

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

## CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 31 December 2022

	3 months ended 31 December		12 months ended 31 December	
	Unaudited 2022 RM'000	Unaudited 2021 RM'000	Unaudited 2022 RM'000	Audited 2021 RM'000
Revenue	53,104	54,403	192,525	171,304
Operating expenses	(47,670)	(47,252)	(177,222)	(154,594)
Other income	724	711	3,060	1,700
Share of results of associates, net of tax	(298)	708	1,079	910
Profit before tax	5,860	8,570	19,442	19,320
Income tax expense	(1,380)	(1,472)	(4,109)	(4,103)
<b>Profit net of tax</b>	<b>4,480</b>	<b>7,098</b>	<b>15,333</b>	<b>15,217</b>
Other comprehensive income, net of tax:				
Fair value gain on debt instruments at fair value through other comprehensive income	75	(77)	(813)	(173)
Foreign currency translation differences for foreign operations	1,656	241	6,372	1,598
<b>Total comprehensive income for the period</b>	<b>6,211</b>	<b>7,262</b>	<b>20,892</b>	<b>16,642</b>
Profit attributable to:				
- Owners of the Company	4,509	7,141	15,386	15,260
- Non-controlling interests	(29)	(43)	(53)	(43)
	<b>4,480</b>	<b>7,098</b>	<b>15,333</b>	<b>15,217</b>
Total comprehensive income attributable to:				
- Owners of the Company	6,240	7,307	20,945	16,674
- Non-controlling interests	(29)	(45)	(53)	(32)
	<b>6,211</b>	<b>7,262</b>	<b>20,892</b>	<b>16,642</b>
Earnings per ordinary share (sen):				
- Basic	0.93	1.47	3.17	3.14
- 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 December 2022

	Unaudited 31 December 2022 RM'000	Audited 31 December 2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,430	9,332
Right-of-use assets	7,597	4,414
Investment in associates	21,701	20,462
Investment securities	3,839	5,142
Other investments	2,000	-
Other receivables	1,396	1,410
	<u>44,963</u>	<u>40,760</u>
<b>Current assets</b>		
Inventories	3,924	2,328
Contract assets	87,112	61,201
Trade and other receivables	43,143	31,868
Tax recoverable	244	196
Cash and bank balances	54,522	77,255
	<u>188,945</u>	<u>172,848</u>
<b>TOTAL ASSETS</b>	<b>233,908</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	(2,427)	(2,210)
Reserves	170,871	157,206
<b>Total equity attributable to owners of the Company</b>	<b>197,684</b>	<b>184,236</b>
Non-controlling interests	(25)	28
<b>Total equity</b>	<b>197,659</b>	<b>184,264</b>
<b>Non-current liabilities</b>		
Lease liabilities	2,801	71
Provision for reinstatement cost	821	771
Deferred tax liabilities	125	117
	<u>3,747</u>	<u>959</u>
<b>Current liabilities</b>		
Lease liabilities	1,606	1,169
Contract liabilities	4,182	1,756
Provisions	784	967
Trade and other payables	21,733	20,370
Tax payable	4,197	4,123
	<u>32,502</u>	<u>28,385</u>
<b>Total liabilities</b>	<b>36,249</b>	<b>29,344</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>233,908</b>	<b>213,608</b>
Net assets per share (RM)	0.41	0.38
Number of ordinary shares in issue ('000)	484,786	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 December 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>	-	-	-	6,372	(813)	15,386	20,945	(53)	20,892
<b>Repurchase of treasury shares</b>	-	(217)	-	-	-	-	(217)	-	(217)
<b>Final dividend for the financial year ended 31 December 2021</b>	-	-	-	-	-	(7,280)	(7,280)	-	(7,280)
<b>At 31 December 2022</b>	29,240	(2,427)	(7,585)	22,514	(724)	156,666	197,684	(25)	197,659
<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>	-	-	-	1,587	(173)	15,260	16,674	(32)	16,642
<b>Repurchase of treasury shares</b>	-	(56)	-	-	-	-	(56)	-	(56)
<b>Derecognition of interest in a subsidiary</b>	-	-	-	-	-	-	-	(610)	(610)
<b>Final dividend for the financial year ended 31 December 2020</b>	-	-	-	-	-	(7,283)	(7,283)	-	(7,283)
<b>At 31 December 2022</b>	29,240	(2,210)	(7,585)	16,142	89	148,560	184,236	28	184,264

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 December 2022

	Unaudited 31 December 2022 RM'000	Audited 31 December 2021 RM'000
<b>Operating activities</b>		
Profit before tax	19,442	19,320
Adjustments for non-cash items	1,586	2,771
<b>Operating profit before changes in working capital</b>	21,028	22,091
Changes in working capital:		
Net changes in inventories	(1,666)	1,218
Net changes in contract customers	(23,485)	(8,967)
Net changes in receivables	(10,563)	1,933
Net changes in payables	409	(1,587)
<b>Cash flows from/(used in) operations</b>	(14,277)	14,688
Interest received	621	486
Interest paid	(35)	(51)
Income tax paid	(4,082)	(4,783)
<b>Net cash flows from/(used in) operations</b>	(17,773)	10,340
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,004)	(1,118)
Proceeds from disposal of property, plant and equipment	-	85
Proceeds from disposal of investment securities	775	2,315
Net proceeds from derecognition of a subsidiary	-	(613)
Net proceeds from dissolution of an associate	-	144
Purchase of investments	(2,000)	-
Changes in pledged deposits	(30)	(33)
Purchase of investment securities	-	(2,457)
Changes in time deposits	-	1,205
<b>Net cash flows from/(used in) investing activities</b>	(2,259)	(472)
<b>Financing activities</b>		
Repayment of lease liability	(1,665)	(1,504)
Repurchase of treasury shares	(217)	(56)
Dividends paid	(7,280)	(7,283)
<b>Net cash flows used in financing activities</b>	(9,162)	(8,843)
<b>Net changes in cash and cash equivalents</b>	(29,194)	1,025
<b>Cash and cash equivalents at 1 January</b>	74,843	72,286
Effect of exchange rate changes	6,431	1,532
<b>Cash and cash equivalents at 31 December</b>	52,080	74,843
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	9,051	2,412
Short term investments	3,123	27,264
Cash and bank balances	42,348	47,579
	54,522	77,255
Less: Pledged deposits	(2,442)	(2,412)
	52,080	74,843

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**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

As at the end of the current quarter, a total of 11,213,600 shares were held as treasury shares.

### **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.

<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	53,345	139,180	-	-	192,525
Inter-segment	3,815	1,093	-	(4,908)	-
Total revenue	57,160	140,273	-	(4,908)	192,525
<b>Results:</b>					
Interest income	276	166	179	-	621
Interest expense	(6)	(29)	-	-	(35)
Depreciation	(1,095)	(2,520)	-	-	(3,615)
Income tax expense	-	(4,109)	-	-	(4,109)
Share of results of associates	-	-	-	1,079	1,079
Segment profit/(loss)	(6,428)	24,639	152	1,079	19,442

## 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 financial year.

## 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 December 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 reduced by 2.39% to RM53.10 million from RM54.40 million recorded in the preceding year corresponding quarter. Profit before tax reduced to RM5.86 million compared to RM8.57 million recorded in the corresponding quarter of 2021.

For the 12 months ended 31 December 2022, the Group's revenue increased by 12.39% to RM192.53 million from RM171.30 million recorded in last financial year. Profit before tax increased to RM19.44 million from RM19.32 million achieved in 2021. 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 and higher operating overheads.

The Group's main market continue to be Malaysia and Singapore. The Malaysia and Singapore operations contributed 27.71% and 72.29% of the Group's revenue respectively. Revenue of the Singapore operations has increased by 15.57% compared to the last financial year whereas revenue of the Malaysia operations improved by 4.86%. Contribution from our associate in Canada has increased to RM1.08 million from RM910,000 achieved in 2021.

### B2 Material change in results against preceding quarter

	Current Quarter 31/12/2022 RM'000	Preceding Quarter 30/09/2022 RM'000
Revenue	53,104	49,953
Profit before tax	5,860	6,978

For the current quarter, the Group recorded higher revenue of RM53.10 million compared to RM49.95 million recorded in the previous quarter. The profit before tax decreased to RM5.86 million from RM6.98 million recorded in the preceding quarter. The decrease in profit before tax is mainly due to share of losses from our associate in the current quarter.

### B3 Prospects for 2023

The Group expect the business environment to remain challenging and competitive. Increase in material and manpower cost, lack of material supply and project site delays will continue to be the main challenges of the Group. The Group will continue to explore new opportunities to improve the bottom line of the Group. 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 31/12/2022 RM'000	12 months ended 31/12/2022 RM'000
Current Taxation	1,190	3,919
Adjustment for under/(over) provisions in previous years	190	190
Transfer to/(from) deferred taxation	-	-
	1,380	4,109

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 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

A final single-tier dividend of 1.50 sen per ordinary share has been proposed for the financial year ended 31 December 2022. The entitlement and payment dates for the dividend will be on 27 April 2023 and 18 May 2023 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 2022		12 months ended 31 December 2022	
	2021	2021	2021	2021
Net profit attributable to equity holders of the Company (RM'000)	4,509	7,141	15,386	15,260
Weighted average number of ordinary shares in issue during the period ('000)	484,786	485,480	485,070	485,522
Basic earnings per ordinary share (sen)	0.93	1.47	3.17	3.14
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 31/12/2022 RM'000	12 months ended 31/12/2022 RM'000
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	487	2,097
Depreciation of right-of-use assets	427	1,518
Provision for and write off of inventories	71	71
Foreign exchange loss	76	409
Impairment losses on trade receivables	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	21	35
Exceptional items	N/A	N/A
And crediting:-		
Interest income	145	621
Government grants	122	1,397
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