

WILLOWGLEN MSC BERHAD (Company No. 462648-V)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the period ended 30 June 2007

	3 months ended 30 June		6 months ended 30 June	
	Unaudited 2007 RM'000	Unaudited 2006 RM'000	Unaudited 2007 RM'000	Unaudited 2006 RM'000
Revenue	13,324	7,979	24,197	16,253
Operating expenses	(10,538)	(6,201)	(20,022)	(12,942)
Other income	150	209	307	385
Profit before taxation	2,936	1,987	4,482	3,696
Tax expense	(469)	(303)	(723)	(502)
Net profit for the period	2,467	1,684	3,759	3,194
Earnings per ordinary share (sen):				
- Basic	0.99	0.68	1.52	1.29
- 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 2006 and the accompanying explanatory notes attached to the interim financial statements.

WILLOWGLEN MSC BERHAD (Company No. 462648-V)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2007

	Unaudited 30 June 2007 RM'000	Audited 31 December 2006 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,913	1,552
Investment property	2,229	1,070
Deferred tax assets	184	184
	6,326	2,806
Current assets		
Receivables, deposits and prepayments	18,295	23,692
Inventories	1,581	1,265
Current tax assets	149	114
Cash and cash equivalents	21,919	19,618
	41,944	44,689
TOTAL ASSETS	48,270	47,495
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	24,800	24,800
Reserves	(2,725)	(2,265)
Retained earnings	20,977	19,273
Total equity	43,052	41,808
Non-current liability		
Deferred taxation	11	11
Current liabilities		
Deferred income	105	494
Payables and accruals	3,874	3,636
Taxation	1,228	1,546
	5,207	5,676
Total liabilities	5,218	5,687
TOTAL EQUITY AND LIABILITIES	48,270	47,495
Net assets per share (RM)	0.17	0.17

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

WILLOWGLEN MSC BERHAD (Company No. 462648-V)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2007

	Share Capital RM'000	Reserves			Distributable Retained profits RM'000	Total RM'000
		Share premium RM'000	Merger deficit RM'000	Translation reserve RM'000		
At 1 January 2007	24,800	4,440	(7,585)	880	19,273	41,808
- effects of adopting FRS117	-	-	-	-	425	425
	24,800	4,440	(7,585)	880	19,698	42,233
Exchange differences on translation of the financial statements of foreign entity	-	-	-	(460)	-	(460)
Net loss not recognized in the income statement	-	-	-	(460)	-	(460)
Final dividend for the financial year ended 31 December 2006	-	-	-	-	(2,480)	(2,480)
Net profit for the period	-	-	-	-	3,759	3,759
At 30 June 2007	24,800	4,440	(7,585)	420	20,977	43,052
At 1 January 2006	24,800	4,440	(7,585)	713	11,218	33,586
Exchange differences on translation of the financial statements of foreign entity	-	-	-	265	-	265
Net loss not recognized in the income statement	-	-	-	265	-	265
Net profit for the period	-	-	-	-	3,194	3,194
At 30 June 2006	24,800	4,440	(7,585)	978	14,412	37,045

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

WILLOWGLEN MSC BERHAD (Company No. 462648-V)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June 2007

	Unaudited 30 June 2007 RM'000	Unaudited 30 June 2006 RM'000
Cash flows from operating activities	8,312	4,446
Cash flows from investing activities	(3,100)	(31)
Cash flows from financing activities	(2,480)	-
Net increase in cash and cash equivalents	2,732	4,415
Cash and cash equivalents at 1 January	19,199	18,271
Foreign exchange differences on opening balances	(445)	(21)
Cash and cash equivalents at 30 June	21,486	22,665

Cash and cash equivalents included in the Condensed Consolidated Cash Flow Statement comprise the following balance sheet amounts:-

Fixed deposits placed with licensed banks	15,458	18,132
Short term deposits (Repo) placed with a licensed bank	2,840	2,372
Cash and bank balances	3,621	2,585
	21,919	23,089
Less: Fixed deposits pledged with a licensed bank for banking facilities	(433)	(424)
	21,486	22,665

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with FRS134 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 2006.

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 2006, except for the adoption of new/revised Financial Reporting Standards (“FRS”) effective for the financial period beginning 1 January 2007, which are as follows:

a) FRS117 Leases

Prior to 1 January 2007, leasehold land and buildings were classified as investment property and in accordance with FRS 140 was measured using the cost model.

The adoption of the revised FRS117 has resulted in a change in the accounting policy relating to the valuation of leasehold land and buildings. The property interest is accounted for as if it were a finance lease and the fair value model is used for the asset recognised. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the period in which they arise.

Upon the adoption of the revised FRS117 on 1 January 2007, the indicative fair value of the leasehold land and buildings is used as the carrying amount of investment property. The change has been accounted for prospectively.

b) FRS124 Related Party Disclosures

This standard affects the identification of related parties, and has no material effect on the financial statements.

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 2006 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 financial period.

A6 Dividends paid

The final dividend of 10% tax exempt per share for the financial year ended 31 December 2006, amounting to RM2,480,000 was paid on 8 June 2007.

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A7 Segmental reporting

The Group operates in three (3) principal geographical areas for the sales, implementation and maintenance of computer based control systems.

Current Year To Date	Malaysia RM'000	Singapore RM'000	Europe RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from external customers	4,805	19,371	21	-	24,197
Inter-segment revenue	942	705	-	(1,647)	-
Total revenue	5,747	20,076	21	(1,647)	24,197
Segment result	(5)	4,168	12	-	4,175
Other income					307
Profit before taxation					4,482

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 2006 other than the adoption of the indicative fair value for investment properties.

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 to date.

A11 Changes in contingent liabilities or contingent assets

There were no contingent assets arising since the last audited financial statements for the year ended 31 December 2006.

A12 Capital commitments

There were no material capital commitments as at 30 June 2007 other than the purchase of properties from PJ Development Holdings Berhad which was completed during the quarter.

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1 Review of performance

Revenue for the Group saw an increase of 67.0% from RM7.98 million for the second quarter ended 30 June 2006 to RM13.32 million for the current quarter in 2007. Profit before tax improved by 47.8% from the preceding year's corresponding quarter of RM1.99 million to RM2.94 million.

For the 6 months ended 30 June 2007, revenue for the Group amounted to RM24.20 million compared to RM16.25 million in the same period of 2006. In addition, the Group recorded an improvement of 21.27% in profit before taxation from RM3.67 million in 2006 to RM4.48 million. This is mainly due to an increase in the number of projects and maintenance contract secured by companies in the Group.

B2 Material change in results against preceding quarter

	Current Quarter 30/06/2007 RM'000	Preceding Quarter 31/03/2007 RM'000
Contract revenue	13,324	10,873
Profit before taxation	2,936	1,546

For the current quarter, the Group achieved a higher revenue of RM13.32 million compared to RM10.87 million in the preceding quarter. Profitability for the current quarter increased by 89.9% compared to the first quarter of 2007.

B3 Current year prospects

The revenue for this financial year is expected to improve with continued growth and development in this region, Europe and the Middle East.

B4 Variance of actual profit from forecast profit and shortfall of profit guarantee

Not applicable.

B5 Tax expense

	3 months ended 30/06/2007 RM'000	6 months ended 30/06/2007 RM'000
Current Taxation	469	723
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	469	723

The tax charge relates mainly to tax on profits of a foreign subsidiary.

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B5 Tax expense (continued)

The Company was granted Multimedia Super Corridor (“MSC”) status on 31 March 1998. By virtue of this status, the Company has been granted full pioneer status as an incentive for a period of five years commencing year 2002. The pioneer status has since been extended to 2012 for the maximum allowable period of ten years.

B6 Unquoted investments and properties

There were no disposals of unquoted investments and properties during the financial year to date.

B7 Quoted investment

There were no purchases or disposals of quoted investments during the current financial year to date.

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 2007.

B10 Off balance sheet financial instruments

The group does not have any financial instruments with off balance sheet risk as at the date of this announcement.

B11 Changes in Material Litigation

There was no other material litigation outstanding as at 30 June 2007 other than the two legal cases as updated in the 1st quarterly interim financial report ended 31 March 2007.

B12 Dividends

No dividend was declared for the period to date.

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B13 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 number of ordinary shares outstanding during the period, calculated as follows:-

	3 months ended 30 June		6 months ended 30 June	
	2007	2006	2007	2006
Net profit attributable to shareholders (RM'000)	2,467	1,684	3,759	3,194
Number of ordinary shares in issue during the period ('000)	248,000	248,000	248,000	248,000
Basic earnings per ordinary share (sen)	0.99	0.68	1.52	1.29
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.

By order of the Board
WILLOWGLEN MSC BERHAD

KHOR CHAI MOI (MDM.)
Managing Director

22 August 2007