

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

## CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 30 June 2022

	3 months ended 30 June		6 months ended 30 June	
	Unaudited 2022 RM'000	Unaudited 2021 RM'000	Unaudited 2022 RM'000	Unaudited 2021 RM'000
Revenue	47,956	42,342	89,468	77,914
Operating expenses	(45,667)	(37,859)	(84,611)	(72,007)
Other income	713	210	1,792	667
Share of results of associates, net of tax	187	(572)	(45)	(29)
Profit before tax	3,189	4,121	6,604	6,545
Income tax expense	(802)	(1,011)	(1,615)	(1,763)
<b>Profit net of tax</b>	<b>2,387</b>	<b>3,110</b>	<b>4,989</b>	<b>4,782</b>
Other comprehensive income, net of tax:				
Fair value gain on debt instruments at fair value through other comprehensive income	(424)	26	(708)	22
Foreign currency translation differences for foreign operations	2,017	38	2,397	1,626
<b>Total comprehensive income for the period</b>	<b>3,980</b>	<b>3,174</b>	<b>6,678</b>	<b>6,430</b>
Profit attributable to:				
- Owners of the Company	2,394	3,059	5,005	4,760
- Non-controlling interests	(7)	51	(16)	22
	<b>2,387</b>	<b>3,110</b>	<b>4,989</b>	<b>4,782</b>
Total comprehensive income attributable to:				
- Owners of the Company	3,998	3,121	6,705	6,409
- Non-controlling interests	(7)	53	(16)	21
	<b>3,991</b>	<b>3,174</b>	<b>6,689</b>	<b>6,430</b>
Earnings per ordinary share (sen):				
- Basic	0.49	0.63	1.03	0.98
- 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 30 June 2022

	<b>Unaudited 30 June 2022 RM'000</b>	<b>Audited 31 December 2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,715	9,332
Right-of-use assets	3,574	4,414
Investment in associates	20,576	20,462
Investment securities	3,788	5,142
Other investments	1,500	-
Other receivables	1,435	1,410
	<u>39,588</u>	<u>40,760</u>
<b>Current assets</b>		
Inventories	2,585	2,328
Contract assets	75,714	61,201
Trade and other receivables	33,952	31,868
Tax recoverable	216	196
Cash and bank balances	56,944	77,255
	<u>169,411</u>	<u>172,848</u>
<b>TOTAL ASSETS</b>	<b>208,999</b>	<b>213,608</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	29,240	29,240
Treasury shares, at cost	(2,325)	(2,210)
Reserves	156,631	157,206
<b>Total equity attributable to owners of the Company</b>	<b>183,546</b>	<b>184,236</b>
Non-controlling interests	12	28
<b>Total equity</b>	<b>183,558</b>	<b>184,264</b>
<b>Non-current liabilities</b>		
Lease liabilities	-	71
Provision for reinstatement cost	-	771
Deferred tax liabilities	120	117
	<u>120</u>	<u>959</u>
<b>Current liabilities</b>		
Lease liabilities	378	1,169
Contract liabilities	943	1,756
Provisions	1,511	967
Trade and other payables	18,755	20,370
Tax payable	3,734	4,123
	<u>25,321</u>	<u>28,385</u>
<b>Total liabilities</b>	<b>25,441</b>	<b>29,344</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>208,999</b>	<b>213,608</b>
Net assets per share (RM)	0.38	0.38
Number of ordinary shares in issue ('000)	484,986	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 30 June 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
<b>At 1 January 2022</b>	29,240	(2,210)	(7,585)	16,142	89	148,560	184,236	28	184,264
<b>Total comprehensive income</b>	-	-	-	2,408	(708)	5,005	6,705	(16)	6,689
<b>Repurchase of treasury shares</b>	-	(115)	-	-	-	-	(115)	-	(115)
<b>Final dividend for the financial year ended 31 December 2021</b>	-	-	-	-	-	(7,280)	(7,280)	-	(7,280)
<b>At 30 June 2022</b>	29,240	(2,325)	(7,585)	18,550	(619)	146,285	183,546	12	183,558
<b>At 1 January 2021</b>	29,240	(2,154)	(7,585)	14,555	262	140,583	174,901	670	175,571
<b>Total comprehensive income</b>	-	-	-	1,627	22	4,760	6,409	21	6,430
<b>Final dividend for the financial year ended 31 December 2020</b>	-	-	-	-	-	(7,283)	(7,283)	-	(7,283)
<b>At 30 June 2021</b>	29,240	(2,154)	(7,585)	16,182	284	138,060	174,027	691	174,718

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 30 June 2022

	<b>Unaudited 30 June 2022 RM'000</b>	<b>Unaudited 30 June 2021 RM'000</b>
<b>Operating activities</b>		
Profit before tax	6,604	6,545
Adjustments for non-cash items	958	1,519
<b>Operating profit before changes in working capital</b>	<b>7,562</b>	<b>8,064</b>
Changes in working capital:		
Net changes in inventories	(257)	424
Net changes in contract customers	(15,327)	(3,954)
Net changes in receivables	(1,684)	5,584
Net changes in payables	(1,842)	(1,782)
<b>Cash flows from/(used in) operations</b>	<b>(11,548)</b>	<b>8,336</b>
Interest received	346	295
Interest paid	(12)	(30)
Income tax paid	(2,024)	(3,183)
<b>Net cash flows from/(used in) operations</b>	<b>(13,238)</b>	<b>5,418</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(320)	(466)
Proceeds from disposal of investment securities	775	2,313
Purchase of investments	(1,500)	-
Changes in pledged deposits	(13)	(13)
Purchase of investment securities	-	(2,482)
Changes in time deposits	-	(1,227)
<b>Net cash flows from/(used in) investing activities</b>	<b>(1,058)</b>	<b>(1,875)</b>
<b>Financing activities</b>		
Repayment of lease liability	(873)	(764)
Repurchase of treasury shares	(115)	-
Dividends paid	(7,280)	(7,283)
<b>Net cash flows used in financing activities</b>	<b>(8,268)</b>	<b>(8,047)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(22,564)</b>	<b>(4,504)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>74,843</b>	<b>72,286</b>
Effect of exchange rate changes	2,240	1,554
<b>Cash and cash equivalents at 30 June</b>	<b>54,519</b>	<b>69,336</b>
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	2,425	2,392
Time deposits	-	2,432
Short term investments	7,888	3,277
Cash and bank balances	46,631	66,059
	56,944	74,160
Less: Pledged deposits	(2,425)	(2,392)
Time deposits	-	(2,432)
	54,519	69,336

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.

# **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 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, 340,400 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 11,013,600 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 financial period to date.

### **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.

<b>Current Year To Date</b>	<b>Malaysia</b>	<b>Singapore</b>	<b>Others</b>	<b>Adjustments &amp; Eliminations</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue:</b>					
External customers	24,410	65,058	-	-	89,468
Inter-segment	1,796	436	-	(2,232)	-
Total revenue	26,206	65,494	-	(2,232)	89,468
<b>Results:</b>					
Interest income	197	61	88	-	346
Interest expense	(2)	(10)	-	-	(12)
Depreciation	(520)	(1,272)	-	-	(1,792)
Income tax expense	-	(1,615)	-	-	(1,615)
Share of results of associates	-	-	-	(45)	(45)
Segment profit/(loss)	(3,419)	9,980	88	(45)	6,604

## 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 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 2021.

## A12 Capital commitments

There were no material capital commitments as at 30 June 2022.

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## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

### B1 Review of performance

Revenue for the current quarter increased by 13.26% to RM47.96 million from RM42.34 million recorded in the corresponding quarter of 2021. Profit before tax reduced to RM3.19 million compared to RM4.12 million recorded in the corresponding quarter of last financial year.

For the 6 months ended 30 June 2022, the Group's revenue increased by 14.83% to RM89.47 million from RM77.91 million recorded in the preceding year corresponding period. Profit before tax increased to RM6.60 million from RM6.55 million recorded in the corresponding period of last financial year. The higher profit before tax is mainly due to higher turnover but the profit before tax did not increase in the same proportion as the turnover as a result of the recognition of income from lower margin projects.

The Malaysia operations contributed 27.28% of the Group's revenue with the balance coming from Singapore operations. Revenue of the Singapore operations has increased by 20.71% compared to the corresponding period of last financial year whereas revenue of the Malaysia operations improved marginally due to project sites delay.

### B2 Material change in results against preceding quarter

	Current Quarter 30/06/2022 RM'000	Preceding Quarter 31/03/2022 RM'000
Revenue	47,956	41,512
Profit before tax	3,189	3,415

For the current quarter, the Group recorded higher revenue of RM47.96 million compared to RM41.51 million recorded in the previous quarter. The profit before tax reduced to RM3.19 million from RM3.42 million recorded in the preceding quarter. The decrease in profit before tax is mainly due to recognition of income from lower margin projects during the current quarter.

### B3 Current year prospects

The business environment remains challenging and competitive. Increase in material cost, availability of material and project site delays continue to be the key challenges 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.

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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 30/06/2022 RM'000	6 months ended 30/06/2022 RM'000
Current Taxation	1,615	1,615
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	1,615	1,615

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 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 30 June		6 months ended 30 June	
	2022	2021	2022	2021
Net profit attributable to equity holders of the Company (RM'000)	2,394	3,059	5,005	4,760
Weighted average number of ordinary shares in issue during the period ('000)	485,284	485,536	485,309	485,536
Basic earnings per ordinary share (sen)	0.49	0.63	1.03	0.98
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**

	<b>3 months ended</b> <b>30/06/2022</b> <b>RM'000</b>	<b>6 months ended</b> <b>30/06/2022</b> <b>RM'000</b>
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	532	1,071
Depreciation of right-of-use assets	365	721
Provision for and write off of inventories	-	-
Foreign exchange loss	132	207
Impairment losses on trade receivables	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	5	12
Exceptional items	N/A	N/A
And crediting:-		
Interest income	139	346
Government grants	470	1,021
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