

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

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 31 March 2022

	3 months ended 31 March		3 months ended 31 March	
	Unaudited 2022 RM'000	Unaudited 2021 RM'000	Unaudited 2022 RM'000	Audited 2021 RM'000
Revenue	41,512	35,572	41,512	35,572
Operating expenses	(38,944)	(34,148)	(38,944)	(34,148)
Other income	1,079	457	1,079	457
Share of results of associates, net of tax	(232)	543	(232)	543
Profit before tax	3,415	2,424	3,415	2,424
Income tax expense	(813)	(752)	(813)	(752)
Profit net of tax	2,602	1,672	2,602	1,672
Other comprehensive income, net of tax:				
Fair value gain on debt instruments at fair value through other comprehensive income	(284)	(4)	(284)	(4)
Foreign currency translation differences for foreign operations	380	1,588	380	1,588
Total comprehensive income for the period	2,698	3,256	2,698	3,256
Profit attributable to:				
- Owners of the Company	2,611	1,701	2,611	1,701
- Non-controlling interests	(9)	(29)	(9)	(29)
	2,602	1,672	2,602	1,672
Total comprehensive income attributable to:				
- Owners of the Company	2,707	3,288	2,707	3,288
- Non-controlling interests	(9)	(32)	(9)	(32)
	2,698	3,256	2,698	3,256
Earnings per ordinary share (sen):				
- Basic	0.54	0.35	0.54	0.35
- 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 2021 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 2022

	Unaudited 31 March 2022 RM'000	Audited 31 December 2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,874	9,332
Right-of-use assets	3,923	4,414
Investment in associates	20,390	20,462
Investment securities	5,069	5,142
Other receivables	1,416	1,410
	<u>39,672</u>	<u>40,760</u>
Current assets		
Inventories	2,344	2,328
Contract assets	67,661	61,201
Trade and other receivables	31,990	31,868
Tax recoverable	202	196
Cash and bank balances	71,919	77,255
	<u>174,116</u>	<u>172,848</u>
TOTAL ASSETS	213,788	213,608
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	29,240	29,240
Treasury shares, at cost	(2,234)	(2,210)
Reserves	159,913	157,206
Total equity attributable to owners of the Company	186,919	184,236
Non-controlling interests	19	28
Total equity	186,938	184,264
Non-current liabilities		
Lease liabilities	-	71
Provision for reinstatement cost	-	771
Deferred tax liabilities	118	117
	<u>118</u>	<u>959</u>
Current liabilities		
Lease liabilities	738	1,169
Contract liabilities	711	1,756
Provisions	1,541	967
Trade and other payables	19,620	20,370
Tax payable	4,122	4,123
	<u>26,732</u>	<u>28,385</u>
Total liabilities	26,850	29,344
TOTAL EQUITY AND LIABILITIES	213,788	213,608
Net assets per share (RM)	0.39	0.38
Number of ordinary shares in issue ('000)	485,327	485,386

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022

	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 2022	29,240	(2,210)	(7,585)	16,142	89	148,560	184,236	28	184,264
Total comprehensive income	-	-	-	380	(284)	2,611	2,707	(9)	2,698
Repurchase of treasury shares	-	(24)	-	-	-	-	(24)	-	(24)
At 31 March 2022	29,240	(2,234)	(7,585)	16,522	(195)	151,171	186,919	19	186,938
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

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022

	Unaudited 31 March 2022 RM'000	Unaudited 31 March 2021 RM'000
Operating activities		
Profit before tax	3,415	2,424
Adjustments for non-cash items	926	188
Operating profit before changes in working capital	4,341	2,612
Changes in working capital:		
Net changes in inventories	(16)	140
Net changes in contract customers	(7,506)	6,557
Net changes in receivables	(127)	(1,729)
Net changes in payables	(946)	(2,815)
Cash flows from/(used in) operations	(4,254)	4,765
Interest received	207	158
Interest paid	(7)	(15)
Income tax paid	(820)	(1,713)
Net cash flows from/(used in) operations	(4,874)	3,195
Investing activities		
Purchase of property, plant and equipment	(68)	(256)
Purchase of investment securities	(945)	-
Proceeds from disposal of investment securities	775	762
Changes in pledged deposits	(7)	(7)
Changes in time deposits	-	318
Net cash flows from/(used in) investing activities	(245)	817
Financing activities		
Repayment of lease liability	(509)	(330)
Repurchase of treasury shares	(24)	-
Net cash flows used in financing activities	(533)	(330)
Net changes in cash and cash equivalents	(5,652)	3,682
Cash and cash equivalents at 1 January	74,843	72,286
Effect of exchange rate changes	309	1,428
Cash and cash equivalents at 31 March	69,500	77,396
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	2,419	2,707
Time deposits	-	887
Short term investments	18,918	14,907
Cash and bank balances	50,582	62,168
	71,919	80,669
Less: Pledged deposits	(2,419)	(2,386)
Time deposits	-	(887)
	69,500	77,396

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2021.

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 2021 except for the adoption of the Amendments/Improvements to MFRSs that are applicable to the Group effective 1 January 2022. 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 2021 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, 59,000 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 10,673,200 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 quarter.

A6 Dividends paid

A final single tier dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2021 amounting to RM7,279,902 was paid on 18 May 2022.

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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	10,341	31,171	-	-	41,512
Inter-segment	684	102	-	(786)	-
Total revenue	11,025	31,273	-	(786)	41,512
Results:					
Interest income	121	28	58	-	207
Interest expense	(1)	(6)	-	-	(7)
Depreciation	(262)	(633)	-	-	(895)
Income tax expense	-	(814)	-	-	(814)
Share of results of associates	-	-	-	(232)	(232)
Segment profit/(loss)	(1,665)	5,254	58	(232)	3,415

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 2021.

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 liabilities or contingent assets arising since the last audited financial statements for the year ended 31 December 2021.

A12 Capital commitments

There were no material capital commitments as at 31 March 2022.

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 16.70% to RM41.51 million from RM35.57 million recorded in the corresponding quarter of last financial year. Profit before tax increased to RM3.42 million compared to RM2.42 million recorded in the corresponding quarter of 2021. The higher profit before tax is mainly due to higher turnover.

The Singapore operations contributed 75.09% of the Group's revenue with the balance coming from Malaysia operations. Revenue of the Singapore operations has increased by 22.44% compared to last financial year whereas revenue of the Malaysia operations improved marginally due to project sites delay. Business activities of the Canada operations has slowed down due uncertain economic conditions and has incurred a loss of RM232,000 in the current quarter.

B2 Material change in results against preceding quarter

	Current Quarter 31/03/2022 RM'000	Preceding Quarter 31/12/2021 RM'000
Revenue	41,512	54,403
Profit before tax	3,415	8,571

For the current quarter, the Group recorded lower revenue of RM41.51 million compared to RM54.40 million recorded in the last quarter. The profit before tax reduced to RM3.42 million from RM8.57 million recorded in the preceding quarter. The decrease in profit before tax is mainly due to lower revenue and higher manpower expenses.

B3 Current year prospects

The business environment has been very challenging and competitive. Rising material cost, material availability and project site delays continue to be the key challenges of the Group. The Group is actively managing the situation to minimize the impact on the bottom line of the Group.

With the current projects and progress of work 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.

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B7 Income tax expense

	3 months ended 31/03/2022 RM'000	3 months ended 31/03/2022 RM'000
Current Taxation	813	813
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	813	813

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 2022.

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	
	2022	2021	2022	2021
Net profit attributable to equity holders of the Company (RM'000)	2,611	1,701	2,611	1,701
Weighted average number of ordinary shares in issue during the period ('000)	485,328	485,536	485,328	485,536
Basic earnings per ordinary share (sen)	0.54	0.35	0.54	0.35
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 31/03/2022 RM'000	3 months ended 31/03/2022 RM'000
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	539	539
Depreciation of right-of-use assets	356	356
Provision for and write off of inventories	-	-
Foreign exchange loss	75	75
Impairment losses on trade receivables	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	7	7
Exceptional items	N/A	N/A
And crediting:-		
Interest income	207	207
Government grants	551	551
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