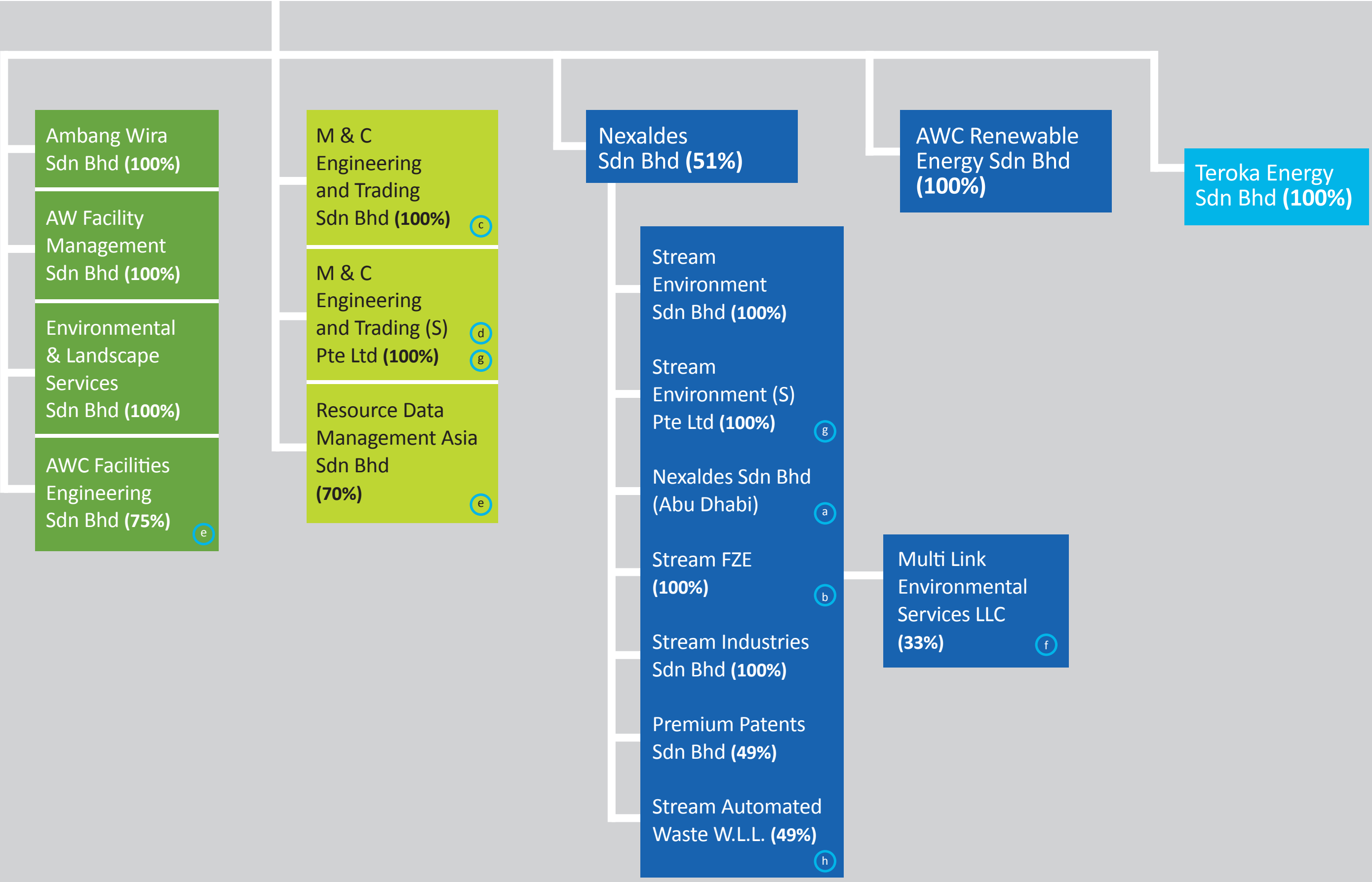
ANNUAL REPORT
2013

CONTENTS

GROUP STRUCTURE

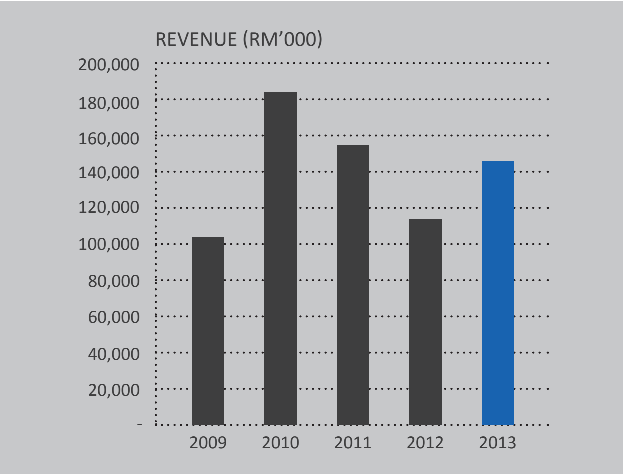


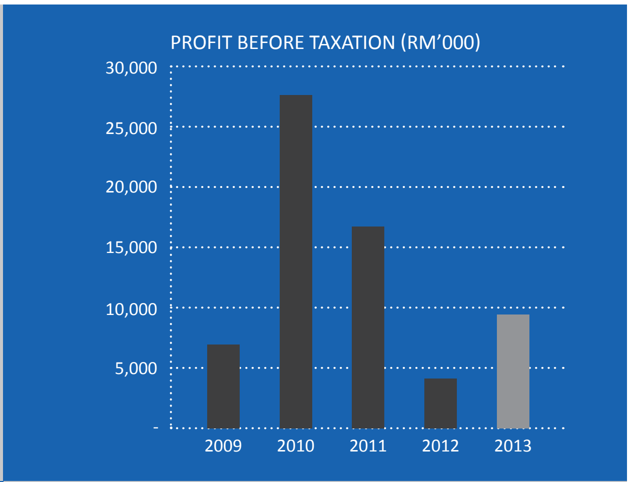
- (a) Nexaldes Abu Dhabi Branch Office
- (b) Free Zone Company, United Arab Emirates
- (c) 15% interest held via Ambang Wira Sdn Bhd
- (d) 51% interest held via M & C Engineering and Trading Sdn Bhd
- (e) 1% interest held via AW Facility Management Sdn Bhd
- (f) Incorporated in Abu Dhabi, United Arab Emirates
- (g) Incorporated in Singapore
- (h) Incorporated in Qatar

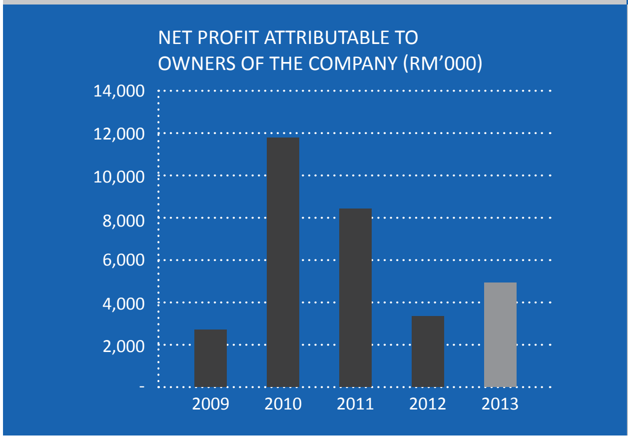
- Facilities Division
- Engineering Division
- Environment Division
- Investment holding company

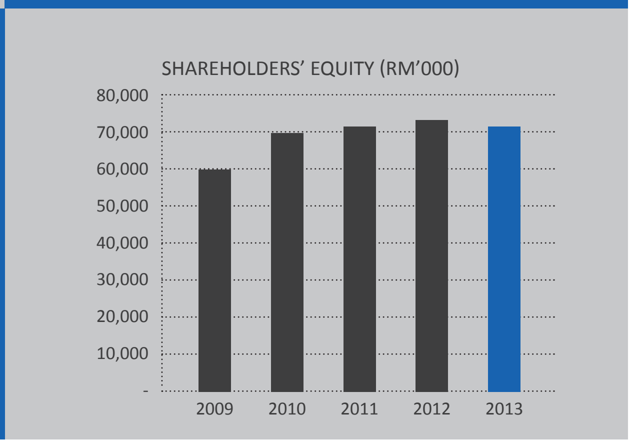
FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 30 JUNE	CONSOLIDATED / GROUP				
	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
Statement of Comprehensive Income Highlights:					
Revenue	103,143	184,755	153,902	111,225	145,000
Profit/(Loss) From Operations	7,360	27,414	16,697	4,498	9,311
Profit/(Loss) Before Taxation	6,843	27,082	16,430	4,609	9,715
Net Profit/(Loss) For The Financial Year	5,191	22,109	13,751	5,156	5,588
Net Profit/(Loss) Attributable to Owners of the Company	3,191	11,819	8,266	3,206	4,555
Earnings/(Loss) Per Share (sen)					
- continuing operations	1.4	5.2	3.7	3.0	2.0
- discontinued operations	-	-	-	(1.5)	-
Gross Dividend Per Share (sen)	Nil	1.0	2.0	1.5	2.5
Statement of Financial Position Highlights:					
Share Capital	114,340	114,340	68,604	68,604	68,604
Shareholders' Equity	59,130	69,949	71,512	72,028	71,130
Total Assets	115,844	171,449	167,602	146,988	155,332
Debt/Equity Ratio	0.17	0.11	0.10	0.11	0.07
Current Ratio	2.4	2.0	2.1	3.0	2.5
Net Assets Per Share (sen)	26.1	30.9	31.7	32.0	31.6









BOARD OF DIRECTORS

Dato' Nik Mod Amin bin Nik Abd Majid
Independent Non-Executive Chairman

Dato' Sulaiman bin Mohd Yusof
Independent Non-Executive Director

Dato' Ahmad Kabeer bin Mohamed Nagoor
Managing Director/ Group Chief Executive Officer

N Chanthiran A/L Nagappan
Independent Non-Executive Director

Datuk Syed Hussian bin Syed Junid
Senior Independent Non-Executive Director

Roslan bin Mohd Latif
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Sulaiman bin Mohd Yusof
Chairman

Roslan bin Mohd Latif

N Chanthiran A/L Nagappan

NOMINATION COMMITTEE

Datuk Syed Hussian bin Syed Junid
Chairman

Dato' Nik Mod Amin bin Nik Abd Majid

Roslan bin Mohd Latif

REMUNERATION COMMITEE

Datuk Syed Hussian bin Syed Junid
Chairman

Dato' Nik Mod Amin bin Nik Abd Majid

Dato' Sulaiman bin Mohd Yusof

AUDITORS

Crowe Horwath
Chartered Accountants
(AF : 1018)

COMPANY SECRETARIES

Tea Sor Hua
(MACS 01324)

Shee Pek Hoong
(MAICSA 7052352)

REGISTERED OFFICE

Third Floor, No.79 (Room A)
Jalan SS21/60 Damansara
Utama 47400 Petaling Jaya
Selangor Darul Ehsan

Tel : 03-7728 4778
Fax : 03-7722 3668

PRINCIPAL OFFICE

20-2, Subang Business Centre
Jalan USJ 9/5T
47620 UEP Subang Jaya
Selangor Darul Ehsan

Tel : 03-8024 4503/4/5
Fax : 03-8025 9343

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad

Stock Name: AWC
Stock Code: 7579

EMPLOYEES' SHARE OPTION SCHEME COMMITEE

Dato' Ahmad Kabeer bin Mohamed Nagoor
Chairman

N Chanthiran A/L Nagappan

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens
North Tower, Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur

Tel : 03-2264 3883
Fax : 03-2282 1886

PRINCIPAL BANKERS

Malayan Banking Berhad

AmBank (M) Berhad

HSBC Bank Malaysia Berhad

Standard Chartered Bank Malaysia Berhad

BOARD OF DIRECTORS

DATO’ NIK MOD AMIN BIN NIK ABD MAJID

Dato’ Nik Mod Amin bin Nik Abd Majid, a Malaysian, aged 60, was appointed to the Board on 1 September 2009 as an Independent Non-Executive Chairman. He is a member of the Nomination Committee and Remuneration Committee of the Company. Dato’ Nik Mod Amin obtained his Degree in Economics from Universiti Malaya in 1976.

Dato’ Nik Mod Amin is the Managing Director and founder of Fask Capital Sdn Bhd (previously known as The Royal Mint Exchange Sdn Bhd). The company’s activities include the provision of services in area of microcredit, micropayments, retail investments, debt management and financial consultancy.

He also has more than 25 years of banking experience with various financial institutions including Malayan Banking Berhad and Affin Bank Berhad. He is also the former Chief Executive Officer for BSN Commercial Bank Berhad, a post that he held for 8 years.

His other previous posts include General Manager of Perbadanan Usahawan Nasional Berhad, General Manager of Perwira Affin Bank Berhad and Vice President of Malaysian Franchise Association where he was appointed as a panel of consultants for Perbadanan Nasional in the Franchise Development Programme.

He is also currently a Board Member of Universiti Utara Malaysia.

DATO’ AHMAD KABEER BIN MOHAMED NAGOOR

Dato’ Ahmad Kabeer bin Mohamed Nagoor, a Malaysian, aged 56 was appointed to the Board as a Non-Independent Non-Executive Director on 2 February 2005. On 22 June 2007, he was re-designated as the Non-Independent Non-Executive Deputy Chairman of the Company and subsequently as the Executive Deputy Chairman on 1 March 2012. On 29 May 2013, Dato’ Ahmad Kabeer assumed the position of Managing Director/Group Chief Executive Officer of the Company. He is the Chairman of the Employees’ Share Option Scheme Committee of the Company. He is the major shareholder of the Company.

Dato’ Ahmad Kabeer graduated with a Master’s Degree in Finance from the University of St. Louis, Missouri, USA in 1986. He started his career with the Bank of Nova Scotia in 1986 in the Foreign Exchange Division before becoming a lecturer at the School of Management, Universiti Sains Malaysia from 1988 to 1994.

DATUK SYED HUSSIAN BIN SYED JUNID

Datuk Syed Hussian bin Syed Junid, a Malaysian, aged 52 was appointed as an Independent Non-Executive Director on 5 September 2011. On 29 May 2013, Dato’ Syed Hussian was appointed as Senior Independent Non-Executive Director. He is the Chairman of the Nomination Committee and Remuneration Committee of the Company.

Datuk Syed Hussian started his career with The American Malaysian Insurance Sdn Bhd as a Trainee Executive in 1982. In 1986, he was promoted as the Penang Branch Manager. Later in 1989, he was promoted as the Regional Manager covering Penang, Perlis, Kedah and Perak.

Currently he is the Senior Director of Business Operations & Sales Support for Asia in Western Digital Sdn Bhd, a company involved in the manufacturing of hard disk drives. He also sits on the board of various other private limited companies.

DATO' SULAIMAN BIN MOHD YUSOF

Dato' Sulaiman bin Mohd Yusof, a Malaysian, aged 62 was appointed to the Board on 9 January 2008 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

Dato' Sulaiman obtained his Bachelor of Law (LLB) University of Buckingham, England in 1984 after which in 1986, he qualified as Advocate and Solicitor of the High Court of Malaya. He is currently a Managing Partner of Sulaiman, Jamella & Clement Advocates & Solicitors.

Dato' Sulaiman joined the Royal Malaysian Police in 1969 and has over 37 years of experience and has been exposed to Criminal Investigation, Detection of Drug Trafficker/Preventive Laws and was mainly responsible for commercial crime investigation (white collar crime) including credit card fraud, banking, insurance, association, computer and cyber crime. He was appointed Deputy Director of the Narcotics Department of the Royal Malaysian Police in 2003 and became Chief Police Officer of Negeri Sembilan in 2004 and Deputy Director of the Commercial Crime Investigation Department of the Royal Malaysian Police in 2005 and subsequently served as the Chief Police Officer of Kuala Lumpur with the rank of Deputy Commissioner in 2006.

Dato' Sulaiman also sits on the Board of Syarikat Takaful Malaysia Berhad.

N CHANTHIRAN A/L NAGAPPAN

N Chanthiran A/L Nagappan, a Malaysian, aged 49 was appointed to the Board on 9 January 2008 as an Independent Non-Executive Director. He is a member of the Audit Committee and Employees' Share Option Scheme Committee of the Company.

Mr. Chanthiran holds a Bachelor's Degree (Honours) in Accounting from University of Malaya and he is a member of the Malaysian Institute of Certified Public Accountants. He is a qualified Chartered Accountant, a Certified Risk Professional (CRP) and Certified Financial Planner (CFP). He is currently a partner of Chanthiran & Co and C H & Associates.

Mr. Chanthiran has over 20 years of corporate finance experience in the areas of listing, financial and corporate restructuring, mergers and acquisitions. He was appointed to the Board of Magna Prima Berhad in 2002 where he served as one of the Directors until March 2005 upon which he was appointed as Chief Operating Officer. He also served as Executive Director of Lityan Holdings Berhad from October 2007 to October 2009.

Mr. Chanthiran currently sits on the board of Key Asic Berhad.

ROSLAN BIN MOHD LATIF

Roslan bin Mohd Latif, a Malaysian, aged 58 was appointed to the Board as an Independent Non-Executive Director on 26 February 2007. He is a member of the Audit Committee and Nomination Committee of the Company.

En. Roslan obtained a Diploma from ITM in 1977 before pursuing a Bachelor and Masters Degree in the United States from 1979 to 1983. He attended the Advanced Management Program in Denver, Colorado in 1985 and Advance Masters in Business Practice in University of South Australia in 2010 and is currently pursuing the DBA program.

En. Roslan has more than 31 years working experience in marketing, education, project management and training with several organisations namely Majlis Amanah Rakyat (MARA), Permodalan Nasional Berhad (PNB), Kontena Nasional, MESB Berhad, Global Fabricators and Warisan Movers.

En. Roslan sits as an Independent Director in TH Heavy Engineering Berhad (formerly known as Ramunia Holdings Berhad), Board of Trustee of ALMA Education Foundation and President of ALMA. He is currently attached to the Office of Minister of Youth and Sports as the Special Officer to Minister.

Note:
1. None of the above Directors have family relationship with any Directors or major shareholders of AWC Berhad except for Dato' Ahmad Kabeer bin Mohamed Nagoor who is a Director and shareholder of K-Capital Sdn Bhd, a major shareholder of the Company.
2. None of our Directors have a personal interest in any business arrangement involving our Group except as disclosed in Note 35 of the financial statement of this Annual Report.
3. None of the Directors have been convicted of any offences other than traffic offences in the past ten years.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders.

On behalf of the Board of Directors ("Board") of AWC Berhad ("AWC" or "the Company") I am pleased to present the annual report and financial statements for the financial year ended 30 June 2013 ("FYE 2013"). For the financial year under review, key operating Divisions continued to register commendable operating results in a global economy which remains challenging as the pace of recovery of several advanced economies continued to be constrained by fiscal, financial and structural concerns.

FINANCIAL REVIEW

For FYE 2013, turnover of the Group improved to RM145.0 million as compared to RM111.2 million registered in the previous financial year principally due to stronger revenue recorded by the Facilities Division following the conclusion of concession rates revision in FYE 2013.

Al Raha Beach Development, Abu Dhabi

Gross profit of the continuing operations of the Group stood at RM48.7 million as compared to RM44.0 million recorded in the last financial year ended 30 June 2012 ("FYE 2012"). Gross profit margin was however stronger in FYE 2012 following revision in project margin of the recently completed STREAM Automated Waste Collection System ("STREAM AWCS") project at Al Raha Beach Development, Abu Dhabi in the previous financial year.

Correspondingly operating expenses of the continuing operations moved to RM40.5 million, as compared to RM33.3 million recorded in FYE 2012.

Pre-tax profit for FYE 2013 is still largely supported by the operational earnings of the Facilities Division and the Environment Division, with each one contributing RM9.4 million and RM3.5 million to the Group's coffer respectively.

The Engineering Division on the other hand registered a pre-tax loss of RM0.8 million while Resource Data Management Asia Sdn Bhd which is in its second year of operation registered a turnover of RM0.5 million.

In terms of turnover, the Facilities Division led other Divisions with revenue of RM78.6 million or 54.2% of total revenue followed by the Environment Division at RM43.1 million. The Environment Division also registered a more balanced domestic to offshore income ratio with 58.7% of its top line for FYE 2013 being derived domestically while offshore revenue from Singapore, United Arab Emirates ("UAE") and Qatar contributed to the balance.

The Facilities Division led other Divisions with revenue of RM78.6 Million or 54.2% of total revenue followed by the environment division at RM43.1 Million.

CORPORATE DEVELOPMENTS

Pursuant to the conditional pre-emption offer from the Company to dispose of 2,448,000 ordinary shares of RM1.00 each in Infinite QL Sdn Bhd ("IQL") for a total cash consideration of RM500,000 ("Proposed Disposal") on 1 July 2012, the Proposed Disposal was subsequently completed on 7 November 2012. Following the completion of the Proposed Disposal, the Group recorded a loss on disposal of RM1.2 million and IQL ceased to be a subsidiary of AWC.

Qatar Petroleum District

OPERATIONAL HIGHLIGHTS

The healthier revenue of the Facilities Division in FYE 2013 was attributed principally to the higher concession based income following the conclusion of concession rates revision with the Government which was pursued since 2008. On the non-concession or commercial sector, the Facilities Division achieved a cornerstone foray into the local healthcare sub-segment with provision of biomedical and facilities engineering maintenance services to Hospital Rehabilitasi Cheras located at 4½ Miles Jalan Cheras.

Our STREAM AWCS continued to receive warm support from the domestic front and in the neighbouring Lion City with new projects secured at M-City, Hatten City, Robertson Quay and Changi General Hospital in FYE 2013. In the Middle East, our STREAM AWCS projects at Yas Mall, Abu Dhabi and Qatar Petroleum District, Qatar continued to progress well. We had also successfully handed over our STREAM AWCS project at Al Raha Building 406, Abu Dhabi following its completion in December 2012.

In the Middle East, our STREAM AWCS projects at Yas Mall, Abu Dhabi and Qatar Petroleum District, Qatar continued to progress well. We had also successfully handed over our STREAM AWCS project at Al Raha Building 406, Abu Dhabi following its completion in December 2012.

Meanwhile, the business environment of the Engineering Division remained challenging and has prompted this Division to review its present business roadmap to strengthen its marketing strategies and to place unequivocal emphasis to further develop its human capital asset.

Our energy saving and management solutions under the flagship of Resource Data Management Asia Sdn Bhd ("RDM Asia") has achieved strong business momentum in the domestic market and also established its regional foothold in Singapore and Indonesia.

BUSINESS REVIEW

Global economic prospects has improved but the road to recovery in the advanced economies remained bumpy with the United States ("US") experiencing a fragile recovery and the Euro area remaining in recession. Despite the success in defusing the threat of a Euro area breakup and a sharp fiscal contraction in the US caused by a plunge off the "fiscal cliff", the weakened economic conditions affected international trade which spilled over to domestic economic activity in the emerging economies.

The Malaysian economy is expected to remain on a steady growth path with an expansion of 4.5% to 5.0% in 2013 anchored on continued resilience of domestic demand, and supported by a gradual improvement in the external sector with an extrapolated growth rate of 5.0% to 5.5% in year 2014.

Across the Causeway, the economy of neighbouring Singapore is projected to experience a sturdier growth of 3.5% in 2013 and forecasted to remain flat at 3.4% in 2014.

The Gross Domestic Product ("GDP") of UAE, where the Group now has less sizeable exposure, is expected to expand by 4.0% in 2013 with a stagnant outlook on GDP growth of 3.9% envisaged in 2014. Meanwhile, its neighbouring Qatar is estimated to chalk a GDP growth of 5.1% in 2013 before moderating to 5.0% in 2014.

OUTLOOK

Overall, the pace of global growth would be contingent on the strength of the revival in private sector activity in the US, the commitment towards a credible and comprehensive set of crisis resolution policies in the Euro area and the sustainability of domestic demand in the emerging economies.

In view of the foregoing, we take cognisant that pace of recovery of the advanced economies is likely to be weak while the outlook for the emerging economies is relatively more favourable despite their vulnerability to external developments.

On the domestic front, we are cautiously optimistic on the Facilities Division's debut participation in the local healthcare sub-segment. Efforts shall continue to be sustained in identifying, developing and securing business opportunities in other sectors and sub-segments aimed at reducing dependence on concession based income.

Meanwhile, focus on building of order book for STREAM AWCS shall continue with concentration on domestic and neighbouring prospects together with selectively earmarked offshore opportunities.

The Engineering Division shall continue to leverage on its competitive advantage such as cost leadership engineering to address the highly volatile and competitive business environment it operates in. This framework also includes strategic steps and measures to identify potential opportunities in other subs-segments and/or sectors of its value chain.

In view of the escalating energy costs and greater environmental awareness, strategies are being drawn up to extend the outreach of the cutting edge energy saving and management solutions of RDM Asia to other parts of the region and to position RDM Asia at the forefront of energy austerity.

DIVIDEND

The Board of Directors had earlier declared gross interim dividends amounting to 2.5 sen per ordinary share of which 1.5 sen per ordinary share was paid out to our shareholders in October 2012 while the balance of 1.0 sen per ordinary share was paid in March 2013.

The declaration of the interim dividends is consistent with the Company's commitment to continuously assess the Group's funding requirements for capital expenditure and working capital in light of prospective businesses, earmarked expansions and new projects in the pipeline together with the need to reward reasonable dividend yield to its shareholders.

We are confident that such flexible dividend policy will synchronise the mutual interests of the shareholders and the Group in returning greater dividend yield through better financial performance.

CONTRIBUTION TO SOCIETY

We continued to support various charitable contributions during the financial year under review as part of the Group's commitment to assist the needy and less fortunate.

We also supported activities organised by social welfare groups. We hope to extend this benevolence and altruism to more charitable organisations and welfare societies apart from aiding and participating more actively in future philanthropic activities.

HUMAN CAPITAL DEVELOPMENT

Human capital continued to be the most priceless asset of the Group and efforts will continue to be focused and channeled towards nurturing and growing our existing human capital assets in preparation for future growth. In the meantime, human resource blueprints and plans are being put in place to retain and attract the right pool of talent to support our business strategies and accommodate our succession planning.

As at 30 June 2013, the Group has approximately 604 employees whom are employed in Malaysia, Singapore, United Arab Emirates and Qatar. Employees are remunerated based on industry practice and performance in accordance to the corresponding key performance indicators or KPIs of each individual employee.

NOTES OF APPRECIATION

On behalf of the Board I wish to place on record my sincere gratitude to our customers, financial institutions and business associates for their continuous support and confidence in the Group. I also wish to convey my heartfelt appreciation to the Government of Malaysia and other authorities for their magnanimous support and steadfast confidence in us.

On the same note, I wish to take this opportunity to thank my fellow Board members for their business insight and valuable thoughts. My credits also go out to the management and staff of the Group for their sacrifice and commitment in delivering a commendable operating result for FYE 2013.

Last but not least, I wish to extend my sincere appreciation to our shareholders for entrusting us with the stewardship of the Company as we lead the Group to next tier of growth.

DATO' NIK MOD AMIN BIN NIK ABD MAJID
Chairman
23 October 2013

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS & OPERATIONS

AWC Berhad ("AWC" or "the Company") is an investment holding company specialising in quality engineering services with three core activities undertaken by its subsidiaries in the following Divisions:-

DIVISIONS	CORE ACTIVITIES
Facilities Division	Provides total asset management and integrated facilities management ("IFM") services including biomedical and facilities engineering maintenance services. Main income source of the Facilities Division is derived principally from the Federal Government integrated facilities management services concession which provides a stable and consistent stream of turnover to this Division.
Environment Division	Design, supply, installation, testing and commissioning of Made-in-Malaysia automated pneumatic waste collection system under the proprietary brand of 'STREAM' ("STREAM AWCS") with on-going projects in Malaysia, Singapore, United Arab Emirates ("UAE") and Qatar. This Division also undertakes operations and maintenance services of its STREAM AWCS for its esteemed clients.
Engineering Division	Distributor of several international brands of building controls and engineering components for heating, ventilation & air conditioning (or commonly known by the acronym "HVAC") systems and provider of building automation systems in Malaysia and Singapore. This Division also provides cutting edge energy saving and management solutions under the flagship of Resource Data Management Asia Sdn Bhd.

Further to the announcement on 2 July 2012 in relation to the conditional pre-emption offer from the Company to dispose of 2,448,000 ordinary shares of RM1.00 each in Infinite QL Sdn Bhd ("IQL") for a total cash consideration of RM500,000 ("Proposed Disposal"), the Proposed Disposal had subsequently been completed on 7 November 2012. Following the completion of the Proposed Disposal, the Group registered a loss on disposal of RM1.2 million and the Technology Division ceased to be a Division of the Company.

OBJECTIVES & STRATEGIES

The Group's long term objective is to be a leading and sustainable Malaysian-grown engineering services group in Asia with a balanced commitment towards environmental conservation and protection through '*Green Engineering & Technologies*'.

In achieving the objective, shorter term goals of each Division are defined periodically in our broad based business plans while annual priorities are underlined in our comprehensive budgetary exercise. Our business plans include amongst others:-

1. Insight and situational analysis of current business environment together with commercial updates and unique challenges experienced by each Division.

2. Objectives of each Division together with the corresponding strategic directions and action plans to be embarked upon to:-

   i. Achieve the prescribed targets and goals.
   ii. Address the novelty requirements and commercial obstacles of each Division in achieving a sustainable business growth.

3. Management controls outlined to forewarn us of unprecedented pitfalls as well as to mitigate associated and underlying risks of each strategic direction.

4. Established contingencies as an alternative approach to the key strategic directions and action plans.

5. Human capital, resources and core competencies to be employed in attaining each strategic direction together with the related action plans.

6. Clearly defined management accountabilities and operational responsibilities.

7. Scheduled timeline to complete and achieve each strategic direction and action plan.

8. Control and reporting framework to closely monitor, assess, evaluate and measure the progress of every strategic direction and action plan to facilitate an iterative review and fine tuning process.

On the other hand, our annual budgetary exercise deals with more contemporary business analysis for each financial year ranging from detailed forecasting of revenue from hot prospects and project pipeline to in-depth overhead costing and comprehensive cost-volume-profit analysis.

These shorter term goals and annual priorities are translated to key performance indicators ("KPIs") of the Group. Budgetary targets of each operating Division closely tracked through our monthly management reporting cycle while extended objectives of the business plans are reviewed annually and where necessary, revised to accommodate the latest social economic developments and business updates.

The achievement and analysis of these KPIs for the financial year ended 30 June 2013 ("FYE 2013") are discussed in the subsequent sections of this report.

REVIEW OF FINANCIAL RESULTS AND OPERATING ACTIVITIES

The Group

For FYE 2013, key operating Divisions of the Group registered a commendable operating performance against previous financial year.

The Group registered healthier revenue of RM145.0 million representing an increase of 30.4% against RM111.2 million registered in the previous financial year, while pre-tax profit came in at RM9.7 million as compared to RM4.6 million in FYE 2012 on the back of improved global economic prospects with good news emanating from reacceleration of activity in emerging markets and developing economies.

Nonetheless, the United States ("US") automatic spending cuts or budget sequester, if not reversed, will continue to restrain economic activity in late 2013 while failure to raise the US debt ceiling would be damaging to the global economy. Meanwhile, in the Euro area, better conditions for periphery sovereigns are yet to pass through companies and households as economic activity will be held back by continued fiscal adjustment, competitiveness problems and balance sheet weaknesses.

Amidst the moderate 5.6% expansion in the Malaysian economy in 2012 and a modest growth of 4.2% in the first half of 2013, the key operating Divisions of the Group continued to register positive earnings.

The Facilities Division

The Facilities Division registered a stronger turnover of RM78.6 million as compared to RM50.6 million in the preceding financial year, principally following the conclusion of concession rates revision with the Government which contributed positively to its primary source of concession based income. Concession based income represented more than 85% of this Division's revenue in FYE 2013 while non-concession based income from valued clients such as Wisma Mahmud in Kuching, Sarawak and Galeria PjH in Precinct 4, Putrajaya contributed to the balance.

In September 2013, the Facilities Division inaugurated its debut into domestic healthcare sub-segment with the commencement of facilities and biomedical engineering maintenance services at Hospital Rehabilitasi Cheras, the largest rehabilitation hospital in South East Asia which provides holistic rehabilitation services to both inpatients and outpatients.

Excluding the impact of impairment, pre-tax profit of the Facilities Division stood at RM9.4 million against RM3.3 million in FYE 2012 in tandem with the higher income pursuant to the concession rates revision. Our philosophy of promoting greater energy austerity and reduction of carbon footprint through active monitoring and control of energy consumption as well as optimisation of energy efficiency via cutting edge technologies continues to be the forefront of our eco-friendly "*Green IFM*" solutions to provide value-added benefits to our customers.

The Environment Division

Turnover of the Environment Division improved to RM43.1 million from RM34.3 million recorded in the last financial year principally due to the higher project based income, following recognition of income from its STREAM AWCS project at KLIA2 under the Built-Operate-Transfer ("BOT") arrangement with Malaysia Airports Holdings Berhad in accordance with the *Issues Committee Interpretation 12 on Service Concession Arrangements of the Malaysian Financial Reporting Standards Framework*. Other primary contributors include the STREAM AWCS projects at Yas Mall and Al Raha Building 406 in Abu Dhabi.

Notwithstanding the higher revenue, pre-tax profit of this Division eased to RM3.5 million against the higher profit before tax of RM11.4 million registered in FYE 2012 following revision in the project margin of Al Raha Beach Development in the previous financial year.

On the domestic and regional front, new STREAM AWCS projects by the Environment Division in FYE 2013 include M City, Hatten City, Changi General Hospital and Robertson Quay. During the financial under review, this Division had successfully completed and handed over STREAM AWCS projects at Al Raha Building 406, a 16,645 square meters mixed development by Abu Dhabi National Insurance Company in Abu Dhabi.

In Singapore, this Division continued to earn recurring income from operations and maintenance ("O&M") services at Ministry of Home Affairs, the Police Cantonment Complex, Terminal 3 Changi Airport, the Quincy Hotel, Dakota Residences, Aalto Condominium and Resorts World Sentosa following the handover of our STREAM AWCS at these sites. On the local page, similar consistent revenue stream was also accrued from O&M services at Integrated Transport Terminal-Southern Sector, Maju Junction and Maju Junction Shopping Mall, Johor State New Administrative Centre and Royal Malaysian Customs complexes at Prai, Bukit Gelugor and Kelana Jaya.

The Engineering Division

The Malaysian construction sector expanded by 18.5% in 2012 and by 12.0% in the first half of 2013 supported by the implementation of major infrastructure projects and led mainly by robust expansion of the civil engineering sub-sector. Notwithstanding the encouraging growth in the construction sector, domestic turnover of the Engineering Division experienced a nominal contraction of 3.4% to RM8.6 million from RM8.9 million in the previous financial year attributed primarily to the intense market competition from cheaper substitutes.

Reasonably acceptable quality of these less than perfect substitutes had resulted in wider acceptance of these more economical surrogates in the domestic markets and industries; giving rise to deeper concerns on the rapidly escalating risks posed to the subsisting local market share of the Engineering Division. In response, the Engineering Division had embarked on various pre-emptive steps and affirmative measures such as cost leadership engineering, end-user education, extensive principal-agent bargaining as well as identifying potential opportunities in other subs-segments and/or sectors of its value chain to arrest the inevitable and burgeoning threats of these new market entrants. Across the Causeway, turnover of this Division expanded to RM14.2 million or 20.2% against previous financial year, underpinned by a more sustainable and resilient brand equity in the neighbouring market.

Nonetheless, earnings of this Division eased to a pre-tax loss of RM0.8 million from a pre-tax profit of RM1.6 million in FYE 2012 in the midst of highly competitive market environment and rising operating costs.

On a lighter note, the energy saving and management solutions of Resource Data Management Asia Sdn Bhd ("RDM Asia") marched into its second year of operation with a turnover of RM0.5 million and extended its outreach to establish regional brand presence in Singapore and Indonesia.

Key Financial Analysis

Details of the securities for borrowings of the Group are disclosed in Note 28 to the financial statements. As disclosed in Note 34 to the financial statements, the Company had issued financial guarantee in favour of certain subsidiaries amounting to RM24.1 million.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures including amongst others Arab Emirates Dirham, Singapore Dollar and Qatari Riyal. Further information on currency exposure is set out in Note 36(a)(ii) to the financial statements.

Analysis of other key financial risks such as liquidity risk, credit risk as well as capital risk management are discussed in Note 36 to the financial statements.

THE JOURNEY AHEAD

Escalating energy and utility cost, rising wages from inflationary pressure and safety net requirements as well as increasing prices of consumables is expected to continue to be the key challenges of the Facilities Division in sustaining its earnings margin. Thus, it is highly crucial and critical for this Division to continue to be prudent and uncompromising in cost management to outpace the pressures of accelerating overheads.

The Environment Division will continue to emphasise on strategic networking, market intelligence and innovative business models in building its local and regional order book and in selectively earmarked offshore market, in strengthening the resilience and sustainability of its project based income. Works shall continue to elevate the brand equity of '*STREAM*' to promote wider acceptance of STREAM AWCS by municipal developers and real estate players.

The Engineering Division shall continue to channel unrelenting efforts to arrest and curtail further unprecedented downside in the saturated domestic market based on the underlined strategies. In the meantime, the Singapore arm of this Division is expected to augur well in view of the order book amounting to SGD4.7 million and the modest economic outlook of the Lion City.

On the other hand, RDM Asia's immediate focus is to fortify its foothold as a leading authority in the field of energy saving and management solutions both locally and in the region. The next transitional milestone will involve an expansion of RDM Asia's cutting edge applications into other business sectors where energy saving is essentially acute to remain competitive or in certain cases, exceptionally critical to remain and sustain as a going concern.

Training and personal development will continue to be pursued to enhance the value and merit of the human capital of the Group in tandem with our corporate philosophies of perpetual investment in people. Nurturing of existing human capital asset and recruitment of new talents shall continue to be accorded deserving priority to ensure a seamless succession plan at all levels.

We acknowledge and recognise that information and communication technology ("ICT") remains an imperative tool in supporting our short and medium terms strategies which led to investment in new network servers during FYE 2013. Further steps to safeguard data integrity such as upgrading of the existing backup system to a more secured and comprehensive platform will continue to be pursued. Other earmarked ICT project in the pipeline includes intranet communication to promote a more robust knowledge exchange and cohesiveness among geographically segregated employees.

Overall, the Group shall continue to explore, identify and pursue new business opportunities locally and internationally in developing a sustainable, resilient, high value and synergistic growth. In addressing the associated and inherent business and financial risks, these strategies shall at all times be counterbalanced by prudent reviews to forewarn the Group against unprecedented pitfalls as well as pragmatic controls to isolate and insulate the Group against both systematic and unsystematic risks.

23 October 2013

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board of Directors ("Board") of AWC Berhad ("Company") is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its duties to enhance shareholders' values consistent with the principles and recommendations for best practices set out in the Malaysian Code on Corporate Governance 2012 ("Code").

The Board collectively leads and is responsible for the performance and affairs of the Group, including practising a high level of good governance. All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board is pleased to set out below a statement which describes the manner in which it has applied the principles of the Code and the extent to which it has complied with the best practices of the Code during the financial year ended 30 June 2013.

THE BOARD

Board Charter

A Board Charter was formalised on 29 May 2013 to set out the composition and balance, roles and responsibilities, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members.

A copy of the Board Charter is published in the corporate website of the Company at ***www.awc.com.my***

Composition and Balance of the Board

1. ***Size and composition***

   The Group is led by an effective and experienced Board comprised of members who possess, amongst them massive amount of experience in business, financial, technical and public service background.

   The Articles of Association of the Company provides for a minimum of two (2) Directors and a maximum of twenty (20) Directors. At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors. The composition and size of the Board are reviewed from time to time to ensure its appropriateness.

   The Board currently has six (6) members, comprising of one (1) Executive Director (who is the Managing Director/ Group Chief Executive Officer), one (1) Senior Independent Non-Executive Director and four (4) Independent Non-Executive Directors. This composition ensures that at least one third of the Board comprise of independent directors in accordance to the requirement of Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

   The Board takes cognisant of the recommendation on boardroom diversity published in the Code. The Board through the Nomination Committee shall accord due consideration to gender diversity in addition to skills, competencies, knowledge, experience, commitment and integrity in relation to the appointment of prospective Board member.

2. ***Nomination and appointment***

   The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The Nomination Committee will make recommendations to the Board who will thereon assess the shortlisted candidates and arrive at a decision on the appointment of the Director. The Company Secretary will ensure that all appointments are properly made and that all legal and regulatory obligations are satisfied and complied.

   All Board members shall notify the Chairman of the Board before accepting any new Directorship in other companies. The notification shall include an indication of time that will be spent on the new appointment. The Chairman shall also notify the Board if he has any new Directorship or significant commitments outside the Company.

3. Re-election

In accordance with the Company's Articles of Association, all Directors appointed by the Board are subject to re-election by the shareholders at the annual general meeting ("AGM") following their appointment. At least one third of the Directors are required to retire from office by rotation annually and shall be eligible for re-election at each AGM.

Directors who are over seventy (70) years of age are required to submit themselves for annual re-appointment in accordance with Section 129(6) of the Companies Act, 1965.

4. Independence

The presence of one (1) Senior Independent Non-Executive Director and four (4) Independent Non-Executive Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision-making remains objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

The Senior Independent Non-Executive Director will also attend to any query or concern raised by shareholders.

5. Tenure of Independent Director

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine years, the Independent Director may continue to serve the Board subject to the Director's re-designation as a Non-Independent Director. In the event the Director is to remain designated as an Independent Director, the Board shall first justify and obtain shareholders' approval on a year to year basis.

6. Evaluation of the Directors and the Board as a whole

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its Board Committees. The Nomination Committee is given the task to review and evaluate the individual Director's performance and the effectiveness of the Board and the Board Committees on an annual basis. In assessing suitability of candidates, considerations will be given to the competencies, commitment, contribution and performance.

The Nomination Committee is required to report annually to the Board an assessment of the Board's and the Board Committees' performance. This will be discussed with the full Board. Every year, the Nomination Committee will evaluate each individual Director's contributions to the effectiveness of the Board and the relevant Board Committees.

7. Annual Assessment of Independence

The Board had conducted an evaluation of level of independence of the five (5) Independent Non-Executive Directors of the Company and the Board is satisfied with the level of independence demonstrated by them and their ability to act in the best interest of the Company and/or the Group.

Roles and responsibilities

1. Board responsibilities

The Managing Director/ Group Chief Executive Officer and/or Executive Directors have the responsibility to manage the day-to-day operations of the business, implementation of Board policies and making strategic decisions for the expansion of the business. The Non-Executive Directors contribute their expertise and experiences to give independent judgment to the Board on issues of strategy, performance and resources, including major policies, key directions and standards of conduct.

The stewardship responsibilities and duties of the Board focuses principally on strategies, financial performance and critical business decisions that may include amongst others the following:-

a. Overseeing and evaluating the conduct and sustainability of the businesses of the Group.

b. Reviewing and adopting the overall strategic direction, business plans, annual budgets of the Group, including major capital commitments.

c. Establishing key performance indicators and succession plan.

d. Reviewing and approving of new ventures, major acquisitions and disposal of undertakings, investments and assets.

e. Identifying principal risks and ensuring implementation of appropriate systems to manage these risks.

f. Reviewing the adequacy and integrity of the Group's internal control systems and management information systems.

g. Overseeing the development and implementation of the shareholder communications policy for the Company.

The Directors are required to declare their direct and indirect interests in the Company and related companies. The Directors are also responsible to declare whether they and/or any person(s) connected to them have any potential conflict of interest in any transaction and/or in any contract with the Company and/or any of its related companies. Any Director who has an interest in any related party transaction shall abstain from the Board deliberation and voting and shall ensure that he or she and person(s) connected to him or her will abstain from voting on the related resolution.

The Directors and certain members of the management team are also periodically informed of the closed periods in accordance to the relevant provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to remind the Directors and the members of the management team not to deal in securities of the Company as they are in possession of price-sensitive information.

2. Accountability and audit

a. Financial reporting

The Board has overall responsibility for the quality and completeness of the financial statements of the Company and the Group, both quarterly and year-end, and has a duty to ensure that those financial statements are prepared based on appropriate and consistently applied accounting policies, supported by reasonably prudent judgment and estimates and in accordance to the applicable financial reporting standards.

The Board emphasizes on regular reporting of financial results and operational performance at timely intervals to ensure subsistence of managerial controls and consistent exercise of performance review processes. Systems are also in place within the Group to facilitate output of materially accurate and timely financial data. The systems also accommodate production of relevant reports for measurement of performance against prescribed targets and post-mortem reviews of key result areas as well as supporting benchmarking processes for upcoming years.

The Audit Committee plays a crucial role in assisting the Board to scrutinize the information for disclosure to shareholders to ensure material accuracy, adequacy and timeliness.

b. Internal control and risk management

The Board also takes cognisant of its responsibility for identifying, isolating and managing significant risks within the business environment in which the Group operates. The Board is aware of its responsibility for ensuring the effectiveness and adequacy of the internal control system to address management, financial, operational, management information systems and compliance risks within the ambit of applicable laws, regulations, directives and guidelines.

Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the board that the processes have been carried out.

The Audit Committee has been entrusted by the Board to ensure effectiveness of the Group's internal control systems. The activities of the outsourced internal auditors are reported regularly to the Audit Committee which provides the Board with the required assurance in relation to the adequacy and integrity of the Group's system of internal controls.

Recognizing that the internal control system must continuously improve to meet the challenging business environment, the Board will continue to take appropriate action plans to strengthen the Group's internal control system.

c. Clearly defined organizational structure

The organisational structure of the Group is well-defined with appropriate terms of reference, job functions and description in place for the Managing Director/Group Chief Executive Officer, Executive Directors and other senior management staff of the Group. Organisational charts, job bands, and reporting lines within the Group are clearly set out with regular feedback and formal communication between individual subsidiaries and senior management staff at the holding company.

d. Clearly defined authority limits

The terms of references, responsibilities and authority limits of the various committees, the Managing Director/ Group Chief Executive Officer, Executive Directors and other senior management staff of the Group are clearly defined to achieve an effective check and balance, promote accountability, transparency, responsibility, operational efficiency and good corporate governance.

These terms of references, responsibilities and authority limits are formally documented in official documents such as the Group Authority Manual, the Tender, Contract and Procurement Manual, AWC Employee Handbook and various Standard Operating Procedures and Guidelines.

e. Relationship with Auditors

The Group has established a transparent and appropriate relationship with the internal auditors and external auditors. Such relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to third party. Similar to the external auditors, internal auditors too have direct reporting access to the Board and the Audit Committee to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the management.

3. Responsibilities of the Chairman and Managing Director/Group Chief Executive Officer

The Board ensures that the Chairman is a Non-Executive member of the Board. The roles of the Chairman and the Managing Director/Group Chief Executive Officer are distinct and separate to ensure there is balance of power and authority. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board while the Managing Director/Group Chief Executive Officer has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions. The Managing Director/Group Chief Executive Officer is accountable to the Board for the overall organisation, management, and staffing of the Company and/or Group and for the procedures in financial and other matters, including conduct and discipline.

The responsibilities of the Chairman, amongst others, are as follows:

a. To provide leadership to the Board.

b. To oversee the effective discharge of the Board's supervisory role.

c. To facilitate the effective contribution of all Directors.

d. To conduct and chair Board meetings and general meetings of the Company.

e. To manage Board communications and Board effectiveness and effective supervision over Management.

f. To ensure that quality information to facilitate decision-making is delivered to the Board in timely manner.

g. To ensure Board meetings and general meetings are in compliance with good conduct and best practices.

h. To promote constructive and respectful relations between Board members and between the Board and the Management.

i. Together with the Managing Director or Group Chief Executive Officer, represents the Company and/or the Group to external groups such as shareholders, creditors, consumer groups, local communities and federal, state and local governments.

The responsibilities of the Managing Director/Group Chief Executive Officer, amongst others, are as follows:

a. To develop and recommend to the Board strategic business direction, plans and policies of the Group that leads to the creation of shareholder value.

b. To develop and recommend to the Board the operational plan and annual budget that support the Company or the Group's long-term strategy.

c. To ensure the efficient and effective operation of the Group.

d. To manage the overall business and oversees the day-to-day management of the Group with all powers, discretions and delegations authorised, from time to time, by the Board.

e. To ensure continuous improvement in the quality and value of the products and services provided by the Group.

f. To ensure that the Company and the Group achieves and maintains satisfactory competitive positions within its industry.

g. To formulate and oversee the implementation of major corporate policies.

h. To report to the Board periodically on the financial positions of the Group which include forecast results as required from time to time.

i. To report to the Board on key performance indicators in relation to the financial results, market conditions and other developments.

j. To be responsible for the financial management of the Company and/or the Group and overseeing the handling of financial matters which include keeping proper accounts for prudent and economical administration, avoidance of waste and extravagance for efficient and effective use of all the resources.

k. To serve as the chief spokesperson for the Group.

l. To bring material matters to the attention of the Board in an accurate and timely manner.

In the event that the Company does not have a Managing Director/Group Chief Executive Officer in office, during the period of such absence, all the provisions of the Board Charter that apply to the Managing Director/Group Chief Executive Officer shall apply to such other person appointed by the Board to have overall charge of the Company ("Interim MD or GCEO"), unless the Board or a Board Committee decides otherwise that certain provisions are not to apply or are to apply with modification and/or revision. The Board and Board Committees may also put in place additional rules, restrictions and guidelines pertaining to the roles and responsibilities of the Interim MD or GCEO.

4. Board Committees

The Board may from time to time establish Board Committees as is considered appropriate to assist in carrying out its duties and responsibilities. The Board delegates certain functions to the following Board Committees to assist in the execution of its responsibilities.

a. Audit Committee

b. Nomination Committee

c. Remuneration Committee

d. Employees' Share Option Scheme ("ESOS") Committee

The Board Committees shall operate under clearly defined terms of reference. The Board Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference.

a. Audit Committee

The terms of reference of the Audit Committee and its activities are set forth in the Audit Committee Report on pages 27 to 31 of this Annual Report.

b. Nomination Committee

The Board shall elect the Nomination Committee members from amongst themselves, comprised exclusively of Non-Executive Directors, a majority of whom must be Independent Directors.

The members of the Nomination Committee during the year under review are as follows:

Name of Nomination Committee members	Designation
Datuk Syed Hussian bin Syed Junid, Chairman	Senior Independent Non-Executive Director
Dato' Nik Mod Amin bin Nik Abd Majid, Member	Independent Non-Executive Chairman
Roslan bin Mohd Latif, Member	Independent Non-Executive Director

Pursuant to the terms of reference of the Nomination Committee, the main responsibilities of the Nomination Committee include:

i. Nominate new nominees to the Board as well as Board Committees for the Board's consideration;

ii. Annually review the Board's required mix of skills, experience and other qualities, including core competencies, which the Non-Executive Directors should bring to the Board; and

iii. Annually assess the effectiveness of the Board as a whole, the Committees of the Board and the performance of the Directors of the Company both individually and collectively.

The Nomination Committee meets as and when required. The Nomination Committee met once during the financial year under review.

During the meeting held in May 2013, the Nomination Committee evaluated the Board and Board Committees' structure, size, composition and mix of skills. Upon its review, the Nomination Committee recommended the following proposals to the Board for adoption:

- The re-designation Dato' Ahmad Kabeer Bin Mohamed Nagoor from Executive Deputy Chairman of the Company, to assume the position of Managing Director/ Group Chief Executive Officer which had been left vacant since the resignation of En. Azmir Merican bin Azmi Merican on 14 September 2012.

- The appointment of Datuk Syed Hussian bin Syed Junid as the Senior Independent Non-Executive Director of the Company which is appropriate and conformed to the best practices of the Code.

- Change of composition of the Nomination Committee, whereby Datuk Syed Hussian bin Syed Junid will take on the role as the Chairman of the Nomination Committee, in replacement of Dato' Nik Mod Amin bin Nik Abd Majid.

c. Remuneration Committee

The principal objectives of the Remuneration Committee are to assist the Board in developing a policy on remuneration packages of Directors of the Company and also to ensure that the reward and remuneration packages commensurate with the expected responsibility and contribution by the Directors and subsequently furnishes their recommendations to the Board for adoption.

The Board of Directors shall elect the Remuneration Committee members from amongst themselves of which the majority shall comprise Non-Executive Directors.

The members of the Remuneration Committee during the year under review are as follows:-

Name of Remuneration Committee members	Designation
Datuk Syed Hussian bin Syed Junid, Chairman	Senior Independent Non-Executive Director
Dato' Nik Mod Amin bin Nik Abd Majid, Member	Independent Non-Executive Chairman
Dato' Sulaiman bin Mohd Yusof, Member	Independent Non-Executive Director

d. ESOS Committee

The principal role of the ESOS Committee is to oversee the administration and management of the ESOS of the Company in accordance to the bylaws of the ESOS.

The Board shall elect the ESOS Committee members from amongst themselves and/or members of the senior management.

The members of the ESOS Committee during the year under review are as follows:-

Name of ESOS Committee members	Designation
Dato' Ahmad Kabeer bin Mohamed Nagoor, Chairman	Managing Director/Group Chief Executive Officer
N Chanthiran A/L Nagappan, Member	Independent Non-Executive Director

5. *Company Secretary*

The Board appoints the Company Secretary, who plays an important advisory role, and ensures that the Company Secretary fulfils the functions for which he/she has been appointed.

The Company Secretary is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board recognises the fact that the Company Secretary should be suitable qualified and capable of carrying out the duties required.

All Board members, particularly the Chairman, have unrestricted access to the advice and services of the Company Secretary for the purposes of the Board's affairs and the business.

Board processes

1. *Board meetings*

The Board meets at least four (4) times a year, with additional meetings to be convened whenever necessary. During the year under review, five (5) Board meetings were held and the attendance of the Directors is set below:

Name of Directors	Attendance
Dato' Nik Mod Amin bin Nik Abd Majid	5/5
Dato' Ahmad Kabeer bin Mohamed Nagoor	4/5
Datuk Syed Hussian bin Syed Junid	5/5
Dato' Sulaiman bin Mohd Yusof	5/5
Roslan bin Mohd Latif	5/5
N Chanthiran A/L Nagappan	4/5

The Directors receive notices of meetings, typically at least seven (7) working days prior to the date of the meeting, highlighting the agenda complete with a full set of Board Papers to provide sufficient details of matters to be deliberated during the meeting. Information provided is not confined to financial data but also other non-financial information, both quantitative and qualitative, which is deemed to be critical in arriving at a sound and informed decision.

Minutes of Board meetings together with decisions made by way of circular resolution passed are duly recorded and properly kept by the Company Secretary.

2. *Directors' Training*

In addition to the Mandatory Accreditation Programme as required by Bursa Malaysia Securities Berhad, the Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programme.

Seminars and conference attended by Directors during the financial year ended 30 June 2013 include the following:

Name of Directors	Titles of the seminars attended
Dato' Nik Mod Amin bin Nik Abd Majid	• Enterprise Risk Management Workshop
Dato' Ahmad Kabeer bin Mohamed Nagoor	• Enterprise Risk Management Workshop
Datuk Syed Hussian bin Syed Junid	• Business Security Conference: Improving Business Through Crime Reduction • Board of Directors' Workshop: Media Prima Berhad • Enterprise Risk Management Workshop
Dato' Sulaiman bin Mohd Yusof	• Enterprise Risk Management Workshop
N Chanthiran A/L Nagappan	• IRB-CTIM Roadshow 2013: The Importance of Taxpayer Compliance • National Tax Conference 2013: Managing the Tax Ecosystem
Roslan bin Mohd Latif	• Enterprise Risk Management Workshop

3. *Directors' Remuneration*

The Board through Remuneration Committee established formal and transparent remuneration policies and procedures to attract and retain Directors.

The Board will determine the level of remuneration of Board members, taking into consideration the recommendations of the Remuneration Committee for executive Board members and/or the Managing Director/Group Chief Executive Officer. No Director other than the Managing Director/Group Chief Executive Officer and/or Executive Directors shall have a service contract with the Company.

Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in Board Committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

The remuneration of the Directors for the financial year under review is as follows:

Directors	Fees (RM)	Salaries & Other Emoluments (RM)	Bonuses / Gratuity (RM)	Total (RM)
Executive Directors	-	1,672,915	1,186,467	2,859,382
Non-Executive Directors	476,160	-	-	476,160
TOTAL	476,160	1,672,915	1,186,467	3,335,542

Range of Remuneration	Executive	Non-Executive
Below RM100,000	-	3
RM100,001 to RM150,000	-	1
RM250,001 to RM300,000	-	1
RM1,350,001 to RM1,400,000	1	-
RM1,450,001 to RM1,500,000	1	-

The Board determines the fees of Non-Executive and Executive Directors. The annual Directors' fees payable are endorsed by the Board for approval by the shareholders of the Company at the AGM. Directors do not participate in decisions regarding their remuneration packages.

4. Access to information and independent advice

The Directors have unrestricted access to the advice and services of the Company Secretary and senior management staff in the Group. The Directors also have access to the internal and external auditors of the Group, without the presence of the management to seek explanations or additional information.

The Directors, collectively or individually, may seek independent professional advice and information in the furtherance of their duties at the Company's expense, so as to ensure the Directors are able to make independent and informed decisions.

5. Investor relations and shareholder communication

The Board values the importance of timely and equal dissemination of information on major developments of the Group to the shareholders, potential investors and the general public. Quarterly results, announcements, analyst briefings, annual reports and circulars serve as primary means of dissemination of information so that the shareholders are constantly kept abreast on the Group's progress and developments. The Company's corporate website at www.awc.com.my serves as one of the most convenient ways for shareholders and public to gain access to corporate information, news and events relating to the Group.

The Board will ensure that the general meetings of the Company are conducted in an efficient manner and serve as a mode in shareholders communications. These include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the general meetings.

The AGM remains as a principal forum used by the Company for communication with its shareholders. During the AGM, shareholders are accorded time and opportunities to query the Board on the resolutions being proposed and also matters relating to the performance, developments and directions of the Group. Shareholders are also invited to convey and share their inputs with the Board.

Code of Ethics and Conduct

The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group and the core areas of conduct include the following:-

a. Compliance at all times with the Code of Ethics and Conduct and the Board Charter.

b. Observe high standards of corporate governance at all times.

c. Adhere to the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership, including fair dealing and the ethical handling of conflicts of interest.

d. Not misuse information gained in the course of duties for personal gain or for political purposes.

e. Uphold accountability and act in good faith and in the best interests of the Company and the Group.

f. Ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information.

g. Ensure full, fair, accurate, timely and understandable disclosure.

h. Declaration of any personal, professional or business interests that may conflict with responsibilities.

The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant and appropriate. As part of it Code of Ethics and Conduct, the Board had on 29 May 2013 formalised a Whistleblowing Policy.

The Board will review the Code of Ethics and Conduct and Whistleblowing Policy from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

Copies of the Code of Ethics and Conduct and Whistleblowing Policy are published in the corporate website of the Company at ***www.awc.com.my***

DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

It is the Directors' responsibility to prepare the financial statements which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of their results and their cash flows for the year then ended.

In preparing the financial statements, the Directors have taken steps to ensure that:

- The Company and the Group have used appropriate accounting policies and are consistently applied;
- The judgments and estimates made have been made with reasonableness and prudence; and
- All approved and adopted financial reporting standards which are applicable in Malaysia have been duly complied with.

The Directors are responsible for ensuring that the Company maintains proper accounting records in compliance with the Companies Act, 1965, which disclose with a reasonable degree of accuracy the financial position of the Company and the Group.

The Directors also have general responsibilities for taking reasonable steps towards safeguarding the assets of the Group, and to prevent and detect fraud and other irregularities.

This statement is made in accordance with the resolution of the Board dated 23 October 2013.

AUDIT COMMITTEE REPORT

MEMBERSHIP

The present members of the Audit Committee (the "Committee") comprises of:

Dato' Sulaiman bin Mohd Yusof ***(Chairman, Independent Non-Executive Director)***	Roslan bin Mohd Latif ***(Member, Independent Non-Executive Director)***	N Chanthiran A/L Nagappan ***(Member, Independent Non-Executive Director)***

TERMS OF REFERENCE

Constitution and objective of the Audit Committee

The Audit Committee ("the Committee") was established to act as a Committee of the Board of Directors ("the Board"), with the primary objective of providing an additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures, establishing and maintaining internal controls and reinforce the independence of the Company's external auditors, thereby ensuring that the auditors have free reign in the audit process.

Composition

1. The Committee shall be appointed by the Board from among its members and shall comprise not less than three (3) members, whereby all members must be Non-Executive Directors and financially literate with a majority of them being Independent and Non-Executive Directors, and at least one (1) member of the Committee:-

   a. must be a member of the Malaysian Institute of Accountants; or

   b. if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-

   (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

   (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

   (iii) fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

2. Alternate Director shall not be appointed as a member of the Committee.

3. The Committee shall elect a Chairman from among its members and the elected Chairman shall be an Independent Director.

4. In the event, the elected Chairman is not able to attend a meeting, the remaining members present shall elect one of themselves as Chairman for the meeting. The elected Chairman shall be an Independent Director.

5. If a member of the Audit Committee resigns, retires, dies or for any other reason ceases to be a member which resulting in the non-compliance with point 1 above, the Board shall fill the vacancy within three (3) months.

6. The Board shall review the term of office and performance of the Committee and each member at least once every three (3) years.

Meetings

1. **Frequency of meetings**

    a. Meetings shall be held not less than four (4) times a year. However, additional meetings may be called at anytime depending on the scope of activities of the Committee. In the event issues requiring the Committee's decision arise between meetings, such issues may be resolved through circular resolutions of the Committee. Such circular resolution in writing shall be valid and effectual if it is signed or approved by letter, facsimile or any electronic means by all members of the Committee.

    b. Other Board members, senior management, internal and external auditors may be invited to attend meetings.

    c. The Committee should meet with the external auditors without the presence of executive board members at least twice in a financial year.

    d. Prior notice shall be given for all meetings.

2. Quorum

    The minimum quorum for the meeting is two (2) members of the Committee, a majority of members present must be Independent and Non-Executive Directors.

3. Secretary

    The Company Secretary shall be the secretary of the Committee. The Secretary shall circulate the notice and minutes of the Committee to all members of the Committee.

4. Minutes of the Committee meeting

    Every meeting of the Committee must be recorded either by the Company Secretary or any other person approved by the Committee to take minutes and such minutes must be signed by the Chairman of the Meeting as evidence that the meeting was duly convened and held.

Functions

The functions of the Committee are as follows:-

1. To consider any matters concerning the appointment and re-appointment, the audit fee and any questions of resignation or dismissal of external auditors; and further ensure the suitability and independence of external auditors.

2. To review with the external auditors:-

    a. Their audit plan, scope and nature of the audit of the Group;

    b. Their evaluation and findings of the system of internal controls; and the audit reports on the financial statements;

    c. The management letter and management's response with regard to problems and reservations arising from their audits;

    d. The assistance given by the management and staff of the Group to the external auditors; and

    e. Any other matters that the external auditors may wish to discuss (in the absence of management where necessary).

3. To review and assess the adequacy of the scope, functions, competency and performance of the internal audit functions of which the internal auditors should report directly to the Committee. The internal auditors must be an independent, objective assurance and must have the relevant qualification and be responsible for providing assurance to the Committee that internal control is operating effectively.

In addition, the role of the internal auditors, amongst others, shall cover the following areas:

a. To evaluate the effectiveness of the governance, risk management and internal control framework and facilitates enhancement, where appropriate;

b. To conduct regular reviews and appraisals of the effectiveness of the governance, risk management and internal control processes within the Group.

c. To assess and report to the Committee as to whether risks, which may hinder the Group from achieving its objectives, are being adequately evaluated, managed and controlled; and

d. To carry out their functions according to the standards set by recognized professional bodies.

4. To review the adequacy and effectiveness of the Group's internal control systems and risk management framework as evaluated, identified and reported by the management, internal or external auditors as well as to review the appropriate and timely corrective actions undertaken to rectify the same.

   The responsibilities of management in respect of risk management should include:

   a. To identify the risks relevant to the businesses of the Group and the achievement of objectives and strategies;

   b. To design, implement and monitor the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and

   c. To identify changes to risk or emerging risks, take actions as appropriate, and promptly bring these to the attention of the Committee/Board.

5. To review the quarterly and year end financial statements of the Group, focusing particularly on any changes in or implementation of major accounting policies and practices, significant adjustments arising from the audit, the going concern assumption and compliance with applicable approved accounting standards and other legal and regulatory requirements.

6. To review any related party transactions and conflicts of interest situations that may arise within the Company or the Group including any transactions, procedures or course of conduct that raises questions of management integrity.

7. To carry out such other functions or assignments as may be delegated by the Board from time to time.

Authority

The Committee is authorised by the Board to investigate any activity within its term of reference at the cost of the Company:-

1. To secure full and unrestricted access to any information pertaining to the Company and its subsidiaries;

2. To communicate directly with the external and internal auditors and all employees of the Group;

3. To seek and obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise as it considers necessary; and

4. To convene meetings with the external and internal auditors or both excluding the attendance of other directors and employees of the company, whenever deemed necessary.

Communication to the Board

1. The minutes of each Committee meeting shall be tabled to the Board for notation.

2. The Committee may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.

3. Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Securities, the Committee must promptly report such matter to Bursa Securities.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the financial year, the Committee held a total of five (5) meetings. Details of attendance of the Committee members are as follows:-

Committee Members	Attendance
Dato' Sulaiman bin Mohd Yusof	5/5
Roslan bin Mohd Latif	5/5
N Chanthiran A/L Nagappan	5/5

The presence of the external and internal auditors (if any) respectively at any Audit Committee meeting, can be requested if required by the Committee.

Other members of the Board and officers of the Company and the Group may attend the meeting (specific to the relevant meeting) upon the invitation of the Committee.

The summary of activities undertaken by the Committee during the financial year ended 30 June 2013 includes the following:-

1. Reviewed the quarterly financial results of the Company including the announcements pertaining thereto, and recommended for Board's approval before releasing to Bursa Securities;

2. Reviewed the audit plan and scope of the statutory audit of the Company's financial statements for the financial year ended 30 June 2013 with the external auditors;

3. Reviewed the annual audited financial statements of the Company and issues arising from the audit of the financial statements, together with the external auditors' management letter and the management's responses thereon;

4. To consider the appointment of external auditors, the terms of reference of their appointment, the audit fee and any questions of resignation or dismissal; and

5. Reviewed the internal audit plan, work done and reports, for the internal audit function and considered the findings of internal audit investigations and management responses thereon, and ensure that appropriate actions are taken on the recommendations raised by the internal auditors.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to Sterling Business Alignment Consulting Sdn Bhd (the "Internal Auditors"), a third party professional company, which is independent of the activities and operations of the Group. The Internal Auditors are empowered by the Audit Committee to provide objective evaluation of risk and controls in the auditable activities to ensure a sound system of internal controls.

The Internal Auditors shall present its risk-based Internal Audit Plan for the Committee's review and approval annually. Scheduled audits are carried out on various departments and/or subsidiaries of Group in accordance to the approved Internal Audit Plan. A risk-based methodology is adopted to evaluate the adequacy and effectiveness of the risk management, financial, operational and governance processes. There is a minimum of four (4) quarterly audits performed during the financial year under review.

In an effort to provide value added services, the Internal Auditors also plays an active role in an advisory capacity especially on potential improvement on the existing controls. On an ad-hoc basis, the Internal Auditors may be requested by the Committee to perform special reviews on any particular area, functions and activities of any business units within the Group whenever the Committee deems necessary.

Reports on these audits shall be presented to the Committee highlighting observations, recommendations, corrective actions and deadlines for the management team to implement the agreed corrective actions. Where the result of an audit is unsatisfactory, a follow-up audit is conducted and subsequently reported to the Committee.

The fee incurred during the year in relation to the internal audit function is RM52,000.

STATEMENT PERTAINING TO THE ALLOCATION OF SHARE OPTIONS TO EMPLOYEES

The Company had on 31 March 2011 implemented an employees' share option scheme ("ESOS"). To date the Company has not granted any share option to eligible employees pursuant to the Company's ESOS. In the event such options are granted to eligible employees, the Audit Committee will review such allocation to ensure compliance with the criteria as set out in the bylaws of the Company's ESOS.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of AWC Berhad ("Company") is required to produce a statement in the Company's annual report in respect of the state of risk management framework and internal control system of the Company and its subsidiaries ("Group").

The Malaysian Code on Corporate Governance 2012 in particular Principle 6 and its corresponding recommendations also require the Board of Directors of the Company ("Board") to ensure that sound and effective risk management framework and internal control system are in place to safeguard the shareholders' interests in the Group. In complying with the prescribed requirements and to conform with the highest standard of corporate governance, the Board is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 30 June 2013.

THE BOARD'S RESPONSIBILITIES

The Board recognises that the practice of good corporate governance requires a firm resolve and continuous commitment. The Board acknowledges its responsibility in maintaining a stringent risk management framework and effective internal control system with frequent checks on its objectivity, integrity and adequacy in sustaining a good corporate governance practice.

The Board also takes cognisant of its responsibility for identifying, isolating and managing significant risks within the business environment and framework in which the Group operates. The Board is aware of its responsibility for ensuring the effectiveness and adequacy of the internal control system to address management, financial, operational, management information systems and compliance risks within the ambit of applicable laws, regulations, directives and guidelines.

However, it is important to note and observe that such system of internal controls is developed to mitigate and alleviate rather than to completely exclude or eliminate all related risks. Thus, any system of internal controls is designed to provide reasonable and acceptable but not absolute assurance against material misstatement, fraud or loss. Therefore, the management plays a key role in ensuring that the established internal control processes and sanctioned procedures are appropriately implemented and closely adhered to, and to feedback promptly to the Board of any breach in internal controls, whether deliberately or inadvertently.

THE INTERNAL AUDIT FUNCTION

The internal audit function had been outsourced to Sterling Business Alignment Consulting Sdn Bhd ("Internal Auditors"), a third party professional internal audit service firm, which is independent of the operations and activities of the Group since 1st July 2009. The Internal Auditors is also independent of the Board and management, and reports directly to the Audit Committee. In discharging its obligations and duties pursuant to its appointment, the Internal Auditors undertakes rigorous, objective, independent and systematic reviews of the risk management framework and systems of internal controls. Following the assessment, the Internal Auditors provides reasonable and continuous assurance on the satisfactory operation and effectiveness of the Group's risk management framework and system of internal controls. Purpose of the comprehensive process is to identify shortcomings and potential pitfalls in the existing risk management framework and system of internal controls which would eventually be brought to the attention of the Board and rectification measures would be proposed and recommended.

The Internal Auditors submits its reports to the Audit Committee every quarter and the findings are tabled at the corresponding quarterly meetings. Issues arising thereto, weaknesses in risk management framework and shortcomings in internal controls are reviewed, deliberated at length and acted upon by the Audit Committee for remedial action. Where necessary, affirmative steps and measures will be introduced and initiated to address, mitigate, manage and arrest identified risks. Current internal controls measures will also be further strengthened with compensating controls as well as appropriate check and balance mechanism, if required. Internal audit schedule and timetable for subsequent periods are tabled in the Audit Committee, outlining the entities which will be subject to next internal audit exercise and framework of the internal audit plan. Core internal audit scope and critical areas are also emphasised. Meanwhile, internal audit issues highlighted in the preceding internal audit reports together with the progress and updates of the corresponding follow up works are also considered at length.

RISK MANAGEMENT FRAMEWORK

The Board resolves that the management of core risks is an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enables the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group's objectives.

INTERNAL CONTROL SYSTEM

The following are the key elements of the Group's current internal controls:

1. ***Independence of the Audit Committee***

   The Audit Committee comprises wholly of independent and non-executive directors from various backgrounds and qualifications who bring a vast amount of commercial experience, technical expertise, industry insight and business knowledge. The Audit Committee also enjoys full and unrestricted access to both the external and internal auditors. The Audit Committee assesses the adequacy and effectiveness of enacted internal control procedures during the financial year. The Audit Committee regularly reviews the internal control issues identified and highlighted by the Internal Auditors, external auditors and occasionally by the management team in their quarterly reports. The internal audit reviews conducted revealed that none of the weakness and/or shortfall noted has resulted and/or give rise to any material loss, contingency and/or uncertainty that would require a separate disclosure in this Annual Report. A detailed review of the activities of the Audit Committee over the course of the financial year is set out in the Audit Committee Report.

2. ***Clearly defined organisational structure***

   The organisational structure of the Group is well-defined with appropriate terms of reference, job functions and description in place for the Managing Director/Group Chief Executive Officer, Executive Directors and other senior management staff of the Group. Organisational charts, job bands, and reporting lines within the Group are clearly set out with regular feedback and formal communication between individual subsidiaries and senior management staff at the holding company.

   In addition to the Audit Committee, the Board, is also supported by several Board level and management committees in discharging its duties.

3. ***Clearly defined policies and procedures and authority limits***

   The terms of references, responsibilities and authority limits of the various committees, the Managing Director/ Group Chief Executive Officer, Executive Directors and other senior management staff of the Group are clearly defined to achieve an effective check and balance, promote accountability, transparency, responsibility, operational efficiency and good corporate governance.

   These terms of references, responsibilities and authority limits are formally documented in official documents such as the Group Authority Manual, the Tender, Contract and Procurement Manual, AWC Employee Handbook and various Standard Operating Procedures and Guidelines.

4. ***Regular performance review***

   The Board emphasises on regular reporting of financial results and operational performance at timely intervals to ensure subsistence of managerial controls and consistent exercise of performance review processes. Systems are also in place within the Group to facilitate output of materially accurate and timely financial data. The systems also accommodate production of relevant reports for measurement of performance against prescribed targets and post-mortem reviews of key result areas as well as supporting benchmarking processes for upcoming years. Budgets and management reports of subsidiaries are reviewed by the senior management team and are thereafter tabled to the Board for consideration, comments, corrective inputs and adoption.

5. Reviews with the external auditors

   The annual statutory audit of the Group by the external auditors also includes a general review of the internal control systems of the Group. Weaknesses, limitations and deficiencies are identified via Management Letters and proposals for appropriate remedies are presented for consideration by the Board. In addition, material concerns are also highlighted in Audit Review Memorandum which is tabled to and discussed with the Audit Committee.

ASSURANCE TO THE BOARD

The Managing Director/Group Chief Executive Officer and Group Financial Controller are responsible for ensuring that the Group's risk management and internal control processes are systematically assessed and continuously improved by means of independent and objective evaluations.

The Board has been assured by the Managing Director/Group Chief Executive Officer and Group Financial Controller that these processes are adequately established and effectively implemented, and nothing has come to their attention which may render the financial results presented and information provided to be false and misleading in any material respect.

This Statement is made in accordance with the resolution of the Board of Directors dated 23 October 2013.

ADDITIONAL COMPLIANCE INFORMATION

1. Utilisation of proceeds from corporate exercises

No corporate exercise involving fund raising was carried out during the financial year under review.

2. Share buy-back

During the financial year, the Company did not purchase any of its issued ordinary shares from the open market of Bursa Malaysia Securities Berhad.

As of 10 October 2013, a total of 3,326,800 ordinary shares have been bought back and held as treasury shares in accordance with Section 67A of the Companies Act, 1965. None of the treasury shares held were cancelled during the financial year.

3. Options, warrants or convertible securities

There was no option, warrant or convertible security in issue during the financial year.

4. American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

5. Imposition of sanctions and/or penalties

During the financial year, there were no sanction or penalty imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies save and except for AWC Facilities Engineering Sdn Bhd (a 75%-owned subsidiary of the Company) which was compounded by Companies Commission of Malaysia under section 165(4) of the Companies Act 1965.

6. Non-audit fees

No non-audit fees were paid or payable to the external auditors by the Group for the financial year ended 30 June 2013.

7. Variation In results, profit estimate, forecast or projection

There was no material variation between the Group's unaudited results announced earlier and the audited results for the financial year ended 30 June 2013. The Company did not make any release on the profit estimate, forecast and projection for the financial year.

8. Profit guarantee

The Company did not issue any profit guarantee during the financial year.

9. Material contracts Involving directors' and major shareholders' interest

There was no material contract entered into by the Company or its subsidiaries, involving directors' or major shareholders' interest during the financial year.

10. Recurrent related party transactions

The list of recurrent related party transactions of a revenue or trading nature entered into by the Group is disclosed in Note 35 to the financial statements. For the financial year ended 30 June 2013, no shareholder mandate was required for the recurrent related party transactions of a revenue or trading nature entered into by the Group pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.


AWC

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Net profit/(loss) for the financial year	5,588,054	(40,175,439)
Attributable to:		
Owners of the Company	4,554,568	(40,175,439)
Non-controlling interests	1,033,486	-
	5,588,054	**(40,175,439)**

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

DIVIDENDS

The amount of dividends paid or declared by the Company since the end of the previous financial year was as follows:

	RM
In respect of the financial year ended 30 June 2013:	
First interim single-tier dividend of 1.5 sen per share on 225,352,427 ordinary shares, paid on 18 October 2012	3,380,275
Second interim single-tier dividend of 1.0 sen per share on 225,352,427 ordinary shares, paid on 29 March 2013	2,253,524
	5,633,799

The directors do not propose the payment of any final dividend for the current financial year.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Nik Mod Amin bin Nik Abd Majid
Dato' Ahmad Kabeer bin Mohamed Nagoor
Roslan bin Mohd Latif
Dato' Sulaiman bin Mohd Yusof
N Chanthiran A/L Nagappan
Datuk Syed Hussian bin Syed Junid

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 35 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	NO. OF ORDINARY SHARES OF RM0.30 EACH			
	1.7.2012	**BOUGHT**	**SOLD**	**30.6.2013**
The Company				
Direct Interests:				
Dato' Ahmad Kabeer bin Mohamed Nagoor	1,000,000	-	-	1,000,000
Roslan bin Mohd Latif	220,000	-	-	220,000
Dato' Sulaiman bin Mohd Yusof	100,000	-	-	100,000
N Chanthiran A/L Nagappan	92,000	-	-	92,000
Datuk Syed Hussian bin Syed Junid	-	78,900	-	78,900
Indirect Interest:				
Dato' Ahmad Kabeer bin Mohamed Nagoor	79,449,652	-	-	79,449,652

Dato' Ahmad Kabeer bin Mohamed Nagoor by virtue of his interest in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

The other directors holding office at the end of the financial year had no interest in shares in the Company during the financial year.

TREASURY SHARES

As at 30 June 2013, the Company held as treasury shares a total of 3,326,800 (2012: 3,326,800) of its 228,679,227 (2012: 228,679,227) issued ordinary shares. Such treasury shares are held at a carrying amount of RM855,221 (2012: RM855,221) and further relevant details are disclosed in Note 23(b) to the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

Other than as disclosed in Note 34 to the financial statements, at the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

CONTINGENT AND OTHER LIABILITIES (CONT'D)

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than the disposal of subsidiaries as disclosed in Note 13 to the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company implemented an ESOS on 31 March 2011. The ESOS is governed by the revised by-laws as approved by the shareholders at the Extraordinary General Meeting held on 19 March 2012.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The main features of the ESOS are as follows:

(i) The ESOS shall be in force for a period of five years from the date of implementation and may be extended or renewed (as the case may be) for a further period of five years at the sole and absolute discretion of the directors upon recommendation of the ESOS Committee provided that the initial period of five years and such extension made shall not in aggregate exceed a duration of ten years from the date of implementation.

(ii) Natural persons who are eligible under the ESOS include executive and non-executive directors and employees of the Group who are at least eighteen years of age whose employment with the Group has been confirmed in writing. For the case of non Malaysian citizens, participation in the ESOS shall be determined at the sole and absolute discretion of the ESOS Committee.

(iii) The aggregate number of shares to be offered under the ESOS shall not exceed 15% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) at the date of offer or such other percentage of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) as may be permitted by the relevant authorities from time to time during the duration of the ESOS.

(iv) The subscription price for each share under the ESOS shall, subject always to the by-laws, be the higher of the volume weighted average market price of the shares for the five market days immediately preceding the date of offer, with a discount of not more than 10%, or any such other percentage of discounts as may be permitted by the authorities from time to time during the duration of the ESOS or the par value of the share at the date of offer.

(v) The number of shares under option and the option price may be adjusted as a result of any alteration in the capital structure of the Company by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital or otherwise howsoever, if any, made by the Company while an option remains unexercised.

(vi) Options granted under the ESOS can be exercised by the grantee by notice in writing to the Company during the option period in the prescribed form in multiples of one hundred shares or in any other denomination as prescribed by the authorities as a board lot.

(vii) No person who is participating in the ESOS will be entitled to participate in more than one employee share options scheme currently implemented by any company within the Group.

During the financial year, no options have been granted by the Company to the eligible Directors, senior management and employees of the Group.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of the significant events during the financial year are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, are not seeking reappointment at the forthcoming annual general meeting.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 October 2013.

Dato' Nik Mod Amin bin Nik Abd Majid **Dato' Ahmad Kabeer bin Mohamed Nagoor**

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, Dato' Nik Mod Amin bin Nik Abd Majid and Dato' Ahmad Kabeer bin Mohamed Nagoor, being two of the directors of AWC Berhad, state that, in the opinion of the directors, the financial statements set out on pages 47 to 137 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 30 June 2013 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 41, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 October 2013.

Dato' Nik Mod Amin bin Nik Abd Majid

Dato' Ahmad Kabeer bin Mohamed Nagoor

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Ronald Chow Tiam Poh, being the officer primarily responsible for the financial management of AWC Berhad, do solemnly and sincerely declare that the financial statements set out on pages 47 to 137 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed
Ronald Chow Tiam Poh
at Kuala Lumpur in Federal Territory
on 31 October 2013

Ronald Chow Tiam Poh

Before me,

Datin Hajjah Raihela Wanchik
W 275
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AWC BERHAD

(Incorporated In Malaysia) Company No : 550098 - A

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of AWC Berhad, which comprise statements of financial position as at 30 June 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 137.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 13 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBIITIES

The supplementary information set out in Note 41 on page 137 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

1. As stated in Note 39 to the financial statements, AWC Berhad adopted Malaysian Financial Reporting Standards on 1 July 2012 with a transition date of 1 July 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2012 and 1 July 2011, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows for the financial year ended 30 June 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2012 do not contain misstatements that materially affect the financial position as of 30 June 2013 and financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Chin Kit Seong
Approval No: 3030/01/15(J)
Chartered Accountant

31 October 2013

Kuala Lumpur

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	NOTE	2013 RM	2012 RM
CONTINUING OPERATIONS			
Revenue	3	**144,999,999**	105,405,144
Cost of sales		**(96,289,805)**	(61,442,766)
Gross profit		**48,710,194**	43,962,378
Other operating income		**1,068,653**	1,060,613
Other operating expenses		**(40,467,474)**	(33,297,472)
Profit from operations	4	**9,311,373**	11,725,519
Finance income, net	7	**403,987**	219,952
Profit before taxation		**9,715,360**	11,945,471
Income tax expense	8	**(4,127,306)**	4,905
Profit after taxation from continuing operations		**5,588,054**	11,950,376
DISCONTINUED OPERATIONS			
Loss after taxation from discontinued operations	13(b)	**-**	(6,794,253)
Net profit after taxation for the financial year		**5,588,054**	5,156,123
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**330,873**	1,299,077
Total comprehensive income for the financial year		**5,918,927**	6,455,200
Profit attributable to:			
Owners of the Company		**4,554,568**	3,206,406
Non-controlling interests		**1,033,486**	1,949,717
		5,588,054	5,156,123
Total comprehensive income attributable to:			
Owners of the Company		**4,695,342**	3,922,998
Non-controlling interests		**1,223,585**	2,532,202
		5,918,927	6,455,200
BASIC EARNINGS PER SHARE (SEN)	9		
- continuing operations		**2.0**	3.0
- discontinued operations		**-**	(1.5)

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	NOTE	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
ASSETS				
Non-current assets				
Property, plant and equipment	11	**8,700,198**	11,491,857	10,003,435
Investment properties	12	**2,025,406**	2,076,415	3,328,788
Other investments	15	**36,161**	36,161	36,161
Intangible assets - goodwill	16(i)	**5,912,091**	7,682,266	9,459,167
Intangible assets - others	16(ii)	**146,062**	547,462	5,292,505
Deferred tax assets	29	**3,544,000**	78,247	138,818
		20,363,918	21,912,408	28,258,874
Current assets				
Amount owing by jointly controlled entity	14	**2,047,376**	3,277,911	4,685,464
Inventories	17	**11,340,672**	12,932,025	10,751,921
Tax recoverable		**4,828,427**	4,459,709	4,577,696
Other receivables	18	**4,284,692**	3,603,467	4,453,670
Trade receivables	19	**48,700,651**	51,396,747	50,848,866
Deposits with licensed banks, cash and bank balances	22	**63,766,010**	49,405,934	64,025,431
		134,967,828	125,075,793	139,343,048
TOTAL ASSETS		**155,331,746**	146,988,201	167,601,922

The accompanying notes form an integral part of the financial statements.

	NOTE	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
EQUITY AND LIABILITIES				
Equity				
Share capital	23	**68,603,769**	68,603,769	68,603,769
Treasury shares	23(b)	**(855,221)**	(855,221)	(829,617)
Share premium	23(c)	**7,649,452**	7,649,452	7,649,452
Foreign exchange reserve	25	**768,030**	586,756	(129,836)
Statutory reserve	26	**306,802**	306,802	306,802
Accumulated losses	27	**(5,342,387)**	(4,263,156)	(4,088,676)
Equity attributable to owners of the Company		**71,130,445**	72,028,402	71,511,894
Non-controlling interests		**24,114,333**	26,093,456	24,291,166
Total equity		**95,244,778**	98,121,858	95,803,060
Non-current liabilities				
Other payables	31	**2,673,814**	2,402,241	2,488,636
Provision for end of service benefit		**164,351**	322,020	256,130
Long-term borrowings	28	**3,146,999**	4,620,581	4,301,908
Deferred tax liabilities	29	**98,968**	17,516	1,083,735
		6,084,132	7,362,358	8,130,409
Current liabilities				
Trade payables	30	**16,760,460**	18,552,833	41,168,825
Other payables	31	**28,109,768**	17,153,994	14,351,815
Provision for taxation		**7,546,674**	2,467,045	4,961,395
Short-term borrowings	28	**1,585,934**	3,330,113	3,186,418
		54,002,836	41,503,985	63,668,453
TOTAL LIABILITIES		**60,086,968**	48,866,343	71,798,862
TOTAL EQUITY AND LIABILITIES		**155,331,746**	146,988,201	167,601,922

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	← NON-DISTRIBUTABLE			→	DISTRIBUTABLE			
	SHARE CAPITAL RM	TREASURY SHARES RM	SHARE PREMIUM RM	FOREIGN EXCHANGE RESERVE RM	STATUTORY RESERVE RM	ACCUMULATED LOSSES RM	TOTAL RM	NON-CONTROLLING INTERESTS RM	TOTAL EQUITY RM
At 1 July 2011	68,603,769	(829,617)	7,649,452	(129,836)	306,802	(4,088,676)	71,511,894	24,291,166	95,803,060
Profit after taxation for the financial year	-	-	-	-	-	3,206,406	3,206,406	1,949,717	5,156,123
Other comprehensive income for the financial year, net of tax:									
- Foreign currency translation	-	-	-	716,592	-	-	716,592	582,485	1,299,077
Total comprehensive income for the financial year	-	-	-	716,592	-	3,206,406	3,922,998	2,532,202	6,455,200
Contributions by and distribution to owners of the Company:									
- Treasury shares:									
- Repurchase (Note 23(b))	-	(31,804)	-	-	-	-	(31,804)	-	(31,804)
- Resale (Note 23(b))	-	6,200	-				6,200	-	6,200
- Acquisition of subsidiaries	-	-	-	-	-	-	-	250,100	250,100
- Dividend:									
- by the Company (Note 10)	-	-	-	-	-	(3,380,886)	(3,380,886)	-	(3,380,886)
- by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(980,012)	(980,012)
AT 30 JUNE 2012	**68,603,769**	**(855,221)**	**7,649,452**	**586,756**	**306,802**	**(4,263,156)**	**72,028,402**	**26,093,456**	**98,121,858**

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013 (CONT'D)

		NON-DISTRIBUTABLE					DISTRIBUTABLE			
	NOTE	SHARE CAPITAL RM	TREASURY SHARES RM	SHARE PREMIUM RM	FOREIGN EXCHANGE RESERVE RM	STATUTORY RESERVE RM	ACCUMULATED LOSSES RM	TOTAL RM	NON-CONTROLLING INTERESTS RM	TOTAL EQUITY RM
At 1 July 2012		68,603,769	(855,221)	7,649,452	586,756	306,802	(4,263,156)	72,028,402	26,093,456	98,121,858
Profit after taxation for the financial year		-	-	-	-	-	4,554,568	4,554,568	1,033,486	5,588,054
Other comprehensive income for the financial year, net of tax:										
- Foreign currency translation		-	-	-	140,774	-	-	140,774	190,099	330,873
Total comprehensive income for the financial year		-	-	-	140,774	-	4,554,568	4,695,342	1,223,585	5,918,927
Contributions by and distribution to owners of the Company:										
- Issuance of share capital of a subsidiary to non-controlling interest		-	-	-	-	-	-	-	48,000	48,000
- Disposal of subsidiaries	13(a)	-	-	-	-	-	-	-	(1,585,593)	(1,585,593)
- Deconsolidation of a subsidiary	13(c)	-	-	-	40,500	-	-	40,500	(319,264)	(278,764)
- Increase in investment in a subsidiary by non-controling interest		-	-	-	-	-	-	-	128,605	128,605
- Share of impairment on goodwill on non-controling interest of subsidiaries		-	-	-	-	-	-	-	398,844	398,844
- Reclassification		-	-	-	-	-	-	-	86,700	86,700
- Dividend										
- by the Company (Note 10)		-	-	-	-	-	(5,633,799)	(5,633,799)	-	(5,633,799)
- by subsidiaries to non- controlling interests		-	-	-	-	-	-	-	(1,960,000)	(1,960,000)
AT 30 JUNE 2013		**68,603,769**	**(855,221)**	**7,649,452**	**768,030**	**306,802**	**(5,342,387)**	**71,130,445**	**24,114,333**	**95,244,778**

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	NOTE	2013 RM	2012 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES			
Profit before taxation:			
- continuing operations		**9,715,360**	11,945,471
- discontinued operations		**-**	(7,336,088)
		9,715,360	4,609,383
Adjustments for:			
Allowance for impairment losses on:			
- trade receivables		**3,014,771**	623,476
- other receivables		**841,146**	-
- jointly controlled entity		**339,020**	552,023
Amortisation of intangible assets - others		**401,400**	1,377,910
Bad debts written off		**194,485**	33,267
Deposits written off		**-**	82,502
Depreciation of property, plant and equipment		**1,679,467**	2,417,326
Depreciation of investment properties		**51,009**	54,395
Fair value adjustment on:			
- trade receivables		**(359,302)**	(330,581)
- trade payables		**78,207**	51,562
Impairment loss on goodwill		**610,132**	1,776,901
Intangible assets written off		**-**	4,307,510
Allowance for slow-moving inventories		**135,219**	-
Inventories written down		**190,557**	1,620,809
Amount owing by contract customers written off		**782,909**	-
Plant and equipment written off		**-**	42,562
Writeback of allowance for impairment losses on:			
- trade receivables		**(30,000)**	(121,392)
- other receivables		**(190,000)**	-
Provision for end benefit service		**84,204**	124,327
Provision for retirement benefit obligation		**297,191**	327,264
Provision for costs		**13,102,381**	-
Gain on disposal of an investment property		**-**	(331,591)
Loss on disposal of subsidiaries	13(a)	**1,151,312**	-
Loss on deconsolidation of a subsidiary	13(c)	**488,570**	-
Net unrealised foreign exchange gain		**(1,607)**	(52,920)
Finance income, net		**(403,987)**	(111,260)
Net loss/(gain) on disposal of plant and equipment		**140,745**	(180,132)
Operating profit before working capital changes		**32,313,189**	16,873,341
Decrease/(Increase) in inventories		**768,454**	(3,636,583)
Increase in receivables		**(5,804,752)**	(6,551,607)
Decrease in payables		**(1,536,033)**	(11,509,206)
Decrease in amount owing by jointly controlled entity		**1,508,144**	150,362

The accompanying notes form an integral part of the financial statements.

	NOTE	2013 RM	2012 RM
Cash generated from/(used in) operations		**27,249,002**	(4,673,693)
Deferred expenditure paid		**-**	(940,377)
Payment for retirement benefit obligation		**(130,813)**	(44,418)
Payment for provision for end service benefits		**(219,871)**	(74,055)
Taxes paid		**(2,184,873)**	(2,841,697)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		**24,713,455**	(8,574,240)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES			
(Advances to)/Repayment from jointly controlled entity		**(616,629)**	759,533
Purchase of plant and equipment	32	**(473,848)**	(1,625,511)
Proceeds from disposal of plant and equipment		**303,438**	277,150
Proceeds from disposal of an investment property		**-**	720,000
Net cash outflow from disposal of subsidiaries	13(a)	**(531,755)**	-
Net cash outflow from deconsolidation of a subsidiary	13(c)	**(13,837)**	-
Finance income, net received		**403,987**	111,260
Issuance of share capital of a subsidiary to non-controlling interests		**48,000**	250,100
Increase of investment in subsidiary by non-controlling interest		**128,605**	-
Net cash (used in)/generated from investing activities		**(752,039)**	492,532
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term loans		**(600,038)**	(364,874)
Drawdown of trade loan		**280,688**	71,901
Repayment of hire purchase and lease payables		**(1,024,519)**	(865,594)
Acquisition of treasury shares		**-**	(31,804)
Proceeds from sale of treasury shares		**-**	6,200
Dividends paid to owners		**(5,633,799)**	(5,635,310)
Dividends paid to non-controlling interests		**(1,960,000)**	(980,012)
Net cash used in financing activities		**(8,937,668)**	(7,799,493)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**15,023,738**	(15,881,201)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**48,423,849**	63,066,553
Effects of exchange differences		**318,423**	1,238,497
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		**63,766,010**	48,423,849
CASH AND CASH EQUIVALENTS COMPRISE:			
Deposits with licensed banks	22	**43,130,123**	30,607,174
Cash and bank balances	22	**20,635,887**	18,798,760
Bank overdraft	28	**-**	(982,085)
		63,766,010	48,423,849

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	NOTE	2013 RM	2012 RM
Revenue	3	**14,156,950**	9,443,599
Cost of sales		**-**	-
Gross profit		**14,156,950**	9,443,599
Other operating income		**190,000**	134,823
Other operating expenses		**(51,144,083)**	(11,922,928)
Loss from operations	4	**(36,797,133)**	(2,344,506)
Finance costs, net	7	**(20,451)**	(22,951)
Loss before taxation		**(36,817,584)**	(2,367,457)
Income tax expense	8	**(3,357,855)**	(814,824)
Loss after taxation for the financial year		**(40,175,439)**	(3,182,281)
Other comprehensive income		**-**	-
Total comprehensive expenses for the financial year		**(40,175,439)**	(3,182,281)
Loss attributable to:			
Owners of the Company		**(40,175,439)**	(3,182,281)
Total comprehensive expenses attributable to:			
Owners of the Company		**(40,175,439)**	(3,182,281)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	NOTE	30.6.2013 RM	30.6.2012 RM	1.7.2011 RM
ASSETS				
Non-current assets				
Plant and equipment	11	**227,543**	726,605	388,853
Investments in subsidiaries	13	**41,925,914**	88,924,601	96,023,201
		42,153,457	89,651,206	96,412,054
CURRENT ASSETS				
Tax recoverable		**1,400,646**	1,904,889	1,089,274
Other receivables	18	**25,986**	176,049	3,733,338
Amount owing by subsidiaries	21	**102,647**	876,130	274,141
Cash and bank balances	22	**2,471,910**	4,319	78,012
		4,001,189	2,961,387	5,174,765
TOTAL ASSETS		**46,154,646**	92,612,593	101,586,819
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	23	**68,603,769**	68,603,769	68,603,769
Treasury shares	23(b)	**(855,221)**	(855,221)	(829,617)
Share premium	23(c)	**7,649,452**	7,649,452	7,649,452
Merger relief	24	**12,522,542**	12,522,542	12,522,542
(Accumulated losses)/Retained profits	27	**(44,232,972)**	1,576,266	8,139,433
TOTAL EQUITY		**43,687,570**	89,496,808	96,085,579
Non-current liability				
Long-term borrowings	28	**85,441**	344,446	110,130
Current liabilities				
Amount owing to subsidiaries	21	**1,663,652**	1,992,806	2,353,763
Other payables	31	**681,485**	654,683	2,991,634
Short-term borrowings	28	**36,498**	123,850	45,713
		2,381,635	2,771,339	5,391,110
TOTAL LIABILITIES		**2,467,076**	3,115,785	5,501,240
TOTAL EQUITY AND LIABILITIES		**46,154,646**	92,612,593	101,586,819

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	NON-DISTRIBUTABLE				DISTRIBUTABLE	
	SHARE CAPITAL	TREASURY SHARES	SHARE PREMIUM	MERGER RELIEF	RETAINED PROFITS	TOTAL
	RM	RM	RM	RM	RM	RM
At 1 July 2011	68,603,769	(829,617)	7,649,452	12,522,542	8,139,433	96,085,579
Loss after taxation/ Total comprehensive expenses for the financial year	-	-	-	-	(3,182,281)	(3,182,281)
Contributions by and distribution to owners of the Company:						
- Treasury shares:						
- Repurchase (Note 23(b))	-	(31,804)	-	-	-	(31,804)
- Resale (Note 23(b))	-	6,200	-	-	-	6,200
- Dividend (Note 10)	-	-	-	-	(3,380,886)	(3,380,886)
AT 30 JUNE 2012	**68,603,769**	**(855,221)**	**7,649,452**	**12,522,542**	**1,576,266**	**89,496,808**

The accompanying notes form an integral part of the financial statements.

	NON-DISTRIBUTABLE				DISTRIBUTABLE	
	SHARE CAPITAL	TREASURY SHARES	SHARE PREMIUM	MERGER RELIEF	RETAINED PROFITS/ (ACCUMULATED LOSSES)/	TOTAL
	RM	RM	RM	RM	RM	RM
At 1 July 2012	68,603,769	(855, 221)	7,649,452	12,522,542	1,576,266	89,496,808
Loss after taxation/ Total comprehensive expenses for the financial year	-	-	-	-	(40,175,439)	(40,175,439)
Contributions by and distribution to owners of the Company:						
- Dividend (Note 10)	-	-	-	-	(5,633,799)	(5,633,799)
AT 30 JUNE 2013	**68,603,769**	**(855,221)**	**7,649,452**	**12,522,542**	**(44,232,972)**	**43,687,570**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	NOTE	2013 RM	2012 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES			
Loss before taxation		**(36,817,584)**	(2,367,457)
Adjustments for:			
Bad debts written off		**133,656**	-
Depreciation of plant and equipment		**154,242**	249,833
Impairment losses on investments in subsidiaries		**46,610,687**	7,707,000
Interest expense		**34,081**	39,779
(Writeback)/Provision for short-term accumulating compensated absences		**(86,830)**	53,291
Loss/(Gain) on disposal of plant and equipment		**206,803**	(102,477)
Interest income		**(13,630)**	(16,828)
Dividend income		**(11,816,950)**	(7,103,599)
Operating loss before working capital changes		**(1,595,525)**	(1,540,458)
Decrease in receivables		**150,063**	3,557,289
Increase/(Decrease) in payables		**113,632**	(135,818)
Cash(used in)/generated from operations		**(1,331,830)**	1,881,013
Interest paid		**(34,081)**	(39,779)
Income tax paid		**(76,662)**	(63,768)
Net cash generated (used in)/generated from operating activities		**(1,442,573)**	1,777,466

The accompanying notes form an integral part of the financial statements.

	NOTE	2013 RM	2012 RM
CASH FLOWS FOR INVESTING ACTIVITIES			
Acquisition of subsidiaries	13	**-**	(608,400)
Additional investments in subsidiaries	13	**(112,000)**	-
Advances to subsidiaries		**-**	(715,779)
Repayment from subsidiaries		**639,827**	113,790
Proceeds from disposal of plant and equipment		**151,061**	197,900
Purchase of plant and equipment	32	**(13,044)**	(136,008)
Proceeds from disposal of investment in subsidiaries		**500,000**	-
Interest received		**13,630**	16,828
Dividend received		**9,040,000**	5,536,928
Net cash generated from investing activities		**10,219,474**	4,405,259
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase payables		**(346,357)**	(234,547)
Advances from subsidiaries		**-**	446,178
Repayment to subsidiaries		**(329,154)**	(807,135)
Acquisition of treasury shares		**-**	(31,804)
Resale of treasury shares		**-**	6,200
Dividends paid		**(5,633,799)**	(5,635,310)
Net cash used in financing activities		**(6,309,310)**	(6,256,418)
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES		**2,467,591**	(73,693)
CASH AND BANK BALANCES AT BEGINNING OF FINANCIAL YEAR		**4,319**	78,012
CASH AND BANK BALANCES AT END OF FINANCIAL YEAR	22	**2,471,910**	4,319

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Third Floor, No 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at 20-2, Subang Business Centre, Jalan USJ 9/5T, 47620 UEP Subang Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 October 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The effects arising from the adoption of MFRS are described in Note 2.3 to the financial statements.

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries, Jointly Controlled Entity and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities in which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit and loss.

(ii) Jointly Controlled Entities

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the proportionate consolidation method of accounting based on the financial statements of the joint venture made up to 30 June 2013. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements. The financial statements of the joint ventures are prepared for the same reporting dates as the parent company using consistent accounting policies. When the reporting dates of the parent company and the jointly controlled entities are different, the jointly controlled entity has prepared, for consolidation purposes, additional financial statements at the same date as the financial statements of the parent company. When necessary, adjustments are made to the financial statements of the joint venture to ensure consistency of accounting policies with those of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(a) Subsidiaries, Jointly Controlled Entity and Basis of Consolidation (CONT'D)

(ii) Jointly Controlled Entities (CONT'D)

When the Group contributes or sells assets to the joint venture, any portion of gain or loss from transaction is recognised based on the substance of the transaction. When the Group purchases assets from the joint venture, the Group does not recognise its share of the profits of the joint venture from the transactions until it resells the asset to an independent party. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint ventures.

(iii) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June 2013.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(aa) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(ab) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(a) Subsidiaries, Jointly Controlled Entities and Basis of Consolidation (CONT'D)

(iii) Basis of Consolidation (CONT'D)

(ac) Acquisitions of Non-controlling Interests

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(ad) Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

As part of its transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition 1 July 2011. Such business combinations and the related goodwill and fair value adjustments have been carried forward from the previous FRS framework as at the date of transition.

(b) Intangible Assets

(i) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(b) Intangible Assets (CONT'D)

(ii) Others

Deferred Expenditure

Deferred expenditure relates to expenses incurred in advance for third parties for the contracted period and are charged to the statement of comprehensive income over the contractual period of 4 to 8 years on a straight-line basis when the services are performed.

Research and Development

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the costs can be measured reliably. Other development expenditure is recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Marketing Rights

Marketing rights are stated at cost and amortised using the straight-line method over the expected economic useful life of 5 years. The marketing rights are not revalued.

Software Licences

Software licences are stated at cost and amortised using the straight-line method over the expected economic useful lives of 5 years. The software licences are not revalued.

(c) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:

Freehold buildings	2%
Computer equipment and software	10 - 50%
Machinery, equipment and motor vehicles	10 - 20%
Furniture, fittings and office equipment	8 - 20%
Electrical installations and renovation	10 - 33 1/3%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amounts, methods and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(c) Property, Plant and Equipment and Depreciation (CONT'D)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds and the net carrying amount is recognised in profit or loss.

(d) Investment Properties

Investment properties are land or buildings held to earn rental income or for capital appreciation or both. Initially investment properties are measured at cost including transaction costs. Subsequent to the initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the financial year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Upon the disposal of an item of investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

During the current financial year, the Group elected to use the previous fair value as deemed cost upon the transition to MFRSs.

(e) Investments in Subsidiaries

The Company's investments in subsidiaries are stated at cost less impairment losses.

When an indication of impairment exists, the carrying value of the investment is reviewed and if found to be in excess of its recoverable value, is written down immediately to its recoverable amount. On the disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

(f) Construction Contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total costs incurred on construction contracts plus recognised profits (less recognised losses), exceed progress billings, the balance is classified as an amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as an amount due to customers on contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(g) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(h) Inventories

Inventories consist of consumables, trading and installation goods.

Consumables are stated at lower of cost (determined using the first-in, first-out method) and net realisable value. Trading and installation goods are stated at the lower of cost (determined using the weighted average method) and net realisable value.

Cost of inventories include all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made where necessary for obsolete, slow-moving and defective inventories.

(i) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not a fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

(aa) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- Financial Assets at Fair Value Through Profit or Loss

  Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

  Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised on profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

- Held-to-maturity Investments

  Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(i) Financial Instruments (CONT'D)

(aa) Financial Assets (CONT'D)

- Loans and Receivables Financial Assets

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- Available-for-sale Financial Assets

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividend on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ab) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(ac) Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and at bank, short-term highly liquid investments and deposits at call which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ad) Other Non-Current Investments

Non-current investments other than investments in subsidiaries, associates and jointly controlled entities are stated at cost less impairment losses, if any. On the disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(i) Financial Instruments (CONT'D)

(ae) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualified assets are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(af) Equity Instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided. Costs of issuing equity securities in connection with a business combination are included in the cost of acquisition.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the statement of comprehensive income on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(j) Hire Purchase and Finance Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to the ownership of an asset acquired. All other leases are classified as operating leases.

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases. The corresponding liability is included in the statements of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

The minimum lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the statement of comprehensive income over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable plant and equipment as described in Note 2.2(c).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(k) Associates

An associate is a company in which the Group has a long term equity interest between 20% to 50% and where the Group is in a position to exercise significant influence over the financial and operating policies of the investee company.

Investments in associates are accounted for in the consolidated financial statements using the equity method. The Group's interests in the associates are stated at cost plus adjustments to reflect changes in the Group's share of profits and losses in the associates. The Group's share of results and reserves in the associates acquired are included in the consolidated financial statements from the effective date of acquisition.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. Where the reporting dates of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in reporting dates is no more than three months. Adjustments are made for the effects of any insignificant transactions or events that occur between the intervening period.

(l) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(m) Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(m) Income Taxes (CONT'D)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(n) Employee Benefits

(i) Short-term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year when employees have rendered services to the Group. Short-term accumulating compensated absences such as paid annual leave are recognised as an expense when services are rendered by employees that increase their entitlement to future compensated absences.

(ii) Defined Contribution Plans

As required by law, enterprises in Malaysia make contributions to the Employees Provident Fund ("EPF"). Three of the Group's foreign subsidiaries make contributions to their country's statutory pension scheme. Such contributions are recognised as an expense in the profit or loss when incurred.

(iii) Unfunded Defined Benefit Scheme

The Group operates an unfunded defined benefit scheme. Under the scheme, retirement benefits are payable upon retirement at the age of 55. Provision for retirement benefits is made in the financial statements in accordance with the contractual obligations entered into with employees.

(o) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of revenue and cost incurred or to be incurred in respect of the transaction can be measured reliably.

(i) Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(f).

(ii) Sale of Goods

Revenue relating to sale of goods is recognised net of discounts, if any, upon the transfer of risks and rewards.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(o) Revenue Recognition (CONT'D)

(iii) Revenue from Services

Revenue from services rendered is recognised net of service tax and discounts, if any, as and when the services are performed.

(iv) Rental Income

Rental income is accounted for on an accrual basis.

(v) Dividend Income

Dividend income is recognised when the right to receive payment is established.

(vi) Interest Income

Interest income is accounted for on an accrual basis.

(p) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional and presentation currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the respective functional currencies using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising from the settlement of monetary items, and from the retranslation of monetary items, are included in profit or loss for the period except for exchange differences arising from monetary items that form part of the Group's net investment in foreign operations. Exchange differences arising from monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operations, are initially taken directly to the foreign currency translation reserve within equity in the consolidated statement of financial position until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising from monetary items that form part of the Company's net investment in foreign operations, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operations, as appropriate.

Exchange differences arising from the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(p) Foreign Currencies (CONT'D)

(iii) Foreign Entities

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period except for those business combinations that occurred before the date of transition (1 July 2011) which are treated as assets and liabilities of the Company and are not retranslated.

The principal closing rates used in the translation of foreign currencies are as follows:-

	2013	2012
1 Singapore Dollar ("SGD")	**2.49**	2.51
1 US Dollar ("USD")	**3.16**	3.18
1 Euro ("EURO")	**4.11**	4.02
1 Swedish Krona ("SEK")	**0.47**	0.46
1 Emirati Dirham ("AED")	**0.86**	0.87
1 Qatari Riyal ("QAR")	**0.86**	0.87
1 Indian Rupee ("INR")	**0.05**	0.06
1 Pound Stering ("GBP")	**4.80**	4.99

(q) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

(r) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(s) Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

(t) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a) above.

(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies and Effects Arising from Adoption of MFRS

These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). The financial impacts on the transition from FRSs to MFRSs are disclosed in Note 39 to the financial statements.

The Group has adopted in advance the MFRS 10 Consolidated Financial Statements ("MFRS 10") which is originally effective for annual periods beginning on or after 1 January 2013. Under MFRS10, there is onlt one basis for consolidation, which is control. Extensive guidance has been provided in the Standard to assist in the determination of control. The early adoption has no financial impact on the financial statements other than the deconsolidation of a subsidiary as disclose in Note 13(c) to the financial statements.

Other than MFRS 10, the Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (including the Consequential Amendments)		EFFECTIVE DATE
MFRS 9	Financial Instruments	1 January 2015
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	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12	Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
IC Interpretation 21	Levies	1 January 2014
Annual Improvements to MFRSs 2009-2011 cycle		1 January 2013

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies and Effects Arising from Adoption of MFRS (CONT'D)

MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

MFRS 11 replaces MFRS 131 and introduces new accounting requirements for joint arrangements. MFRS 11 eliminates jointly controlled assets and only differentiates between joint operations and joint ventures, depending on the rights and obligations of the parties to the arrangements. In addition, the option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

MFRS 119 changes the accounting for defined benefit plans and termination benefits. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of MFRS 119 and accelerate the recognition of past service costs. The amendments also require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to MFRS 7 (Disclosures Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. These amendments are expected to have no financial impact on the financial statements of the Group upon its initial application.

The amendments to MFRS 10, MFRS 12 and MFRS 127 require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Company is an investment entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Accordingly, the Group will deconsolidate its subsidiaries upon the initial application of these amendments and to fair value the investments in accordance with MFRS 139. These amendments are expected to have no financial impact on the financial statements of the Group upon its initial application.

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. These amendments are expected to have no financial impact on the financial statements of the Group upon its initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in Accounting Policies and Effects Arising from Adoption of MFRS (CONT'D)

The amendments to MFRS 136 remove the requirement to disclosure the recoverable amount when a cash-generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. Therefore, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

IC Interpretation 21 clarifies the accounting for an obligation to pay a levy that is not income tax. The obligation event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The application of the interpretation to liabilities arising from emissions trading schemes is optional. These amendments are expected to have no financial impact on the financial statements of the Group upon its initial application.

The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

2.4 Significant Judgement and Estimates

The preparation of financial statements requires the directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosures of contingent assets and contingent liabilities, where applicable. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. Although these estimates and assumptions are based on the directors' best knowledge of events and actions, actual results could differ from those estimates.

Estimates and judgements are continually evaluated by the directors are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the financial statements are discussed below:

(i) Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 30 June 2013 amounted to RM5,912,091 (2012: RM7,682,266). Further details are disclosed in Note 16(i) of the financial statements.

(ii) Revenue Recognition on Construction Contracts

The Group recognises construction and other project implementation contract revenue and expenses by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Significant judgement is required in determining the stage of completion of the contract, the extent of contract costs incurred, estimated total contract revenue and costs, as well as the recoverability of the contract amount. In making these judgements, the Group evaluates based on past experience and by relying on the work of specialists.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant Judgement and Estimates (CONT'D)

(iii) Depreciation of Property, Plant and Equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives. Changes in the expected level of usage could impact the economic useful life and the residual values of those assets, therefore future depreciation charges could be revised.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, the residual values are not being taken into consideration for the computation of the depreciable amount.

(iv) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(v) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(vi) Write-down for Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(vii) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(viii) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant Judgement and Estimates (CONT'D)

(ix) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(x) Classification Between Investment Properties and Owner-Occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

3. REVENUE

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Continuing operations:				
- Investment holding	-	563,408	-	-
- Facilities	**78,571,189**	50,619,102	-	-
- Engineering	**23,373,797**	19,964,794	-	-
- Environment	**43,055,013**	34,257,840	-	-
- Dividend income	-	-	**11,816,950**	7,103,599
- Management fees	-	-	**2,340,000**	2,340,000
	144,999,999	105,405,144	**14,156,950**	9,443,599
Discontinued operations:				
- Technology	**-**	5,820,042	**-**	-
	144,999,999	111,225,186	**14,156,950**	9,443,599

4. PROFIT/(LOSS) FROM CONTINUING OPERATIONS

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit/(Loss) from continuing operations is arrived after charging/(crediting):				
Employee benefits expense (Note 5)	**32,569,419**	26,431,432	**2,858,551**	2,236,851
Non-executive directors' fees (Note 6)	**743,093**	850,229	**249,950**	286,800
Allowance for impairment losses for:				
- jointly controlled entity	**339,020**	552,023	**-**	-
- trade receivables	**3,014,771**	462,535	**-**	-
- other receivables	**841,146**	-	**-**	-
Allowance for slow moving inventories	**135,219**	-	**-**	-
Net foreign exchange loss/(gain):				
- realised	**864,872**	466,432	**(4,916)**	67,983
- unrealised	**(1,607)**	(52,920)	**-**	-
Amortisation of intangible assets - others (Note 16(ii))	**401,400**	433,771	**-**	-
Auditors' remuneration #:				
- for the financial year	**230,816**	229,800	**60,000**	50,000
- (over)/under provision in the previous financial year	**(15,703)**	7,250	**(13,000)**	1,000
- other fees	**6,500**	7,500	**6,500**	7,500
Bad debts written off	**194,485**	12,400	**133,656**	-
Writeback of allowance for impairment losses of:				
- trade receivables	**(30,000)**	(121,392)	**-**	-
- other receivables	**(190,000)**	-	**(190,000)**	-
Depreciation of property, plant and equipment (Note 11)	**1,679,467**	1,987,093	**154,242**	249,833
Dividend income	**-**	-	**(11,816,950)**	(7,103,599)
Depreciation on investment properties (Note 12)	**51,009**	54,395	**-**	-
Fair value adjustment on:				
- trade receivables	**(359,302)**	(324,361)	**-**	-
- trade payables	**78,207**	50,572	**-**	-
Gain on disposal of an investment property	**-**	(331,591)	**-**	-
Loss on disposal of a subsidiary	**1,151,312**	-	**-**	-
Loss on deconsolidation of a subsidiary	**488,570**	-	**-**	-
Amount owing by contract customers written off	**782,909**	-	**-**	-
Impairment losses on:				
- goodwill	**610,132**	1,776,901	**-**	-
- investment in subsidiaries	**-**	-	**46,610,687**	7,707,000
Inventories written down	**-**	106,649	**-**	-
Inventories written off	**190,557**	-	**-**	-
Provision for end service benefit	**84,204**	124,327	**-**	-
Provision for retirement benefit obligation	**297,191**	327,264	**-**	-
Provision for cost	**13,102,381**	-	**-**	-
Net loss/(gain) on disposal of plant and equipment	**140,745**	(180,132)	**206,803**	(102,477)

4. PROFIT/(LOSS) FROM CONTINUING OPERATIONS (CONT'D)

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit/(Loss) from continuing operations is arrived after charging/(crediting):				
Plant and equipment written off	**-**	42,456	**-**	-
Research and development costs	**330,761**	189,034	**-**	-
Rental expense for:				
- buildings	**1,143,829**	1,150,937	**42,000**	42,000
- vehicles	**1,453**	-	**-**	-
Rental income from investment properties	**(144,900)**	(141,350)	**-**	-
Direct operating expenses arising from investment properties	**2,875**	7,710	**-**	-

Included in the auditors' remuneration of the Group are fees paid to accounting firm other than the Company's auditors for the statutory audit fees amounting to RM66,943 (2012: RM47,221).

5. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Continuing operations				
Salaries, wages, bonus and allowances	**26,600,118**	22,705,548	**1,436,972**	1,815,888
Employees Provident Fund	**2,631,519**	2,137,288	**231,807**	237,642
Social Security contributions	**198,893**	372,456	**5,216**	5,341
Gratuity expenses (Executive Directors)	**1,212,603**	96,000	**1,186,467**	-
Directors' fees	**145,015**	-	**-**	-
Other staff related expenses	**1,781,271**	1,120,140	**(1,911)**	177,980
	32,569,419	26,431,432	**2,858,551**	2,236,851
Discontinued operations				
Directors' non-fee emoluments	**-**	139,500	**-**	**-**
Salaries, wages and bonus	**-**	1,677,568	**-**	**-**
Employees Provident Fund	**-**	183,626	**-**	**-**
Social Security contributions	**-**	20,771	**-**	**-**
Other staff related expenses	**-**	39,000	**-**	**-**
	-	2,060,465	**-**	-
	32,569,419	28,491,897	**2,858,551**	2,236,851

Included in staff costs of the Group and of the Company are executive directors' emoluments amounting to RM5,506,559 (2012: RM4,309,356) and RM1,478,057 (2012: RM939,153) respectively, as further disclosed in Note 6 to the financial statements.

6. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Continuing operations:				
Directors of the Company				
Executive:				
Salaries and other emoluments	**1,412,890**	477,431	**212,890**	477,431
Employees Provident Fund and Social Security contributions	**222,700**	99,913	**78,700**	99,913
Bonus	**-**	350,000	**-**	350,000
Gratuity expenses (Executive Director)	**1,186,467**	-	**1,186,467**	-
Fees and other emoluments	**37,325**	11,809	**-**	11,809
	2,859,382	939,153	**1,478,057**	939,153
Non-Executive:				
Fees and other emoluments	**476,160**	286,800	**249,950**	286,800
	3,335,542	1,225,953	**1,728,007**	1,225,953
Directors of Subsidiaries				
Executive:				
Salaries and other emoluments	**2,013,740**	1,718,770	**-**	-
Employees Provident Fund and Social Security contributions	**180,743**	232,933	**-**	-
Bonus	**132,000**	199,000	**-**	-
Fees	**320,694**	1,080,000	**-**	-
	2,647,177	3,230,703	**-**	-
Non-Executive:				
Fees and other emoluments	**266,933**	563,429	**-**	-
	2,914,110	3,794,132	**-**	-
TOTAL	**6,249,652**	5,020,085	**1,728,007**	1,225,953

6. DIRECTORS' REMUNERATION (CONT'D)

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Discontinued operations				
Directors of disposed Subsidiaries				
Executive:				
Salaries and other emoluments	-	139,500	-	-
	6,249,652	5,159,585	**1,728,007**	1,225,953
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5):				
- of the Company	**2,859,382**	939,153	**1,478,057**	939,153
- of the subsidaires	**2,647,177**	3,230,703	**-**	-
	5,506,559	4,169,856	**1,478,057**	939,153
Total non-executive directors' remuneration (Note 4):				
- of the Company	**476,160**	286,800	**249,950**	286,800
- of the subsidaires	**266,933**	563,429	**-**	-
	743,093	850,229	**249,950**	286,800
TOTAL DIRECTORS' REMUNERATION EXCLUDING BENEFITS-IN-KIND	**6,249,652**	5,020,085	**1,728,007**	1,225,953

Remuneration in the form of benefits-in-kind paid to the executive directors of the Group for the financial year amounted to RM87,462 (2012: RM127,565).

The number of directors of the Company whose total remuneration, excluding benefits-in-kind, during the financial year fell within the following bands is analysed below:

	NUMBER OF DIRECTORS	
	2013	2012
Executive directors:		
Below RM100,000	-	1
RM950,001 – RM1,000,000	-	1
RM1,050,001 – RM1,100,000	-	1
RM1,350,001 – RM1,400,000	**1**	-
RM1,450,001 – RM1,500,000	**1**	-
Non-executive directors:		
Below RM100,000	**3**	4
RM100,001 – RM150,000	**1**	1
RM250,001 – RM300,000	**1**	-

7. FINANCE (INCOME)/COSTS, NET

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Continuing operations:				
Interest expense on:				
Bank overdraft	**-**	5,834	**-**	-
Bank guarantees	**88,198**	55,861	**-**	-
Term loans	**196,796**	233,418	**-**	-
Hire purchase and finance lease	**109,374**	138,649	**8,750**	13,860
Others	**104,383**	158,720	**25,331**	25,919
Interest income	**(902,738)**	(812,434)	**(13,630)**	(16,828)
	(403,987)	(219,952)	**20,451**	22,951

8. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Continuing operations:				
Current tax:				
For the financial year	**6,483,115**	1,094,448	**2,614,368**	1,293,391
Under/(Over)provision in prior financial years	**1,037,777**	(717,224)	**743,487**	(478,567)
	7,520,892	377,224	**3,357,855**	814,824
Deferred taxation (Note 29):				
Relating to origination and reversal of temporary differences	**(3,376,503)**	(9,429)	**-**	-
Overprovision in prior financial years	**(17,083)**	(372,700)	**-**	-
	(3,393,586)	(382,129)	**-**	**-**
Total tax expense attributable to continuing operations	**4,127,306**	(4,905)	**3,357,855**	814,824

8. INCOME TAX EXPENSE (CONT'D)

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Discontinued operations:				
Current tax:				
For the financial year	-	84,000	-	-
Overprovision in prior financial years	-	(1,882)	-	-
	-	82,118	-	-
Deferred tax (Note 29):				
Relating to origination and reversal of temporary differences	-	(115,566)	-	-
Overprovision in prior financial years	-	(508,387)	-	-
	-	(623,953)	-	-
Total tax expense attributable to discontinued operations	-	(541,835)	-	-
	4,127,306	(546,740)	3,357,855	814,824

The domestic statutory tax rate is 25% (2012: 25%).

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit/(Loss) before taxation				
- Continuing operations	**9,715,360**	11,945,471	**(36,817,584)**	(2,367,457)
- Discontinued operations	-	(7,336,088)	-	-
	9,715,360	4,609,383	**(36,817,584)**	(2,367,457)
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	**2,428,839**	1,152,346	**(9,204,400)**	(591,864)
Tax effects of:				
Different tax rates in other countries	**(27,862)**	(197,248)	-	-
Expenses not deductible for tax purposes	**3,059,982**	3,197,516	**11,996,056**	1,885,255
Income not subject to tax	**(937,273)**	(4,302,626)	**(177,288)**	-
Income exempted under pioneer status	**(1,531,280)**	-	-	-
Income tax rebate	**(5,358)**	-	-	-
Utilisation of previously unrecognised deferred tax assets	**(88,680)**	(106,432)	-	-
Recognition of previously unrecognised deferred tax assets	**(366,186)**	-	-	-
Deferred tax assets not recognised during the year	**574,430**	1,309,897	-	-
(Over)/Underprovision in prior financial years:				
- Current tax	**1,037,777**	(719,106)	**743,487**	(478,567)
- Deferred tax	**(17,083)**	(881,087)	-	-
	4,127,306	(546,740)	**3,357,855**	814,824

9. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	2013	2012
Continuing operations		
Profit attributable to owners of the Company (RM)	**4,554,568**	6,671,475
Weighted average number of ordinary shares in issue, excluding treasury shares	**225,352,427**	225,406,427
Basic earnings per share (sen)	**2.0**	3.0
Discontinued operations		
Profit attributable to owners of the Company (RM)	**-**	(3,465,069)
Weighted average number of ordinary shares in issue, excluding treasury shares	**-**	225,406,427
Basic earnings per share (sen)	**-**	(1.5)

There are no shares or other instruments in issue which have a dilutive effect on the earnings per share of the Group.

10. DIVIDENDS

	COMPANY			
	AMOUNT		NET DIVIDENDS PER ORDINARY SHARE	
	2013 RM	2012 RM	2013 Sen	2012 Sen
In respect of financial year ended 30 June 2012:				
- first interim single-tier dividend of 1.5 sen per share paid on 16 January 2012	-	3,380,886	-	1.50
	-	3,380,886		
In respect of financial year ended 30 June 2013:				
- first interim single-tier dividend of 1.5 sen per share paid on 18 October 2012	**3,380,275**	-	**1.50**	-
- second interim single-tier dividend of 1 sen per share paid on 29 March 2013	**2,253,524**	-	**1.00**	-
	5,633,799	-	-	-

11. PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS*	COMPUTER EQUIPMENT AND SOFTWARE	MACHINERY, EQUIPMENT AND MOTOR VEHICLES	FURNITURE, FITTINGS AND OFFICE EQUIPMENT	ELECTRICAL INSTALLA-TIONS AND RENOVATION	TOTAL
	RM	RM	RM	RM	RM	RM
Group						
At 30 June 2013						
Cost						
At 1 July 2012	5,035,864	8,371,685	9,856,716	5,939,580	1,487,872	30,691,717
Additions (Note 32)	-	132,895	531,670	124,210	47,938	836,713
Disposal of subsidiaries	-	(1,294,640)	(1,875,279)	(1,465,870)	(183,420)	(4,819,209)
Disposals	-	(19,160)	(615,787)	(39,851)	(2,580)	(677,378)
Writeoffs	-	(386,645)	(63,740)	(196,892)	(26,044)	(673,321)
Translation differences	-	(5,200)	(6,230)	(4,960)	(898)	(17,288)
At 30 June 2013	5,035,864	6,798,935	7,827,350	4,356,217	1,322,868	25,341,234
Accumulated Depreciation						
At 1 July 2012	819,071	7,372,436	5,767,489	4,419,190	821,674	19,199,860
Charge for the financial year	109,671	262,700	953,507	200,591	152,998	1,679,467
Disposal of subsidiaries	-	(1,160,870)	(1,306,609)	(800,389)	(50,157)	(3,318,025)
Disposals	-	(10,700)	(187,009)	(34,411)	(1,075)	(233,195)
Writeoffs	-	(386,645)	(63,740)	(196,892)	(26,044)	(673,321)
Translation differences	-	(5,072)	(3,897)	(3,910)	(871)	(13,750)
At 30 June 2013	928,742	6,071,849	5,159,741	3,584,179	896,525	16,641,036
NET CARRYING AMOUNT AT 30 JUNE 2013	**4,107,122**	**727,086**	**2,667,609**	**772,038**	**426,343**	**8,700,198**

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	LAND AND BUILDINGS*	COMPUTER EQUIPMENT AND SOFTWARE	MACHINERY, EQUIPMENT AND MOTOR VEHICLES	FURNITURE, FITTINGS AND OFFICE EQUIPMENT	ELECTRICAL INSTALLA-TIONS AND RENOVATION	TOTAL
	RM	RM	RM	RM	RM	RM
Group						
At 30 June 2012						
Cost						
At 1 July 2011	4,226,295	8,103,937	9,084,907	6,227,266	1,626,984	29,269,389
Adjustment	-	225,733	(1,139,483)	(528,616)	(245,217)	(1,687,583)
	4,226,295	8,329,670	7,945,424	5,698,650	1,381,767	27,581,806
Additions (Note 32)	-	204,409	2,637,181	266,332	110,125	3,218,047
Reclassification from investment properties (Note 12)	809,569	-	-	-	-	809,569
Disposals	-	(163,736)	(676,827)	(11,942)	(9,256)	(861,761)
Writeoffs	-	(22,388)	(64,096)	(35,144)	-	(121,628)
Translation differences	-	23,730	15,034	21,684	5,236	65,684
At 30 June 2012	5,035,864	8,371,685	9,856,716	5,939,580	1,487,872	30,691,717
Accumulated Depreciation						
At 1 July 2011	727,853	7,020,184	6,113,594	4,326,519	1,077,804	19,265,954
Adjustment	-	4,971	(1,000,299)	(272,417)	(419,838)	(1,687,583)
	727,853	7,025,155	5,113,295	4,054,102	657,966	17,578,371
Charge for the financial year #	91,218	448,567	1,331,664	376,646	169,231	2,417,326
Disposals	-	(115,326)	(629,737)	(10,424)	(9,256)	(764,743)
Writeoffs	-	(6,374)	(57,265)	(15,427)	-	(79,066)
Translation differences	-	20,414	9,532	14,293	3,733	47,972
At 30 June 2012	819,071	7,372,436	5,767,489	4,419,190	821,674	19,199,860
NET CARRYING AMOUNT AT 30 JUNE 2012	4,216,793	999,249	4,089,227	1,520,390	666,198	11,491,857

- this include the depreciation charge of the discontinued operations amounting to RM430,233.

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

* LAND AND BUILDINGS	FREEHOLD LAND RM	FREEHOLD BUILDINGS RM	TOTAL RM
Group			
At 30 June 2013			
Cost			
At 1 July 2012/30 June 2013	660,000	4,375,864	5,035,864
Accumulated Depreciation			
At 1 July 2012	-	819,071	819,071
Charge for the financial year	-	109,671	109,671
At 30 June 2013	-	928,742	928,742
NET CARRYING AMOUNT AT 30 JUNE 2013	**660,000**	**3,447,122**	**4,107,122**
At 30 June 2012			
Cost			
At 1 July 2011	660,000	3,566,295	4,226,295
Reclassification from investment properties (Note 12)	-	809,569	809,569
At 30 June 2012	660,000	4,375,864	5,035,864
Accumulated Depreciation			
At 1 July 2011	-	727,853	727,853
Charge for the financial year	-	91,218	91,218
At 30 June 2012	-	819,071	819,071
NET CARRYING AMOUNT AT 30 JUNE 2012	660,000	3,556,793	4,216,793

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	MOTOR VEHICLE	COMPUTER EQUIPMENT AND SOFTWARE	FURNITURE, FITTINGS AND OFFICE EQUIPMENT	RENOVATION	TOTAL
	RM	RM	RM	RM	RM
Company					
At 30 June 2013					
Cost					
At 1 July 2012	677,330	425,256	59,085	67,745	1,229,416
Additions	-	-	13,044	-	13,044
Disposals	(447,330)	-	-	-	(447,330)
At 30 June 2013	230,000	425,256	72,129	67,745	795,130
Accumulated Depreciation					
At 1 July 2012	109,268	319,020	35,676	38,847	502,811
Charge during the financial year	68,366	61,323	11,004	13,549	154,242
Disposals	(89,466)	-	-	-	(89,466)
At 30 June 2013	88,168	380,343	46,680	52,396	567,587
NET CARRYING AMOUNT AT 30 JUNE 2013	**141,832**	**44,913**	**25,449**	**15,349**	**227,543**
At 30 June 2012					
Cost					
At 1 July 2011	353,174	521,166	57,497	67,745	999,582
Additions	677,330	4,090	1,588	-	683,008
Disposal	(353,174)	(100,000)	-	-	(453,174)
At 30 June 2012	677,330	425,256	59,085	67,745	1,229,416
Accumulated Depreciation					
At 1 July 2011	270,768	289,672	24,991	25,298	610,729
Charge during the financial year	144,584	81,015	10,685	13,549	249,833
Disposals	(306,084)	(51,667)	-	-	(357,751)
At 30 June 2012	109,268	319,020	35,676	38,847	502,811
NET CARRYING AMOUNT AT 30 JUNE 2012	568,062	106,236	23,409	28,898	726,605

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Included in property, plant and equipment of the Group are fully depreciated assets which are still in use amounting to RM11,543,013 (2012: RM13,186,294).

(b) Net book values of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	GROUP		COMPANY	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Motor vehicles	**1,560,208**	3,215,596	141,832	568,064
Computer equipment and software	**-**	140,921	-	-
Office equipment	**15,759**	25,419	-	-
	1,575,967	3,381,936	**141,832**	568,064

(c) Freehold land and freehold buildings of the Group with a total net book value of RM3,085,784 (2012: RM3,166,193) have been pledged to financial institutions for borrowings as disclosed in Note 28(i)(c).

12. INVESTMENT PROPERTIES

	GROUP	
FREEHOLD BUILDINGS	**2013 RM**	**2012 RM**
At cost:-		
At 1 July 2012/2011	2,192,194	3,510,596
Disposal	-	(508,833)
Reclassification to property, plant and equipment (Note 11)	-	(809,569)
At 30 June 2013/2012	2,192,194	2,192,194
Accumulated depreciation	(166,788)	(115,779)
Net book value	2,025,406	2,076,415
Accumulated depreciation:-		
At 1 July 2012/2011	115,779	181,808
Disposal	-	(120,424)
Depreciation during the financial year	51,009	54,395
AT 30 JUNE 2013/2012	**166,788**	115,779

The freehold buildings of the Group with a carrying amount of RM1,364,237 (2012: RM2,322,155) have been pledged to financial institutions for borrowings as disclosed in Note 28(i)(c).

13. INVESTMENTS IN SUBSIDIARIES

	COMPANY 2013 RM	COMPANY 2012 RM
Unquoted shares, at cost		
At 1 July 2012/2011	**116,013,503**	115,405,103
Addition	**112,000**	608,400
Disposal	**(15,300,000)**	-
	100,825,503	116,013,503
Less: Accumulated impairment losses	**(58,899,589)**	(27,088,902)
At 30 June 2013/2012	**41,925,914**	88,924,601
Accumulated impairment losses:-		
At 1 July 2012/2011	**(27,088,902)**	(19,381,902)
Addition	**(46,610,687)**	(7,707,000)
Disposal	**14,800,000**	-
AT 30 JUNE 2013/2012	**(58,899,589)**	(27,088,902)

During the financial year, the Company carried out a review of the recoverable amount of its investment in subsidiaries based on the share of net assets in its subsidiaries. The impairment losses of RM46,610,687 (2012: RM7,707,000) represents the write-down of investment in subsidiaries to the Company's share of net assets in its subsidiaries at the end of the reporting period.

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2013	EFFECTIVE EQUITY INTEREST 2012	PRINCIPAL ACTIVITIES
Ambang Wira Sdn. Bhd. ^ ("AWSB")	Malaysia	**100%**	100%	Comprehensive facility management services.
AW Facility Management Sdn. Bhd. ^ ("AWFM")	Malaysia	**100%**	100%	Comprehensive facility management services.
AWC Renewable Energy Sdn. Bhd. ("AWCRE")	Malaysia	**100%**	100%	Building integrated photovoltaic projects.
AWC Facilities Engineering Sdn. Bhd. ("AFESB")	Malaysia	**75%**	75%	Facility management.
AWC Facilities Management (India) Pvt. Ltd. #1 ("AWC India")	India	**-**	61.875%	Facility management.
Resource Data Management Asia Sdn. Bhd. ("RDMA")	Malaysia	**70%**	70%	Distribution of electronic control system that provide world class temperature management assurance and flexible building automation for a wide variety of industries.
M & C Engineering and Trading Sdn. Bhd.^ ("M&C(M)")	Malaysia	**100%**	100%	Air-conditioning and building automation.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2013	EFFECTIVE EQUITY INTEREST 2012	PRINCIPAL ACTIVITIES
M & C Engineering and Trading (S) Pte. Ltd. *1^ ("M&C(S)")	Singapore	**100%**	100%	Air-conditioning and building automation.
Environmental & Landscape Services Sdn. Bhd.^ ("ELS")	Malaysia	**100%**	100%	Landscaping.
Stream FZE*2	Abu Dhabi, United Arab Emirates	**51%**	51%	Trading in building materials, environmental protection equipment, pumps, engines, valves and spare parts.
Nexaldes Sdn. Bhd. ("NSB")	Malaysia	**51%**	51%	General trading and installation of cleaning equipment and vacuum systems, automated vacuum waste collection system, pipe networks and specialised connections.
Stream Environment (S) Pte. Ltd. *1 ("SEPL")	Singapore	**51%**	51%	Importers, dealers and contractors of industrial and domestic cleaning equipment and appliances.
Stream Industries Sdn. Bhd. ("SISB")	Malaysia	**51%**	51%	Environmental engineering and general trading.
Stream Environment Sdn. Bhd. ("SESB")	Malaysia	**51%**	51%	Environmental engineering and general trading.
Stream Automated Waste W.L.L *1@ ("SAW")	Qatar	**24.99%**	24.99%	Pipeline networks, trading of pipes and tubes and trading of equipments and decoration of accessories.
Teroka Energy Sdn. Bhd. ("TESB")	Malaysia	**100%**	100%	Investment holding, property dealing, general trading.
Infinite QL Sdn. Bhd. ("IQL") #2	Malaysia	**-**	51%	Research and development in microelectronics and software products, manufacture and distribution of consumer electronics and security related products.
Cardax Sales & Services Sdn. Bhd. ("Cardax") #2	Malaysia	**-**	51%	Research and development in microelectronics and software products, manufacture and distribution of consumer electronics and security related products.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2013	2012	PRINCIPAL ACTIVITIES
Vdosoft Sdn. Bhd. ("VDO") #2	Malaysia	-	51%	Research and development in microelectronics and software products, manufacture and distribution of consumer electronics and security related products.
Device 4U Sdn. Bhd. ("D4U") #2	Malaysia	-	51%	Research and development in microelectronics and software products, manufacture and distribution of consumer electronics and security related products.
Meps Devices Sdn. Bhd. ("MEPS") #2	Malaysia	-	51%	Research and development in microelectronics and software products, manufacture and distribution of consumer electronics and security related products.
IQL Consulting Sdn. Bhd. ("IQLC") #2	Malaysia	-	51%	Consultancy services and training.

^ Consolidated under merger method of accounting.

#1 Subsidiaries deconsolidation in the current financial year.

#2 Subsidiaries disposal of the current financial year (Note 13(a) and 13(b)).

@ SAW, which is 49%-owned by NSB, is included in the consolidation of the Group as NSB has control and power to govern the financial and operating policies of SAW.

*1 These subsidiaries were audited by other firms of chartered accountants.

*2 These subsidiaries were audited by a member firm of Crowe Horwath International of which Crowe Horwath is a member.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Disposal in the current financial year

On 1 July 2012, Mr. P Deivendran A/L K Pathmanathan had accepted the conditional pre-emption offer from the Company, in which the Company shall dispose of 2,448,000 ordinary shares of RM1.00 each in IQL to him for a total cash consideration of RM500,000 ("Proposed Disposal").

Although the disposal was completed on 7 November 2012, the management has deconsolidated the results of IQL with effect from 1 July 2012, as the Company has lost control over the financial and operating policies of IQL.

The disposal had the following effects on the financial position of the Group as at the end of the current financial year:

	GROUP 2013 RM
Property, plant and equipment	934,009
Intangible assets - goodwill	1,160,043
Inventories	244,956
Trade receivables	2,757,649
Other receivables, deposits and prepayment	349,230
Cash and bank balances	2,013,840
Trade payables	(362,741)
Other payables	(1,194,486)
Provision for taxation	(625,108)
Borrowings	(1,058,402)
Bank overdraft	(982,085)
Total net assets disposed	3,236,905
Less: Non-controlling interest	(1,585,593)
	1,651,312
Loss on disposal of the Group	(1,151,312)
Net proceeds from disposal of subsidiaries	500,000
Less: Cash and bank balances of subsidiaries disposed	(1,031,755)
NET CASH OUTFLOW FROM DISPOSAL OF SUBSIDIARIES	**(531,755)**

(b) Loss after taxation from discontinued operations

An analysis of the results of the discontinued operations in the previous financial year was at follows:

	GROUP	
	2013 RM	2012 RM
Revenue	-	5,820,042
Cost of sales	-	(3,749,189)
Gross profit	-	2,070,853
Other income	-	101,527
		2,172,380

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Loss after taxation from discontinued operations (CONT'D)

An analysis of the results of the discontinued operations in the previous financial year was at follows:

	2013 RM	2012 RM
Other operating expenses	-	(9,399,776)
Finance costs	-	(108,692)
Loss before taxation	-	(7,336,088)
Income tax expense	-	541,835
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	-	(6,794,253)

Included in loss before taxation from discontinued operations in the previous financial year were the following:

	2013 RM	2012 RM
Allowance for impairment loss on trade receivables	-	160,941
Inventories written down	-	1,514,160
Amortisation of intangible assets	-	944,139
Audit fee:		
- for the financial year	-	32,500
- underprovision in the previous financial year	-	7,310
Bad debts written off	-	20,867
Deposits written off	-	82,502
Depreciation of equipment	-	430,233
Directors' non-fee emoluments	-	139,500
Equipment written off	-	106
Fair value gain on trade receivables	-	(6,220)
Fair value loss on trade payables	-	990
Intangible assets written off	-	4,307,510
Interest expense:		
- bank overdrafts	-	78,972
- finance lease and hire purchase	-	7,120
- revolving credit	-	76,314
- term loan	-	1,317
- bank guarantee charges	-	633
Net realised foreign exchange gain	-	(45,038)
Rental of premises	-	507,690
Fixed deposit interest income	-	(56,560)
Contract cost recognised as expenses	-	879,936
Staff costs:		
- salaries, wages, bonus	-	1,677,568
- deferred contribution plan	-	183,626
- other benefit	-	59,771

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Loss after taxation from discontinued operations (CONT'D)

The cash flows attributable to the discontinued operations in the previous financial year were as follows:-

	2013 RM	2012 RM
Net cash from operating activities	-	557,406
Net cash for investing activities	-	(912,602)
Net cash from financing activities	-	121,216
Net cash for discontinued operation	-	(233,980)

(c) Deconsolidation in the current financial year

AWC India has been excluded from the consolidation as AFESB ceased to have control and power to govern the financial and operating policies of the subsidiary in the current financial year.

The deconsolidation had the following effects on the financial position of the Group as at the end of the current financial year:

	GROUP 2013 RM
Property, plant and equipment	**567,175**
Inventories	**252,167**
Trade receivables	**871,429**
Other receivables, deposits and prepayment	**77,728**
Cash and bank balances	**13,837**
Trade payables	**(376,129)**
Other payables	**(442,603)**
Borrowings	**(196,270)**
Fair value of total net assets deconsolidated	**767,334**
Less: Non-controlling interest	**(319,264)**
	448,070
Foreign exchange reserve	**40,500**
Loss on deconsolidation of the group	**(488,570)**
Net proceeds from deconsolidation of a subsidiary	**-**
Less: Cash and bank balances of a deconsolidated subsidiary	**(13,837)**
Net cash outflow from deconsolidation of a subsidiary	**(13,837)**

(d) Acquisition and incorporation in the previous financial year

Acquisition in the previous financial year

On 18 July 2011, NSB, a 51% subsidiary of the Company, acquired 98 shares of QAR1,000 each in SAW, representing a 49% equity interest of SAW for a total consideration of QAR98,000.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Acquisition and incorporation in the previous financial year (CONT'D)

On 10 October 2011, the Company and AWFM acquired 105,000 ordinary shares of RM1.00 each in RDMA representing a 70% equity interest of RDMA for a total consideration of RM105,000. The Company and AWFM held 69% and 1% equity interest in RDMA respectively.

On 8 December 2011, the Company acquired 4,900 ordinary shares of RM1.00 each in AWCRE from Solamas Sdn Bhd representing a 49% equity interest in AWCRE for a total consideration of RM4,900. Prior to this, the Company held a 51% equity interest in AWCRE as disclosed in Note 13. Consequently, AWCRE became a wholly-owned subsidiary of the Company.

Incorporation in the previous financial year

On 20 September 2011, AWC India was incorporated with an authorised capital of INR20,000,000 divided into 2,000,000 equity shares of INR10 each. AFESB, a 75% owned subsidiary of the Company and AWFM, a wholly-owned subsidiary of the Company had subscribed for 1,649,999 shares of INR10 each and 1 share of INR10 each respectively in AWC India, representing 82.5% of the issued and paid-up share capital of AWC India for a total cash consideration of INR16,499,990 and INR10 respectively.

On 19 January 2012, the Company incorporated TESB with an issued and paid-up capital of RM500,000 divided into 500,000 ordinary shares of RM1.00 each. The Company held 100% of the equity interest in TESB.

(i) The acquisitions undertaken in the previous financial year had the following effect on the Group's financial results:

	GROUP 2012 RM
Revenue	3,257,010
Loss for the financial year	(894,197)

(ii) If the acquisition had taken place at the beginning of the previous financial year, the Group's revenue and profit after taxation from continuing operations would have been RM105,520,227 and RM11,942,045 respectively.

14. JOINTLY CONTROLLED ENTITY

Details of the jointly controlled entity are as follow:

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
		2013	2012	
Multi Link Environmental Services LLC ("MLES")	Abu Dhabi, United Arab Emirates	**16.99%**	16.99%	Designing, supplying and installing of automated waste collection systems.

(a) The Group recognises its interests in jointly controlled entity using proper proportionate consolidation. The Group's share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the jointly controlled entity, which is included in the consolidated financial statements is as follows:

14. JOINTLY CONTROLLED ENTITY (CONT'D)

	2013 RM	2012 RM
Assets and liabilities		
Current assets	**5,952,315**	9,091,734
Non-current assets	**1,399,988**	-
TOTAL ASSETS	**7,352,303**	9,091,734
Current liabilities	**4,863,936**	6,064,067
Non-current liabilities	**23,322**	19,063
TOTAL LIABILITIES	**4,887,258**	6,083,130
Results		
Loss for the financial year	**(665,397)**	(299,997)

(b)

	2013 RM	2012 RM
Amount owing by:-		
Trade	**1,942,783**	3,450,927
Less: Allowance for impairment losses	**(891,043)**	(552,023)
	1,051,740	2,898,904
Non-trade	**995,636**	379,007
	2,047,376	3,277,911
Allowance for impairment losses:		
At 1 July 2012/ 2011	**552,023**	-
Additions	**339,020**	552,023
At 30 June 2013/ 2012	**891,043**	**552,023**

The trade balance is object to normal trade credit terms range from 30 to 60 days.

The non-trade balance is unsecured, interest-free and repayable on demand.

The amounts owing are to be settled in cash.

15. OTHER INVESTMENTS

	GROUP	
	2013 RM	2012 RM
At cost		
Investment in unquoted shares	**1,328,684**	1,661
Investment in golf club membership	**34,500**	34,500
	1,363,184	36,161
Less: Impairment loss	**(1,327,023)**	-
	36,161	36,161

15. OTHER INVESTMENTS (CONT'D)

The Group designated its investment in golf club membership and unquoted shares as available-for-sale financial assets and stated at cost as their fair value cannot be reliably measured using the valuation technique, due to lack of marketability of the shares.

During the current financial year, AFESB's major board representatives in AWC India had resigned. The loss of major board representatives has resulted in inability of AFESB to direct the daily operations of AWC India.

In addition, the presence of numerous barriers have prevented the Company from exercising its investor's rights to reappoint new board representatives. Accordingly, it has resulted in the loss of control of AWC India and the investment amounted to RM1,327,023 is reclassified to other investment and full impairment loss has been recognised in the current financial year.

16. INTANGIBLE ASSETS

(i) Goodwill

	GROUP	
	2013 RM	**2012 RM**
At 1 July 2012/2011	**7,682,266**	9,459,167
Disposal of subsidiaries (Note 13(a))	**(1,160,043)**	-
Impairment loss	**(610,132)**	(1,776,901)
AT 30 JUNE 2013/2012	**5,912,091**	7,682,266

(a) Impairment tests for goodwill

Allocation of goodwill to CGUs

The Group's goodwill has been allocated to the respective Cash Generating Units all of which operate in the Technology and Environment segments as follows:

	2013 RM	**2012 RM**
CGU		
Technology - IQL and its subsidiaries	**-**	1,160,043
Environment - NSB and its subsidiaries	**5,912,091**	6,522,223
	5,912,091	7,682,266

Impairment loss on goodwill in Environment segment was due to decline in business.

In the previous financial year, the impairment loss on goodwill arose from the Technology segment due to the decline in business.

Key assumptions used in value-in-use computations

The recoverable amount for all CGUs are determined based on value-in-use calculations using pre-tax cash flow projections based on financial budgets estimated by management covering a 5-year period using estimated growth rates which are based on past performance and their expectations of market developments and are discounted at a pre-tax discount rate of 13%. Cash flows beyond the period are not included in the computation of value-in-use on the grounds of prudence.

16. INTANGIBLE ASSETS (CONT'D)

(i) Goodwill (CONT'D)

(a) Impairment tests for goodwill (CONT'D)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

CGU	GROSS MARGIN	GROWTH RATE	DISCOUNT RATE
Environment - NSB and its subsidiaries	35%	10%	13%

(i) Gross Margin

The basis used to determine the value assigned to the budgeted gross margins is based on historical achieved margins and assumes no significant changes in cost structure or input prices.

(ii) Revenue Growth

Revenue growth over the 5-year period is projected based on management's estimation taking into consideration secured orders, anticipated identified future projects/contracts and historical growth rates.

(iii) Discount Rates

The discount rates used are pre-tax and take into consideration the industry risks associated with the relevant segments.

(iv) Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the respective CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

(ii) Others

GROUP	Deferred Expenditure RM
At 30 June 2013	
Cost	
At 1 July 2012/30 June 2013	10,202,701
Accumulated amortisation	
At 1 July 2012	9,655,239
Amortisation for the financial year	401,400
AT 30 JUNE 2013	10,056,639
NET CARRYING AMOUNT AT 30 JUNE 2013	**146,062**

16. INTANGIBLE ASSETS (CONT'D)

(ii) Others (CONT'D)

GROUP	DEFERRED EXPENDITURE RM	DEVELOPMENT EXPENDITURE RM	MARKETING RIGHTS RM	SOFTWARE LICENCES RM	TOTAL RM
At 30 June 2012					
Cost					
At 1 July 2011	10,202,701	8,399,311	2,756,000	774,761	22,132,773
Incurred and capitalised during the financial year	-	938,878	-	1,499	940,377
Written off	-	(9,338,189)	(2,756,000)	(776,260)	(12,870,449)
At 30 June 2012	10,202,701	-	-	-	10,202,701
Accumulated amortisation	9,221,468	4,181,537	2,756,000	681,263	16,840,268
At 1 July 2011					
Amortisation for the financial year	433,771	893,685	-	50,454	1,377,910
Written off	-	(5,075,222)	(2,756,000)	(731,717)	(8,562,939)
At 30 June 2012	9,655,239	-	-	-	9,655,239
NET CARRYING AMOUNT AT 30 JUNE 2012	547,462	-	-	-	547,462

Included in the additions to intangible assets are the following:-

	GROUP 2013 RM	GROUP 2012 RM
Director's remuneration	-	139,500
Staff costs	-	785,087

In previous financial year, the development expenditure and software licences written off totalling RM4,307,510 arose from the Technology segment due to the decline in business.

17. INVENTORIES

	GROUP 2013 RM	GROUP 2012 RM
At cost		
Consumables	**2,142,788**	602,344
Trading and installation goods	**9,197,884**	12,329,681
	11,340,672	12,932,025

None of the inventories is stated at net realisable value.

18. OTHER RECEIVABLES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Deposits	**1,941,686**	1,804,521	**1,620**	3,920
Prepayments	**684,517**	615,351	**24,366**	22,129
Staff loans	**323,430**	269,655	**-**	-
Other receivables	**2,258,606**	1,476,341	**-**	630,000
	5,208,239	4,165,868	**25,986**	656,049
Less: Allowance for impairment losses	**(923,547)**	(562,401)	**-**	(480,000)
	4,284,692	3,603,467	**25,986**	176,049

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Allowance for impairment losses:-				
At 1 July 2012/2011	**(562,401)**	(562,401)	**(480,000)**	(480,000)
Addition	**(841,146)**	-	**-**	-
Written	**290,000**	-	**290,000**	-
Writeback	**190,000**	-	**190,000**	-
AT 30 JUNE 2013/2012	(923,547)	(562,401)	-	(480,000)

Staff loans are in respect of housing, vehicles, computers and handphone loans granted to the employees of AWSB. The loans are unsecured, and the repayments are made through deductions from the employees' monthly salaries.

23. SHARE CAPITAL (CONT'D)

(a) Employees' Share Options Scheme ("ESOS") (CONT'D)

The main features of the ESOS are as follows:

(i) The ESOS shall be in force for a period of five years from the date of implementation and may be extended or renewed (as the case may be) for a further period of five years at the sole and absolute discretion of the directors upon recommendation of the ESOS Committee provided that the initial period of five years and such extension made shall not in aggregate exceed a duration of ten years from the date of implementation.

(ii) Natural persons who are eligible under the ESOS include executive and non-executive directors and employees of the Group who are at least eighteen years of age whose employment with the Group has been confirmed in writing. For the case of non Malaysian citizens, participation in the ESOS shall be determined at the sole and absolute discretion of the ESOS Committee.

(iii) The aggregate number of shares to be offered under the ESOS shall not exceed 15% of the issued and paid up ordinary share capital of the Company (excluding treasury shares) at the date of offer or such other percentage of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) as may be permitted by the relevant authorities from time to time during the duration of the ESOS.

(iv) The subscription price for each share under the ESOS shall, subject always to the by-laws, be the higher of the volume weighted average market price of the shares for the five market days immediately preceding the date of offer, with a discount of not more than 10%, or any such other percentage of discounts as may be permitted by the authorities from time to time during the duration of the ESOS or the par value of the share at the date of offer.

(v) The number of shares under option and the option price may be adjusted as a result of any alteration in the capital structure of the Company by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital or otherwise howsoever, if any, made by the Company while an option remains unexercised.

(vi) Options granted under the ESOS can be exercised by the grantee by notice in writing to the Company during the option period in the prescribed form in multiples of one hundred shares or in any other denomination as prescribed by the authorities as a board lot.

(vii) No person who is participating in the ESOS will be entitled to participate in more than one employee share options scheme currently implemented by any company within the Group.

During the financial year, no options have been granted by the Company to the eligible Directors, senior management and employees of the Group.

21. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts by/(to) subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

22. DEPOSITS WITH LICENSED BANKS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash and bank balances	**20,635,887**	18,798,760	**2,471,910**	4,319
Deposits with licensed banks	**43,130,123**	30,607,174	**-**	-
	63,766,010	49,405,934	**2,471,910**	4,319

The Group's deposits with licensed banks amounting to RM5,111,388 (2012: RM8,899,278) have been pledged to banks for credit facilities granted to certain subsidiaries, as disclosed in Note 28(i)(a).

In the previous financial year, included in the Group's deposits with licensed banks was an amount of RM1,183,925 held in trust by a director of a disposed subsidiary.

23. SHARE CAPITAL

	PAR VALUE	NUMBER OF ORDINARY SHARES		AMOUNT	
		2013	2012	2013 RM	2012 RM
Authorised Ordinary shares					
At 30 June 2013/2012	RM0.30	**1,666,666,666**	1,666,666,666	**500,000,000**	500,000,000
Issued and fully paid Ordinary shares					
At 30 June 2013/2012	RM0.30	**228,679,227**	228,679,227	**68,603,769**	68,603,769

(a) Employees' Share Options Scheme ("ESOS")

The Company implemented an ESOS on 31 March 2011. The ESOS is governed by the revised by-laws as approved by the shareholders at the Extraordinary General Meeting held on 19 March 2012.

23. SHARE CAPITAL (CONT'D)

(a) Employees' Share Options Scheme ("ESOS") (CONT'D)

The main features of the ESOS are as follows:

(i) The ESOS shall be in force for a period of five years from the date of implementation and may be extended or renewed (as the case may be) for a further period of five years at the sole and absolute discretion of the directors upon recommendation of the ESOS Committee provided that the initial period of five years and such extension made shall not in aggregate exceed a duration of ten years from the date of implementation.

(ii) Natural persons who are eligible under the ESOS include executive and non-executive directors and employees of the Group who are at least eighteen years of age whose employment with the Group has been confirmed in writing. For the case of non Malaysian citizens, participation in the ESOS shall be determined at the sole and absolute discretion of the ESOS Committee.

(iii) The aggregate number of shares to be offered under the ESOS shall not exceed 15% of the issued and paid up ordinary share capital of the Company (excluding treasury shares) at the date of offer or such other percentage of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) as may be permitted by the relevant authorities from time to time during the duration of the ESOS.

(iv) The subscription price for each share under the ESOS shall, subject always to the by-laws, be the higher of the volume weighted average market price of the shares for the five market days immediately preceding the date of offer, with a discount of not more than 10%, or any such other percentage of discounts as may be permitted by the authorities from time to time during the duration of the ESOS or the par value of the share at the date of offer.

(v) The number of shares under option and the option price may be adjusted as a result of any alteration in the capital structure of the Company by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital or otherwise howsoever, if any, made by the Company while an option remains unexercised.

(vi) Options granted under the ESOS can be exercised by the grantee by notice in writing to the Company during the option period in the prescribed form in multiples of one hundred shares or in any other denomination as prescribed by the authorities as a board lot.

(vii) No person who is participating in the ESOS will be entitled to participate in more than one employee share options scheme currently implemented by any company within the Group.

During the financial year, no options have been granted by the Company to the eligible Directors, senior management and employees of the Group.

23. SHARE CAPITAL (CONT'D)

(b) Treasury Shares

	GROUP/ COMPANY				
	PAR VALUE	NUMBER OF ORDINARY SHARES		AMOUNT	
		2013	2012	2013 RM	2012 RM
Ordinary shares					
At 1 July 2012/2011		**3,236,800**	3,236,800	**855,221**	829,617
Repurchased during the financial year		-	110,000	-	31,804
Resale during the financial year		-	(20,000)	-	(6,200)
AT 30 JUNE 2013/2012	RM0.30	**3,326,800**	3,326,800	**855,221**	855,221

This amount relates to the acquisition cost of treasury shares. The shares repurchased are bring held as treasury share in accordance with section 67A of the Companies Act 1965.

None of the treasury shares were resold or cancelled during the financial year.

In previous financial year, the Company repurchased 110,000 of its issued ordinary shares from the open market at an average price of RM0.29 per share with a total consideration paid for the repurchase including transaction costs was RM31,804. In previous financial year, the Company also resold 20,000 of its issued ordinary shares to the open market at an average price of RM0.31 per share with a total consideration received for the resold net of transaction costs was RM6,200. The repurchase transactions were financed by internally generated funds.

(c) Share Premium

The share premium is not distributable by way of cash dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

24. MERGER RELIEF (NON-DISTRIBUTABLE)

Merger relief relates to the excess of the fair value of shares issued by the Company for the acquisition of the subsidiaries over the par value of these shares, where such acquisition qualifies for merger relief as set out in Section 60(4) of the Companies Act 1965.

25. FOREIGN EXCHANGE RESERVE (NON-DISTRIBUTABLE)

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of its foreign subsidiaries and branches.

26. STATUTORY RESERVE (NON-DISTRIBUTABLE)

In accordance with the UAE Federal Commercial Company Law number (8) of 1984 (as amended), the foreign subsidiary is required to transfer annually to a statutory reserve account an amount equal to 10% of the net profit until such reserve is equal to 50% of its share capital.

27. ACCUMULATED LOSSES/ RETAINED PROFITS

In preparing the opening statements of financial position at 1 July 2011, the Group have adjusted accumulated losses/ retained profit reported previously in the financial statements prepared in accordance with previous FRSs. An explanation of how the transition from previous FRSs to MFRSs has affected the Group accumulated losses/ retained profit is disclosed in Note 39 to the financial statements.

28. BORROWINGS

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Short-term borrowings				
Secured:				
Bank overdraft	-	982,085	-	-
Revolving credit	-	950,000	-	-
Term loan	**600,688**	603,354	-	-
Trade loan	**352,589**	71,901	-	-
Hire purchase and finance lease payables (Note 28 (iii))	**632,657**	722,773	**36,498**	123,850
	1,585,934	3,330,113	**36,498**	123,850
Long-term borrowings				
Secured:				
Term loan	**1,897,246**	**2,690,888**	-	-
Hire purchase and finance lease payables (Note 28 (iii))	**1,249,753**	**1,929,693**	**85,441**	344,446
	3,146,999	**4,620,581**	**85,441**	344,446
Total borrowings				
Bank overdraft	-	982,085	-	-
Revolving credit	-	950,000	-	-
Term loan	**2,497,934**	3,294,242	-	-
Trade loan	**352,589**	71,901	-	-
Hire purchase and finance lease payables (Note 28 (iii))	**1,882,410**	2,652,466	**121,939**	468,296
	4,732,933	7,950,694	**121,939**	468,296
Maturity of borrowings (excluding hire purchase and finance lease payables)				
Not later than 1 year	**953,277**	2,607,340	-	-
Later than 1 year and not later than 2 years	**643,472**	819,138	-	-
Later than 2 year and not later than 5 years	**1,253,774**	1,871,750	-	-
	2,850,523	5,298,228	-	-

(i) The revolving credits, bank overdraft and term loans are secured by:

(a) a lien on the deposits with licensed banks and the accumulation of interest thereon as disclosed in Note 22 to the financial statement;

(b) a legal Deed of Assignment of contract proceeds from certain projects awarded to AWSB by the Federal Government (represented by the Ministry of Works);

28. BORROWINGS (CONT'D)

(c) legal charges on the freehold land and freehold buildings of the Group as disclosed in Note 11(c) and Note 12 to the financial statements respectively; and

(d) a negative pledge on assets of a subsidiary;

(ii) The term loan of the Group is repayable in monthly instalments amounting to RM62,857 (2012: RM62,857).

(iii) Hire purchase and finance lease payables is as follows:

	GROUP		COMPANY	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Minimum lease payments				
Not later than 1 year	**717,754**	839,733	**41,556**	135,709
Later than 1 year and not later than 2 years	**667,711**	789,512	**41,556**	135,709
Later than 2 years and not later than 5 years	**662,841**	1,283,633	**48,438**	223,660
	2,048,306	2,912,878	**131,550**	495,078
Less : Future finance charges	**(165,896)**	(260,412)	**(9,611)**	(26,782)
	1,882,410	2,652,466	**121,939**	468,296
Present value of finance lease payables				
Not later than 1 year	**632,657**	722,773	**36,498**	123,850
Later than 1 year and not later than 2 years	**627,724**	742,377	**38,365**	127,351
Later than 2 year and not later than 5 years	**622,029**	1,187,316	**47,076**	217,095
	1,882,410	2,652,466	**121,939**	468,296
Analysed as				
Due within 12 months	**632,657**	722,773	**36,498**	123,850
Due after 12 months	**1,249,753**	1,929,693	**85,441**	344,446
	1,882,410	2,652,466	**121,939**	468,296

(iv) The Group is required to comply with certain covenants in relation to the borrowings of its subsidiaries. The salient covenants include, amongst others:-

(a) The subsidiaries concerned are required to maintain a gearing ratio of not more than 2 times of its tangible net worth during the tenure of the borrowing; and

(b) The Group is required to maintain a tangible net worth of not less than RM45,000,000 during the tenure of the borrowing.

As at 30 June 2013, a subsidiary of the Group experienced a nominal shortfall of approximately RM290,000 in the tangible net worth required under the covenant which had been duly resolved in July 2013. Other than as disclosed in the preceeding paragraph the Group has as at 30 June 2013 complied with all the requirements of the covenants.

29. DEFERRED TAX

	GROUP	
	2013 RM	2012 RM
At 1 July 2012/2011	**(60,731)**	944,917
Translation differences	**9,285**	434
Recognised in profit or loss (Note 8)	**(3,393,586)**	(1,006,082)
At 30 June 2013/2012	**(3,445,032)**	(60,731)

	GROUP	
	2013 RM	2012 RM
Deferred tax comprised the following:		
Deferred tax assets	**(3,544,000)**	(78,247)
Deferred tax liabilities	**98,968**	17,516
	(3,445,032)	(60,731)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of the Group:

	ACCELERATED CAPITAL ALLOWANCES RM	INTANGIBLE ASSETS-OTHERS RM	OTHERS RM	TOTAL RM
At 1 July 2011	1,124,651	245,300	-	1,369,951
Recognised in profit or loss	(1,008,257)	(245,300)	-	(1,253,557)
At 30 June 2012	116,394	-	-	116,394
At 1 July 2012	116,394	-	-	116,394
Recognised in profit or loss	(66,979)	-	(14,604)	(81,583)
AT 30 JUNE 2013	**49,415**	**-**	**(14,604)**	**34,811**

29. DEFERRED TAX (CONT'D)

Deferred Tax Assets of the Group:

	PAYABLES	ALLOWANCE FOR IMPAIRMENT LOSSES	OTHERS	TOTAL
	RM	RM	RM	RM
At 1 July 2011	(130,536)	(265,238)	(29,260)	(425,034)
Recognised in profit or loss	118,356	231,789	(102,236)	247,909
At 30 June 2012	(12,180)	(33,449)	(131,496)	(177,125)
At 1 July 2012	(12,180)	(33,449)	(131,496)	(177,125)
Recognised in profit or loss	(3,383,836)	-	81,118	(3,302,718)
AT 30 JUNE 2013	**(3,396,016)**	**(33,449)**	**(50,378)**	**(3,479,843)**

Deferred tax assets have not been recognised in respect of the following items:

	GROUP	
	2013 RM	2012 RM
Unutilised tax losses	**4,150,712**	2,584,352
Unabsorbed capital allowances	**1,128**	349,736
Others	**2,521,637**	3,261,135
	6,673,477	6,195,223

30. TRADE PAYABLES

	GROUP	
	2013 RM	2012 RM
Trade payables	**15,083,410**	17,340,098
Amount due to customers on contracts (Note 20)	**1,677,050**	1,212,735
	16,760,460	18,552,833

The credit period granted to the Group range from 30 to 90 days (2012: 30 to 90 days).

31. OTHER PAYABLES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Current:				
Advances received	**1,460,325**	-	**-**	-
Accruals	**9,073,374**	10,925,168	**639,894**	376,262
Provision for short-term accumulating compensated absences	**317,537**	869,774	**40,744**	127,574
Provision for costs (Note a)	**13,102,381**	-	**-**	-
Retirement benefit obligation (Note b)	**25,618**	130,813	**-**	-
Sundry payables	**4,130,533**	5,228,239	**847**	150,847
	28,109,768	17,153,994	**681,485**	654,683
Non-current:				
Retirement benefit obligation (Note b)	**2,673,814**	2,402,241	**-**	-
	30,783,582	19,556,235	**681,485**	654,683

(a) The provision for costs amouting to RM13,102,381 (2012: RM Nil) relates to costs of civil & structural and electrical works which were yet to be completed as at 30 June 2013 pursuant to the privatisation agreement in respect of building maintenance support services for Government building (Southern Zone & Sarawak Zone) dated 19 March 1998 of AWSB.

(b) The Group operates an unfunded, non-contributory defined benefit retirement scheme ("the Scheme") for its eligible employees. Under the Scheme, eligible employees are entitled to retirement contribution at agreed basis for each completed year of service on attainment of the retirement age of 55, without cessation of employment prior to age 55.

The amounts recognised in the statement of financial position are determined as follows:

	GROUP	
	2013 RM	2012 RM
Present value of unfunded defined benefit obligations	**2,699,432**	**2,533,054**
Current portion	**25,618**	130,813
Non-current portion:		
- later than 1 year and not later than 2 years	**302,206**	25,618
- later than 2 year and not later than 3 years	**383,165**	302,206
- more than 3 years	**1,988,443**	2,074,417
	2,673,814	**2,402,241**
	2,699,432	2,533,054

31. OTHER PAYABLES (CONT'D)

The amounts recognised in the Statement of Comprehensive Income were as follows:-

	GROUP	
	2013 RM	2012 RM
Current service cost	**184,076**	202,703
Interest cost	**113,115**	124,561
	297,191	327,264

Movement in the net liability in the current year were as follows:

	GROUP	
	2013 RM	2012 RM
At 1 July 2012/2011	**2,533,054**	2,250,208
Add: Provision for the financial year	**297,191**	327,264
Less: Payment during the financial year	**(130,813)**	(44,418)
AT 30 JUNE 2013/2012	**2,699,432**	2,533,054

Principal actuarial assumptions used:

	GROUP	
	2013 %	2012 %
Discount rate	**5.0**	5.0
Expected salary increment rate	**6.0**	6.0

32. PURCHASE OF PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Cost of plant and equipment purchased (Note 11)	**836,713**	3,218,047	**13,044**	683,008
Amount financed through finance lease and hire purchase	**(362,865)**	(1,592,536)	**-**	(547,000)
Cash disbursed for purchase of plant and equipment	**473,848**	1,625,511	**13,044**	136,008

33. OPERATING LEASE COMMITMENTS

Leases As Lessee	**GROUP**	
	2013 RM	**2012 RM**
Future minimum rentals payable under the non-cancellable operating leases are as follow:-		
Not later than 1 year	**569,140**	126,757
Later than 1 year and not later than 2 years	**269,310**	112,857
Later than 2 year and not later than 5 years	**5,510**	-
	843,960	239,614

34. CONTINGENT LIABILITY

	GROUP		**COMPANY**	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Unsecured:				
Corporate guarantee given to banks for credit facilities granted to subsidiaries	**-**	-	**24,095,683**	34,653,913

35. SIGNIFICANT RELATED PARTY DISCLOSURES

For the purpose of the financial statements, the Group and the Company have related party relationship with:

(a) its subsidiaries;
(b) its associate;
(c) its jointly controlled entity; and
(d) the directors who are the key management personnel.

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company have carried out the following significant transactions with the related parties during the financial year:

	GROUP		**COMPANY**	
	RM	**RM**	**RM**	**RM**
Sales to a related party	-	563,408	-	-
Rental expenses paid to directors of a subsidiary, Gan Geok Soon and Sri Skanda Rajah A/L S. Ratnam	66,500	66,500	-	-
Short-term employee benefits paid/payable to key management personnel	8,114,724	6,986,080	2,455,471	1,853,359
Management fee charged to subsidiaries	-	-	(2,340,000)	(2,340,000)
Rental expense payable to a subsidiary	-	-	42,000	42,000
Dividend income from subsidiaries	-	-	(11,816,950)	(7,103,599)

Information regarding the related parties' balances at the end of reporting period are disclosed in Note 14 and Note 21 to the financial statements.

36. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exposure, equity price, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(i) Market Risk

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 36(a)(ii) to the financial statements.

<u>Interest Rate Risk Sensitivity Analysis</u>

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the financial year, with all other variables held constant:-

	GROUP		COMPANY	
	2013 Increase/ (Decrease) RM	2012 Increase/ (Decrease) RM	2013 Increase/ (Decrease) RM	2012 Increase/ (Decrease) RM
Effect on profit after taxation/equity:				
Increase of 100 basis points	(21,379)	(39,737)	-	-
Decrease of 100 basis points	21,379	39,737	-	-

(ii) Foreign Currency Risk

The Group is exposed to foreign exchange risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily SGD and AED. The foreign exchange risk is reduced through a policy of matching receipts and payments in each foreign currency.

The net unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (CONT'D)

(i) Market Risk (CONT'D)

(ii) Foreign Exchange Risk (CONT'D)

GROUP	GBP	SGD	USD	EURO	SEK	AED	QAR	INR	RM	TOTAL
2013	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Financial assets										
Amount owing by jointly controlled entity	-	-	-	-	-	1,234,079	-	-	813,297	2,047,376
Other receivables	-	145,800	-	-	-	1,871,800	1,349	-	1,581,226	3,600,175
Trade receivables	-	6,562,495	-	-	-	10,765,657	372,853	-	13,457,791	31,158,796
Cash and bank balances	-	3,588,496	396,388	-	-	8,571,378	480,878	-	50,728,870	63,766,010
	-	10,296,791	396,388	-	-	22,442,914	855,080	-	66,581,184	100,572,357
Financial liabilities										
Trade payables	35,110	585,877	29,215	828,839	811,307	5,254,316	212,021	-	7,326,725	15,083,410
Other payables	-	960,778	-	-	-	7,979,725	141,920	-	21,701,159	30,783,582
Term loan	-	-	-	-	-	-	-	-	2,497,934	2,497,934
Trade loan	-	352,589	-	-	-	-	-	-	-	352,589
Hire purchase and finance lease payables	-	234,321	-	-	-	-	-	-	1,648,089	1,882,410
	35,110	2,133,565	29,215	828,839	811,307	13,234,041	353,941	-	33,173,907	50,599,925

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (CONT'D)

(i) Market Risk (CONT'D)

(ii) Foreign Exchange Risk (CONT'D)

GROUP 2013	GBP RM	SGD RM	USD RM	EURO RM	SEK RM	AED RM	QAR RM	INR RM	RM RM	TOTAL RM
Net financial assets/ (liabilities)	(35,110)	8,163,266	367,173	(828,839)	(811,307)	9,208,873	501,139	-	33,407,276	49,972,432
Less: Net financial assets denominated in the entity's functional currency	-	(8,178,300)	-	-	-	(9,039,300)	(501,139)	-	(33,407,276)	(51,126,016)
CURRENCY EXPOSURE	**(35,110)**	**(15,074)**	**367,173**	**(828,839)**	**(811,307)**	**169,573**	**-**	**-**	**-**	**(1,153,584)**

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (CONT'D)

(i) Market Risk (CONT'D)

(ii) Foreign Exchange Risk (CONT'D)

GROUP 2012	GBP RM	SGD RM	USD RM	EURO RM	SEK RM	AED RM	QAR RM	INR RM	RM RM	TOTAL RM
Financial assets										
Amount owing by jointly controlled entity	-	-	-	-	-	1,256,791	-	-	2,021,120	3,277,911
Other receivables	-	232,203	-	-	-	1,036,716	-	90,470	1,628,727	2,988,116
Trade receivables	-	6,125,453	249,773	-	-	15,745,875	-	804,776	19,586,177	42,512,054
Cash and bank balances	-	5,026,293	219,148	-	-	11,504,316	57,982	294,337	32,303,858	49,405,934
	-	11,383,949	468,921	-	-	29,543,698	57,982	1,189,583	55,539,882	98,184,015
Financial liabilities										
Trade payables	34,756	627,524	120,451	324,424	2,019,644	6,226,180	84,005	243,797	7,659,317	17,340,098
Other payables	-	767,391	-	-	-	8,571,907	27,188	951,508	9,238,241	19,556,235
Bank overdraft	-	-	-	-	-	-	-	-	982,085	982,085
Revolving credit	-	-	-	-	-	-	-	-	950,000	950,000
Term loans	-	-	-	-	-	-	-	175,963	3,118,279	3,294,242
Trade loan	-	-	-	-	71,901	-	-	-	-	71,901
Hire purchase and finance lease payables	-	265,230	-	-	-	-	-	-	2,387,236	2,652,466
	34,756	1,660,145	120,451	324,424	2,091,545	14,798,087	111,193	1,371,268	24,335,158	44,847,027

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (CONT'D)

(i) Market Risk (CONT'D)

(ii) Foreign Exchange Risk (CONT'D)

GROUP 2012	GBP RM	SGD RM	USD RM	EURO RM	SEK RM	AED RM	QAR RM	INR RM	RM RM	TOTAL RM
Net financial assets/ (liabilities)	(34,756)	9,723,804	348,470	(324,424)	(2,091,545)	14,745,611	(53,211)	(181,685)	31,204,724	53,336,988
Less: Net financial (assets)/ liabilities denominated in the entity's functional currency	-	(9,798,182)	-	-	-	(14,901,560)	53,211	181,685	(31,204,724)	(55,669,570)
CURRENCY EXPOSURE	(34,756)	(74,378)	348,470	(324,424)	(2,091,545)	(155,949)	-	-	-	(2,332,582)

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (CONT'D)

(i) Market Risk (CONT'D)

(ii) Foreign Currency Risk (CONT'D)

Foreign currency risk sensitivity analysis

A 5% strengthening/weakening of the RM against the foreign currency as at the end of the reporting period would have immaterial impact on profit after taxation to the Group. This assumes that all other variables remain constant.

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash equivalents and adequate credit lines to meet its working capital requirements.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	WEIGHTED AVERAGE EFFECTIVE RATE	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 – 5 YEARS RM	OVER 5 YEARS RM
Group						
2013						
Financial liabilities						
Trade payables	-	15,083,410	15,083,410	15,083,410	-	-
Other payables	-	30,783,582	30,783,582	30,783,582	-	-
Term loans	6.90%	2,497,934	2,844,117	754,284	2,089,833	-
Trade loan	7.50%	352,589	359,109	359,109	-	-
Hire purchase and finance lease payable	3.31% - 7.21%	1,882,410	2,048,306	717,754	1,330,552	-
		50,599,925	51,118,524	47,698,139	3,420,385	-

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (CONT'D)

(ii) Liquidity Risk (CONT'D)

	WEIGHTED AVERAGE EFFECTIVE RATE	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 – 5 YEARS RM	OVER 5 YEARS RM
Group						
2012						
Financial liabilities						
Trade payables	-	17,340,098	17,340,098	17,340,098	-	-
Other payables	-	19,556,235	19,556,235	19,556,235	-	-
Bank overdraft	8.12%	982,085	1,061,830	1,061,830	-	-
Revolving credit	8.10%	950,000	950,000	950,000	-	-
Term loans	6.90%	3,294,242	3,897,900	809,160	3,088,740	-
Trade loan	1.50%	71,901	72,167	72,167	-	-
Hire purchase and finance lease payable	1.82% - 10.24%	2,652,466	2,912,878	839,733	2,073,145	-
		44,847,027	45,791,108	40,629,223	5,161,885	-
Group						
2013						
Financial liabilities						
Other payables	-	681,485	681,485	681,485	-	-
Amount owing to subsidiaries	-	1,663,652	1,663,652	1,663,652	-	-
Hire purchase and finance lease payables	4.88%	121,939	131,550	41,556	89,994	-
		2,467,076	2,476,687	2,386,693	89,994	-
Group						
2012						
Financial liabilities						
Other payables	-	654,683	654,683	654,683	-	-
Amount owing to subsidiaries	-	1,992,806	1,992,806	1,992,806	-	-
Hire purchase and finance lease payables	1.82% - 4.88%	468,296	495,078	135,709	359,369	-
		3,115,785	3,142,567	2,783,198	359,369	-

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (CONT'D)

(iii) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's association to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group's management reporting procedures.

The Group established an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit Risk Concentration Profile

The Group's major concentration of credit risk related to the amount owing by 2 customers which constituted approximately 43% of its trade receivable at the end of the reporting period.

Exposure to Credit Risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by other than amount due from customers on contracts geographical region is as follows:-

	GROUP	
	2013 RM	**2011 RM**
Qatar	**372,853**	-
Singapore	**6,562,495**	6,125,453
United States	**-**	249,773
United Arab Emirates	**10,765,657**	15,745,875
India	**-**	804,776
Malaysia	**13,457,791**	19,586,177
	31,158,796	42,512,054

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (CONT'D)

(iii) Credit Risk (CONT'D)

Ageing Analysis

The ageing analysis of the Group's trade receivables other than amount due from customers on contracts at the end of the reporting period is as follows:-

GROUP	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	COLLECTIVE IMPAIRMENT RM	CARRYING AMOUNT RM
2013				
Not past due	11,424,162	-	-	11,424,162
Past due:-				
- less than 3 months	6,301,688	-	-	6,301,688
- 3 to 6 months	1,562,688	(725)	-	1,561,963
- over 6 months	16,075,084	(4,204,101)	-	11,870,983*
	35,363,622	**(4,204,826)**	**-**	**31,158,796**
2012				
Not past due	17,252,067	-	-	17,252,067
Past due:-				
- less than 3 months	6,973,929	-	-	6,973,929
- 3 to 6 months	4,781,060	-	(333,920)	4,447,140
- over 6 months	15,567,210	(1,728,292)	-	13,838,918*
	44,574,266	**(1,728,292)**	**(333,920)**	**42,512,054**

* - included retention sum of RM11,771,659 (2012 - RM11,336,777) as disclosed in Note 19 to the financial statements.

At the end of the financial year, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (CONT'D)

(iii) Credit Risk (CONT'D)

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Financial Assets				
Available-for-sale financial assets				
Other investments	**36,161**	**36,161**	-	-
Loans and receivables financial assets				
Amount owing by jointly controlled entity	**2,047,376**	3,277,911	-	-
Amount owing by subsidiaries	**-**	-	102,647	876,130
Trade receivables	**31,158,796**	42,512,054	-	-
Other receivables	**3,600,175**	2,988,116	1,620	153,920
Deposits with licensed banks	**43,130,123**	30,607,174	-	-
Cash and bank balances	**20,635,887**	18,798,760	2,471,910	4,319
	100,572,357	98,184,015	**2,576,177**	1,034,369
Financial Liabilities				
Other financial liabilities				
Trade payables	**15,083,410**	17,340,098	-	-
Other payables	**30,783,582**	19,556,235	681,485	654,683
Amount owing to subsidiaries	**-**	-	1,663,652	1,992,806
Bank overdraft	**-**	982,085	-	-
Revolving credit	**-**	950,000	-	-
Term loans	**2,497,934**	3,294,242	-	-
Trade loan	**352,589**	71,901	-	-
Hire purchase and finance lease payables	**1,882,410**	2,652,466	121,939	468,296
	50,599,925	44,847,027	**2,467,076**	3,115,785

36. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values

The carrying amounts of the financial assets and liabilities of the Group and of the Company at the end of the reporting period approximated their fair values due to relatively short-term maturity of these financial instruments except for the following:

	GROUP		COMPANY	
	CARRYING VALUE RM	FAIR VALUE RM	CARRYING VALUE RM	FAIR VALUE RM
Financial Liabilities				
At 30 June 2013				
Hire purchase and finance lease payables	**1,882,410**	**1,918,313**	**121,939**	**122,414**
At 30 June 2012				
Hire purchase and finance lease payables	2,652,466	2,511,727	468,296	426,987

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair values of term loans and hire purchase payables are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

The interest rate used to discount estimated cash flows, where applicable, is as follows:-

	GROUP		COMPANY	
	2013 %	2012 %	2013 %	2012 %
Hire purchase payables	4.56	6.55	4.48	6.55

(iii) The carrying amounts of the term loan approximated their fair values as these instruments bear interest at variable rates.

(e) Fair Value Hierarchy

As at 30 June 2013, there were no financial instruments carried at fair values.

37. OPERATING SEGMENTS

(a) Business Segments

The Group has four (2012: five) reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. Each of the strategic business units operating results are review regularly by the Managing Director. The following summary describes the operations in each of the Group's reportable segments:

(i) Investment holding - provide group-level corporate services.

(ii) Facilities - provision of an integrated range of maintenance services for office, commercial, industrial, residential and administrative buildings. These services include electrical, mechanical, civil, structural, energy and utility management and maintenance, vertical transport management, security and safety management and central monitoring systems, landscaping and ground care.

(iii) Engineering - provision of various mechanical and electrical engineering services for the building industry. These include computerised Building Automation Systems (BAS), Heating, Ventilation and Air-Conditioning Systems (HVAC), integrated installation of electrical systems, energy saving and lift systems.

(iv) Technology - involve in research and development in microelectronics and software products, manufacture and distribution of consumer electronics and security related products.

(v) Environment - provision of environmentally-friendly solutions to waste collection system management. These include general trading, design, development, installation and commissioning of cleaning equipment, central vacuum systems and STREAM Automated Pneumatic Waste Collection System.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

37. OPERATING SEGMENTS (CONT'D)

(a) Business Segments (CONT'D)

	INVESTMENT HOLDING RM	FACILITIES RM	ENGINEERING RM	ENVIRONMENT RM	ADJUSTMENT AND ELIMINATIONS RM	PER CONSOLIDATED FINANCIAL STATEMENTS RM
30 June 2013						
Revenue						
External revenue	-	78,571,189	23,373,797	43,055,013	-	144,999,999
Inter-segment revenue	14,156,950	4,775,432	342,942	-	(19,275,324)	-
	14,156,950	83,346,621	23,716,739	43,055,013	(19,275,324)	144,999,999
Results						
Results before the following adjustments	10,210,853	11,899,521	(234,220)	10,105,139	(14,432,746)	17,548,547
Depreciation and amortisation	(154,242)	(1,089,619)	(174,486)	(713,529)	-	(2,131,876)
Impairment loss on goodwill						
- goodwill	-	-	-	(1,008,976)	398,844	(610,132)
- subsidiaries	(46,610,687)	(2,180,501)	-	-	48,791,188	-
Allowance for impairment loss on:						
- trade receivables	-	(8,814)	(184,099)	(2,821,858)	-	(3,014,771)
- other receivables	-	(42,284)	-	(798,862)	-	(841,146)
- jointly controlled entity	-	-	-	(339,020)	-	(339,020)
Bad debts written off	(133,656)	(2,156,480)	-	(194,485)	2,290,136	(194,485)
Other non-cash item	(119,973)	(1,401,985)	(202,317)	(708,492)	1,327,023	(1,105,744)
Segment results	(36,807,705)	5,019,838	(795,122)	3,519,917	38,374,445	9,311,373
Net finance (cost) /income	(20,130)	49,945	36,100	338,072	-	403,987
Income tax expense						(4,127,306)
CONSOLIDATED PROFIT AFTER TAX FOR THE FINANCIAL YEAR						**5,588,054**

37. OPERATING SEGMENTS (CONT'D)

(a) Business Segments (CONT'D)

	INVESTMENT HOLDING RM	FACILITIES RM	ENGINEERING RM	ENVIRONMENT RM	ADJUSTMENT AND ELIMINATIONS RM	PER CONSOLIDATED FINANCIAL STATEMENTS RM
30 June 2013						
Assets						
Segment assets	45,270,293	51,249,338	24,754,724	69,238,072	(43,553,108)	146,959,319
Tax recoverable						4,828,427
Deferred tax assets						3,544,000
CONSOLIDATED TOTAL ASSETS						**155,331,746**
Liabilities						
Segment liabilities	2,471,377	32,414,984	6,406,734	18,930,916	(7,782,685)	52,441,326
Deferrred tax liabilities						98,968
Provision for taxation						7,546,674
CONSOLIDATED TOTAL LIABILITIES						**60,086,968**
Other segment items						
Additions to non-current assets other than financial instruments						
- property, plant and equipment	13,044	325,021	15,880	482,768		836,713

37. OPERATING SEGMENTS (CONT'D)

(a) Business Segments (CONT'D)

	INVESTMENT HOLDING RM	FACILITIES RM	ENGINEERING RM	TECHNOLOGY RM	ENVIRONMENT RM	ADJUSTMENT AND ELIMINATIONS RM	PER CONSOLIDATED FINANCIAL STATEMENTS RM
30 June 2012							
Revenue							
External revenue	563,408	50,619,102	19,964,794	5,820,042	34,257,840	-	111,225,186
Inter-segment revenue	9,443,599	1,268,766	984,518	-	252,281	(11,949,164)	-
	10,007,007	51,887,868	20,949,312	5,820,042	34,510,121	(11,949,164)	111,225,186
Results							
Results before the following adjustments	5,507,524	4,345,797	1,696,413	212,005	12,824,309	(8,142,703)	16,443,345
Depreciation and amortisation	(249,833)	(1,111,595)	(283,163)	(1,374,372)	(810,778)	-	(3,829,741)
Impairment loss on goodwill	-	-	-	-	-	(1,776,901)	(1,776,901)
Allowance for impairment loss on:							
- trade receivables	-	-	(149,514)	(160,941)	(313,021)	-	(623,476)
- jointly controlled entity	-	-	-	-	(552,023)	-	(552,023)
Other non-cash item	(7,571,723)	101,299	290,978	(5,904,088)	213,454	7,706,999	(5,163,081)
Segment results	(2,314,032)	3,335,501	1,554,714	(7,227,396)	11,361,941	(2,212,605)	4,498,123
Net finance (cost)/income	(22,949)	(49,666)	11,243	(108,692)	281,227	97	111,260
Income tax expense							546,740
CONSOLIDATED PROFIT AFTER TAX FOR THE FINANCIAL YEAR							**5,156,123**

37. OPERATING SEGMENTS (CONT'D)

(a) Business Segments (CONT'D)

	INVESTMENT HOLDING RM	FACILITIES RM	ENGINEERING RM	TECHNOLOGY RM	ENVIRONMENT RM	ADJUSTMENT AND ELIMINATIONS RM	PER CONSOLIDATED FINANCIAL STATEMENTS RM
30 June 2012							
Assets							
Segment assets	91,772,440	40,876,695	24,699,550	7,459,727	73,122,497	(95,480,664)	142,450,245
Tax recoverable							4,537,956
CONSOLIDATED TOTAL ASSETS							**146,988,201**
Liabilities							
Segment liabilities	3,650,045	18,082,254	5,567,528	3,597,714	22,244,379	(6,760,138)	46,381,782
Provision for taxation							2,467,045
Deferred tax liabilities							17,516
CONSOLIDATED TOTAL LIABILITIES							**48,866,343**
Other segment items							
Additions to non-current assets other than financial instruments							
- property, plant and equipment	683,008	1,851,966	169,087	28,786	485,200		3,218,047

37. OPERATING SEGMENTS (CONT'D)

(b) Geographical Segment

	MALAYSIA RM	SINGAPORE RM	INDIA RM	QATAR RM	UNITED ARAB EMIRATES, ABU DHABI RM	TOTAL RM
30 June 2013						
Revenue						
- continuing operations	111,175,047	18,961,525	1,881,751	2,401,373	10,580,303	144,999,999
Non-current assets	19,900,241	421,096	-	30,904	11,677	20,363,918
30 June 2012						
Revenue						
- continuing operations	65,767,504	16,766,305	1,221,419	1,358,139	20,291,777	105,405,144
- discontinued operations	5,820,042	-	-	-	-	5,820,042
Non-current assets	20,837,725	454,142	545,284	59,431	15,826	21,912,408

(c) Information About Major Customers

The following are major customers with revenue equal to or more than 10 percent of the Group revenue:-

	GROUP		
	SEGMENT	2013 RM	2012 RM
Customer A	Facilities	**67,901,703**	40,656,509
Customer B	Environment	**-**	17,427,003

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 1 July 2012, Mr. P Deivendran A/L K Pathmanathan had accepted the conditional pre-emption offer from the Company, in which the Company shall dispose of 2,448,000 ordinary shares of RM1.00 each in IQL to him for a total cash consideration of RM500,000 ("Proposed Disposal"). The Proposed Disposal was completed on 7 November 2012.

(b) AWC India has been excluded from consolidation as AFESB ceased to have control and power to influence the financial and operating policies of the subsidiary in the current financial year.

(c) On 2 May 2013, the Company acquired 112,000 ordinary shares of RM1.00 each in RDMA representing a 70% equity interest of RDMA for a total cash consideration of RM112,000.

(d) On 13 July 2012, AFESB, a 75% owned subsidiary of the Company had subscribed for 500,000 shares of INR10 each in AWC India for a total cash consideration of INR5,000,000.

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(e) On 21 December 2011, SESB, a wholly-owned subsidiary of NSB, which in turn is a 51% owned subsidiary of the Company and Dallah Group Company ("Dallah") entered into a shareholder agreement to establish a joint venture limited liability ("JV") company in the Kingdom of Saudi Arabia. The JV has been discontinued and NSB is awaiting the cancellation of the investment licence from Dallah.

(f) The Company had on 13 May 2013 received a Writ of Summons and Statement of Claim sealed on 10 May 2013 filed by DS Capital Sdn Bhd and Divesh Navinchandra Sheth (collectively referred to as "the Plaintiffs") against the Company, AFESB (a 75% owned subsidiary of the Company), Dato' Ahmad Kabeer bin Mohamed Nagoor and Ronald Chow Tiam Poh (collectively referred to as "the Defendants") claiming, amongst others, the following from the Defendants:-

(i) That the Defendants pay (to and through AWC India) all statutory payments due and owing by AWC India in the total aggregate sum of INR23,897,930.78 only (being equivalent to RM1,327,662.81 only) as at 31 March 2013 or such other date deemed fit by the Court;

(ii) That the Defendants pay the loans and borrowings taken by AWC India amounting to INR1,415,000.00 only (being equivalent to RM78,611.11 only) as at 31 March 2013; and

(iii) That the Defendants pay trade payables of AWC India amounting to INR16,343,699.18 only (being equivalent to RM907,983.28 only) as at 31 March 2013.

(referred to hereinafter as "Civil Suit No. 22NCC-367-05/2013")

On 14 August 2013, the Company received the sealed order stating that the Kuala Lumpur High Court has on 29 July 2013 dismissed the Plaintiffs' Writ of Summons and Statement of Claim against the Defendants with cost of RM40,000.00 for the Civil Suit No.22NCC-367-05/2013.

The Plaintiffs had on 28 August 2013 served a Notice of Appeal to the Defendants' solicitors on the Plaintiffs' appeal to the Court of Appeal against the decision of the Kuala Lumpur High Court on Civil Suit No. 22NCC-367-05/2013 made on 29 July 2013 ("Appeal"). The Company had subsequently on 17 October 2013 received a Notice of Discontinuance dated 10 October 2013 stating that the Plaintiffs have withdrawn the Appeal.

39. TRANSITION TO THE MFRS FRAMEWORK

As stated in Note 2.3 to the financial statements, these are the first financial statements of the Group prepared in accordance with MFRSs. The accounting policies in Note 2 to the financial statements have been applied to all financial information covered under this set of financial statements.

In preparing the opening MFRS statements of financial position at 1 July 2011, the Group adjusted amounts reported previously in financial statements prepared in accordance with FRSs. The financial impacts on the transition are as below:-

RECONCILIATION OF FINANCIAL POSITION

Group	Note	1 JULY 2011 FRSs	1 JULY 2011 TRANSITION EFFECTS	1 JULY 2011 MFRSs	30 JUNE 2012 FRSs	30 JUNE 2012 TRANSITION EFFECTS	30 JUNE 2012 MFRSs
		RM	RM	RM	RM	RM	RM
ASSETS							
Non-current assets							
Property, plant and equipment	11	10,003,435	-	10,003,435	11,491,857	-	11,491,857
Investment properties	12	3,328,788	-	3,328,788	2,998,448	(922,033)	2,076,415
Other investments	15	36,161	-	36,161	36,161	-	36,161
Intangible assets - goodwill	16(i)	9,459,167	-	9,459,167	7,682,266	-	7,682,266
Intangible assets - others	16(ii)	5,292,505	-	5,292,505	547,462	-	547,462
Deferred tax assets	29	138,818	-	138,818	78,247	-	78,247
		28,258,874	-	28,258,874	22,834,441	(922,033)	21,912,408
Current assets							
Amount owing by jointly controlled entity	14	4,685,464	-	4,685,464	3,277,911	-	3,277,911
Inventories	17	10,751,921	-	10,751,921	12,932,025	-	12,932,025
Tax recoverable		4,577,696	-	4,577,696	4,459,709	-	4,459,709
Other receivables	18	4,453,670	-	4,453,670	3,603,467	-	3,603,467
Trade receivables	19	50,848,866	-	50,848,866	51,396,747	-	51,396,747
Deposits with licensed banks, cash and bank balances	22	64,025,431	-	64,025,431	49,405,934	-	49,405,934
		139,343,048	-	139,343,048	125,075,793	-	125,075,793
TOTAL ASSETS		**167,601,922**	**-**	**167,601,922**	**147,910,234**	**(922,033)**	**146,988,201**

39. TRANSITION TO THE MFRS FRAMEWORK (CONT'D)

RECONCILIATION OF FINANCIAL POSITION (CONT'D)

Group	Note	1 JULY 2011 FRSs RM	1 JULY 2011 TRANSITION EFFECTS RM	1 JULY 2011 MFRSs RM	30 JUNE 2012 FRSs RM	30 JUNE 2012 TRANSITION EFFECTS RM	30 JUNE 2012 MFRSs RM
EQUITY AND LIABILITIES							
Equity							
Share capital	23	68,603,769	-	68,603,769	68,603,769	-	68,603,769
Treasury shares	23(b)	(829,617)	-	(829,617)	(855,221)	-	(855,221)
Share premium	23(c)	7,649,452	-	7,649,452	7,649,452	-	7,649,452
Foreign exchange reserve	25	(129,836)	-	(129,836)	586,756	-	586,756
Statutory reserve	26	306,802	-	306,802	306,802	-	306,802
Accumulated losses	27	(4,088,676)	-	(4,088,676)	(3,341,123)	(922,033)	(4,263,156)
Equity attributable to owners of the Company		71,511,894	-	71,511,894	72,950,435	(922,033)	72,028,402
Non-controlling interests		24,291,166	-	24,291,166	26,093,456	-	26,093,456
Total equity		95,803,060	-	95,803,060	99,043,891	(922,033)	98,121,858
Non-current liabilities							
Other payables	31	2,488,636	-	2,488,636	2,402,241	-	2,402,241
Provision for end of service benefit		256,130	-	256,130	322,020	-	322,020
Long-term borrowings	28	4,301,908	-	4,301,908	4,620,581	-	4,620,581
Deferred tax liabilities	29	1,083,735	-	1,083,735	17,516	-	17,516
		8,130,409	-	8,130,409	7,362,358	-	7,362,358
Current liabilities							
Trade payables	30	41,168,825	-	41,168,825	18,552,833	-	18,552,833
Other payables	31	14,351,815	-	14,351,815	17,153,994	-	17,153,994
Provision for taxation		4,961,395	-	4,961,395	2,467,045	-	2,467,045
Short-term borrowings	28	3,186,418	-	3,186,418	3,330,113	-	3,330,113
		63,668,453	-	63,668,453	41,503,985	-	41,503,985
TOTAL LIABILITIES		71,798,862	-	71,798,862	48,866,343	-	48,866,343
TOTAL EQUITY AND LIABILITIES		**167,601,922**	**-**	**167,601,922**	**147,910,234**	**(922,033)**	**146,988,201**

39. TRANSITION TO THE MFRS FRAMEWORK (CONT'D)

RECONCILIATION OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Group	FRSs	30 JUNE 2012 TRANSITION EFFECTS	MFRSs
	RM	RM	RM
CONTINUING OPERATIONS			
Revenue	105,405,144	-	105,405,144
Cost of sales	(61,442,766)	-	(61,442,766)
Gross profit	43,962,378	-	43,962,378
Other operating income	1,982,646	(922,033)	1,060,613
Other operating expenses	(33,297,472)	-	(33,297,472)
Profit from operations	12,647,552	(922,033)	11,725,519
Finance income, net	219,952	-	219,952
Profit before taxation	12,867,504	(922,033)	11,945,471
Income tax expense	4,905	-	4,905
Profit after taxation from continuing operations	12,872,409	(922,033)	11,950,376
DISCONTINUED OPERATIONS			
Loss after taxation from discontinued operations	(6,794,253)	-	(6,794,253)
Net profit after taxation for the financial year	6,078,156	(922,033)	5,156,123
Other comprehensive income: Foreign currency translation differences	1,299,077	-	1,299,077
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	**7,377,233**	**922,033**	**6,455,200**

Under FRSs, the Group measured its investment properties at fair value. Upon transition to MFRSs, the Group elected to use the previous fair value as deemed cost under MFRSs. The financial impacts arising from the change has reduced the fair value gain of RM922,033 that was recognised under Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2012.

There are no financial impacts to the Company's financial statements upon transition to MFRSs.

40. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Extract)	AS RESTATED RM	AS PREVIOUSLY REPORTED RM
Non-current liabilities		
Other payable	2,402,241	-
Current liabilities		
Other payables	17,153,994	19,556,235

41. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the realised and unrealised retained profits/(losses) as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Total (accumulated losses)/ retained profits:				
- Realised	**45,868,096**	80,132,433	**(44,232,972)**	1,576,266
- Unrealised	**(9,936,837)**	303,575	**-**	-
	35,931,259	80,435,948	**(44,232,972)**	1,576,266
Total share of retained profits of jointly controlled entity:				
- Realised	**927,002**	1,269,329	**-**	-
	36,858,261	81,705,277	**(44,232,972)**	1,576,266
Less: Consolidation adjustments	**(42,200,648)**	(85,968,433)	**-**	-
AT 30 JUNE 2013/2012	**(5,342,387)**	(4,263,156)	**(44,232,972)**	1,576,266

SUMMARY OF GROUP PROPERTIES

NO	OWNER	LOCATION	DESCRIPTION	EXISTING USE	LAND AREA (SQ.FT.)	BUILD-UP AREA (SQ.FT.)	TENURE	APPROXIMATE AGE OF BUILDING	AUDITED NET BOOK VALUE 30 JUNE 2013 (RM)
1	AWSB	An intermediate shop lot and six intermediate office lots known as parcel Nos. S23A-1, Level 1, S23A-2, Level 2, S23A-3, Level 3, S23A-3A, Level 3A, S23A-5, Level 5, S23A-6, Level 6 and S23A-7, Level 7, respectively all in Block S23A in Subang Business Centre erected on part of the land held under Grant 54290, Lot 50530, Pekan Subang Jaya, District of Petaling, Selangor Darul Ehsan	Shop lot and office lots	Office	-	11,737	Freehold	17 years	2,625,079
2	AWSB	An intermediate shop lot and six intermediate office lots known as parcel Nos. S25-1, Level 1, S25-2, Level 2, S25-3, Level 3, S25-3A, Level 3A, S25-5, Level 5, S25-6, Level 6 and S25-7, Level 7, respectively all in Block S25 in Subang Business Centre erected on part of the land held under Grant 54290, Lot 50530, Pekan Subang Jaya, District of Petaling, Selangor Darul Ehsan	Shop lot and office lots	Office	-	11,737	Freehold	17 years	1,824,942

NO	OWNER	LOCATION	DESCRIPTION	EXISTING USE	LAND AREA (SQ.FT.)	BUILD-UP AREA (SQ.FT.)	TENURE	APPROXIMATE AGE OF BUILDING	AUDITED NET BOOK VALUE 30 JUNE 2013 (RM)
3	M&C(M)	One-unit of 4 storey shop lot known as No. 79, Jalan SS 25/2, Taman Bukit Emas, 47301, Petaling Jaya erected on HS(D) 31948, PT 6685 Mukim Sungai Buloh, District of Petaling, Selangor Darul Ehsan	Office building	Vacant	-	6,401	Freehold	20 years	1,021,338
4	M&C(M)	One-unit of apartment known as Sub Lot No. 4-29, City Heights Apartments, Taman Sri Sungai Chua, Kajang, Selangor erected on part of land held under HSM 22288, PT 50453, Section 1, Tempat Batu 18 1/2, Mukim Kajang, District of Ulu Langat, Selangor Darul Ehsan	Apartment	Vacant	-	860	Freehold	13 years	73,953
5	M&C(M)	One unit of double-storey link house known as No. 27, Jalan 1/2, The Serenity Cyberjaya 63000 Cyberjaya, Selangor erected on part of land held under HS(D) 11488 PT 20618, Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan	Double-storey link house	Vacant	-	1,920	Freehold	6 years	587,216
		TOTAL							**6,132,528**

ANALYSIS OF SHAREHOLDINGS

AS AT 10 OCTOBER 2013

Authorised Capital	: RM 500,000,000.00
Issued and Fully Paid Capital	: RM 68,603,768.10
Class of Equity Securities	: Ordinary Shares of RM0.30 each
Voting Rights	: One vote per share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	NO. OF SHARES#	%*
Less than 100	1,866	135,097	0.06
100 - 1,000	1,579	850,502	0.38
1,001 - 10,000	2,345	12,151,632	5.39
10,001 - 100,000	1,275	45,269,249	20.09
100,001 - less than 5% of the isued shares	156	87,506,430	38.83
5% and above of the isued shares	1	79,439,517	35.25
TOTAL	**7,222**	**225,352,427**	**100.00**

Excluding a total of 3,326,800 shares bought back and retained as treasury shares.

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 10 OCTOBER 2013
(As per the Register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDERS	NO. OF ORDINARY SHARES OF RM0.30			
	DIRECT INTEREST	%*	INDIRECT INTEREST	%*
K-Capital Sdn Bhd ("K-Cap")	79,442,459	35.25	-	-
Dato' Ahmad Kabeer bin Mohamed Nagoor	1,000,000	0.44	79,449,652 [a]	35.26

Notes: [a] Deemed interested by virtue of his interest in K-Cap and AKN Capital Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS AS AT 10 OCTOBER 2013
(As per the Register of Directors' Shareholdings)

NAME OF DIRECTORS	NO. OF ORDINARY SHARES OF RM0.30			
	DIRECT INTEREST	%*	INDIRECT INTEREST	%*
Dato' Nik Mod Amin bin Nik Abd Majid	-	-	-	-
Dato' Ahmad Kabeer bin Mohamed Nagoor	1,000,000	0.44	79,449,652 [a]	35.26
Dato' Sulaiman bin Mohd Yusof	100,000	0.04	-	-
N Chanthiran A/L Nagappan	92,000	0.04	-	-
Roslan bin Mohd Latif	220,000	0.10	-	-
Datuk Syed Hussian bin Syed Junid	78,900	0.03	-	-

Notes: [a] Deemed interested by virtue of his interest in K-Cap and AKN Capital Sdn. Bhd.

30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 10 OCTOBER 2013
(without aggregating securities from different securities accounts belonging to the same person)

NO.	NAME	NO. OF SHARES HELD	%*
1	K-Capital Sdn Bhd	79,439,517	35.25
2	Citigroup Nominees (Asing) Sdn. Bhd. *GSI for Avestra Asset Management Limited (Worberg GBL FD)*	7,855,200	3.49
3	Citigroup Nominees (Asing) Sdn. Bhd. *Goldman Sachs International*	7,216,900	3.20
4	Md. Shah bin Abu Hasan	6,898,500	3.06
5	Mersec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Siow Wong Yen @ Siow Kwang Hwa*	3,500,000	1.55
6	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Carol Vun On Nei (8078831)*	3,002,000	1.33
7	Tee Ah Swee	2,890,000	1.28
8	HLIB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Yeo Jin Hui*	2,500,000	1.11
9	Slam Resources Sdn. Bhd.	2,315,000	1.03
10	Divesh Navinchandra Sheth	2,070,200	0.92
11	Shaul Hamid bin Madar	1,878,100	0.83
12	Liow Meng Kiong	1,770,000	0.79
13	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB Bank for Chong Lee Fong (MQ0269)*	1,712,600	0.76
14	Lee Kim Soon	1,660,400	0.74
15	Lam Swee Lan	1,480,000	0.66
16	Lim Chong Chang	1,300,000	0.58
17	Ahmad Kabeer bin Mohamed Nagoor	1,000,000	0.44
18	Lew Yuen Kee @ Lew Ah Kee	1,000,000	0.44
19	Chan Ai Sim	982,600	0.44
20	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Hing Chi Chiang @ Hing Yee Chang (8010134)*	940,000	0.42
21	Leong Keat Heng	900,000	0.40
22	Shoptra Jaya (M) Sdn. Bhd.	800,000	0.35
23	Md. Shah bin Abu Hasan	711,200	0.32
24	Md. Shah bin Abu Hasan	693,700	0.31
25	Mak Chooi Ha	650,000	0.29
26	N Anantharajan A/L S Nadarajan	645,000	0.29
27	Koperasi Pembangunan Daerah Johor Bahru Berhad	600,000	0.27
28	Leong Keat Heng	600,000	0.27
29	Eow Yin Kam	550,200	0.24
30	Lim Chin Sean	550,000	0.24

* All percentage shareholding computations are based on the issued and paid-up capital less treasury shares account (3,326,800 shares) arising from the share buy back exercise.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of AWC BERHAD ("the Company") will be held at Tournament Room, Ground Floor, West Lobby, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Tuesday, 3 December 2013 at 10.30 a.m. to transact the following business:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2013 together with the Reports of the Directors and Auditors thereon. **PLEASE REFER TO NOTE i**

2. To approve the payment of Directors' fees for the financial year ended 30 June 2013. **(RESOLUTION 1)**

3. To re-elect the following Directors who retire in accordance with Article 103 of the Company's Articles of Association :

   i. Datuk Syed Hussian Bin Syed Junid **(RESOLUTION 2)**
   ii. Mr. N Chanthiran A/L Nagappan **(RESOLUTION 3)**

4. To appoint Messrs. Morison Anuarul Azizan Chew as Auditors in place of the existing Auditors, Messrs Crowe Horwath who had indicated their intention of not seeking for re-appointment. **(RESOLUTION 4)**

   Notice of nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed on Page 146 of the Annual Report has been received by the Company nominating Messrs Morison Anuarul Azizan Chew for appointment as Auditors and of the intention to propose the following ordinary resolution:-

   "THAT Messrs Morison Anuarul Azizan Chew be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Crowe Horwath to hold office until the conclusion of the next annual general meeting at a remuneration to be agreed between the Directors and the Auditors."

   As Special Business :
   To consider and if thought fit, to pass the following Resolutions, with or without modifications :-

5. **ORDINARY RESOLUTION 1** **(RESOLUTION 5)**

   GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

6. **ORDINARY RESOLUTION 2** **(RESOLUTION 6)**

RENEWAL OF THE AUTHORITY FOR THE SHARE BUY-BACK BY THE COMPANY ("PROPOSED RENEWAL")

"THAT, subject always to the Companies Act, 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by the law, to buy-back and/or hold such amount of ordinary shares of RM0.30 each in the Company ("Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions for such purposes as the Directors may deem fit and expedient in the interest of the Company provided that:-

i. The aggregate number of Shares which may be purchased and/or held as treasury shares does not exceed 10% of the total issued and paid up share capital of the Company;

ii. The maximum amount to be allocated for the share buy-back shall not exceed the retained profits and the share premium account of the Company;

iii. The Shares purchased are to be treated in any of the following manner:-

a. cancel all or part of the purchased Shares; and/or
b. retain all or part of the purchased Shares as treasury shares; and/or
c. resell the treasury shares on Bursa Securities; and/or
d. distribute the treasury shares as share dividends to the shareholders of the Company for the time being.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:-

i. the conclusion of the next Annual General Meeting ("AGM") of the Company, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

ii. the expiration of the period within which the next AGM after that date is required by law to be held; or

iii. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any other relevant government and/or regulatory authorities;

6. **ORDINARY RESOLUTION 2 (CONT'D)** **(RESOLUTION 6)**

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Renewal with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the said Directors may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the Shares."

7. To transact any other business of which due notice shall have been given in accordance with the Act.

By order of the Board

TEA SOR HUA (MACS 01324)
SHEE PEK FOONG (MAICSA 7052352)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
Date : 11 November 2013

Notes:

i. The Agenda No. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders. Hence, Agenda No. 1 is not put forward for voting.

ii. A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

iii. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.

iv. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

v. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

vi. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

vii. To be valid, the instrument appointing a proxy must be deposited at the Registered office of the Company at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.

viii. The last day and time for lodging the Proxy Form at the Registered Office is extended to 2 December 2013 (Monday) at 10.30 a.m. due to the closing of the Registered Office on 1 December 2013 (Sunday).

Notes: (CONT'D)

ix. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 66(c) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 26 November 2013. Only members whose name appear in the Record of Depositors as at 26 November 2013 shall be entitled to attend the Meeting and to speak and vote thereat.

EXPLANATORY NOTES TO SPECIAL BUSINESS

1. General authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965

   The Resolution 5 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 132D of the Companies Act, 1965. The Ordinary Resolution, if passed, will give the Directors of the Company from the date of the above meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

   This general mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Eleventh Annual General Meeting held on 29 November 2012 which will lapse at the conclusion of the Twelfth Annual General Meeting.

2. Renewal of the authority for the Share Buy-Back by the Company

   The Resolution 6 proposed under item 6 of the Agenda is to renew the shareholders' mandate for the share buy-back by the Company and will empower the Directors to buy-back and/or hold up to a maximum of 10% of the Company's issued and paid-up share capital at any point of time, by utilising the amount allocated which shall not exceed the total retained profits and/or share premium account of the Company. This authority unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of period within which the next AGM is required by law to be held, whichever is earlier.

   Please refer to the Share Buy Back Statement to Shareholders dated 11 November 2013 for further details.

K-CAPITAL SDN. BHD.
(562177-W)
(Incorporated in Malaysia)
REGISTERED ADDRESS:
THIRD FLOOR, NO. 79 (ROOM A), JALAN SS21/60,
DAMANSARA UTAMA, 47400,
PETALING JAYA, SELANGOR
TEL: 03-77284778 FAX:03-77223668

Date: 23 October 2013

The Board of Directors
AWC BERHAD
Third Floor, No. 79 (Room A)
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya, Selangor

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

Pursuant to Section 172(11) of the Companies Act, 1965, we, being the shareholder of the Company hereby give notice of our intention to nominate Messrs. Morison Anuarul Azizan Chew (AF 001977) for appointment as new auditors of the Company and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting:

"THAT Messrs. Morison Anuarul Azizan Chew (AF 001977) be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs. Crowe Horwath to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

Yours faithfully,
For and on behalf of
K-Capital Sdn. Bhd.

DATO' AHMAD KABEER BIN
MOHAMED NAGOOR
COMPANY DIRECTOR

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PROXY FORM

AWC BERHAD
(550098-A)
(INCORPORATED IN MALAYSIA)

I/We ______________________________ NRIC/Company No. ______________
(full name in capital letters)

of ____
(full address)

being (a) member(s) of AWC BERHAD hereby appoint ______________________

______________________________ NRIC No. ______________
(full name in capital letters)

of ____
(full address)

or failing him/her, ______________________________ NRIC No. ______________
(full name in capital letters)

of ____
(full address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twelfth Annual General Meeting of the Company to be held at Tournament Room, Ground Floor, West Lobby, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Tuesday, 3 December 2013 at 10.30 a.m. and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

NO	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees for the financial year ended 30 June 2013.		
2.	To re-elect Datuk Syed Hussian Bin Syed Junid as Director who retires pursuant to Article No. 103 of the Company's Articles of Association.		
3.	To re-elect Mr. N Chanthiran A/L Nagappan as Director who retires pursuant to Article No. 103 of the Company's Articles of Association.		
4.	To appoint Messrs. Morison Anuarul Azizan Chew as Auditors in place of the existing Auditors, Messrs Crowe Horwath.		
5.	To authorise the Directors to allot shares pursuant to Section 132D of the Companies Act, 1965.		
6.	To approve the renewal of authority for the Share buy-back by the Company.		

Dated this ____________ day of ______________ 2013

CDS Account No.	
Number of Shares Held	

____
Signature of Member(s)/Common Seal

Notes:

i. A member of the Company who is entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

ii. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(a) and (b) of the Companies Act, 1965 shall not apply to the Company.

iii. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

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vi. To be valid, the instrument appointing a proxy must be deposited at the Registered office of the Company at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.

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viii. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 66(c) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 26 November 2013. Only members whose name appear in the Record of Depositors as at 26 November 2013 shall be entitled to attend the Meeting and to speak and vote thereat.

Affix Stamp

The Company Secretary
AWC BERHAD (550098-A)
Third Floor, No. 79 (Room A),
Jalan SS21/60, Damansara Utama,
47400 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

www.awc.com.my

AWC Berhad
(550098-A)

20-2, Subang Business Centre
Jalan USJ 9/5T
47620 UEP Subang Jaya
Selangor Darul Ehsan, Malaysia

Tel: + 603 8024 4505/04/03
Fax: + 603 8025 9343