

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

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 31 March 2023

	3 months ended 31 March		3 months ended 31 March	
	Unaudited 2023 RM'000	Unaudited 2022 RM'000	Unaudited 2023 RM'000	Unaudited 2022 RM'000
Revenue	45,066	41,512	45,066	41,512
Operating expenses	(42,526)	(38,944)	(42,526)	(38,944)
Other income	384	758	384	758
Net reversal of impairment losses on financial instruments	-	321	-	321
Share of results of associates, net of tax	(375)	(232)	(375)	(232)
Profit before tax	2,549	3,415	2,549	3,415
Income tax expense	(1,358)	(813)	(1,358)	(813)
Profit net of tax	1,191	2,602	1,191	2,602
Other comprehensive income, net of tax:				
Fair value gain on debt instruments at fair value through other comprehensive income	81	(284)	81	(284)
Foreign currency translation differences for foreign operations	1,316	380	1,316	380
Total comprehensive income for the period	2,588	2,698	2,588	2,698
Profit attributable to:				
- Owners of the Company	1,213	2,611	1,213	2,611
- Non-controlling interests	(22)	(9)	(22)	(9)
	1,191	2,602	1,191	2,602
Total comprehensive income attributable to:				
- Owners of the Company	2,610	2,707	2,610	2,707
- Non-controlling interests	(22)	(9)	(22)	(9)
	2,588	2,698	2,588	2,698
Earnings per ordinary share (sen):				
- Basic	0.25	0.54	0.25	0.54
- 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 2022 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 2023

	Unaudited 31 March 2023 RM'000	Audited 31 December 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,401	8,430
Right-of-use assets	7,147	7,597
Investment in associates	21,326	21,701
Investment securities	3,964	3,839
Other investments	2,000	2,000
Other receivables	1,469	1,396
	44,307	44,963
Current assets		
Inventories	3,097	3,924
Contract assets	79,090	87,667
Trade and other receivables	35,024	43,143
Tax recoverable	54	244
Cash and bank balances	69,036	54,522
	186,301	189,500
TOTAL ASSETS	230,608	234,463
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	29,240	29,240
Treasury shares, at cost	(2,427)	(2,427)
Reserves	173,481	170,871
Total equity attributable to owners of the Company	200,294	197,684
Non-controlling interests	(47)	(25)
Total equity	200,247	197,659
Non-current liabilities		
Lease liabilities	2,433	2,801
Provision for reinstatement cost	831	821
Deferred tax liabilities	126	125
	3,390	3,747
Current liabilities		
Lease liabilities	1,561	1,606
Contract liabilities	1,121	4,737
Provisions	780	785
Trade and other payables	18,117	21,732
Tax payable	5,392	4,197
	26,971	33,057
Total liabilities	30,361	36,804
TOTAL EQUITY AND LIABILITIES	230,608	234,463
Net assets per share (RM)	0.41	0.41
Number of ordinary shares in issue ('000)	484,786	484,786

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023

	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 2023	29,240	(2,427)	(7,585)	22,514	(724)	156,666	197,684	(25)	197,659
Total comprehensive income	-	-	-	1,316	81	1,213	2,610	(22)	2,588
At 31 March 2023	29,240	(2,427)	(7,585)	23,830	(643)	157,879	200,294	(47)	200,247
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

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023

	Unaudited 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000
Operating activities		
Profit before tax	2,549	3,415
Adjustments for non-cash items	1,087	926
Operating profit before changes in working capital	3,636	4,341
Changes in working capital:		
Net changes in inventories	827	(16)
Net changes in contract customers	4,961	(7,506)
Net changes in receivables	8,046	(127)
Net changes in payables	(3,611)	(946)
Cash flows from/(used in) operations	13,859	(4,254)
Interest received	158	207
Interest paid	(56)	(7)
Income tax refunded	180	-
Income tax paid	(153)	(820)
Net cash flows from/(used in) operations	13,988	(4,874)
Investing activities		
Purchase of property, plant and equipment	(390)	(68)
Changes in pledged deposits	(20)	(7)
Purchase of investment securities	-	(945)
Proceeds from disposal of investment securities	-	775
Net cash flows used in investing activities	(410)	(245)
Financing activities		
Repayment of lease liability	(469)	(509)
Repurchase of treasury shares	-	(24)
Net cash flows used in financing activities	(469)	(533)
Net changes in cash and cash equivalents	13,109	(5,652)
Cash and cash equivalents at 1 January	52,080	74,843
Effect of exchange rate changes	1,385	309
Cash and cash equivalents at 31 March	66,574	69,500
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	9,128	2,419
Short term investments	950	18,918
Cash and bank balances	58,958	50,582
	69,036	71,919
Less: Pledged deposits	(2,462)	(2,419)
	66,574	69,500

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2022.

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 2022 except for the adoption of the new MFRS and amendments/improvements to MFRSs that are applicable to the Group effective 1 January 2023. 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 2022 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.

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

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	9,605	35,461	-	-	45,066
Inter-segment	326	-	-	(326)	-
Total revenue	9,931	35,461	-	(326)	45,066
Results:					
Interest income	51	63	44	-	158
Interest expense	(2)	(54)	-	-	(56)
Depreciation	(253)	(585)	-	-	(838)
Income tax expense	-	(1,358)	-	-	(1,358)
Share of results of associates	-	-	-	(375)	(375)
Segment profit/(loss)	(4,125)	7,010	39	(375)	2,549

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 2022.

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 2022.

A12 Capital commitments

There were no material capital commitments as at 31 March 2023.

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

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1 Review of performance

The Group's revenue for the current quarter has increased by 8.56% to RM45.07 million from RM41.51 million recorded in the corresponding quarter of 2022. Profit before tax reduced to RM2.55 million compared to RM3.42 million recorded in the corresponding quarter of last financial year. The lower profit before tax is mainly due to higher R&D expenses, lower government grants received and the reversal of impairment losses on trade receivables in the first quarter of 2022.

The Group's main market continue to be Malaysia and Singapore where the Singapore operations contributed 78.69% of the Group's revenue with the balance coming from Malaysia operations. Revenue of the Singapore operations has increased by 13.76% compared to the last financial year whereas revenue of the Malaysia operations has reduced by 7.12% mainly due to project site delays.

B2 Material change in results against preceding quarter

	Current Quarter 31/03/2023 RM'000	Preceding Quarter 31/12/2022 RM'000
Revenue	45,066	53,104
Profit before tax	2,549	5,860

For the current quarter, the Group recorded lower revenue of RM45.07 million compared to RM53.10 million recorded in the previous quarter. The profit before tax decreased to RM2.55 million from RM5.86 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 Group expect the economic and business environment to remain competitive and challenging. 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.

B6 Variance of actual profit from financial estimate, forecast profit or shortfall of profit guarantee

Not applicable.

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

B7 Income tax expense

	3 months ended 31/03/2023 RM'000	3 months ended 31/03/2023 RM'000
Current Taxation	1,134	1,134
Adjustment for under/(over) provisions in previous years	224	224
Transfer to/(from) deferred taxation	-	-
	1,358	1,358

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 2023.

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 payment date for the dividend will be on 18 May 2023.

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	
	2023	2022	2023	2022
Net profit attributable to equity holders of the Company (RM'000)	1,213	2,611	1,213	2,611
Weighted average number of ordinary shares in issue during the period ('000)	484,786	485,328	484,786	485,328
Basic earnings per ordinary share (sen)	0.25	0.54	0.25	0.54
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 31/03/2023 RM'000	3 months ended 31/03/2023 RM'000
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	435	435
Depreciation of right-of-use assets	403	403
Provision for and write off of inventories	-	-
Foreign exchange loss	17	17
Impairment losses on trade receivables	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	56	56
Exceptional items	N/A	N/A
And crediting:-		
Interest income	158	158
Government grants	220	220
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