

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

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 31 March 2024

	3 months ended 31 March		3 months ended 31 March	
	Unaudited 2024 RM'000	Unaudited 2023 RM'000	Unaudited 2024 RM'000	Unaudited 2023 RM'000
Revenue	49,278	45,066	49,278	45,066
Cost of sales	(36,522)	(31,734)	(36,522)	(31,734)
Gross profit	12,756	13,332	12,756	13,332
Other income	121	384	121	384
Administrative expenses	(7,948)	(10,736)	(7,948)	(10,736)
Operating profit	4,929	2,980	4,929	2,980
Finance cost	(157)	(56)	(157)	(56)
Share of results of associates, net of tax	(3,854)	(375)	(3,854)	(375)
Profit before tax	918	2,549	918	2,549
Income tax expense	(970)	(1,358)	(970)	(1,358)
Profit/(loss) for the financial period	(52)	1,191	(52)	1,191
Other comprehensive income, net of tax:				
Exchange differences on translation of foreign operations	632	1,316	632	1,316
Fair value gain on debt instruments at fair value through other comprehensive income	-	81	-	81
Total comprehensive income for the period	580	2,588	580	2,588
Profit/(loss) attributable to:				
- Owners of the Company	(52)	1,213	(52)	1,213
- Non-controlling interests	-	(22)	-	(22)
	(52)	1,191	(52)	1,191
Total comprehensive income attributable to:				
- Owners of the Company	580	2,610	580	2,610
- Non-controlling interests	-	(22)	-	(22)
	580	2,588	580	2,588
Earnings/(loss) per ordinary share (sen):				
- Basic	(0.01)	0.25	(0.01)	0.25
- 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 2023 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 2024

	Unaudited 31 March 2024 RM'000	Audited 31 December 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,560	7,732
Right-of-use assets	8,639	9,080
Intangible assets	1,814	1,367
Investment in associates	16,973	20,828
Other investments	2,430	2,430
Other receivables	2,559	1,508
	39,975	42,945
Current assets		
Inventories	5,779	6,184
Contract assets	88,986	95,945
Trade and other receivables	47,061	57,078
Prepayment	1,309	2,378
Tax recoverable	132	118
Cash and bank balances	68,150	58,907
	211,417	220,610
TOTAL ASSETS	251,392	263,555
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	29,240	29,240
Treasury shares, at cost	(2,427)	(2,427)
Reserves	181,748	181,168
Total equity attributable to owners of the Company	208,561	207,981
Non-current liabilities		
Lease liabilities	4,017	4,405
Provision for reinstatement cost	875	870
Deferred tax liabilities	133	132
	5,025	5,407
Current liabilities		
Lease liabilities	1,566	1,600
Bank borrowings	3,934	9,086
Contract liabilities	1,761	2,103
Provisions	608	618
Trade and other payables	25,382	32,293
Tax payable	4,555	4,467
	37,806	50,167
Total liabilities	42,831	55,574
TOTAL EQUITY AND LIABILITIES	251,392	263,555
Net assets per share (RM)	0.43	0.43
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 2023 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 March 2024

	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 2024	29,240	(2,427)	(7,585)	29,047	-	159,706	207,981	-	207,981
Total comprehensive income	-	-	-	632	-	(52)	580	-	580
At 31 March 2024	29,240	(2,427)	(7,585)	29,679	-	159,654	208,561	-	208,561
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

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2024

	Unaudited 31 March 2024 RM'000	Unaudited 31 March 2023 RM'000
Operating activities		
Profit before tax	918	2,549
Adjustments for non-cash items	4,689	1,087
Operating profit before changes in working capital	5,607	3,636
Changes in working capital:		
Net changes in inventories	405	827
Net changes in contract customers	6,618	4,961
Net changes in receivables	10,035	8,046
Net changes in payables	(6,917)	(3,611)
Cash flows from operations	15,748	13,859
Interest received	108	158
Interest paid	(157)	(56)
Income tax refunded	-	180
Income tax paid	(896)	(153)
Net cash flows from operations	14,803	13,988
Cash flows used in investing activities		
Purchase of property, plant and equipment	(117)	(390)
Changes in pledged deposits	(26)	(20)
Development of intangible assets	(447)	-
Net cash flows used in investing activities	(590)	(410)
Cash flows used in financing activities		
Repayment of lease liability	(421)	(469)
Repayment of borrowings	(2,289)	-
Net cash flows used in financing activities	(2,710)	(469)
Net changes in cash and cash equivalents	11,503	13,109
Cash and cash equivalents at 1 January	53,548	52,080
Effect of exchange rate changes	577	1,385
Cash and cash equivalents at 31 March	65,628	66,574
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	2,522	9,128
Short term investments	34	950
Cash and bank balances	65,594	58,958
	68,150	69,036
Less: Pledged deposits	(2,522)	(2,462)
	65,628	66,574

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2023.

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 2023 except for the adoption of the new MFRS and amendments/improvements to MFRSs that are applicable to the Group effective 1 January 2024. 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 2023 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.

Current Year To Date	Malaysia	Singapore	Others	Adjustments & Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:					
External customers	18,406	30,872	-	-	49,278
Inter-segment	400	-	-	(400)	-
Total revenue	18,806	30,872	-	(400)	49,278
Results:					
Interest income	20	88	-	-	108
Interest expense	(100)	(57)	-	-	(157)
Depreciation	(238)	(549)	-	-	(787)
Income tax expense	-	(970)	-	-	(970)
Share of results of associates	-	-	-	(3,854)	(3,854)
Segment profit/(loss)	9,276	6,068	-	(14,426)	918

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 2023.

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 2023.

A12 Capital commitments

There were no material capital commitments as at 31 March 2024.

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1 Review of performance

Revenue for the current quarter increased by 9.35% to RM49.28 million from RM45.07 million recorded in the corresponding quarter of last financial year. Profit before tax has reduced to RM918,000 from RM2.55 million recorded in the preceding year corresponding quarter. The lower profit before tax is mainly due to share of losses incurred by our associate in Canada.

Singapore operations contributed 62.65% of the Group's revenue, with the remaining revenue coming from Malaysia operations. Revenue from Malaysia operations has increased by 91.63% compared to the corresponding quarter of last financial year, while revenue from Singapore operations decreased by 12.94%. Our associate in Canada has incurred losses due to project delays, increased R&D expenses and expansion into new markets. The expansion has presented numerous challenges, significantly increasing overhead costs.

B2 Material change in results against preceding quarter

	Current Quarter 31/03/2024 RM'000	Preceding Quarter 31/12/2023 RM'000
Revenue	49,278	66,406
Profit before tax	918	4,007

For the current quarter, the Group recorded lower revenue of RM49.28 million compared to RM66.41 million recorded in the previous quarter. The profit before tax reduced to RM918,000 from RM4.00 million recorded in the preceding quarter. The decrease in profit before tax is mainly due to lower revenue and share of losses incurred by our associate in Canada.

B3 Current year prospects

The Group expects the business environment to remain competitive and challenging. Project site delays and increase in material and manpower cost continue to be the main challenges of the Group.

With the current projects in hand and upcoming prospects, the Group's financial performance 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 31/03/2024 RM'000	3 months ended 31/03/2023 RM'000
Current Taxation	970	970
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	970	970

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

	31/03/2024 RM'000	31/03/2023 RM'000
Current		
Banker's acceptances	2,931	-
Revolving credit	1,003	-
Total borrowings	3,934	-
The currency profile of borrowings is as follows:-		
Ringgit Malaysia	3,934	-

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 2023. The entitlement and payment dates for the dividend will be on 30 April 2024 and 20 May 2024 respectively.

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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	
	2024	2023	2024	2023
Net profit/(loss) attributable to equity holders of the Company (RM'000)	(52)	1,213	(52)	1,213
Weighted average number of ordinary shares in issue during the period ('000)	484,786	484,786	484,786	484,786
Basic earnings/(loss) per ordinary share (sen)	(0.01)	0.25	(0.01)	0.25
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.

B13 Operating profit

	3 months ended 31/03/2024 RM'000	3 months ended 31/03/2024 RM'000
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	381	381
Depreciation of right-of-use assets	406	406
Provision for and write off of inventories	-	-
Foreign exchange loss	23	23
Impairment losses on trade receivables	104	104
Loss on disposal of quoted or unquoted investments or properties	-	-
Interest expense	157	157
Exceptional items	N/A	N/A
And crediting:-		
Interest income	108	108
Government grants	13	13
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