

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2013 RM'000	CURRENT YEAR TO DATE 30/09/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2013 RM'000
Revenue	14	32,160	26,850	32,160	26,850
Cost of sales		(22,129)	(19,140)	(22,129)	(19,140)
Gross profit		10,031	7,710	10,031	7,710
Other operating income		810	88	810	88
Other operating expenses		(6,936)	(7,577)	(6,936)	(7,577)
Profit from operations		3,905	221	3,905	221
Finance costs, net		(45)	49	(45)	49
Profit before taxation	14	3,860	270	3,860	270
Income tax expense	18	(462)	(257)	(462)	(257)
Profit/(Loss) for the financial period		3,398	13	3,398	13
Other comprehensive income/(expenses):					
Foreign currency translation differences		17	331	17	331
Total comprehensive income/(expenses) for the financial period		3,415	344	3,415	344
Profit/(Loss) attributable to:					
Owners of the Company		2,510	350	2,510	350
Non-controlling interests		888	(337)	888	(337)
		3,398	13	3,398	13
Total comprehensive income/(expenses) attributable to:					
Owners of the Company		2,519	519	2,519	519
Non-controlling interests		896	(175)	896	(175)
		3,415	344	3,415	344
Basic earnings per share (sen)	23	1.11	0.16	1.11	0.16

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2014.

The accompanying notes are an integral part of this statement.

AWC BERHAD
(Company No. 550098-A)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

	(Unaudited)	(Audited)
Note	AS AT 30/09/2014 RM'000	AS AT 30/6/2014 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	7,110	6,809
Investment properties	1,875	1,905
Other investments	2	2
Intangible assets - others	12	13
Intangible assets - goodwill	5,912	5,912
Deferred tax assets	1,863	2,063
	16,774	16,704
CURRENT ASSETS		
Amount owing by jointly controlled entity	80	1,401
Inventories	11,019	11,364
Tax recoverable	2,090	1,497
Other receivables	6,092	5,812
Trade receivables	68,541	68,169
Deposits with licensed banks, cash and bank balances	42,080	43,363
	129,902	131,606
TOTAL ASSETS	146,676	148,310
EQUITY AND LIABILITIES		
Equity		
Share capital	68,604	68,604
Treasury shares	(855)	(855)
Reserves	13,782	11,264
	81,531	79,013
Equity attributable to owners of the Company	81,531	79,013
Non-controlling interests	26,739	27,780
Total Equity	108,270	106,793
NON-CURRENT LIABILITIES		
Other payables	2,484	2,484
Provision for end of service benefit	-	139
Long term borrowings	20 1,645	1,933
Deferred tax liabilities	99	99
	4,228	4,655
CURRENT LIABILITIES		
Other payables	12,942	10,852
Trade payables	17,121	22,060
Provision for taxation	2,916	2,872
Short term borrowings	20 1,199	1,078
	34,178	36,862
TOTAL LIABILITIES	38,406	41,517
TOTAL EQUITY AND LIABILITIES	146,676	148,310
NET ASSETS PER SHARE (RM)	0.36	0.35

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2014.

The accompanying notes are an integral part of this statement.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014**

	Share Capital	[Non - Distributable] Share Premium	Treasury Shares	Foreign Exchange Reserves	Statutory Reserve	Distributable (Accumulated Losses)/Retained Profits	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2014									
At 1 July 2014	68,604	7,649	(855)	1,288	307	2,020	79,013	27,780	106,793
Total comprehensive income for the financial period	-	-	-	8	-	2,510	2,518	896	3,414
Contributions by and distribution to owners of the Company:									
- Disposal of subsidiary	-	-	-	-	-	-	-	23	23
- Dividend	-	-	-	-	-	-	-	(1,960)	(1,960)
At 30 September 2014	68,604	7,649	(855)	1,296	307	4,530	81,531	26,739	108,270
30 September 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	-	-	-	169	-	350	519	(175)	344
At 30 September 2013	68,604	7,649	(855)	937	307	(4,992)	71,650	23,939	95,589

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 2014.

The accompanying notes are an integral part of this statement.

AWC BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUATER ENDED 30 SEPTEMBER 2014

	CURRENT PERIOD TO DATE	PREVIOUS PERIOD TO DATE
	30/09/2014 RM'000	30/09/2013 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	3,860	270
Adjustments for:		
Non-cash items	(329)	507
Non-operating items	45	(49)
Operating profit before working capital changes	3,576	728
Net change in current assets	(1,579)	(2,848)
Net change in current liabilities	(1,535)	(3,993)
Cash generated from/(used in) operations	462	(6,113)
Interest paid	(139)	(130)
Taxes paid	(870)	(697)
Net cash used in operating activities	(547)	(6,940)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Net change in amount owing by/to jointly controlled entity	1,776	(1,008)
Net cash inflow arising on disposal of a subsidiary	192	-
Purchase of plant and equipment	(661)	(400)
Proceeds from disposals of plant and equipment	(8)	81
Interest received	93	178
Net cash generated from/(used in) investing activities	1,392	(1,149)
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of term loans	(126)	(126)
Repayment of trade loan	-	(353)
Repayment of hire purchase and lease payables	(42)	(158)
Dividends paid to non-controlling interest	(1,960)	-
Net cash used in financing activities	(2,128)	(637)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,283)	(8,726)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	43,363	63,766
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	42,080	55,040
Cash and cash equivalents comprise:		
Cash and bank balances	22,883	17,218
Deposits with licensed bank	19,197	37,822
	42,080	55,040

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2014.

The accompanying notes are an integral part of this statement.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014**

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 2014.

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 2014.

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 Malaysian Accounting Standards Board (“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 14	Regulatory Deferral Accounts	1 January 2016
MFRS 15	Revenue From Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments	1 January 2018
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2018

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 2014 was not subject to any audit qualification.

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.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014**

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 30 September 2014 is as follows:-

	No. of shares	Amount RM
Balance of treasury shares as at 1 July 2014	3,326,800	855,221
add: Purchase of treasury shares during the period under review	-	-
Balance of treasury shares as at 30 September 2014	3,326,800	855,221

7. DIVIDENDS PAID

There was no dividend paid in the current quarter.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014**

8. SEGMENTAL INFORMATION

The segment information for the current period to-date ended 30 September 2014 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	-	20,230	7,100	7,749	(2,919)	32,160
Inter-segment revenue	-	2,899	20	-	-	2,919
Segment (loss)/profit	2,219	1,353	716	2,084	-	6,372
Segment assets	43,692	51,105	28,250	69,016	(45,387)	146,676

Reconciliation of profit for the current period to-date ended 30 September 2014 is as follow:

	RM'000
Total profit for reportable segments	6,372
Inter-segment profit /(loss)	(2,512)
Group's profit before taxation	3,860

9. CARRYING AMOUNT OF REVALUED ASSETS

Not Applicable.

10. SIGNIFICANT AND SUBSEQUENT EVENT

There were no material events subsequent to 30 September 2014 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

The Company and AW Facility Management Sdn Bhd ("AWFM") (a wholly-owned subsidiary of the Company) had on 9 September 2014 disposed of 217,000 ordinary shares of RM1.00 each held by the Company and AWFM in Resource Data Management Asia Sdn Bhd ("RDMA"), representing 70% equity interest of RDMA to Resource Data Management Limited for a total cash consideration of RM260,400. Save and except for the aforesaid, there had been 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.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014**

13. COMMITMENTS

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

	As at 30 September 2014 RM'000	As at 30 June 2014 RM'000
Non-cancellable operating lease commitments		
Future minimum rentals payable:		
Not later than 1 year	502	669
Later than 1 year and not later than 2 years	388	388
Later than 2 years and not later than 5 years	738	738
	<u>1,628</u>	<u>1,795</u>

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014**

**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 30 September 2014 RM'000	Current period to-date ended 30 September 2014 RM'000	Preceding year corresponding period ended 30 September 2013 RM'000	Variance for Period-to- date [Favorable / (adverse)] RM'000
Facilities	17,331	17,331	15,998	1,333
Environment	7,749	7,749	4,418	3,331
Engineering	7,080	7,080	6,433	647

Segment profit/(loss)	Current quarter ended 30 September 2014 RM'000	Current period to-date ended 30 September 2014 RM'000	Preceding year corresponding period ended 30 September 2013 RM'000	Variance for period-to- date [Favorable / (adverse)] RM'000
Facilities	1,353	1,353	1,480	(127)
Environment	2,084	2,084	(615)	2,699
Engineering	716	716	227	489

14.1 Facilities Division

This Division registered a pre-tax profit of RM1.4 million for the current period to-date which was RM0.1 million lower as compared to the corresponding period last year principally due to earnings contribution from additional works in the corresponding period last year.

14.2 Environment Division

The Environment Division recorded a pre-tax profit of RM2.1 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 income in the corresponding period last year following 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 RM0.5 million against the corresponding period last year principally due to higher turnover and gross profit 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.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014**

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

	Current quarter ended 30 September 2014 RM'000	Preceding quarter ended 30 June 2014 RM'000	Variance RM'000
Profit before taxation	3,860	13,020	(9,160)

The Group registered a profit before taxation of RM3.9 million for the current quarter as compared to profit before taxation of RM13.0 million in the immediate preceding quarter principally due to lower profit before taxation registered by the Environment Division in the current quarter.

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 which is currently on interim extension.

16.2 Environment Division

Revenue and profit of the Environment Division are closely pegged to project income from contracted onshore and offshore projects which are 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 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.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
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17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable.

18. INCOME TAX EXPENSE

	Current quarter ended 30 September 2014 RM'000	Period to date ended 30 September 2014 RM'000
Income tax expense for the period	462	462

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 30 September 2014 RM'000	As at 30 June 2014 RM'000
Secured short-term borrowings:		
Term loan	683	809
Hire purchase payables	516	269
Total short-term borrowings	1,199	1,078
Secured long-term borrowings:		
Term loan	1,154	1,154
Hire purchase payables	491	779
	1,645	1,933
Total borrowings	2,844	3,011

All of the above borrowings are denominated in Ringgit Malaysia except for RM139,841 (2014: RM160,554) which are denominated in Singapore Dollars.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014**

21. MATERIAL LITIGATION

On 16 May 2014, the Company announced that a consent judgment that the Company and DS Capital Sdn Bhd ("DS") mutually agreed to terminate the joint venture agreement between the Company and DS dated 1 April 2011 without any admission of liability on the part of either has been recorded on 6 May 2014.

Further to the aforesaid announcement, there is no material development on the above matter.

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 30 September 2014	Period to date ended 30 September 2014
Profit attributable to owners of the company (RM'000)	2,510	2,510
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	225,352	225,352
Basic earnings per share (sen)	1.11	1.11

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

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

24. REALISED AND UNREALISED PROFITS/LOSSES

	As at 30 September 2014 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:	
- Realised	44,751
- Unrealised	1,757
	46,508
Total share of retained profit / (accumulated losses) from associated company:	
- Realised	-
- Unrealised	-
Total share of retained profit / (accumulated losses) from jointly controlled entity:	
- Realised	-
- Unrealised	-
	46,508
Less: Consolidation adjustments	(41,978)
Total group retained profit / (accumulated losses) as per consolidated accounts	4,530

25. ITEMS INCLUDED IN CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit from operations is for the current quarter and period to-date ended 30 September 2014 is stated after charging / (crediting) the following items:

	Current quarter ended 30 September 2014 RM'000	Period to date ended 30 September 2014 RM'000
Interest income	(93)	(93)
Other (income)/expenses	(810)	(810)
Interest expense	138	138
Depreciation and amortisation	388	388
Provision for and write off of receivables	9	9
Provision for and write off of inventories	15	15
(Gain)/loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange (gain)/ loss	138	138
(Gain)/ 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 24 November 2014.