

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

## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June 2017

	3 months ended 30 June		6 months ended 30 June	
	Unaudited 2017 RM'000	Unaudited 2016 RM'000	Unaudited 2017 RM'000	Unaudited 2016 RM'000
Revenue	34,413	32,770	72,730	58,483
Operating expenses	(29,426)	(27,925)	(62,379)	(51,040)
Other operating income	114	386	549	946
Share of results of associate, net of tax	40	978	249	664
Profit before tax	5,141	6,209	11,149	9,053
Income tax expense	(899)	(1,239)	(1,934)	(1,542)
<b>Profit net of tax</b>	<b>4,242</b>	<b>4,970</b>	<b>9,215</b>	<b>7,511</b>
Other comprehensive income, net of tax:				
Fair value changes on available for sale financial asset	22	39	38	62
Foreign currency translation	(1,542)	1,726	(5)	(1,281)
<b>Total comprehensive income for the period</b>	<b>2,722</b>	<b>6,735</b>	<b>9,248</b>	<b>6,292</b>
Profit attributable to:				
- Owners of the parent	4,317	5,017	9,296	7,619
- Non-controlling interest	(75)	(47)	(81)	(108)
	<b>4,242</b>	<b>4,970</b>	<b>9,215</b>	<b>7,511</b>
Total comprehensive income attributable to:				
- Owners of the parent	2,814	6,776	9,350	6,402
- Non-controlling interest	(92)	(41)	(102)	(110)
	<b>2,722</b>	<b>6,735</b>	<b>9,248</b>	<b>6,292</b>
Earnings per ordinary share (sen):				
- Basic	1.77	2.06	3.82	3.13
- 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 2016 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 June 2017

	Unaudited 30 June 2017 RM'000	Audited 31 December 2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,434	11,549
Investment in associates	13,949	13,699
Investment securities	7,168	5,516
	<u>32,551</u>	<u>30,764</u>
<b>Current assets</b>		
Inventories	1,771	1,248
Amount due from contract customers	51,281	47,236
Receivables, deposits and prepayments	41,156	36,900
Tax recoverable	119	139
Cash and bank balances	30,177	41,027
	<u>124,504</u>	<u>126,550</u>
<b>TOTAL ASSETS</b>	<b>157,055</b>	<b>157,314</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	29,240	24,800
Treasury shares, at cost	(1,714)	(1,714)
Reserves	113,564	113,521
<b>Total equity attributable to owners of the parent</b>	<b>141,090</b>	<b>136,607</b>
Non-controlling interest	406	(192)
<b>Total equity</b>	<b>141,496</b>	<b>136,415</b>
<b>Non-current liabilities</b>		
Employee benefits	58	60
Provision for reinstatement cost	94	93
Deferred tax liabilities	118	118
	<u>270</u>	<u>271</u>
<b>Current liabilities</b>		
Amount due to contract customers	3,142	3,639
Payables and accruals	8,609	13,448
Tax payable	3,538	3,541
	<u>15,289</u>	<u>20,628</u>
<b>Total liabilities</b>	<b>15,559</b>	<b>20,899</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>157,055</b>	<b>157,314</b>
Net assets per share (RM)	0.58	0.56

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

	Non-distributable					Reserves		Total	Non-controlling interest	Total
	Share Capital	Treasury Shares	Share premium	Merger deficit	Translation reserve	Fair Value Adjustment Reserve	Distributable Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
<b>At 1 January 2017</b>	24,800	(1,714)	4,440	(7,585)	16,735	29	99,902	136,607	(192)	136,415
<b>Reclassification pursuant to S618(2) of Companies Act 2016 (Note 1)</b>	4,440	-	(4,440)	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	16	38	9,296	9,350	(102)	9,248
<b>Arising from increase in share capital in subsidiary</b>	-	-	-	-	-	-	-	-	700	700
<b>Final dividend for the financial year ended 31 December 2016</b>	-	-	-	-	-	-	(4,867)	(4,867)	-	(4,867)
<b>At 30 June 2017</b>	29,240	(1,714)	-	(7,585)	16,751	67	104,331	141,090	406	141,496
<b>At 1 January 2016</b>	24,800	(1,694)	4,440	(7,585)	15,168	(32)	86,490	121,587	138	121,725
<b>Total comprehensive income</b>	-	-	-	-	(1,279)	62	7,619	6,402	(110)	6,292
<b>Share Buy-back</b>	-	(20)	-	-	-	-	-	(20)	-	(20)
<b>Final dividend for the financial year ended 31 December 2015</b>	-	-	-	-	-	-	(4,867)	(4,867)	-	(4,867)
<b>At 30 June 2016</b>	24,800	(1,714)	4,440	(7,585)	13,889	30	89,242	123,102	28	123,130

### Note 1:

Pursuant to the Companies Act 2016 ("CA2016") which came into effect on 31 January 2017, the credit amounts in the share premium account has been transferred to the share capital account. The Group may exercise its right to use the credit amounts transferred from the share premium account within 24 months after the commencement of the CA2016.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 June 2017

	Unaudited 30 June 2017 RM'000	Unaudited 30 June 2016 RM'000
<b>Operating activities</b>		
Profit before tax	11,149	9,053
Adjustments for non-cash items	594	(319)
<b>Operating profit before changes in working capital</b>	11,743	8,734
Changes in working capital:		
Net changes in inventories	(523)	(128)
Net changes in contract customers	(4,542)	985
Net changes in receivables	(4,256)	(3,222)
Net changes in payables	(4,841)	(266)
<b>Cash flows from/(used in) operations</b>	(2,419)	6,103
Interest received	360	285
Tax paid	(1,917)	(1,629)
<b>Net cash flows from/(used in) operations</b>	(3,976)	4,759
<b>Investing activities</b>		
Purchase of property, plant and equipment	(702)	(542)
Purchase of investment securities	(2,401)	(2,310)
Proceeds from disposal of investment securities	792	-
<b>Net cash flows used in investing activities</b>	(2,311)	(2,852)
<b>Financing activities</b>		
Changes in pledged deposits	540	(82)
Dividend paid	(4,867)	(4,867)
Share buy-back	-	(20)
<b>Net cash flows used in financing activities</b>	(4,327)	(4,969)
<b>Net changes in cash and cash equivalents</b>	(10,614)	(3,062)
<b>Cash and cash equivalents at 1 January</b>	39,034	41,916
Effect of exchange rate changes on cash and cash equivalents	304	(977)
<b>Cash and cash equivalents at 30 June</b>	28,724	37,877
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	15,988	15,489
Short term investments	614	805
Cash and bank balances	13,575	23,635
	30,177	39,929
Less: Fixed deposits held as security value	(1,453)	(2,052)
	28,724	37,877

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2016.

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 2016 except for the adoption of the Amendments/Improvements to MFRSs that are applicable to the Group effective 1 January 2017. 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 2016 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 share buyback during the current quarter. As at the end of the current quarter, a total of 4,673,400 shares were held as treasury shares.

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

### **A6 Dividends paid**

The final single-tier dividend of 2 sen per ordinary share for the financial year ended 31 December 2016 amounting to RM4,866,532 was paid on 31 May 2017.

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

## A7 Segmental reporting

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

<b>Current Year To Date</b>	<b>Malaysia</b>	<b>Singapore</b>	<b>Indonesia</b>	<b>Others</b>	<b>Adjustments &amp; Eliminations</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue:</b>						
External customers	17,459	55,020	251	-	-	72,730
Inter-segment	728	1,038	-	-	(1,766)	-
Total revenue	18,187	56,058	251	-	(1,766)	72,730
<b>Results:</b>						
Interest income	54	114	-	191	-	359
Depreciation	476	343	5	-	-	824
Income tax expense	-	1,934	-	-	-	1,934
Share of results of Associate	-	-	-	-	249	249
Segment profit/(loss)	1,072	12,865	(139)	177	(2,826)	11,149

## 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 2016.

## 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 2016.

## A12 Capital commitments

There were no material capital commitments as at 30 June 2017.

# 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 5.01% to RM34.41 million from RM32.77 million achieved in the corresponding quarter of 2016. Profit before tax decreased to RM5.14 million compared to RM6.21 million recorded in the preceding year corresponding quarter. The lower profit before taxation is mainly due to lower contributions from our associate company in Canada and impairment loss on receivables.

For the 6 months ended 30 June 2017, the Group's revenue increased by 24.36% to RM72.73 million from RM58.48 million achieved in the corresponding period of 2016. Profit before tax increased to RM11.15 million from RM9.05 million recorded in the corresponding period of last financial year. The higher profit before taxation is mainly due to higher turnover.

The Group's main markets continue to be Malaysia and Singapore. The Malaysia, Singapore and Indonesia operations contributed to 24.00%, 75.65% and 0.35% of the Group's revenue respectively. The turnover from Singapore operations has increased by 50.25% whereas the Malaysia operations recorded a decrease in turnover of 19.80% compared to the preceding year corresponding period. The decrease in turnover for the Malaysia operations is mainly due to the delay in implementation of projects.

### B2 Material change in results against preceding quarter

	Current Quarter 30/06/2017 RM'000	Preceding Quarter 31/03/2017 RM'000
Revenue	34,413	38,317
Profit before tax	5,141	6,008

For the current quarter, the Group recorded lower revenue of RM34.41 million compared to RM38.32 million recorded in the preceding quarter. The profit before tax decreased to RM5.14 million from RM6.00 million recorded in the last quarter. The decrease in profit before tax is mainly due to lower turnover and lower contributions from our associate in Canada.

### B3 Current year prospects

The SCADA market is expected to be challenging for the remaining 2 quarters due to intense competition and cost pressures.

Nevertheless, with the current projects at hand, the Group is confident to deliver a satisfactory performance.

### 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.

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

### **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.

### **B7 Income tax expense**

	<b>3 months ended 30/06/2017 RM'000</b>	<b>6 months ended 30/06/2017 RM'000</b>
Current Taxation	899	1,934
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	<b>899</b>	<b>1,934</b>

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

### **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 2017.

### **B10 Changes in Material Litigation**

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

### **B11 Proposed Dividend**

No dividend was declared for the period to date.



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

## 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 30 June		6 months ended 30 June	
	2017	2016	2017	2016
Net profit attributable to equity holders of the Company (RM'000)	4,317	5,017	9,296	7,619
Weighted average number of ordinary shares in issue during the period ('000)	243,327	243,336	243,327	243,346
Basic earnings per ordinary share (sen)	1.77	2.06	3.82	3.13
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 30/06/2017 RM'000	6 months ended 30/06/2017 RM'000
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	416	824
Provision for and write off of inventories	-	-
Foreign exchange loss	83	83
Provision for and write off of receivables	380	380
Loss on disposal of quoted or unquoted investments or properties	1	1
Interest expense	N/A	N/A
Exceptional items	N/A	N/A
And crediting:-		
Interest income	203	359
Other income including investment income	-	-
Gain on disposal of quoted or unquoted investments or properties	-	-
Gain on fair value adjustment on investment property	-	-
Gain or loss on derivatives	N/A	N/A

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

### **B14 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 30 June 2017 RM'000</b>	<b>As at 30 June 2016 RM'000</b>
Total retained earnings of the Group		
- Realised	106,625	89,970
- Unrealised	481	702
	107,106	87,149
Less: Consolidation Adjustments	(2,775)	(1,430)
<b>Total Retained Earnings</b>	<b>104,331</b>	<b>89,242</b>

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

**WONG AH CHIEW**  
Group Managing Director