

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 MARCH 2015

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/03/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2014 RM'000	CURRENT YEAR TO DATE 31/03/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2014 RM'000
Revenue	14	30,987	26,406	93,955	76,452
Cost of sales		(21,620)	(18,482)	(63,395)	(53,441)
Gross profit		9,367	7,924	30,560	23,011
Other operating income		825	52	4,513	155
Other operating expenses		(8,792)	(7,672)	(24,539)	(22,438)
Profit from operations		1,400	304	10,534	728
Finance costs, net		10	67	5	161
Profit before taxation	14	1,410	371	10,539	889
Income tax expense	18	(642)	(402)	(1,371)	(1,065)
Profit/(Loss) for the financial period		768	(31)	9,168	(176)
Other comprehensive income/(expenses):					
Foreign currency translation differences		(11)	-	1,890	191
Total comprehensive income/(expenses) for the financial period		757	(31)	11,058	15
Profit/(Loss) attributable to:					
Owners of the Company		575	242	5,586	1,132
Non-controlling interests		193	(273)	3,582	(1,308)
		768	(31)	9,168	(176)
Total comprehensive income/(expenses) attributable to:					
Owners of the Company		569	242	6,664	1,229
Non-controlling interests		188	(273)	4,394	(1,214)
		757	(31)	11,058	15
Basic earnings per share (sen)	23	0.26	0.11	2.48	0.50

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 THIRD QUARTER ENDED 31 MARCH 2015

	(Unaudited)	(Audited)
Note	AS AT 31/03/2015 RM'000	AS AT 30/6/2014 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	6,923	6,809
Investment properties	1,250	1,905
Other investments	-	2
Investment in jointly controlled entity	2,641	-
Intangible assets - others	9	13
Intangible assets - goodwill	5,912	5,912
Deferred tax assets	1,863	2,063
	18,598	16,704
CURRENT ASSETS		
Amount owing by jointly controlled entity	88	1,401
Inventories	14,259	11,364
Tax recoverable	2,337	1,497
Other receivables	4,374	5,812
Trade receivables	52,310	68,169
Deposits with licensed banks, cash and bank balances	60,955	43,363
	134,323	131,606
TOTAL ASSETS	152,921	148,310
EQUITY AND LIABILITIES		
Equity		
Share capital	68,604	68,604
Treasury shares	(855)	(855)
Reserves	18,485	11,264
	86,234	79,013
Equity attributable to owners of the Company	86,234	79,013
Non-controlling interests	30,237	27,780
Total Equity	116,471	106,793
NON-CURRENT LIABILITIES		
Other payables	2,484	2,484
Provision for end of service benefit	-	139
Long term borrowings	20 1,881	1,933
Deferred tax liabilities	100	99
	4,465	4,655
CURRENT LIABILITIES		
Other payables	11,310	10,852
Trade payables	16,973	22,060
Provision for taxation	3,172	2,872
Short term borrowings	20 530	1,078
	31,985	36,862
TOTAL LIABILITIES	36,450	41,517
TOTAL EQUITY AND LIABILITIES	152,921	148,310
NET ASSETS PER SHARE (SEN)	38	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.

AWC BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUATER ENDED 31 MARCH 2015

	CURRENT PERIOD TO DATE	PREVIOUS PERIOD TO DATE
	31/03/2015 RM'000	31/03/2014 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	10,539	889
Adjustments for:		
Non-cash items	(1,901)	1,734
Non-operating items	(5)	(161)
Operating profit before working capital changes	8,633	2,462
Net change in current assets	13,160	(8,437)
Net change in current liabilities	(792)	(12,943)
Cash generated from/(used in) operations	21,001	(18,918)
Interest paid	(406)	(413)
Taxes paid	(1,769)	(3,651)
Net cash generated from/(used in) operating activities	18,826	(22,982)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in amount owing by/to jointly controlled entity	1,768	-
Net cash inflow arising on disposal of a subsidiary	192	-
Purchase of plant and equipment	(1,191)	(741)
Proceeds from disposals of plant and equipment	149	366
Interest received	410	574
Net cash generated from investing activities	1,328	199
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of term loans	(359)	(314)
Repayment of trade loan	-	(352)
Repayment of hire purchase and lease payables	(242)	(717)
Dividends paid to non-controlling interest	(1,960)	-
Net cash used in financing activities	(2,561)	(1,383)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17,593	(24,166)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	43,363	63,766
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	60,956	39,600
Cash and cash equivalents comprise:		
Cash and bank balances	46,671	14,839
Deposits with licensed bank	14,285	24,761
	60,956	39,600

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.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MARCH 2015**

	Share Capital	Share Premium	[Non - Distributable] 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
31 March 2015									
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	-	-	-	1,079	-	5,586	6,665	4,394	11,059
Contributions by and distribution to owners of the Company:									
- Disposal of subsidiary	-	-	-	-	-	-	-	23	23
- Dividend	-	-	-	-	-	556	556	(1,960)	(1,404)
At 31 March 2015	68,604	7,649	(855)	2,367	307	8,162	86,234	30,237	116,471
31 March 2014									
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	-	1,132	1,229	(1,214)	15
At 31 March 2014	68,604	7,649	(855)	865	307	(4,210)	72,360	22,900	95,260

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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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2015**

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 THIRD QUARTER ENDED 31 MARCH 2015**

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 March 2015 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 31 March 2015	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 THIRD QUARTER ENDED 31 MARCH 2015

8. SEGMENTAL INFORMATION

The segment information for the current period to-date ended 31 March 2015 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	-	65,770	14,785	24,580	(11,180)	93,955
Inter-segment revenue	-	11,106	74	-	-	11,180
Segment (loss)/profit	(3,623)	5,250	952	7,961	-	10,539
Segment assets	44,349	55,377	28,431	71,332	(46,569)	152,920

9. CARRYING AMOUNT OF REVALUED ASSETS

Not Applicable.

10. SIGNIFICANT AND SUBSEQUENT EVENT

There were no material events subsequent to 31 March 2015 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 March 2015 RM'000	As at 30 June 2014 RM'000
Non-cancellable operating lease commitments		
Future minimum rentals payable:		
Not later than 1 year	167	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
	1,293	1,795

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2015**

**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 March 2015	Current period to-date ended 31 March 2015	Preceding year corresponding period ended 31 March 2014	Variance for Period-to- date [Favorable / (adverse)]
	RM'000	RM'000	RM'000	RM'000
Facilities	19,457	54,664	45,096	9,568
Environment	7,953	24,580	13,492	11,088
Engineering	3,577	14,711	17,864	(3,153)

Segment profit/(loss)	Current quarter ended 31 March 2015	Current period to-date ended 31 March 2015	Preceding year corresponding period ended 31 March 2014	Variance for period-to- date [Favorable / (adverse)]
	RM'000	RM'000	RM'000	RM'000
Facilities	2,060	5,250	5,329	(79)
Environment	482	7,961	(2,234)	10,195
Engineering	197	951	167	784
Investment Holding	(1,329)	(3,623)	(2,373)	(1,250)

14.1 Facilities Division

This Division registered a pre-tax profit of RM5.2 million for the current period to-date which was RM0.08million lower as compared to the corresponding period last year principally due to higher operating expenses incurred in the current period to-date.

14.2 Environment Division

The Environment Division recorded a pre-tax profit of RM7.9 million for the current period to-date as compared to a pre-tax loss of RM2.2 million in the corresponding period last year primarily due to the higher project income during the current period to-date.

14.3 Engineering Division

Pre-tax earnings of the Engineering Division for the current period to-date were higher by RM0.8 million against the corresponding period last year principally due to lower operating expenses incurred for the current period to-date.

14.4 Investment Holding

Investment holding recorded a pre-tax loss of RM3.6 million for the current period to-date higher by RM1.2 million as compared with the corresponding period last year mainly due to higher operating expenses incurred in the current period to-date.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2015**

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

	Current quarter ended 31 March 2015 RM'000	Preceding quarter ended 31 December 2014 RM'000	Variance [Favorable / (adverse)] RM'000
Profit before taxation	1,410	5,270	(3,860)

The Group registered a profit before taxation of RM1.4 million for the current quarter as compared to profit before taxation of RM5.3 million in the immediate preceding quarter principally due to recovery of bad debt in the Environment Division in the preceding 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, pending the execution of a renewed concession agreement.

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 Arab 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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17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable.

18. INCOME TAX EXPENSE

	Current quarter ended 31 March 2015 RM'000	Period to date ended 31 March 2015 RM'000
Income tax expense for the period	642	1,371

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 jointly controlled entity, foreign-source income generated from its operations in Abu Dhabi, United Arab Emirates and pioneer status tax incentive enjoyed by a 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 March 2015 RM'000	As at 30 June 2014 RM'000
Secured short-term borrowings:		
Term loan	241	809
Hire purchase payables	289	269
Total short-term borrowings	530	1,078
Secured long-term borrowings:		
Term loan	1,363	1,154
Hire purchase payables	518	779
	1,881	1,933
Total borrowings	2,411	3,011

All of the above borrowings are denominated in Ringgit Malaysia except for RM81,191 (2014: RM160,554) which are denominated in Singapore Dollars.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2015**

21. MATERIAL LITIGATION

There is no material litigation which may materially affect the Group for the current quarter under review.

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 March 2015	Period to date ended 31 March 2015
Profit attributable to owners of the company (RM'000)	575	5,586
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	225,352	225,352
Basic earnings per share (sen)	<u>0.26</u>	<u>2.48</u>

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 THIRD QUARTER ENDED 31 MARCH 2015

24. REALISED AND UNREALISED PROFITS/LOSSES

	As at 31 March 2015 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:	
- Realised	51,035
- Unrealised	1,856
	<u>52,891</u>
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	-
	<u>52,891</u>
Less: Consolidation adjustments	<u>(44,729)</u>
Total group retained profit / (accumulated losses) as per consolidated accounts	<u>8,162</u>

25. ITEMS INCLUDED IN CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit from operations is for the current quarter and period to-date ended 31 March 2015 is stated after charging / (crediting) the following items:

	Current quarter ended 31 March 2015 RM'000	Period to date ended 31 March 2015 RM'000
Interest income	(145)	(410)
Other (income)/expenses	(825)	(4,513)
Interest expense	135	405
Depreciation and amortisation	419	1,214
Provision for and write off of receivables	9	27
Provision for and write off of inventories	15	45
(Gain)/loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange (gain)/ loss	(108)	(119)
(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 21 May 2015.