

WILLOWGLEN MSC BERHAD (Company No. 462648-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 December 2012

	3 months ended 31 December		12 months ended 31 December	
	Unaudited 2012 RM'000	Unaudited 2011 RM'000	Unaudited 2012 RM'000	Audited 2011 RM'000
Revenue	27,207	15,652	83,427	52,160
Operating expenses	(20,538)	(11,653)	(66,160)	(42,928)
Other operating income	384	299	927	948
Profit before tax	7,053	4,298	18,194	10,180
Income tax expense	(1,106)	(662)	(2,963)	(1,799)
Profit net of tax	5,947	3,636	15,231	8,381
Other comprehensive income, net of tax:				
Fair value changes in available-for-sale financial asset	(19)	(18)	47	(1)
Foreign currency translation	14	(167)	881	650
Total comprehensive income for the period	5,942	3,451	16,159	9,030
Profit attributable to:				
- Owners of the parent	5,982	3,667	15,376	8,507
- Non-controlling interest	(35)	(31)	(145)	(126)
	5,947	3,636	15,231	8,381
Total comprehensive income attributable to:				
- Owners of the parent	5,979	3,493	16,317	9,153
- Non-controlling interest	(37)	(42)	(158)	(123)
	5,942	3,451	16,159	9,030
Earnings per ordinary share (sen):				
- Basic	2.46	1.51	6.32	3.49
- 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 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Unaudited 31 December 2012 RM'000	Audited 31 December 2011 RM'000	Unaudited 1 January 2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	5,193	4,836	5,040
Investment properties	2,000	2,000	2,000
Investment securities	2,459	2,412	2,413
Deferred tax assets	78	42	3
	9,730	9,290	9,456
Current assets			
Inventories	1,249	1,283	1,175
Amount due from contract customers	25,940	12,362	12,592
Receivables, deposits and prepayments	16,625	10,034	7,366
Tax recoverable	32	126	62
Cash and cash equivalents	30,675	35,119	37,720
	74,521	58,924	58,915
TOTAL ASSETS	84,251	68,214	68,371
EQUITY & LIABILITIES			
Equity and reserves			
Share capital	24,800	24,800	24,800
Treasury shares, at cost	(1,653)	(1,653)	(840)
Reserves	49,154	38,922	37,077
Total equity attributable to owners of the parent	72,301	62,069	61,037
Non-controlling interest	31	189	312
Total equity	72,332	62,258	61,349
Non-current liabilities			
Employee benefits	35	10	-
Provision for reinstatement cost	75	72	72
Deferred tax liabilities	130	130	237
	240	212	309
Current liabilities			
Amount due to contract customers	3,134	636	734
Payables and accruals	5,698	3,378	4,235
Tax payable	2,847	1,730	1,744
	11,679	5,744	6,713
Total liabilities	11,919	5,956	7,022
TOTAL EQUITY AND LIABILITIES	84,251	68,214	68,371
Net assets per share (RM)	0.30	0.26	0.25

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 December 2012

	Share Capital RM'000	Treasury Shares RM'000	Reserves			Fair Value Reserve RM'000	Distributable Retained profits RM'000	Total RM'000	Non-controlling interest RM'000	Total RM'000
			Share premium RM'000	Merger deficit RM'000	Translation reserve RM'000					
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	-	-	-	-	894	47	15,376	16,317	(158)	16,159
Final dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	(6,085)	(6,085)	-	(6,085)
At 31 December 2012	24,800	(1,653)	4,440	(7,585)	3,378	256	48,665	72,301	31	72,332
At 1 January 2011	24,800	(840)	4,440	(7,585)	1,837	210	38,175	61,037	312	61,349
Total comprehensive income	-	-	-	-	647	(1)	8,507	9,153	(123)	9,030
Share buy back	-	(813)	-	-	-	-	-	(813)	-	(813)
Final dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	(7,308)	(7,308)	-	(7,308)
At 31 December 2011	24,800	(1,653)	4,440	(7,585)	2,484	209	39,374	62,069	189	62,258

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 FLOW

For the period ended 31 December 2012

	Unaudited 31 December 2012 RM'000	Audited 31 December 2011 RM'000
Operating activities		
Profit before tax	18,194	10,180
Adjustments for non-cash items	(72)	(82)
Operating cash flows before changes in working capital	18,122	10,098
Changes in working capital:		
Net changes in inventories	12	(177)
Net changes in contract customers	(11,080)	132
Net changes in receivables	(6,591)	(2,668)
Net changes in payables	2,348	(847)
Cash flows from operations	2,811	6,538
Interest received	562	752
Tax paid	(1,750)	(1,986)
Net cash flows from operating activities	1,623	5,304
Investing activities		
Purchase of property, plant and equipment	(1,006)	(381)
Proceeds from disposal of property, plant and equipment	13	13
Net cash flows used in investing activities	(993)	(368)
Financing activities		
Dividend paid	(6,085)	(7,308)
Fixed term deposits held as security value	(66)	263
Share buy-back	-	(813)
Net cash flows used in financing activities	(6,151)	(7,858)
Net change in cash and cash equivalents	(5,521)	(2,922)
Cash and cash equivalents at 1 January	33,103	35,441
Effect of exchange rate changes on cash and cash equivalents	1,011	584
Cash and cash equivalents at 31 December	28,593	33,103
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	16,114	12,919
Short term investments	3,025	9,216
Cash and bank balances	11,536	12,984
	30,675	35,119
Less: Fixed deposits held as security value	(2,082)	(2,016)
	28,593	33,103

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.

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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 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 were no material impact to the Group’s results and financial position upon the adoption of the MFRS.

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.

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 was no share buyback for the financial year to date. As at the end of the current quarter, a total of 4,593,400 shares were held as treasury shares.

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial year to date.

A6 Dividends paid

The 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 amounting to RM6,085,165 was paid on 28 June 2012.

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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	Indonesia RM'000	Eliminations RM'000	Consolidated RM'000
Revenue:					
External customers	14,754	68,640	33	-	83,427
Inter-segment	3,376	728	-	(4,104)	-
Total revenue	18,130	69,368	33	(4,104)	83,427
Results:					
Interest income	662	52	6	(152)	568
Depreciation	284	354	12	-	650
Income tax expense	326	2,679	(42)	-	2,963
Segment profit/(loss)	1,598	16,932	(336)	-	18,194

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.

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 December 2012.

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1 Review of performance

Revenue for the current quarter increased by 73.82% to RM27.21 million from RM15.65 million recorded in the preceding year's corresponding quarter. Profit before tax increased to RM7.05 million compared to RM4.30 million recorded in the preceding year's corresponding quarter.

For the financial year ended 31 December 2012, the Group's revenue increased by 59.94% to RM83.43 million from RM52.16 million achieved in 2011. Profit before tax increased by 78.72% to RM18.19 million from RM10.18 million recorded in 2011. This is mainly due to the increase in turnover. However, the gross profit margin of the Group has declined as compared to last financial year due to keen competition.

The Group's main market continues to be Singapore and Malaysia. The turnover from the Singapore and Malaysia operations has increased by 61.67% and 52.70% respectively compared to the last financial year. The Indonesia operations are at development stage and will focus in providing SCADA and security solutions to the data centers, utilities and building facilities industries.

B2 Material change in results against preceding quarter

	Current Quarter 31/12/2012 RM'000	Preceding Quarter 30/09/2012 RM'000
Revenue	27,207	22,372
Profit before tax	7,053	4,938

For the current quarter, the Group recorded higher revenue of RM27.21 million compared to RM22.37 million in the preceding quarter. The profit before tax increased to RM7.05 million from RM4.94 million recorded in the last quarter. The increase in profit before tax is mainly due to higher revenue.

B3 Prospects for 2013

For 2013, we expect sales for the Group to improve due to the growing demand for SCADA and security solutions in the transportation, oil and gas, water and waste-water industries and security of buildings and high end condominiums. With the current projects at hand, the financial results of the Group for the year is expected to be good.

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

Not applicable.

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B5 Income tax expense

	3 months ended 31/12/2012 RM'000	12 months ended 31/12/2012 RM'000
Current Taxation	1,169	3,026
Adjustment for under/(over) provisions in previous years	(20)	(20)
Transfer to/(from) deferred taxation	(43)	(43)
	1,106	2,963

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 for a maximum allowable period of ten years. The pioneer status has expired on 3 June 2012.

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 December 2012.

B8 Changes in Material Litigation

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

B9 Dividends

A final dividend of 20% tax exempt and a special dividend of 10% tax exempt are proposed for the financial year ended 31 December 2012 for shareholders’ approval. The entitlement and payment dates for the dividend will be decided later.

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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 December 2012		12 months ended 31 December 2012	
Net profit attributable to equity holders of the Company (RM'000)	5,982	3,667	15,376	8,507
Weighted average number of ordinary shares in issue during the period ('000)	243,407	243,407	243,407	243,606
Basic earnings per ordinary share (sen)	2.46	1.51	6.32	3.49
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 31/12/2012 RM'000	12 months ended 31/12/2012 RM'000
Depreciation of property, plant and equipment	172	650
Provision for and write off of inventories	24	24
Foreign exchange loss	42	90
Provision for and write off of receivables	-	2
Interest expense	N/A	N/A
Impairment of assets	N/A	N/A
Exceptional items	N/A	N/A
And crediting:-		
Interest income	121	568
Other income including investment income	29	115
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

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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.

	As at 31 December 2012 RM'000	As at 31 December 2011 RM'000
Total retained profits of the Group and its subsidiaries		
- Realised	48,386	39,300
- Unrealised	364	136
Less: Consolidation adjustments	(85)	(62)
Total retained profits	48,665	39,374

By order of the Board
WILLOWGLEN MSC BERHAD

PUAN SRI KHOR CHAI MOI
Managing Director