

# WILLOWGLEN MSC BERHAD (Company No. 462648-V)

## CONDENSED CONSOLIDATED INCOME STATEMENTS

For the period ended 31 March 2012

	3 months ended 31 March		3 months ended 31 March	
	Unaudited 2012 RM'000	Unaudited 2011 RM'000	Unaudited 2012 RM'000	Unaudited 2011 RM'000
Revenue	16,997	11,997	16,997	11,997
Operating expenses	(14,446)	(10,970)	(14,446)	(10,970)
Other operating income	193	224	193	224
Profit before tax	2,744	1,251	2,744	1,251
Income tax expense	(531)	(187)	(531)	(187)
<b>Profit net of tax</b>	<b>2,213</b>	<b>1,064</b>	<b>2,213</b>	<b>1,064</b>
Other comprehensive income, net of tax:				
Fair value changes in available-for-sale financial asset	78	5	78	5
Foreign currency translation	(22)	157	(22)	157
<b>Total comprehensive income for the period</b>	<b>2,269</b>	<b>1,226</b>	<b>2,269</b>	<b>1,226</b>
Profit attributable to:				
- Owners of the parent	2,240	1,088	2,240	1,088
- Non-controlling interest	(27)	(24)	(27)	(24)
	<b>2,213</b>	<b>1,064</b>	<b>2,213</b>	<b>1,064</b>
Total comprehensive income attributable to:				
- Owners of the parent	2,303	1,250	2,303	1,250
- Non-controlling interest	(34)	(24)	(34)	(24)
	<b>2,269</b>	<b>1,226</b>	<b>2,269</b>	<b>1,226</b>
Earnings per ordinary share (sen):				
- Basic	0.92	0.44	0.92	0.44
- 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 2011 and the accompanying explanatory notes attached to the interim financial statements.

# WILLOWGLEN MSC BERHAD (Company No. 462648-V)

## CONDENSED STATEMENTS OF FINANCIAL POSITION

As at 31 March 2012

	Unaudited 31 March 2012 RM'000	Audited 31 December 2011 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,787	4,836
Investment properties	2,000	2,000
Investment securities	2,490	2,412
Deferred tax assets	40	42
	<u>9,317</u>	<u>9,290</u>
<b>Current assets</b>		
Inventories	1,203	1,283
Amount due from contract customers	12,200	12,362
Receivables, deposits and prepayments	11,878	10,034
Tax recoverable	155	126
Cash and cash equivalents	39,010	35,119
	<u>64,446</u>	<u>58,924</u>
<b>TOTAL ASSETS</b>	<b>73,763</b>	<b>68,214</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	24,800	24,800
Treasury shares, at cost	(1,653)	(1,653)
Reserves	41,225	38,922
<b>Total equity attributable to owners of the parent</b>	<b>64,372</b>	<b>62,069</b>
Non-controlling interest	155	189
<b>Total equity</b>	<b>64,527</b>	<b>62,258</b>
<b>Non-current liabilities</b>		
Employee benefits	10	10
Provision for reinstatement cost	72	72
Deferred tax liabilities	130	130
	<u>212</u>	<u>212</u>
<b>Current liabilities</b>		
Amount due to contract customers	2,861	636
Payables and accruals	4,431	3,378
Tax payable	1,732	1,730
	<u>9,024</u>	<u>5,744</u>
<b>Total liabilities</b>	<b>9,236</b>	<b>5,956</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>73,763</b>	<b>68,214</b>
Net assets per share (RM)	0.26	0.26

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 31 March 2012

	Share Capital RM'000	Treasury Shares RM'000	Share premium RM'000	Reserves				Distributable Retained profits RM'000	Total RM'000	Non-controlling interest RM'000	Total RM'000
				Merger deficit RM'000	Translation reserve RM'000	Fair Value Reserve RM'000	Non-distributable				
At 1 January 2012	24,800	(1,653)	4,440	(7,585)	2,484	209	39,374	62,069	189	62,258	
Total comprehensive income	-	-	-	-	(15)	78	2,240	2,303	(34)	2,269	
At 31 March 2012	24,800	(1,653)	4,440	(7,585)	2,469	287	41,614	64,372	155	64,527	
At 1 January 2011	24,800	(840)	4,440	(7,585)	1,837	210	38,175	61,037	312	61,349	
Total comprehensive income	-	-	-	-	157	5	1,088	1,250	(24)	1,226	
Share buy back	-	(759)	-	-	-	-	-	(759)	-	(759)	
At 31 March 2011	24,800	(1,599)	4,440	(7,585)	1,994	215	39,263	61,528	288	61,816	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

# WILLOWGLEN MSC BERHAD (Company No. 462648-V)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2012

	Unaudited 31 March 2012 RM'000	Unaudited 31 March 2011 RM'000
<b>Operating activities</b>		
Profit before tax	2,744	1,251
Adjustments for non-cash items	(9)	(49)
<b>Operating cash flows before changes in working capital</b>	<b>2,735</b>	<b>1,202</b>
Changes in working capital:		
Net changes in inventories	80	(26)
Net changes in contract customers	2,387	645
Net changes in receivables	(1,843)	(397)
Net changes in payables	1,053	(246)
<b>Cash flows from operations</b>	<b>4,412</b>	<b>1,178</b>
Interest received	165	197
Tax paid	(557)	(533)
<b>Net cash flows from operating activities</b>	<b>4,020</b>	<b>842</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(102)	(53)
<b>Net cash flows used in investing activities</b>	<b>(102)</b>	<b>(53)</b>
<b>Financing activities</b>		
Fixed term deposits held as security value	(31)	(36)
Share buy-back	-	(759)
<b>Net cash flows used in financing activities</b>	<b>(31)</b>	<b>(795)</b>
<b>Net change in cash and cash equivalents</b>	<b>3,887</b>	<b>(6)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>33,103</b>	<b>35,441</b>
Effect of exchange rate changes on cash and cash equivalents	(27)	87
<b>Cash and cash equivalents at 31 March</b>	<b>36,963</b>	<b>35,522</b>

Analysis of cash and cash equivalents:

Fixed deposits placed with licensed banks	12,907	20,472
Short term investments	9,084	-
Cash and bank balances	17,018	17,365
	<b>39,009</b>	<b>37,837</b>
Less: Fixed deposits held as security value	(2,046)	(2,315)
	<b>36,963</b>	<b>35,522</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

# WILLOWGLEN MSC BERHAD (Company No. 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 2011.

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 2011 except for the adoption of the Malaysian Financial Reporting Standards (“MFRS”) framework issued by Malaysian Accounting Standards Board (“MASB”).

The Group has adopted the MFRS framework with effect from 1 January 2012. This MFRS framework was introduced to fully converge the existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework. There was no material impact to the Group’s results and financial position upon the adoption of the MFRS.

The Group has not adopted the following MFRS, Amendments to MFRSs and IC Interpretation that have been issued but are not yet effective for the Group:-

		<b>Effective for financial periods beginning on or after</b>
<u>MFRSs, Amendments to MFRSs and IC Interpretation</u>		
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The Directors do not anticipate that the application of the above MFRSs, Amendments to MFRSs and IC Interpretation when they are effective, will have a material impact on the results and the financial position of the Group.

### 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 2011 was not subject to any qualification.

# WILLOWGLEN MSC BERHAD (Company No. 462648-V)

## 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

As at the end of the current quarter, a total of 4,593,400 shares were held as treasury shares. The share buyback transactions were financed by internally generated funds.

Apart from the above, there were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

## A6 Dividends paid

There were no dividends paid during the current quarter ended 31 March 2012.

The proposed first and final tax exempt dividend of 20% and a special tax exempt dividend of 5% per share for the financial year ended 31 December 2011 has been approved by the shareholders' at the Fourteenth Annual General Meeting. The entitlement and payment dates for the total dividend of 25% tax exempt (2010: 30% tax exempt) will be on 8 June 2012 and 28 June 2012 respectively.

## 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	Indonesia RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue:</b>					
External customers	2,503	14,460	34	-	16,997
Inter-segment	323	47	-	(370)	-
Total revenue	2,826	14,507	34	(370)	16,997
<b>Results:</b>					
Interest income	185	12	2	(34)	165
Depreciation	71	68	3	-	142
Income tax expense	17	514	-	-	531
Segment profit/(loss)	(597)	3,396	(55)	-	2,744

## 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 2011.

# **WILLOWGLEN MSC BERHAD** (Company No. 462648-V)

## **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 2011.

## **A12 Capital commitments**

There were no material capital commitments as at 31 March 2012.

# WILLOWGLEN MSC BERHAD (Company No. 462648-V)

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

### B1 Review of performance

Revenue for the current quarter increased by 41.68% to RM17.00 million from RM12.00 million recorded in 2011. Profit before tax increased to RM2.74 million compared to RM1.25 million achieved in the preceding year's corresponding quarter. The higher profit before taxation is mainly due to higher turnover from the Singapore operations

Turnover from the Malaysia operations has reduced due to the competitive SCADA market and delay in the award of contracts from prospective customers. The Indonesia operations are still at exploration stage where we are targeting the monitoring of data centers and integrated security and monitoring solution market.

### B2 Material change in results against preceding quarter

	Current Quarter 31/03/2012 RM'000	Preceding Quarter 31/12/2011 RM'000
Revenue	16,997	15,652
Profit before tax	2,744	4,298

For the current quarter, the Group recorded higher revenue of RM17.00 million compared to RM15.65 million in the preceding quarter. The profit before tax is RM2.74 million compared to RM4.30 million recorded in the last quarter. The decrease in profit before tax is mainly due to recognition of income from lower margin projects, higher manpower cost and bonus payment in the first quarter of the year.

### B3 Current year prospects

The growing demand for SCADA systems in the transportation, oil and gas, utility, water and waste water treatment industries will continue to drive the sales of the Group.

With the current projects at hand, the financial results of the Group for the current financial year is expected to be satisfactory.

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

Not applicable.



# WILLOWGLEN MSC BERHAD (Company No. 462648-V)

## B5 Income tax expense

	3 months ended 31/03/2012 RM'000	3 months ended 31/03/2012 RM'000
Current Taxation	531	531
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	531	531

The tax charge mostly relates to tax on profits of an overseas subsidiary which is subject to a lower tax rate.

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 3 June 2012 for the maximum allowable period of ten years.

## B6 Status of corporate proposal announced

There were no corporate proposals announced but not completed at the date of this announcement.

## B7 Group borrowings and debt securities

There were no group borrowings and debt securities outstanding as at 31 March 2012.

## B8 Changes in Material Litigation

The Group does not have any outstanding material litigation as at the date of this announcement.

## B9 Dividends

The proposed first and final tax exempt dividend of 20% and a special tax exempt dividend of 5% per share for the financial year ended 31 December 2011 has been approved by the shareholders’ at the Fourteenth Annual General Meeting. The entitlement and payment dates for the total dividend of 25% tax exempt (2010: 30% tax exempt) will be on 8 June 2012 and 28 June 2012 respectively.

# WILLOWGLEN MSC BERHAD (Company No. 462648-V)

## B10 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	
	2012	2011	2012	2011
Net profit attributable to equity holders of the Company (RM'000)	2,240	1,088	2,240	1,088
Weighted average number of ordinary shares in issue during the period ('000)	243,407	243,890	243,407	243,890
Basic earnings per ordinary share (sen)	0.92	0.44	0.92	0.44
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.

## B11 Operating profit

Operating profit has been arrived at after charging:-

	3 months ended 31/03/2012 RM'000	3 months ended 31/03/2012 RM'000
Depreciation of property, plant and equipment	142	142
Provision for and write off of inventories	-	-
Foreign exchange loss	9	9
Interest expense	N/A	N/A
Impairment of assets	N/A	N/A
Provision for and write off of receivables	N/A	N/A
Exceptional items	N/A	N/A
And crediting:-		
Interest income	165	165
Other income including investment income	28	28
Gain or loss on disposal of quoted or unquoted investments or properties	N/A	N/A
Gain or loss on derivatives	N/A	N/A

## **WILLOWGLEN MSC BERHAD** (Company No. 462648-V)

### **B12 Supplementary Information Disclosed Pursuant to Bursa Malaysia Securities Berhad Listing Requirements**

The following analysis of realised and unrealised retained profits is prepared pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Listing Requirements and in accordance with the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	<b>As at 31 March 2012 RM'000</b>	<b>As at 31 March 2011 RM'000</b>
Total retained profits of the Group and its subsidiaries		
- Realised	41,395	39,378
- Unrealised	254	83
Less: Consolidation adjustments	(35)	(198)
Total retained profits	41,614	39,263

By order of the Board  
**WILLOWGLEN MSC BERHAD**

**KHOR CHAI MOI (MDM.)**  
Managing Director