,843	72,286

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

During the current quarter, 150,000 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 10,614,200 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.

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	49,349	121,955	-	-	171,304
Inter-segment	3,633	1,522	-	(5,155)	-
Total revenue	52,982	123,477	-	(5,155)	171,304
Results:					
Interest income	168	203	221	-	592
Interest expense	(6)	(45)	-	-	(51)
Depreciation	(1,067)	(2,537)	-	-	(3,604)
Income tax expense	-	(4,103)	-	-	(4,103)
Share of results of associates	-	-	-	910	910
Segment profit/(loss)	28,983	24,725	180	(34,567)	19,321

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 financial year except for:

- (i) The application for strike off of Secura Malaysia Sdn Bhd, a 50.00% owned associate of the Company from the register has been approved with the publication of Notice of Striking Off Pursuant to Section 551(3) of the Companies Act 2016 in the Gazette on 29 December 2021.
- (ii) The members' voluntary winding up of PT Willowglen Indonesia, a 50.08% owned subsidiary of the Company was completed on 30 December 2021.

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 31 December 2021.

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1 Review of performance

Revenue for the current quarter increased marginally to RM54.40 million from RM53.82 million achieved in the corresponding quarter of 2020. Profit before tax reduced to RM8.57 million compared to RM11.18 million recorded in the corresponding quarter of last financial year.

For the financial year ended 31 December 2021, the Group's revenue increased by 17.21% to RM171.30 million from RM146.15 million achieved in last financial year. Profit before tax reduced to RM19.32 million from RM21.48 million recorded in last financial year. The lower profit before tax is mainly due to lower contribution from our associate in Canada and lower government grants received in current financial year compared to 2020.

The Group's main market continue to be Malaysia and Singapore. The Singapore operations contributed 71.19% of the Group's revenue with the balance coming from Malaysia operations. Revenue contributed by the Malaysia and Singapore operations has increased by 14.82% and 18.21% respectively compared to last financial year. Contribution from our associate in Canada has reduced to RM910,000 compared to RM3.97 million in 2020 mainly due to a one-off sale of software licenses to a customer in 2020.

B2 Material change in results against preceding quarter

	Current Quarter 31/12/2021 RM'000	Preceding Quarter 30/09/2021 RM'000
Revenue	54,403	38,987
Profit before tax	8,571	4,205

For the current quarter, the Group recorded higher revenue of RM54.40 million compared to RM38.99 million recorded in the preceding quarter. The profit before tax increased to RM8.57 million from RM4.21 million recorded in the last quarter. The increase in profit before tax is mainly due to higher revenue.

B3 Prospects for 2022

The Group expect the business environment to remain uncertain and challenging. Rising material cost, material availability and project site delays continue to be the key challenges of the Group. However, the group will continue to explore new markets and opportunities to improve the financial performance of the Group. In view of 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 31/12/2021 RM'000	12 months ended 31/12/2021 RM'000
Current Taxation	1,472	4,103
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	1,472	4,103

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 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

A final single-tier dividend of 1.50 sen per ordinary share has been proposed for the financial year ended 31 December 2021. The entitlement and payment dates for the dividend will be on 27 April 2022 and 18 May 2022 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	
	2021	2020	2021	2020
Net profit attributable to equity holders of the Company (RM'000)	7,142	10,260	15,261	17,873
Weighted average number of ordinary shares in issue during the period ('000)	485,480	485,536	485,522	485,891
Basic earnings per ordinary share (sen)	1.47	2.11	3.14	3.68
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 31/12/2021 RM'000	12 months ended 31/12/2021 RM'000
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	592	2,164
Depreciation of right-of-use assets	374	1,440
Provision for and write off of inventories	-	-
Foreign exchange loss	3	36
Impairment losses on trade receivables	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	14	51
Exceptional items	N/A	N/A
And crediting:-		
Interest income	153	592
Government grants	182	732
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