AWC BERHAD
(Company No. 550098-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2012 RM'000	CURRENT YEAR TO DATE 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2012 RM'000
Revenue	14	23,197	35,123	50,047	60,543
Cost of sales		(15,820)	(23,308)	(34,960)	(42,041)
Gross profit		7,377	11,815	15,087	18,502
Other operating income		15	252	103	518
Other operating expenses		(7,190)	(7,026)	(14,767)	(17,228)
Profit from operations		202	5,041	423	1,792
Finance costs, net		46	(28)	95	(66)
Profit before taxation	14	248	5,013	518	1,726
Income tax expense	18	(406)	(1,480)	(663)	(1,536)
Profit/(Loss) for the financial period		(158)	3,533	(145)	190
Other comprehensive income/(expenses):					
Foreign currency translation differences		(140)	41	191	(1,223)
Total comprehensive income/(expenses) for the financial period		(298)	3,574	46	(1,033)
Profit/(Loss) attributable to:					
Owners of the Company		540	3,903	890	839
Non-controlling interests		(698)	(370)	(1,035)	(649)
		(158)	3,533	(145)	190
Total comprehensive income/(expenses) attributable to:					
Owners of the Company		468	3,922	987	216
Non-controlling interests		(766)	(349)	(941)	(1,249)
		(298)	3,574	46	(1,033)
Basic earnings per share (sen)	23	0.24	1.73	0.39	0.37

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013.

The accompanying notes are an integral part of this statement.

AWC BERHAD
(Company No. 550098-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013

	Note	(Unaudited) AS AT 31/12/2013 RM'000	(Audited) AS AT 30/6/2013 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		8,277	8,700
Investment properties		1,965	2,026
Other investments		2	36
Intangible assets - others		15	146
Intangible assets - goodwill		5,912	5,912
Deferred tax assets		3,544	3,544
		19,715	20,364
CURRENT ASSETS			
Amount owing by jointly controlled entity		2,317	2,047
Inventories		11,594	11,341
Tax recoverable		6,211	4,828
Other receivables		3,206	4,285
Trade receivables		46,816	48,701
Cash and bank balances		52,878	63,766
		123,022	134,968
TOTAL ASSETS		142,737	155,332
EQUITY AND LIABILITIES			
Equity			
Share capital		68,604	68,604
Treasury shares		(855)	(855)
Reserves		4,369	3,382
Equity attributable to owners of the Company		72,118	71,131
Non-controlling interests		23,173	24,114
Total Equity		95,291	95,245
NON-CURRENT LIABILITIES			
Other payable		2,823	2,674
Provision for end of service benefit		-	164
Long term borrowings	20	2,246	3,147
Deferred taxation		99	99
		5,168	6,084
CURRENT LIABILITIES			
Other payables		17,122	28,110
Trade payables		15,891	16,760
Provision for taxation		7,864	7,547
Short term borrowings	20	1,401	1,586
		42,278	54,003
TOTAL LIABILITIES		47,446	60,087
TOTAL EQUITY AND LIABILITIES		142,737	155,332
NET ASSETS PER SHARE (RM)		0.32	0.32

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013.

The accompanying notes are an integral part of this statement.

AWC BERHAD

(Company No. 550098-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013

	[Non - Distributable]								
	Share Capital	Share Premium	Treasury Shares	Foreign Exchange Reserves	Statutory Reserve	Distributable Accumulated Losses	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2013									
At 1 July 2013	68,604	7,649	(855)	768	307	(5,342)	71,131	24,114	95,245
Total comprehensive income for the financial period	-	-	-	97	-	890	987	(941)	46
At 31 December 2013	68,604	7,649	(855)	865	307	(4,452)	72,118	23,173	95,291
31 Decmber 2012									
At 1 July 2012	68,604	7,649	(855)	586	307	(3,341)	72,950	26,094	99,044
Total comprehensive income for the financial period	-	-	-	(623)	-	839	216	(1,249)	(1,033)
Contributions by and distribution to owners of the Company:									
Disposal of subsidiaries	-	-	-	-	-	-	-	(1,586)	(1,586)
Dividend	-	-	-	-	-	(3,380)	(3,380)	-	(3,380)
At 31 December 2012	68,604	7,649	(855)	(37)	307	(5,882)	69,786	23,259	93,045

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013.

The accompanying notes are an integral part of this statement.

AWC BERHAD

(Company No. 550098-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUATER ENDED 31 DECEMBER 2013

	CURRENT PERIOD TO DATE	PREVIOUS PERIOD TO DATE
	31/12/2013 RM'000	31/12/2012 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	518	1,726
Adjustments for:		
Non-cash items	1,022	2,475
Non-operating items	(95)	66
Operating profit before working capital changes	1,445	4,267
Net change in current assets	2,602	813
Net change in current liabilities	(11,900)	(361)
Cash (used in)/generated from operations	(7,853)	4,719
Interest paid	(269)	(277)
Taxes paid	(1,728)	(1,298)
Net cash (used in)/generated from operating activities	(9,850)	3,143
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in amount owing by/to jointly controlled entity	-	852
Net cash outflow arising on disposal of a subsidiary	-	(532)
Purchase of plant and equipment	(587)	(544)
Proceeds from disposals of plant and equipment	270	184
Interest received	364	211
Net cash generated from investing activities	47	171
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of term loans	(251)	(302)
Repayment of trade loan	(352)	(72)
Repayment of hire purchase and lease payables	(482)	(325)
Dividends paid to owners	-	(3,380)
Net cash used in financing activities	(1,085)	(4,079)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,888)	(765)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	63,766	48,424
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	52,878	47,659
Cash and cash equivalents comprise:		
Cash and bank balances	24,150	16,414
Deposits with licensed bank	28,728	31,245
	52,878	47,659

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013.

The accompanying notes are an integral part of this statement.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS"), MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2013.

MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective

The following MFRSs, Amendments to MFRSs and IC Interpretations have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group:

MFRSs, Amendments to MFRSs and IC Interpretations		Effective Date
MFRS 9	Financial Instruments	1 January 2015
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
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 21	Levies	1 January 2014

The adoption of the accounting standards, amendments and interpretations set out above is expected to have no material impact on the financial statements of the Group upon their initial application.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 30 June 2013 was not subject to any audit qualification.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013

3. SEASONAL OR CYCLICAL FACTORS

The Group's business was not affected by any significant seasonal or cyclical factors during the current quarter under review.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

5. CHANGE IN ESTIMATES

There was no change in estimates of amounts reported in the prior financial year that have a material effect in the current quarter.

6. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the current quarter under review

The number of treasury shares held as at 31 December 2013 is as follows:-

	No. of shares	Amount RM
Balance of treasury shares as at 1 October 2013	3,326,800	855,221
add: Purchase of treasury shares during the period under review	-	-
	3,326,800	855,221
less: Sale of treasury shares	-	-
Balance of treasury shares as at 31 December 2013	3,326,800	855,221

7. DIVIDENDS PAID

There was no dividend paid in the current quarter.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013

8. SEGMENTAL INFORMATION

The segment information for the current period to-date ended 31 December 2013 is as follows:

	Investment holding	Facilities Division	Engineering Division	Environment Division	Adjustments and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	34,560	12,727	7,985	(5,225)	50,047
Inter-segment revenue	-	4,800	425	-	-	5,225
Segment (loss)/profit	(390)	3,476	495	(1,914)	-	1,667
Segment assets	45,573	53,946	28,540	61,224	(46,545)	142,738

Reconciliation of profit for the current period to-date ended 31 December 2013 is as follow:

	RM'000
Total profit for reportable segments	1,667
Inter-segment profit /(loss)	(1,149)
Group's profit before taxation	518

9. CARRYING AMOUNT OF REVALUED ASSETS

Not Applicable.

10. SIGNIFICANT AND SUBSEQUENT EVENT

There were no material events subsequent to 31 December 2013 to the date of this report that have not been reflected in the financial statements for the current financial period.

11. CHANGES IN COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the current quarter.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets as at the date of this report.

13. COMMITMENTS

There were no material commitments which require disclosure in this report except for the following:

	As at 31 December 2013 RM'000	As at 30 June 2013 RM'000
Non-cancellable operating lease commitments		
Future minimum rentals payable:		
Not later than 1 year	285	569
Later than 1 year and not later than 2 years	269	269
Later than 2 years and not later than 5 years	6	6
	560	844

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. PERFORMANCE REVIEW BY SEGMENTS

Revenue	Current quarter ended 31 December 2013	Current period to-date ended 31 December 2013	Preceding year corresponding period ended 31 December 2012	Variance for Period-to-date [Favorable / (adverse)]
	RM'000	RM'000	RM'000	RM'000
Facilities	13,762	29,760	36,001	(6,241)
Environment	3,567	7,985	12,298	(4,313)
Engineering	5,869	12,302	12,267	35

Segment profit/(loss)	Current quarter ended 31 December 2013	Current period to-date ended 31 December 2013	Preceding year corresponding period ended 31 December 2012	Variance for period-to-date [Favorable / (adverse)]
	RM'000	RM'000	RM'000	RM'000
Facilities	1,996	3,476	6,064	(2,588)
Environment	(1,299)	(1,914)	(605)	(1,309)
Engineering	268	495	183	312

14.1 Facilities Division

This Division registered a pre-tax profit of RM3.5 million for the current period to-date which was RM2.6 million lower as compared to the corresponding period last year principally due to the additional revenue derived from revision in concession rates during the corresponding period last year.

14.2 Environment Division

The Environment Division recorded a pre-tax loss of RM1.9 million for the current period to-date as compared to a pre-tax loss of RM0.6 million in the corresponding period last year primarily due to the lower recognition of project-based income following the delay in commencement of certain projects.

14.3 Engineering Division

The pre-tax earnings of the Engineering Division for the current period to-date were higher by RM0.3 million against the corresponding period last year principally due to higher turnover registered by the Singapore arm of the Engineering Division i.e. M & C Engineering and Trading (S) Pte. Ltd. for the current period to-date.

15. COMMENTARY ON MATERIAL VARIATION IN PROFIT BEFORE TAXATION AGAINST PRECEDING QUARTER

	Current quarter ended 31 December 2013 RM'000	Preceding quarter ended 30 September 2013 RM'000	Variance RM'000
Profit before taxation	248	270	(22)

The Group registered a profit before taxation of RM0.2 million for the current quarter as compared to profit before taxation of RM0.3 million in the immediate preceding quarter principally due to weaker financial result of the Environment Division.

16. COMMENTARY ON PROSPECTS

16.1 Facilities Division

The income of the Facilities Division is derived principally from Federal Government integrated facilities management services concession ("Concession") which is currently on interim extension and updates on the Concession had been announced accordingly on 16 January 2014.

16.2 Environment Division

Revenue and profit for the Environment Division is closely pegged to project income from contracted onshore and offshore projects which is highly correlated to:-

(a) The economic prospects and development of the offshore regions in which it operates principally in the Middle East and Singapore.

(b) Project risks such as delay in commencement, progress and completion of projects which may result in lower revenue recognition leading to an adverse impact on the financial performance of this Division.

In addition, the Division is also exposed to foreign currency risks of its operating regions such as United Emirates Dirham (which is closely pegged to United States Dollar) and Singapore Dollar.

Considering the present global economic climate, the Environment Division shall be selective in building its order books in developing and upcoming economies both abroad and closer to home.

16.3 Engineering Division

Performance of this Division is expected to remain closely pegged to the cyclical construction sector in both Malaysia and Singapore which is highly correlated to the economic outlook and consumers' sentiment under intense market competition.

17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable.

18. INCOME TAX EXPENSE

	Current quarter ended 31 December 2013 RM'000	Period to date ended 31 December 2013 RM'000
Income tax expense for the period	406	663

The effective tax rate of certain subsidiaries is lower than the statutory tax rate mainly due to the effect of tax exempt profits from the joint controlled entity, foreign-source income generated from its operations in Abu Dhabi, United Arab Emirates and pioneer status tax incentive enjoyed by certain subsidiary of the Group.

19. CORPORATE PROPOSALS

There was no corporate proposal announced but not completed as at the latest practicable date.

20. BORROWINGS

	As at 31 December 2013 RM'000	As at 30 June 2013 RM'000
Secured short-term borrowings:		
Bank overdrafts	-	
Trade loan	-	352
Term loan	809	601
Hire purchase payables	592	633
Total short-term borrowings	1,401	1,586
Secured long-term borrowings:		
Term loan	1,438	1,897
Hire purchase payables	808	1,250
	2,246	3,147
Total borrowings	3,647	4,733

All of the above borrowings are denominated in Ringgit Malaysia except for RM194,800 (2013: RM586,911) which are denominated in Singapore Dollars.

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2013

21. MATERIAL LITIGATION

As announced on 15 January 2014, the counter claim filed by the Company against DS Capital Sdn Bhd ("DS") in the Kuala Lumpur High Court with Civil Suit No. 22NCC-367-05/2013 ("Counter-Claim") was in the pre-trial case management stage. Further to the foregoing, DS had filed a Notice of Application to strike out the Counter Claim as announced on 22 January 2014.

The Company will announce further material development on the above matter, if any.

22. PROPOSED DIVIDEND

There was no dividend proposed in the current quarter.

23. EARNINGS PER SHARE

The basic earnings per ordinary share of the Group is calculated based on the Group's net profit for the period attributable to owners of the Company over the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company as follows:

	Current quarter ended 31 December 2013	Period to date ended 31 December 2013
Profit attributable to owners of the company (RM'000)	540	890
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	225,352	225,352
Basic earnings per share (sen)	0.24	0.39

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

24. REALISED AND UNREALISED PROFITS/LOSSES

	As at 31 December 2013 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:	
- Realised	28,469
- Unrealised	3,417
	31,887
Total share of retained profit / (accumulated losses) from associated company:	
- Realised	-
- Unrealised	-
Total share of retained profit / (accumulated losses) from jointly controlled entity:	
- Realised	1,830
- Unrealised	-
	33,717
Less: Consolidation adjustments	(38,169)
Total group retained profit / (accumulated losses) as per consolidated accounts	(4,452)

25. ITEMS INCLUDED IN CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit from operations is for the current quarter and period to-date ended 31 December 2013 is stated after charging / (crediting) the following items:

	Current quarter ended 31 December 2013 RM'000	Period to date ended 31 December 2013 RM'000
Interest income	(186)	(364)
Other (income)/expenses	(15)	(103)
Interest expense	140	269
Depreciation and amortisation	440	950
Provision for and write off of receivables	177	189
Provision for and write off of inventories	21	42
(Gain)/loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange (gain) or loss	161	195
Gain or loss on derivatives	-	-
Exceptional items	-	-

26. AUTHORISATION FOR ISSUE

This interim financial report has been approved by the Board of Directors of the Company for issuance on 27 February 2014.