

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

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

For the period ended 30 September 2017

	3 months ended 30 September		9 months ended 30 September	
	Unaudited 2017 RM'000	Unaudited 2016 RM'000	Unaudited 2017 RM'000	Unaudited 2016 RM'000
Revenue	37,534	29,405	110,264	87,888
Operating expenses	(30,932)	(24,700)	(93,311)	(75,740)
Other operating income	106	134	655	1,080
Share of results of associate, net of tax	(863)	(228)	(614)	436
Profit before tax	5,845	4,611	16,994	13,664
Income tax expense	(1,289)	(880)	(3,223)	(2,422)
<b>Profit net of tax</b>	<b>4,556</b>	<b>3,731</b>	<b>13,771</b>	<b>11,242</b>
Other comprehensive income, net of tax:				
Fair value changes on available for sale financial asset	82	29	120	91
Foreign currency translation	53	1,262	48	(19)
<b>Total comprehensive income for the period</b>	<b>4,691</b>	<b>5,022</b>	<b>13,939</b>	<b>11,314</b>
Profit attributable to:				
- Owners of the parent	4,615	3,771	13,911	11,390
- Non-controlling interest	(59)	(40)	(140)	(148)
	<b>4,556</b>	<b>3,731</b>	<b>13,771</b>	<b>11,242</b>
Total comprehensive income attributable to:				
- Owners of the parent	4,763	5,056	14,113	11,458
- Non-controlling interest	(72)	(34)	(174)	(144)
	<b>4,691</b>	<b>5,022</b>	<b>13,939</b>	<b>11,314</b>
Earnings per ordinary share (sen):				
- Basic	1.90	1.55	5.72	4.68
- 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 September 2017

	Unaudited 30 September 2017 RM'000	Audited 31 December 2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,470	11,549
Investment in associates	13,086	13,699
Investment securities	7,236	5,516
	<u>31,792</u>	<u>30,764</u>
<b>Current assets</b>		
Inventories	2,259	1,248
Amount due from contract customers	52,417	47,236
Receivables, deposits and prepayments	45,447	36,900
Tax recoverable	326	139
Cash and bank balances	28,654	41,027
	<u>129,103</u>	<u>126,550</u>
<b>TOTAL ASSETS</b>	<b>160,895</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	118,327	113,521
<b>Total equity attributable to owners of the parent</b>	<b>145,853</b>	<b>136,607</b>
Non-controlling interest	334	(192)
<b>Total equity</b>	<b>146,187</b>	<b>136,415</b>
<b>Non-current liabilities</b>		
Employee benefits	56	60
Provision for reinstatement cost	93	93
Deferred tax liabilities	118	118
	<u>267</u>	<u>271</u>
<b>Current liabilities</b>		
Amount due to contract customers	2,423	3,639
Payables and accruals	8,905	13,448
Tax payable	3,113	3,541
	<u>14,441</u>	<u>20,628</u>
<b>Total liabilities</b>	<b>14,708</b>	<b>20,899</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>160,895</b>	<b>157,314</b>
Net assets per share (RM)	0.60	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 September 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>	-	-	-	-	82	120	13,911	14,113	(174)	13,939
<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 September 2017</b>	29,240	(1,714)	-	(7,585)	16,817	149	108,946	145,853	334	146,187
<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>	-	-	-	-	(23)	91	11,390	11,458	(144)	11,314
<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 September 2016</b>	24,800	(1,714)	4,440	(7,585)	15,145	59	93,013	128,158	(6)	128,152

### 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 September 2017

	Unaudited 30 September 2017 RM'000	Unaudited 30 September 2016 RM'000
<b>Operating activities</b>		
Profit before tax	16,994	13,664
Adjustments for non-cash items	1,769	320
<b>Operating profit before changes in working capital</b>	18,763	13,984
Changes in working capital:		
Net changes in inventories	(1,012)	(274)
Net changes in contract customers	(6,396)	9
Net changes in receivables	(8,548)	737
Net changes in payables	(4,547)	(1,974)
<b>Cash flows from/(used in) operations</b>	(1,740)	12,482
Interest received	472	437
Tax paid	(3,838)	(3,042)
<b>Net cash flows from/(used in) operations</b>	(5,106)	9,877
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,159)	(685)
Purchase of investment securities	(2,401)	(2,405)
Proceeds from disposal of investment securities	792	-
Investment in associate	-	(150)
<b>Net cash flows used in investing activities</b>	(2,768)	(3,240)
<b>Financing activities</b>		
Changes in pledged deposits	534	(13)
Dividend paid	(4,867)	(4,867)
Share buy-back	-	(20)
<b>Net cash flows used in financing activities</b>	(4,333)	(4,900)
<b>Net changes in cash and cash equivalents</b>	(12,207)	1,737
<b>Cash and cash equivalents at 1 January</b>	39,034	41,916
Effect of exchange rate changes on cash and cash equivalents	368	70
<b>Cash and cash equivalents at 30 September</b>	27,195	43,723
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	12,920	14,147
Short term investments	140	805
Cash and bank balances	15,594	30,754
	28,654	45,706
Less: Fixed deposits held as security value	(1,459)	(1,983)
	27,195	43,723

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**

No dividend was paid during the current quarter.

# 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	27,773	82,242	249	-	-	110,264
Inter-segment	1,186	1,889	-	-	(3,075)	-
<b>Total revenue</b>	<b>28,959</b>	<b>84,131</b>	<b>249</b>	<b>-</b>	<b>(3,075)</b>	<b>110,264</b>
<b>Results:</b>						
Interest income	73	169	-	226	-	468
Depreciation	738	501	8	-	-	1,247
Income tax expense	-	3,223	-	-	-	3,223
Share of results of Associate	-	-	-	-	(614)	(614)
Segment profit/(loss)	296	20,439	(247)	195	(3,689)	16,994

## 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 September 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 27.64% to RM37.53 million from RM29.41 million recorded in the preceding year corresponding quarter. Profit before tax increased to RM5.85 million compared to RM4.61 million recorded in the corresponding period of last financial year.

For the 9 months ended 30 September 2017, the Group's revenue increased by 25.46% to RM110.26 million from RM87.89 million achieved in the preceding year corresponding period. Profit before tax increased to RM16.99 million from RM13.66 million recorded in the corresponding period of 2016. The higher profit before tax is mainly due to higher turnover.

The Malaysia operations recorded a decrease in turnover of 10.12% compared to the corresponding period of 2016. The decrease in turnover is mainly attributable to the delay in the implementation of integrated monitoring system projects.

Turnover from the Singapore operations has increased by 44.57% and has contributed to 74.59% of the Group's revenue with the balance coming from Malaysia operations.

In Canada, our associate company has incurred losses mainly due to intense competition and delay in the implementation of projects.

### B2 Material change in results against preceding quarter

	Current Quarter 30/09/2017 RM'000	Preceding Quarter 30/06/2017 RM'000
Revenue	37,534	34,413
Profit before tax	5,845	5,141

For the current quarter, the Group recorded higher revenue of RM37.53 million compared to RM34.41 million recorded in the last quarter. The profit before tax increased to RM5.85 million from RM5.14 million recorded in the preceding quarter. The increase in profit before tax is mainly due to higher turnover.

### B3 Current year prospects

Our revenue will continue to be derived from SCADA and integrated video surveillance systems in transportation, power, water, waste-water treatment and housing estate projects.

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

### 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 30/09/2017 RM'000</b>	<b>9 months ended 30/09/2017 RM'000</b>
Current Taxation	1,289	3,223
Adjustment for under/(over) provisions in previous years	-	-
Transfer to/(from) deferred taxation	-	-
	<b>1,289</b>	<b>3,223</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 September 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 September		9 months ended 30 September	
	2017	2016	2017	2016
Net profit attributable to equity holders of the Company (RM'000)	4,615	3,771	13,911	11,390
Weighted average number of ordinary shares in issue during the period ('000)	243,327	243,327	243,327	243,340
Basic earnings per ordinary share (sen)	1.90	1.55	5.72	4.68
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 30/09/2017 RM'000	9 months ended 30/09/2017 RM'000
Operating profit has been arrived at after charging:-		
Depreciation of property, plant and equipment	423	1,247
Provision for and write off of inventories	-	-
Foreign exchange loss	47	130
Provision for and write off of receivables	-	380
Loss on disposal of quoted or unquoted investments or properties	-	1
Interest expense	N/A	N/A
Exceptional items	N/A	N/A
And crediting:-		
Interest income	109	468
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 September 2017 RM'000</b>	<b>As at 30 September 2016 RM'000</b>
Total retained earnings of the Group		
- Realised	110,865	93,667
- Unrealised	524	589
	111,389	94,256
Less: Consolidation Adjustments	(2,443)	(1,243)
Total Retained Earnings	108,946	93,013

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

**WONG AH CHIEW**  
Group Managing Director