

WILLOWGLEN MSC BERHAD (Company No. 462648-V)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the period ended 30 September 2013

	3 months ended 30 September		9 months ended 30 September	
	Unaudited 2013 RM'000	Unaudited 2012 RM'000	Unaudited 2013 RM'000	Unaudited 2012 RM'000
Revenue	28,919	22,372	72,084	56,220
Operating expenses	(22,626)	(17,600)	(56,981)	(45,622)
Other operating income	243	166	572	543
Profit before tax	6,536	4,938	15,675	11,141
Income tax expense	(1,183)	(838)	(2,762)	(1,857)
Profit net of tax	5,353	4,100	12,913	9,284
Other comprehensive income, net of tax:				
Available-for-sale financial asset				
- Fair value changes	(132)	(6)	(159)	66
- Reclassification to profit or loss upon disposal	(97)	-	(97)	-
	(229)	(6)	(256)	66
Foreign currency translation	1,270	(52)	1,534	867
Total comprehensive income for the period	6,394	4,042	14,191	10,217
Profit attributable to:				
- Owners of the parent	5,399	4,145	12,953	9,394
- Non-controlling interest	(46)	(45)	(40)	(110)
	5,353	4,100	12,913	9,284
Total comprehensive income attributable to:				
- Owners of the parent	6,440	4,092	14,231	10,338
- Non-controlling interest	(46)	(50)	(40)	(121)
	6,394	4,042	14,191	10,217
Earnings per ordinary share (sen):				
- Basic	2.22	1.70	5.32	3.86
- 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 2012 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 30 September 2013

	Unaudited 30 September 2013 RM'000	Audited 31 December 2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,257	5,193
Investment properties	2,000	2,000
Investment securities	-	2,459
Deferred tax assets	69	78
	<u>7,326</u>	<u>9,730</u>
Current assets		
Inventories	2,903	1,249
Amount due from contract customers	22,108	25,940
Receivables, deposits and prepayments	23,479	16,625
Tax recoverable	64	32
Cash and bank balances	39,193	30,675
	<u>87,747</u>	<u>74,521</u>
TOTAL ASSETS	95,073	84,251
EQUITY & LIABILITIES		
Equity and reserves		
Share capital	24,800	24,800
Treasury shares, at cost	(1,653)	(1,653)
Reserves	56,083	49,154
Total equity attributable to owners of the parent	79,230	72,301
Non-controlling interest	(9)	31
Total equity	79,221	72,332
Non-current liabilities		
Employee benefits	31	35
Provision for reinstatement cost	78	75
Deferred tax liabilities	133	130
	<u>242</u>	<u>240</u>
Current liabilities		
Amount due to contract customers	5,700	3,134
Payables and accruals	6,889	5,698
Tax payable	3,021	2,847
	<u>15,610</u>	<u>11,679</u>
Total liabilities	15,852	11,919
TOTAL EQUITY AND LIABILITIES	95,073	84,251
Net assets per share (RM)	0.33	0.30

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 September 2013

	Share Capital RM'000	Treasury Shares RM'000	Reserves				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	Fair Value Reserve RM'000				
At 1 January 2013	24,800	(1,653)	4,440	(7,585)	3,378	256	48,665	72,301	31	72,332
Total comprehensive income	-	-	-	-	1,534	(256)	12,953	14,231	(40)	14,191
Final dividend for the financial year ended 31 December 2012	-	-	-	-	-	-	(7,302)	(7,302)	-	(7,302)
At 30 September 2013	24,800	(1,653)	4,440	(7,585)	4,912	-	54,316	79,230	(9)	79,221
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	-	-	-	-	878	66	9,394	10,338	(121)	10,217
Final dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	(6,085)	(6,085)	-	(6,085)
At 30 September 2012	24,800	(1,653)	4,440	(7,585)	3,362	275	42,683	66,322	68	66,390

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 30 September 2013

	Unaudited 30 September 2013 RM'000	Unaudited 30 September 2012 RM'000
Operating activities		
Profit before tax	15,675	11,141
Adjustments for non-cash items	133	283
Operating cash flows before changes in working capital	15,808	11,424
Changes in working capital:		
Net changes in inventories	(1,654)	101
Net changes in contract customers	6,398	(3,200)
Net changes in receivables	(6,854)	(5,760)
Net changes in payables	1,189	785
Cash flows from operations	14,887	3,350
Interest received	381	447
Tax paid	(2,619)	(1,643)
Net cash flows from operating activities	12,649	2,154
Investing activities		
Purchase of property, plant and equipment	(546)	(900)
Proceeds from disposal of investment securities	2,300	-
Proceeds from disposal of property, plant and equipment	-	208
Net cash flows from / (used in) investing activities	1,754	(692)
Financing activities		
Dividend paid	(7,302)	(6,085)
Fixed term deposits held as security value	(38)	(52)
Net cash flows used in financing activities	(7,340)	(6,137)
Net change in cash and cash equivalents	7,063	(4,675)
Cash and cash equivalents at 1 January	28,593	33,103
Effect of exchange rate changes on cash and cash equivalents	1,417	408
Cash and cash equivalents at 30 September	37,073	28,836
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	21,264	16,081
Short term investments	4,191	3,728
Cash and bank balances	13,738	11,095
	39,193	30,904
Less: Fixed deposits held as security value	(2,120)	(2,068)
	37,073	28,836

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2012.

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 2012 except for the adoption of the New MFRSs, Revised MFRSs, Amendments/Improvements to MFRSs, New IC Interpretations and Amendments to IC Interpretations that are applicable to the Group effective 1 January 2013. The adoption of these MFRSs and IC Interpretations 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 2012 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 during the current quarter. 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 10% per share for the financial year ended 31 December 2012 amounting to RM7,302,198 was paid on 28 June 2013.

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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	11,777	59,995	312	-	72,084
Inter-segment	2,225	2,550	-	(4,775)	-
Total revenue	14,002	62,545	312	(4,775)	72,084
Results:					
Interest income	311	69	-	-	380
Depreciation	223	278	10	-	511
Income tax expense	130	2,632	-	-	2,762
Segment profit/(loss)	5,979	16,032	(82)	(6,254)	15,675

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 2012.

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 2012.

A12 Capital commitments

There were no material capital commitments as at 30 September 2013.

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 29.26% to RM28.92 million from RM22.37 million recorded in the corresponding quarter in 2012. Profit before tax increased to RM6.54 million compared to RM4.94 million recorded in the preceding year's corresponding quarter.

For the 9 months ended 30 September 2013, the Group's revenue increased by 28.22% to RM72.08 million from RM56.22 million achieved in the same period of 2012. Profit before tax increased to RM15.68 million compared to RM11.14 million in the corresponding period of the last financial year.

The higher turnover and profit before tax is mainly contributed by the Singapore operations. Turnover from the Malaysia operations has increased as well compared to the last financial year but has incurred losses due to higher manpower cost and delay in the rollout of projects. The Indonesia operations are still at development stage.

B2 Material change in results against preceding quarter

	Current Quarter 30/09/2013 RM'000	Preceding Quarter 30/06/2013 RM'000
Revenue	28,919	21,404
Profit before tax	6,536	4,780

For the current quarter, the Group recorded higher revenue of RM28.92 million compared to RM21.40 million recorded in the preceding quarter. The profit before tax increased to RM6.54 million from RM4.78 million recorded in the last quarter. The increase in profit before tax is mainly due to higher turnover.

B3 Current year prospects

The demand for SCADA and security solutions is expected to improve further in the final quarter and in year 2014. With the current projects at hand, the financial results of the Group for the fourth quarter 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 30/09/2013 RM'000	9 months ended 30/09/2013 RM'000
Current Taxation	1,183	2,762
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	1,183	2,762

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

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 30 September 2013.

B8 Changes in Material Litigation

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

B9 Dividends

No dividend was declared for the period to date.

The first and final tax exempt dividend of 20% and a special tax exempt dividend of 10% per share for the financial year ended 31 December 2012 amounting to RM7,302,198 was paid on 28 June 2013.

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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 30 September 2013		9 months ended 30 September 2013	
Net profit attributable to equity holders of the Company (RM'000)	5,399	4,145	12,953	9,394
Weighted average number of ordinary shares in issue during the period ('000)	243,407	243,407	243,407	243,407
Basic earnings per ordinary share (sen)	2.22	1.70	5.32	3.86
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 30/09/2013 RM'000	9 months ended 30/09/2013 RM'000
Depreciation of property, plant and equipment	204	511
Provision for and write off of inventories	-	-
Foreign exchange loss	27	67
Provision for and write off of receivables	-	-
Interest expense	N/A	N/A
Impairment of assets	N/A	N/A
Exceptional items	N/A	N/A
And crediting:-		
Interest income	112	380
Other income including investment income	21	71
Gain or loss on disposal of quoted or unquoted investments or properties	97	97
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 30 September 2013 RM'000	As at 30 September 2012 RM'000
Total retained profits of the Group and its subsidiaries		
- Realised	54,123	42,552
- Unrealised	305	179
Less: Consolidation adjustments	(112)	(48)
Total retained profits	54,316	42,683

By order of the Board
WILLOWGLEN MSC BERHAD

WONG AH CHIEW
Group Managing Director