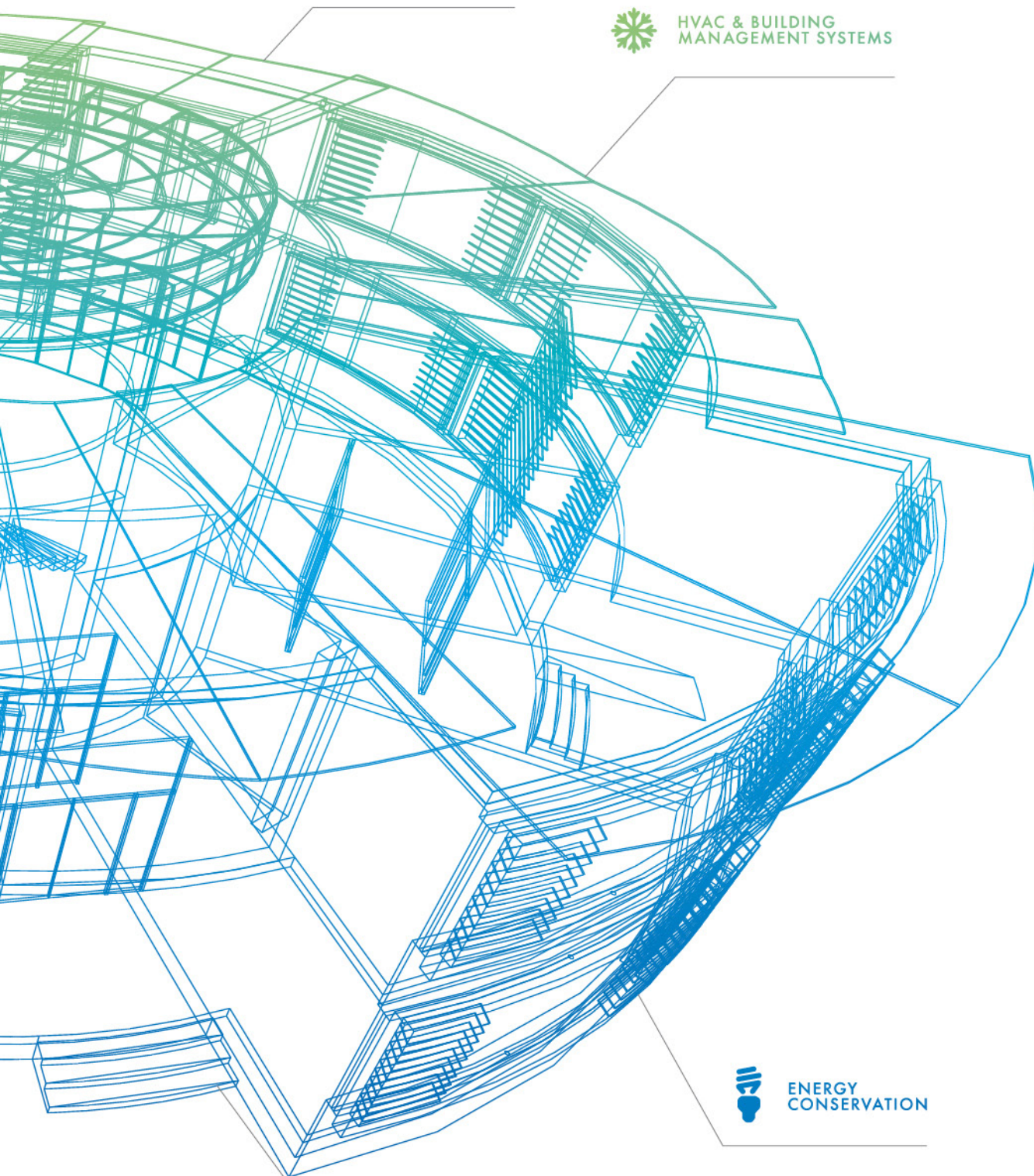




INTEGRATED FACILITIES
MANAGEMENT



HVAC & BUILDING
MANAGEMENT SYSTEMS



ENERGY
CONSERVATION



STREAM
AUTOMATED WASTE COLLECTION SYSTEMS

STREAM™ AUTOMATED
WASTE COLLECTION SYSTEM

ANNUAL
REPORT
2014



ENERGY
CONSERVATION



STREAM™ AUTOMATED
WASTE COLLECTION SYSTEM



CONTENTS

2

GROUP STRUCTURE

3

FINANCIAL HIGHLIGHTS

4

CORPORATE INFORMATION

6

BOARD OF DIRECTORS

8

CHAIRMAN'S STATEMENT

12

MANAGEMENT DISCUSSION
AND ANALYSIS

16

CORPORATE GOVERNANCE
STATEMENT

26

AUDIT COMMITTEE REPORT

30

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

33

ADDITIONAL COMPLIANCE
INFORMATION

35

FINANCIAL STATEMENTS

133

SUMMARY OF GROUP PROPERTIES

135

ANALYSIS OF SHAREHOLDINGS

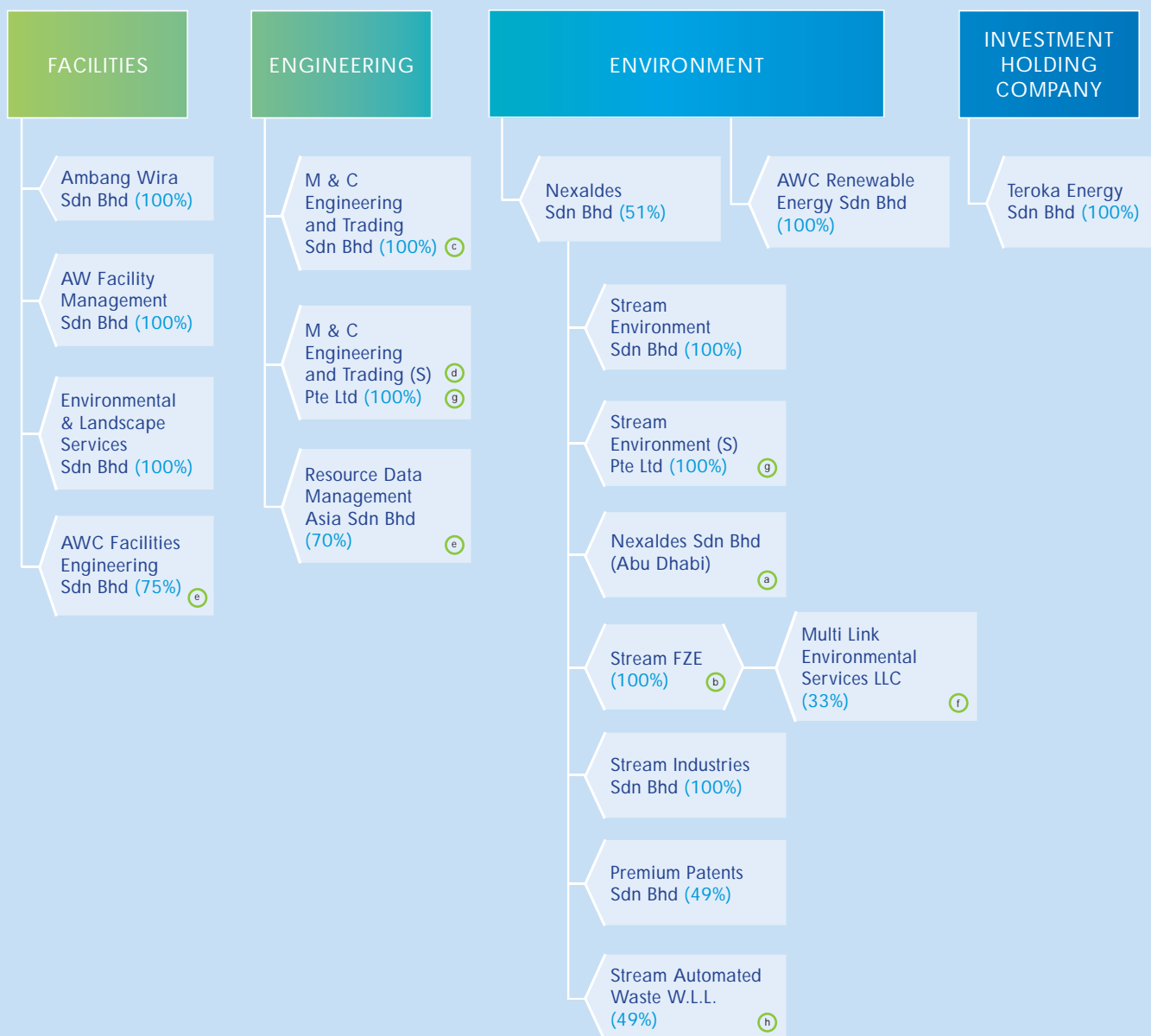
138

NOTICE OF ANNUAL GENERAL
MEETING

PROXY FORM



GROUP STRUCTURE AS AT 30 JUNE 2014



- ^(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

FINANCIAL HIGHLIGHTS

CONSOLIDATED / GROUP

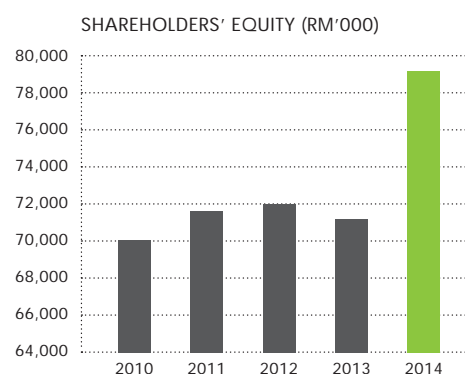
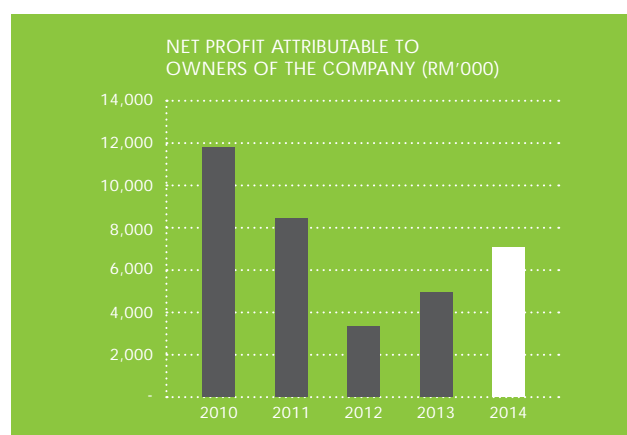
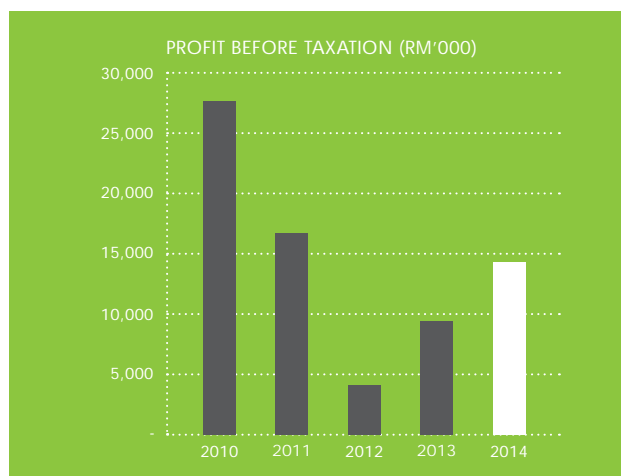
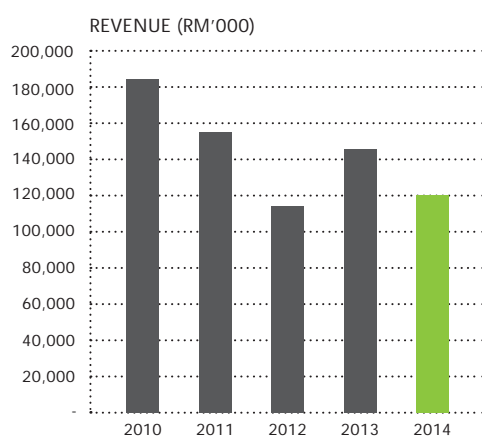
FINANCIAL YEAR ENDED 30 JUNE

Statement of Comprehensive Income Highlights:

	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000
Revenue	184,755	153,902	111,225	145,000	119,506
Profit/(Loss) From Operations	27,414	16,697	4,498	9,311	13,223
Profit/(Loss) Before Taxation	27,082	16,430	4,609	9,715	13,753
Net Profit/(Loss) For The Financial Year	22,109	13,751	5,156	5,588	9,960
Net Profit/(Loss) Attributable to Owners of The Company	11,819	8,266	3,206	4,555	6,952
Earnings/(Loss) Per Share (sen)					
- continuing operations	5.2	3.7	3.0	2.0	3.1
- discontinued operations	-	-	(1.5)	-	-
Gross Dividend Per Share (sen)	1.0	2.0	1.5	2.5	-

Statement of Financial Position Highlights:

Share Capital	114,340	68,604	68,604	68,604	68,604
Shareholders' Equity	69,949	71,512	72,028	71,130	79,012
Total Assets	171,449	167,602	146,988	155,332	148,309
Debt/Equity Ratio	0.11	0.10	0.11	0.07	0.04
Current Ratio	2.0	2.1	3.0	2.5	3.6
Net Assets Per Share (sen)	30.9	31.7	32.0	31.6	35.1



CORPORATE INFORMATION

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*

AWC

AUDIT COMMITTEE

Dato' Sulaiman bin Mohd Yusof

Chairman

Roslan bin Mohd Latif

N Chanthiran A/L Nagappan

COMPANY SECRETARIES

Tea Sor Hua
(MACS 01324)

Yong Yen Ling
(MAICSA 7044771)

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Dato' Ahmad Kabeer bin Mohamed Nagoor

Chairman

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

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

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

REMUNERATION COMMITTEE

Datuk Syed Hussian bin Syed Junid

Chairman

Dato' Nik Mod Amin bin Nik Abd Majid

Dato' Sulaiman bin Mohd Yusof

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

PRINCIPAL BANKERS

Malayan Banking Berhad

AmBank (M) Berhad

HSBC Bank Malaysia Berhad

Standard Chartered Bank
Malaysia Berhad

AUDITORS

Morison Anuarul Azizan Chew
Chartered Accountants
(AF: 001977)

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

Stock Name: AWC
Stock Code: 7579

BOARD OF DIRECTORS



DATO' NIK MOD AMIN BIN NIK ABD MAJID

(Independent Non-Executive Chairman)

Dato' Nik Mod Amin bin Nik Abd Majid, a Malaysian, aged 61, was appointed to the Board on 1 September 2009 as an Independent Non-Executive Chairman. He is also 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. The company's activities include the provision of services in area of microcredit, micropayments, retail investments, debt management and financial consultancy.

He 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

(Managing Director/Group Chief Executive Officer)

Dato' Ahmad Kabeer bin Mohamed Nagoor, a Malaysian, aged 57, 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 a 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

(Senior Independent Non-Executive Director)

Datuk Syed Hussian bin Syed Junid, a Malaysian, aged 53, was appointed as an Independent Non-Executive Director to the Board on 5 September 2011. On 29 May 2013, Dato' Syed Hussian was appointed as Senior Independent Non-Executive Director of the Company. 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

(Independent Non-Executive Director)

Dato' Sulaiman bin Mohd Yusof, a Malaysian, aged 63, 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 an 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 cybercrime. 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

(Independent Non-Executive Director)

N Chanthiran A/L Nagappan, a Malaysian, aged 50, 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

(Independent Non-Executive Director)

Roslan bin Mohd Latif, a Malaysian, aged 59, 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, Advance Masters in Business Practice in University of South Australia in 2010 and the Harvard ASEAN Senior Management Development Program in 2014.

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 Berhad, 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 the Media Advisor to the Minister of Communication and Multimedia Malaysia.

- 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 personal interest in any business arrangement involving our Group except as disclosed in the financial statements for the financial year ended 30 June 2014.
 3. All the Directors have had no convictions for offences other than traffic offences in the past ten years.

CHAIRMAN'S STATEMENT

Dear Shareholders.

On behalf of the Board of Directors ("Board") of AWC Berhad ("AWC" or "the Company"), I am pleased to present to you the 2014 Annual Report incorporating the consolidated audited financial statements of the Company and its subsidiaries ("the Group") for the financial year ended 30 June 2014 ("FYE 2014").



CHAIRMAN'S STATEMENT (CONT'D)



FINANCIAL REVIEW

For FYE 2014, the Group registered a turnover of RM119.5 million and a gross profit of RM41.4 million as compared to RM145.0 million and RM48.7 million respectively in the previous financial year principally due to stronger revenue recorded by the Facilities Division following the conclusion of concession rates revision during financial year ended 30 June 2013 ("FYE 2013").

Operating expenses moved favorably to RM30.8 million as compared to the higher amount of RM40.5 million recorded in FYE 2013 arising primarily from the allowance for impairment losses for trade receivables of Environment Division and loss on disposal of the Technology Division registered in the previous financial year.

Earnings of the Group for FYE 2014 were largely supported by the Facilities Division with profit from operations of RM7.4 million followed by the Environment Division and Engineering Division with RM6.6 million and RM1.2 million respectively.

CHAIRMAN'S STATEMENT (CONT'D)



Qatar Petroleum District

OPERATIONAL HIGHLIGHTS

The softer revenue of the Facilities Division in FYE 2014 was attributed principally to the higher concession based income registered in the preceding financial year following the conclusion of concession rates revision with the Government. The Facilities Division's cornerstone foray into the local healthcare sub-segment involving provision of biomedical and facilities engineering maintenance services in Hospital Rehabilitasi Cheras progressed well. In the non-concession or commercial sub-sector, the Facilities Division also secured new contracts to extend integrated facilities management services to telco stores and outlets of Celcom Axiata Berhad and the new Heriot-Watt University Malaysia Campus in Putrajaya.

Our STREAM Automated Waste Collection System ("STREAM AWCS") continued to secure new onshore and offshore projects in FYE 2014 which included Arcadia of Desa Park City, In-Plot of Al Raha Beach, Maju Linq, Tanjong Pagar and Prince Charles Residences. On the other hand, STREAM AWCS projects at KLIA2 (Integrated Complex), KLIA2 (Main Terminal Building) and Yas Mall had been successfully handed over to our esteemed clients following their completion in August 2013, April 2014 and June 2014 respectively.

Meanwhile, the business environment of the Engineering Division remained challenging and this Division had undertaken a fresh business roadmap to strengthen its marketing strategies via new business collaboration and unequivocal emphasis in human capital development.

BUSINESS REVIEW

Global activity strengthened during the second half of 2013 with uneven global recovery expected to continue into 2014. Meanwhile, in advanced economies, the legacies of the precrisis boom and the subsequent crisis, including high private and public debt, still cast a shadow on the recovery.

The Malaysian economy is on stronger growth trajectory in 2014 supported by resilient domestic demand and improved export performance following the global recovery. Domestic economic activity strengthened, supported mainly by vibrant private investment and steady consumption spending. The Malaysian Gross Domestic Product is expected to register a growth of between 5.5% and 6.0% in 2014. The economic growth momentum in 2014 is expected to continue in 2015 with a projected growth of 5.0% to 6.0% driven by improving external demand and resilient domestic economic activity.

In the meantime, economic growth of neighbouring Singapore is projected to decelerate to 3.0% in 2014 from 3.9% registered in 2013 and is forecasted to remain flat at 3.0% in 2015.

The United Arab Emirates economy, where the Group now has less sizeable exposure, is envisaged to expand by 4.3% in 2014 with a more moderate growth of 4.5% projected for 2015. Meanwhile, its neighbouring Qatar is estimated to chalk an economic growth of 6.5% in 2014 with a sturdier growth of 7.7% anticipated in 2015.

OUTLOOK

The gradual improvement in the global economy experienced in 2013 is expected to continue in 2014. Global growth will be supported by a broader economic recovery in the advanced economies and sustained growth in the emerging

CHAIRMAN'S STATEMENT (CONT'D)

economies. Continued improvements in the advanced economies will have positive spillovers on the rest of the world, in particular on economies with extensive trade linkages. Nevertheless, the pace of recovery is expected to remain moderate.

In view of the foregoing, we further take cognisance that emerging economies are transitioning towards a more moderate pace of growth due in part to the policy stance that has been adopted to address domestic risks such as strong credit growth and rising property prices. In addition, the emerging economies also face the challenge of managing external risks.

On the domestic front, we remained sanguine and cautiously optimistic on the prospects of the Facilities Division. Unrelenting efforts shall be sustained in identifying, developing, prospecting and securing business opportunities in other sectors and sub-segments aimed at mitigating dependence on concession based income.

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

Another key item on the checklist for the next financial year is to assess and evaluate impact of the new strategic thrust of the Engineering Division which includes, amongst others, the introduction of new cutting edge products and solutions in addressing the highly volatile and competitive business framework it operates in.

DIVIDEND

In light of the working capital requirements and expected growth opportunities, the Board of Directors did not recommend any dividend payment for FYE 2014. Nonetheless, the Board of Directors remains cognisant of the Company's commitment to continuously balance the Group's funding requirements for capital expenditure and working capital in light of higher business volume, prospective growth opportunities 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 retuning greater dividend through improved financial performance.

CONTRIBUTION TO SOCIETY

During the financial year under review, we continued to lend a helping hand to assist the needy and less fortunate through contributions to various charitable organisations and

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 2014, the Group has approximately 711 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 stronger earnings for FYE 2014.

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

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	<p>Provides total asset management and integrated facilities management ("IFM") services including biomedical and facilities engineering maintenance services.</p> <p>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.</p>
Environment Division	<p>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.</p> <p>This Division also undertakes operations and maintenance ("O&M") services of its STREAM AWCS for its esteemed clients.</p>
Engineering Division	<p>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 management systems in Malaysia and Singapore.</p>

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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

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 in facilitating 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 into key performance indicators ("KPIs") of the Group. Budgetary targets of each operating Division are closely tracked through our monthly management reporting cycle while longer term 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 2014 ("FYE 2014") are discussed in the subsequent sections of this report.

REVIEW OF FINANCIAL RESULTS AND OPERATING ACTIVITIES

The Group

Pre-tax earnings of the Group improved to RM13.8 million against to RM9.7 million registered in the previous financial year, with softer revenue of RM119.5 million as compared to RM145.0 million in FYE 2013 aback a sustained recovery in the major advanced economies while the emerging economies, in particular in Asia, remained resilient during this period of prolonged global slowdown. Domestic demand remained as the key contributor to the growth in the ASEAN economies with Malaysia registering an economic expansion of 4.7% in 2013 and 6.3% in the first half of 2014.

The Facilities Division

Turnover of the Facilities Division eased to RM61.5 million as compared to RM78.6 million in the preceding financial year, principally following the conclusion of concession rates revision with the Government in the previous financial year which contributed positively to its primary source of concession based income.

Concession based income represented 75% of this Division's revenue in FYE 2014 while the balance from non-concession based income were attributed to our valued clients such as Wisma Mahmud in Kuching, Sarawak, Galeria PJH in Precinct 4, Putrajaya and Bintulu Port Authority.

The Facilities Division's debut entry into domestic healthcare sub-segment involving the provision of facilities and biomedical engineering maintenance services to Hospital Rehabilitasi Cheras, also progressed well with contribution of RM5.1 million to the turnover of FYE 2014.

Despite the lower revenue, profit from operations of the Facilities Division stood at RM7.4 million against RM5.0 million in FYE 2013 primarily due to the impairment loss on subsidiaries of RM2.2 million registered in the preceding financial year.

Our profound commitment in promoting energy conservation and reduction of carbon footprint through active monitoring and real-time control of energy consumption as well as optimisation of energy efficiency via cutting edge technologies remains the mainstream of our eco-friendly 'Green IFM' solutions.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Environment Division

Turnover of the Environment Division eased to RM31.2 million from RM43.1 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 registered in the previous financial year.

Notwithstanding the softer revenue, profit from operations of this Division escalated to RM6.6 million against RM3.5 million registered in FYE 2013 primarily due to allowance for impairment loss on trade and other receivables recorded in the previous financial year.

On the domestic and regional front, new STREAM AWCS projects undertaken by the Environment Division in FYE 2014 include Arcadia of Desa Park City, Icon City and Maju Linq. During the financial year under review, this Division had successfully completed STREAM AWCS projects at KLIA2 (Main Terminal Building) and KLIA2 (Integrated Complex).

Meanwhile, recurring revenue stream continued to be earned from domestic O&M services at Integrated Transport Terminal-Southern Sector, Maju Junction, Johor State New Administrative Centre and Royal Malaysian Customs as well as from Ministry of Home Affairs, the Police Cantonment Complex, Terminal 3 Changi Airport, the Quincy Hotel, Dakota Residences, Aalto Condominium and Resorts World Sentosa across the Causeway.



The Engineering Division

Revenue of the Engineering Division expanded by 14.1% to RM26.7 million from RM23.4 million in the previous financial year underpinned mainly by the 47.9% growth in turnover registered by the Singapore arm aback a more resilient and sustainable brand equity.

Comparatively, business sentiment at home remains challenging with burgeoning competition from more economical but less than perfect substitutes or surrogates in the domestic markets and industries. In response, the local 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 new and prospective products in other subs-segments and/or sectors of its value chain to address the inevitable threats and risks of new entrants in the marketplace.

This Division returned to the black with a profit from operations of RM1.2 million from a loss from operations of RM0.8 million registered in FYE 2013 supported mainly by the stronger earnings contribution from its Singapore arm and gain recorded by the Malaysian setup on disposal of its property.

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 RM22.0 million.

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

THE JOURNEY AHEAD

Rising energy and utility cost, inflationary escalation of wages and safety net requirements as well as increasing prices of consumables is expected to continue to be the concomitant challenges of the Facilities Division in maintaining a healthy profit margin. Prudent and uncompromising cost management continues to be the critical underlying approach in outpacing pressures of accelerating overheads.

In strengthening the resilience and sustainability of its project based income, the Environment Division will continue to embark upon strategic networking, market intelligence and innovative business models in building its order book both local and abroad. Efforts to elevate the brand equity of 'STREAM' shall be sustained to promote wider acceptance of STREAM AWCS by municipal developers and home builders.

Steps and measures have been set forth to arrest and curtail further unprecedented downside of the domestic operations of the Engineering Division based on underlined strategies and systematic review methodologies with comprehensive assessment and evaluation to be undertaken to ascertain the notable outcome of this new strategic thrust. In the Lion City, moderate economic prospect is envisaged to augur well for the Singapore arm of the Engineering Division.

On human capital, personal development and training will be continued to enhance the value of this priceless asset of the Group in line with our policy of perpetual investment in people. Nurturing and attracting existing and new talents will also be accorded deserving priority to ensure a seamless succession at all levels.

Following the investment in network servers last year, the Group had further upgraded existing and procured new software to fulfill the latest commercial and regulatory requirements as part of its ongoing works to strengthen its information and communication technology.

Going forward, the Group will continue to explore, identify and pursue new business opportunities locally and internationally in developing a sustainable, resilient, high value and synergistic growth. Associated and inherent business and financial risks of these strategies shall at all times be addressed and counterbalanced by prudent reviews and pragmatic controls to forewarn the Group against unprecedented pitfalls.

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 as set out in the Malaysian Code on Corporate Governance 2012 ("Code").

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 its corresponding recommendations during the financial year ended 30 June 2014.

A. THE BOARD

i. 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 to ensure that all Board members 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

ii. Composition and balance of the Board

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 (1/3) 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 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 takes cognisance 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.

iii. Nomination and appointment of Directors

The members of the Board are appointed in a formal and transparent practice as endorsed by the Code. The Nomination Committee scrutinises the candidates and recommends the same for the Board's approval. In discharging this duty, the Nomination Committee will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate shall bring to complement the Board.

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.

iv. Re-election of Directors

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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

At least one-third (1/3) 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 also required to submit themselves for annual re-appointment in accordance with Section 129(6) of the Companies Act, 1965.

v. Independence of Directors

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.

The Board had conducted an evaluation of level of independence of the five (5) Independent Non-Executive Directors of the Company for the financial year ended 30 June 2014. 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.

vi. Tenure of Independent Director

The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) 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 yearly basis.

vii. Evaluation of the performance of 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.

The Nomination Committee is required to conduct an assessment of the Board and the Board Committees annually. This will be discussed with the Board. The Nomination Committee will also evaluate each individual Director's contributions to the effectiveness of the Board and to the relevant Board Committees.

viii. Board responsibilities

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

The Board collectively leads and is responsible for the performance and affairs of the Group, including practicing 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 has the responsibility in leading and directing the Group towards realising long term objectives and shareholders' value. The Board retains full and effective control of the Group's strategic plans, implementing an appropriate system of risk management and ensuring the adequacy and integrity of the Group's system of internal control.

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:-

CORPORATE GOVERNANCE STATEMENT (CONT'D)

- 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.

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

The Board ensures that the Chairman is independent and 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 on a 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. To represent the Company and/or the Group together with the Managing Director/Group Chief Executive Officer 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 shareholders value.
- b. To develop and recommend to the Board the operational plan and annual budget to 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 oversee 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 a 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

- 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 at any point in time, all the provisions of the Board Charter that apply to the Managing Director/Group Chief Executive Officer during the period of such absence shall apply to such other person appointed by the Board to have overall in 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.

B. 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 has delegated 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 appoints the members and Chairman of each Committee. Each Board Committee operates under clearly defined terms of reference approved by the Board.

a. Audit Committee

The objectives of the Audit Committee are, among others, 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.

The members of the Audit Committee and its summary of terms of reference and its activities carried out during the financial year ended 30 June 2014 are set forth in the Audit Committee Report on pages 26 to 29 of this Annual Report.

b. Nomination Committee

The Nomination Committee of the Company comprises the following members, all being Independent Non-Executive Directors with the Chairman being the Senior Independent Director identified by the Board:

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 are as follows:-

- 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

The Nomination Committee meets as and when required. The Nomination Committee met once during the financial year under review and the activities undertaken by the Committee were as follows:

- Carried out the assessment and rating of the performance of each Non-Executive Directors against the criteria as set out in the annual assessment form, amongst others, attendance at Board or Committee meetings, adequate preparation for Board and/or Committee meetings, regular contribution to Board or Committee meetings, personal input to the role and other contributions to the Board or Committees as a whole.
- Carried out the assessment and rating of the performance of the Managing Director/Group Chief Executive Officer against diverse key performance indicators, amongst others, financial, strategic, operations management and business plans, product development, conformance and compliance, shareholders'/investors' relations, employee training and development, succession planning and personal input to the role.
- Reviewed the role of the Managing Director/Group Chief Executive Officer to ensure a balance of power and authority, and a clear division of responsibilities as the head of the Company.
- Identified and recommended to the Board the re-election of Datuk Syed Hussian bin Syed Junid and Mr. N Chanthiran A/L Nagappan in the last AGM held on 3 December 2013.

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 shall elect the Remuneration Committee members from amongst themselves of which the majority shall comprise of 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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

C. BOARD PROCESSES**i. Board meetings**

The Board meets at least four (4) times a year, with additional meetings to be convened whenever necessary. During the financial 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	4/5
Dato' Ahmad Kabeer bin Mohamed Nagoor	5/5
Datuk Syed Hussian bin Syed Junid	5/5
Dato' Sulaiman bin Mohd Yusof	4/5
Roslan bin Mohd Latif	4/5
N Chanthiran A/L Nagappan	4/5

The Directors receive notices of meetings, typically at least three (3) 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.

ii. 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 2014 include the following:

Name of Directors	Titles of the seminars attended
Dato' Nik Mod Amin bin Nik Abd Majid	• Implementation and Corporate Effects of GST
Dato' Ahmad Kabeer bin Mohamed Nagoor	• Implementation and Corporate Effects of GST
Datuk Syed Hussian bin Syed Junid	• Implementation and Corporate Effects of GST
Dato' Sulaiman bin Mohd Yusof	• Implementation and Corporate Effects of GST
Roslan bin Mohd Latif	• Implementation and Corporate Effects of GST
N Chanthiran A/L Nagappan	• National Tax Seminar – 2014 budget proposal • MIA Accountant Conference 2013 • GST Implementation – International Conference

CORPORATE GOVERNANCE STATEMENT (CONT'D)

iii. 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 & Benefits in Kind RM	Bonuses RM	Total RM
Executive Director	-	1,478,849	1,200,000	2,678,849
Non-Executive Directors	622,700	-	-	622,700
TOTAL	622,700	1,478,849	1,200,000	3,301,549

Range of Remuneration	Executive	Non-Executive
Below RM50,000	-	3
RM100,001 to RM150,000	-	1
RM400,001 to RM450,000	-	1
RM2,650,001 to RM2,700,000	1	-

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

iv. Access to information and independent advice

The Directors have unrestricted access to the advice and services of the Company Secretary and senior management 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.

v. Investor relations and shareholders 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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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 communication. 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.

All resolutions set out in the Notice of the AGM are put to vote by show of hands. In future, the Company shall endeavour, wherever possible, to put to vote of resolutions at the AGM by poll, if required, including highlighting the shareholders of their right to demand a poll at the commencement of the general meeting.

D. ACCOUNTABILITY AND AUDIT

i. 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 scrutinise the information for disclosure to shareholders to ensure material accuracy, adequacy and timeliness.

ii. Internal control and risk management

The Board also takes cognisance 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.

The 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.

Recognising 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.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

iii. 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 a 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.

The Audit Committee undertakes an annual review of the suitability and independence of the External Auditors. Having assessed their performance, the Audit Committee will make its recommendation to the Board for re-appointment, upon which the shareholders' approval will be sought at the AGM of the Company.

iv. 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 the 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

v. Corporate Disclosure Policy

The Board is committed to provide effective communication to its shareholders and general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

A Corporate Disclosure Policy was formalised on 20 June 2014 to promote comprehensive, accurate and timely disclosures pertaining to the Company and the Group to regulators, shareholders and stakeholders.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

E. 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.

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. The Board recognises the fact that the Company Secretary is suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretary to the Board in the discharge of her functions.

F. 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 for the financial year ended 30 June 2014, the Directors have taken steps to ensure that:

- The Company and the Group have used and consistently applied appropriate accounting policies;
- 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.

G. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Company is committed to achieving high standards of corporate governance throughout the Company and the Group and highest level of integrity and ethical standards in all of its business dealings.

The Board will continue to strive for the full compliance with the Code in the coming financial year.

This statement is made in accordance with the resolution of the Board dated 21 October 2014.

AUDIT COMMITTEE REPORT

OBJECTIVES

The Audit Committee ("the Committee") was established with the primary objective of providing an additional assurance to the Board of Directors of the Company ("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.

The members of the Audit 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)*

The Company has complied with Paragraph 15.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), which requires all members of the Committee to be Non-Executive Directors with a majority of them being Independent Directors.

SUMMARY OF TERMS OF REFERENCE

Size and Composition

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 Directors.

At least one (1) member of the Committee must be a member of Malaysia Institute of Accountants or he must have at least three (3) years working experience and have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 or is a member of one of the associations of accountants specified in Part II of the said Schedule or a person who has fulfilled such other requirements as prescribed or approved by Bursa Securities.

No alternate director of the Board shall be appointed as member of the Committee. If a member of the Committee resigns, retires, dies or for any other reason ceases to be a member resulting in the non-compliance with the above paragraph, the Board shall fill the vacancy within three (3) months.

Meetings

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.

Other Board members, senior management, Internal and External Auditors may be invited to attend meetings. Prior notice shall be given for all meetings.

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.

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.

AUDIT COMMITTEE REPORT (CONT'D)

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 Company and its subsidiaries ("the Group")
 - b. their evaluation and findings of the system of internal controls;
 - c. their audit reports on the financial statements.
3. To review and assess the adequacy of the scope, functions, competency and performance of the internal audit functions.
4. To review the adequacy and effectiveness of the Group's internal control systems and risk management.
5. To review the quarterly and yearly 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, to:-

1. secure full and unrestricted access to any information pertaining to the Group;
2. communicate directly with the External and Internal Auditors and all employees of the Group;
3. seek and obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise as it considers necessary; and
4. 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 Listing Requirements of Bursa Securities, the Committee must promptly report such matter to Bursa Securities.

AUDIT COMMITTEE REPORT (CONT'D)

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	4/5
Roslan bin Mohd Latif	4/5
N Chanthiran A/L Nagappan	4/5

The presence of the External and Internal Auditors (if any) respectively at any 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 2014 includes the following:-

1. Reviewed the quarterly financial results of the Company including the announcements pertaining thereto, and recommended for the 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 2014 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. Considered the appointment of Messrs. Morison Anuarul Azizan Chew as the External Auditors of the Company in place of the retiring auditors, the terms of reference of their appointment and the audit fee; 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 ("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 Committee to provide objective evaluation of risk and controls in the auditable activities to ensure a sound system of internal controls.

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

AUDIT COMMITTEE REPORT (CONT'D)

- 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 recognised professional bodies.

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.

The activities carried out by the Internal Auditors of the Group during the financial year under review were as summarised below:-

- i. Execution of the approved internal audit plan;
- ii. Presentation of the internal audit findings at the quarterly Committee meetings; and
- iii. Conducted follow up reviews to ensure action plans are properly and appropriately implemented by Management.

The internal audits reviews did not reveal any weakness which would result in material losses, contingencies or uncertainties that would require disclosure in the annual report.

The fee incurred during the year in relation to the internal audit function is RM40,000.

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 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 the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors ("the Board") 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 requires the Board of the Company 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 2014.

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 cognisance 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 promptly feedback 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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, tabled and discussed with the Audit Committee.

ASSURANCE TO THE BOARD

The Managing Director/Group Chief Executive Officer and the 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 the 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 21 October 2014.

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 at 17 October 2014, 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 was 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 Depositary Receipt (ADR) or Global Depositary 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.

6. Non-audit fees

No non-audit fees were paid or payable to the External Auditors by the Company and its subsidiaries ("the Group") for the financial year ended 30 June 2014.

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 2014. 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' interests

There were no material contracts entered into by the Group which involved directors' or major shareholders' interests during the financial year ended 30 June 2014.

10. Recurrent related party transactions

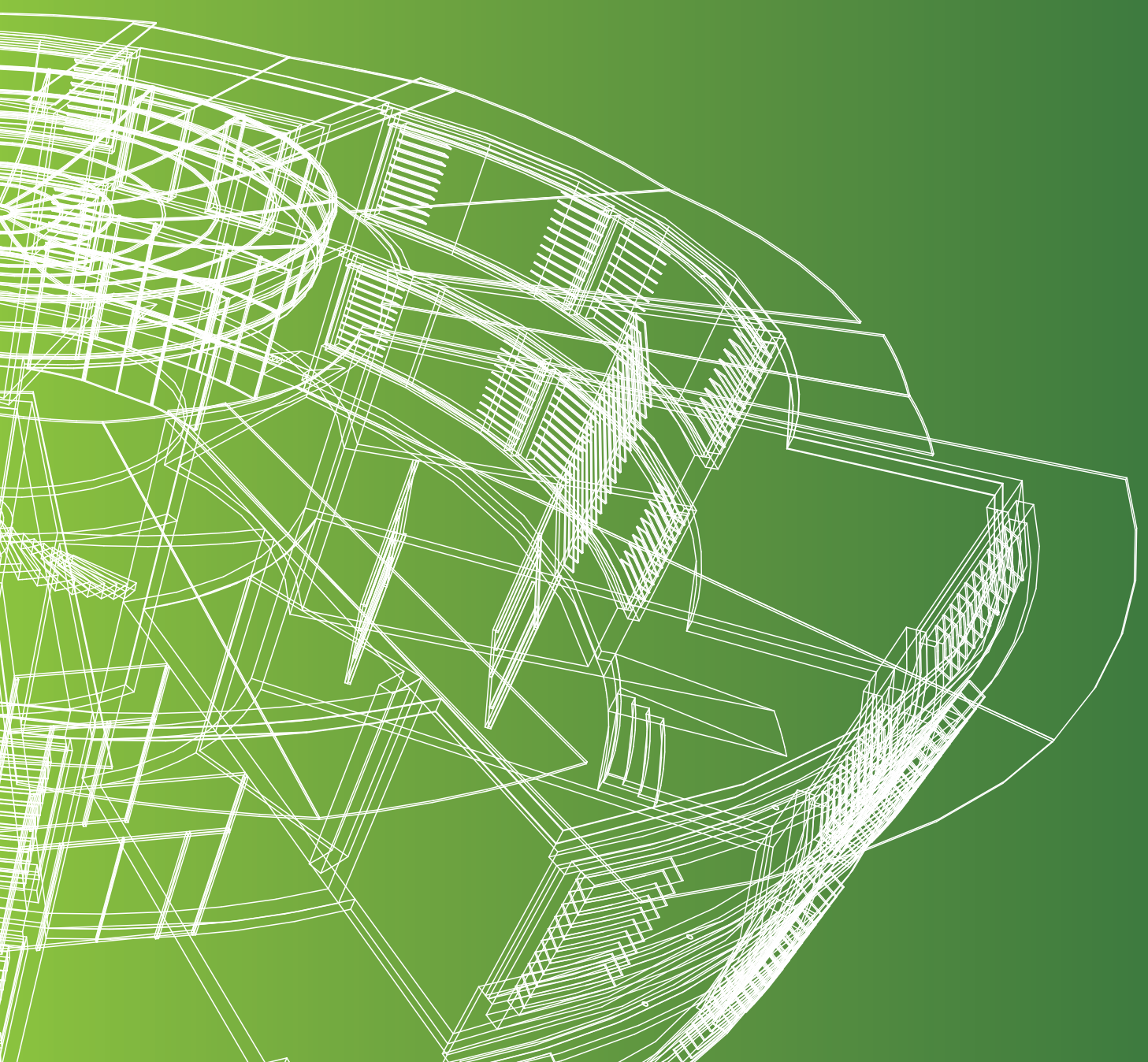
The list of recurrent related party transactions of a revenue or trading nature entered into by the Group is disclosed in Note 35 to the financial statements. For the financial year ended 30 June 2014, no shareholder mandate was required for the recurrent related party transactions of a revenue or trading nature entered into by the Group pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.



INTEGRATED FACILITIES
MANAGEMENT



HVAC & BUILDING
MANAGEMENT SYSTEMS



FINANCIAL STATEMENTS

36

DIRECTORS' REPORT

42

STATEMENT BY DIRECTORS

42

STATUTORY DECLARATION

43

INDEPENDENT AUDITORS' REPORT

45

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

46

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

48

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

50

CONSOLIDATED STATEMENT OF
CASH FLOWS

52

STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

53

STATEMENT OF FINANCIAL POSITION

54

STATEMENT OF CHANGES IN EQUITY

56

STATEMENT OF CASH FLOWS

58

NOTES TO THE
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 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 14 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	9,960,158	(1,969,406)
Attributable to:		
Owners of the Company	6,952,132	(1,969,406)
Non-controlling interests	3,008,026	-
	9,960,158	(1,969,406)

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

DIRECTORS' REPORT (CONT'D)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not propose payment of any 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.

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' REPORT (CONT'D)

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			
	1.7.2013	BOUGHT	SOLD	30.6.2014
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 Director 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 2014, the Company held as treasury shares a total of 3,326,800 (2013: 3,326,800) of its 228,679,227 (2013: 228,679,227) issued ordinary shares. Such treasury shares are held at a carrying amount of RM855,221 (2013: 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.

DIRECTORS' REPORT (CONT'D)

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.

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.

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.

DIRECTORS' REPORT (CONT'D)

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.

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.

DIRECTORS' REPORT (CONT'D)

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

- 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.

SUBSEQUENT EVENT AFTER THE BALANCE SHEET DATE

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.

AUDITORS

The auditors, Messrs. Morison Anuarul Azizan Chew, are seeking for reappointment at the forthcoming annual general meeting.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 October 2014.

DATO' NIK MOD AMIN BIN NIK ABD MAJID

DATO' AHMAD KABEER BIN MOHAMED NAGOOR

Kuala Lumpur, Malaysia

DIRECTORS' REPORT (CONT'D)

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 45 to 132 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 financial position of the Group and of the Company at 30 June 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 40, 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 21 October 2014.

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 45 to 132 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 21 October 2014

Ronald Chow Tiam Poh

Before me,

Samsiah Binti Ali
(No. W 589)
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 2014 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 45 to 132.

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 the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of 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 2014 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AWC BERHAD (CONT'D)

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 14 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 RESPONSIBILITIES

The supplementary information set out in Note 40 on page 132 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

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.

Morison Anuarul Azizan Chew

Firm No: AF 001977

Chartered Accountants

21 October 2014

Kuala Lumpur

Sathiea Seelean A/L Manickam

Approval No: 1729/05/16(J/PH)

Partner of Firm

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	NOTE	2014 RM	2013 RM
Revenue	3	119,505,859	144,999,999
Cost of sales		(78,113,489)	(96,289,805)
Gross profit		41,392,370	48,710,194
Other operating income		2,606,909	1,068,653
Other operating expenses		(30,776,571)	(40,467,474)
Profit from operations	4	13,222,708	9,311,373
Finance income, net	7	530,216	403,987
Profit before taxation		13,752,924	9,715,360
Income tax expense	8	(3,792,766)	(4,127,306)
Net profit after taxation for the financial year		9,960,158	5,588,054
OTHER COMPREHENSIVE INCOME:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		632,073	330,873
Total comprehensive income for the financial year		10,592,231	5,918,927
PROFIT ATTRIBUTABLE TO:			
Owners of the Company		6,952,132	4,554,568
Non-controlling interests		3,008,026	1,033,486
		9,960,158	5,588,054
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company		7,320,486	4,695,342
Non-controlling interests		3,271,745	1,223,585
		10,592,231	5,918,927
Basic earnings per share (sen)	9	3.1	2.0

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	NOTE	30.6.2014 RM	RESTATED 30.6.2013 RM	RESTATED 1.7.2012 RM
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	11	6,809,204	8,700,198	11,491,857
Investment properties	12	1,904,933	2,025,406	2,076,415
Investment in jointly controlled entity	13	-	-	2,789,826
Other investments	15	1,661	36,161	36,161
Intangible assets - goodwill	16(i)	5,912,091	5,912,091	7,682,266
Intangible assets - others	16(ii)	12,812	146,062	547,462
Deferred tax assets	29	2,063,000	3,544,000	78,247
		16,703,701	20,363,918	24,702,234
CURRENT ASSETS				
Amount owing by jointly controlled entity	13	1,401,030	2,047,376	3,277,911
Inventories	17	11,363,586	10,796,521	12,180,635
Tax recoverable		1,497,473	4,828,427	4,459,709
Other receivables	18	5,812,277	3,305,383	2,726,271
Trade receivables	19	68,168,832	46,880,592	44,471,684
Deposits with licensed banks, cash and bank balances	22	43,362,597	63,176,385	49,228,790
		131,605,795	131,034,684	116,345,000
TOTAL ASSETS		148,309,496	151,398,602	141,047,234

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014 (CONT'D)

	NOTE	30.6.2014 RM	RESTATED 30.6.2013 RM	RESTATED 1.7.2012 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)	(855,221)
Share premium	23(c)	7,649,452	7,649,452	7,649,452
Foreign exchange reserve	25	1,287,761	919,407	738,133
Statutory reserve	26	306,802	306,802	306,802
Retained profit/(Accumulated losses)	27	2,019,565	(4,932,567)	(4,263,156)
Equity attributable to owners of the Company		79,012,128	71,691,642	72,179,779
Non-controlling interests		27,779,826	24,508,081	26,093,456
TOTAL EQUITY		106,791,954	96,199,723	98,273,235
NON-CURRENT LIABILITIES				
Other payables	31	2,483,609	2,673,814	2,402,241
Provision for end of service benefit		138,971	141,029	302,957
Long-term borrowings	28	1,932,822	3,146,999	4,620,581
Deferred tax liabilities	29	99,421	98,968	17,516
		4,654,823	6,060,810	7,343,295
CURRENT LIABILITIES				
Trade payables	30	22,060,119	12,307,503	12,823,154
Other payables	31	10,852,345	27,697,958	16,810,392
Provision for taxation		2,871,899	7,546,674	2,467,045
Short-term borrowings	28	1,078,356	1,585,934	3,330,113
		36,862,719	49,138,069	35,430,704
TOTAL LIABILITIES		41,517,542	55,198,879	42,773,999
TOTAL EQUITY AND LIABILITIES		148,309,496	151,398,602	141,047,234

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

NOTE	← NON-DISTRIBUTABLE →			DISTRIBUTABLE			TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	SHARE PREMIUM	FOREIGN EXCHANGE RESERVE	STATUTORY RESERVE	ACCUMULATED LOSSES			
	RM	RM	RM	RM	RM	RM	RM	RM	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
Effects of transitioning to MFRS 11	-	-	-	151,377	-	-	151,377	-	151,377
Restated balances	68,603,769	(855,221)	7,649,452	738,133	306,802	(4,263,156)	72,179,779	26,093,456	98,273,235
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	-	-	-	-	-	-	-	(1,585,593)	(1,585,593)
- Deconsolidation of a subsidiary	-	-	-	40,500	-	-	40,500	(319,264)	(278,764)
- Increase in investment in a subsidiary by non-controlling interest	-	-	-	-	-	-	-	128,605	128,605
- Share of impairment on goodwill on non-controlling 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	919,407	306,802	(5,342,387)	71,281,822	24,114,333	95,396,155

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

NOTE	NON-DISTRIBUTABLE				DISTRIBUTABLE				TOTAL CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	SHARE PREMIUM	FOREIGN EXCHANGE RESERVE	STATUTORY RESERVE	(ACCUMULATED LOSSES)/RETAINED PROFIT	TOTAL			
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 July 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	
Effects of transitioning to MFRS 11	-	-	-	151,377	-	409,820	561,197	393,748	954,945	
Restated balance	68,603,769	(855,221)	7,649,452	919,407	306,802	(4,932,567)	71,691,642	24,508,081	96,199,723	
Profit after taxation for the financial year	-	-	-	-	-	6,952,132	6,952,132	3,008,026	9,960,158	
Other comprehensive income for the financial year, net of tax:										
- Foreign currency translation	-	-	-	368,354	-	-	368,354	263,719	632,073	
Total comprehensive income for the financial year	-	-	-	368,354	-	6,952,132	7,320,486	3,271,745	10,592,231	
At 30 June 2014	68,603,769	(855,221)	7,649,452	1,287,761	306,802	2,019,565	79,012,128	27,779,826	106,791,954	

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	NOTE	2014 RM	RESTATED 2013 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES			
Profit before taxation		13,752,924	9,715,360
Adjustments for:			
Allowance for impairment losses on:			
- trade receivables		642,734	3,014,771
- other receivables		-	841,146
- jointly controlled entity		-	3,128,846
Amortisation of intangible assets - others		133,250	401,400
Bad debts (recovered)/written off		(263,158)	194,485
Deposits written off		17,731	-
Depreciation of property, plant and equipment		1,505,315	1,679,467
Depreciation of investment properties		120,473	51,009
Fair value adjustment on:			
- trade receivables		-	(359,302)
- trade payables		-	78,207
Impairment loss on goodwill		-	610,132
Allowance for slow-moving inventories		426,304	135,219
Inventories written down		-	190,557
Amount owing by contract customers written off		-	782,909
Property, plant and equipment written off		15,957	-
Reversal of allowance for impairment losses on:			
- trade receivables		(34,408)	(30,000)
- other receivables		-	(190,000)
(Reversal)/Provision for end of service benefit		(109,397)	79,945
Provision for retirement benefit obligation		246,870	297,191
Provision for costs		-	13,102,381
Loss on disposal of subsidiaries		-	1,151,312
Loss on disposal of other investment		34,500	-
Loss on deconsolidation of a subsidiary		-	488,570
Net unrealised foreign exchange gain		60,459	(1,607)
Finance income, net		(530,216)	(403,987)
Net (gain)/loss on disposal of property, plant and equipment		(1,303,635)	140,745
Operating profit before working capital changes		14,715,703	35,098,756
(Increase)/Decrease in inventories		(993,369)	561,215
Increase in receivables		(24,158,033)	(10,807,643)
Decrease in payables		(7,320,648)	(327,519)
Decrease in amount owing by jointly controlled entity		646,346	1,508,144

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

	NOTE	2014 RM	RESTATED 2013 RM
Cash (used in)/generated from operations		(17,110,001)	26,032,953
Payment for retirement benefit obligation		(160,488)	(130,813)
Payment for provision for end of service benefits		(2,056)	(219,871)
Taxes paid		(3,655,585)	(2,184,873)
Net cash (used in)/generated from operating activities		(20,928,130)	23,497,396
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES			
Repayment from/(Advances to) jointly controlled entity		-	(616,629)
Purchase of property, plant and equipment	32	(756,639)	(473,848)
Proceeds from disposal of property, plant and equipment		2,777,355	303,438
Net cash outflow from disposal of subsidiaries	14(a)	-	(531,755)
Net cash outflow from deconsolidation of a subsidiary	14(b)	-	(13,837)
Finance income, net received		530,216	403,987
Issuance of share capital of a subsidiary to non-controlling interests		-	48,000
Increase of investment in subsidiary by non-controlling interest		-	128,605
Net cash generated from/(used in) investing activities		2,550,932	(752,039)
CASH FLOWS FOR FINANCING ACTIVITIES			
Repayment of term loans		(535,061)	(600,038)
(Repayment)/Drawdown of trade loan		(352,589)	280,688
Repayment of hire purchase and lease payables		(1,186,587)	(1,024,519)
Dividends paid to owners		-	(5,633,799)
Dividends paid to non-controlling interests		-	(1,960,000)
Net cash used in financing activities		(2,074,237)	(8,937,668)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(20,451,435)	13,807,689
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		63,176,385	49,228,790
Effects of exchange differences		637,647	139,906
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		43,362,597	63,176,385
CASH AND CASH EQUIVALENTS COMPRISE:			
Deposits with licensed banks	22	17,952,830	43,130,123
Cash and bank balances	22	25,409,767	20,046,262
		43,362,597	63,176,385

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 2014

	NOTE	2014 RM	2013 RM
Revenue	3	2,340,000	14,156,950
Cost of sales		-	-
Gross profit		2,340,000	14,156,950
Other operating income		-	190,000
Other operating expenses		(4,372,735)	(51,144,083)
Loss from operations	4	(2,032,735)	(36,797,133)
Finance costs, net	7	15,095	(20,451)
Loss before taxation		(2,017,640)	(36,817,584)
Income tax expense	8	48,234	(3,357,855)
Loss after taxation for the financial year		(1,969,406)	(40,175,439)
Other comprehensive income		-	-
Total comprehensive expenses for the financial year		(1,969,406)	(40,175,439)
Loss attributable to:			
Owners of the Company		(1,969,406)	(40,175,439)
Total comprehensive expenses attributable to:			
Owners of the Company		(1,969,406)	(40,175,439)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	NOTE	2014 RM	2013 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	72,556	227,543
Investments in subsidiaries	14	41,925,914	41,925,914
		41,998,470	42,153,457
CURRENT ASSETS			
Tax recoverable		66,108	1,400,646
Other receivables	18	30,289	25,986
Amount owing by subsidiaries	21	942,170	102,647
Cash and bank balances	22	469,201	2,471,910
		1,507,768	4,001,189
TOTAL ASSETS		43,506,238	46,154,646
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	23	68,603,769	68,603,769
Treasury shares	23(b)	(855,221)	(855,221)
Share premium	23(c)	7,649,452	7,649,452
Merger relief	24	12,522,542	12,522,542
Accumulated losses	27	(46,202,378)	(44,232,972)
TOTAL EQUITY		41,718,164	43,687,570
NON-CURRENT LIABILITY			
Long-term borrowings	28	-	85,441
CURRENT LIABILITIES			
Amount owing to subsidiaries	21	-	1,663,652
Other payables	31	1,788,074	681,485
Short-term borrowings	28	-	36,498
		1,788,074	2,381,635
TOTAL LIABILITIES		1,788,074	2,467,076
TOTAL EQUITY AND LIABILITIES		43,506,238	46,154,646

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	← 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 CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

	← NON-DISTRIBUTABLE →				DISTRIBUTABLE	
	SHARE CAPITAL	TREASURY SHARES	SHARE PREMIUM	MERGER RELIEF	(ACCUMULATED LOSSES)	TOTAL
	RM	RM	RM	RM	RM	RM
At 1 July 2013	68,603,769	(855,221)	7,649,452	12,522,542	(44,232,972)	43,687,570
Loss after taxation/ Total comprehensive expenses for the financial year	-	-	-	-	(1,969,406)	(1,969,406)
At 30 June 2014	68,603,769	(855,221)	7,649,452	12,522,542	(46,202,378)	41,718,164

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	NOTE	2014 RM	2013 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES			
Loss before taxation		(2,017,640)	(36,817,584)
Adjustments for:			
Bad debts written off		-	133,656
Depreciation of property, plant and equipment		75,244	154,242
Impairment losses on investments in subsidiaries		-	46,610,687
Interest expense		4,873	34,081
(Writeback)/Provision for short-term accumulating compensated absences		-	(86,830)
Loss on disposal of property, plant and equipment		14,552	206,803
Interest income		(19,968)	(13,630)
Dividend income		-	(11,816,950)
Operating loss before working capital changes		(1,942,939)	(1,595,525)
(Increase)/Decrease in receivables		(4,303)	150,063
Increase in payables		1,106,589	113,632
Cash used in operations		(840,653)	(1,331,830)
Interest paid		(4,873)	(34,081)
Income tax refunded/(paid)		1,382,772	(76,662)
Net cash generated generated from/(used in) operating activities		537,246	(1,442,573)

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

	NOTE	2014 RM	2013 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES			
Additional investment in a subsidiary	14	-	(112,000)
Advances to subsidiaries		(839,523)	-
Repayment from subsidiaries		-	639,827
Proceeds from disposal of property, plant and equipment		96,614	151,061
Purchase of property, plant and equipment	32	(31,423)	(13,044)
Proceeds from disposal of investments in subsidiaries		-	500,000
Interest received		19,968	13,630
Dividend received		-	9,040,000
Net cash (used in)/generated from investing activities		(754,364)	10,219,474
CASH FLOWS FOR FINANCING ACTIVITIES			
Repayment of hire purchase payables		(121,939)	(346,357)
Repayment to subsidiaries		(1,663,652)	(329,154)
Dividends paid		-	(5,633,799)
Net cash used in financing activities		(1,785,591)	(6,309,310)
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES		(2,002,709)	2,467,591
CASH AND BANK BALANCES AT BEGINNING OF FINANCIAL YEAR		2,471,910	4,319
CASH AND BANK BALANCES AT END OF FINANCIAL YEAR	22	469,201	2,471,910

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 14 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 21 October 2014.

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.

2.2 Summary of Significant Accounting Policies

a. Subsidiaries, Jointly Controlled Entities 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 equity method of accounting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 30 June 2014.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

b. Intangible Assets (CONT'D)

i. Goodwill (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

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 are 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

d. Investment Properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business.

i. Measurement basis

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of investment properties includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repair and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

At each reporting date, the Group assesses whether there is any indication of impairment. Where an indication of impairment exists, the carrying value of the investment property is assessed and written down immediately to its recoverable amount.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. Transfers from investment property to owner-occupied property are made at the carrying amount as at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment.

ii. Depreciation

Freehold land is not depreciated. Freehold buildings are depreciated over their estimated useful lives of 50 years.

Depreciation is calculated to write off the depreciable amount of other investment properties on a straight-line basis over their estimated useful lives. Depreciation amount is determined after deducting the residual value from the cost of the investment properties.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

g. Impairment (CONT'D)

i. Impairment of Financial Assets (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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 transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial asset 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

i. Financial Instruments (CONT'D)

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.

- **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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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)

- 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

m. Income Taxes (CONT'D)

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.

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, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Certain of the Group's subsidiaries and branches in overseas 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

A certain subsidiary 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

p. Foreign Currencies (CONT'D)

iii. Translation of foreign operations

On consolidation, all asset and liabilities of foreign operations that have a functional currency other than Ringgit Malaysia, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the reporting dates.

Income and expenses items are translated at average exchange rates.

All exchange differences arising from the translation of the financial statements of foreign operations are taken to other comprehensive income. Upon disposal of a foreign operations, the exchange translation differences relating to those foreign operations that were recorded within other comprehensive income are recognised in the profit or loss as part of the gain or loss on disposal.

In the case of a partial disposal that does not result in the Group losing control over a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

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.

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 that 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of Significant Accounting Policies (CONT'D)

s. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

The financial statements of the Group and Company have been prepared in accordance with the provisions of the MFRS, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

Accounting standards, amendments to accounting standards and interpretations that are effective for the Company's financial year beginning on or after 1 July 2013 are as follows:

- MFRS 11 "Joint arrangements"
- MFRS 12, "Disclosures of Interests in Other Entities"
- MFRS 13, "Fair Value Measurement"
- The revised MFRS 127, "Separate Financial Statements"
- The revised MFRS 128, "Investments in Associates and Joint Ventures"
- Amendment to MFRS 119, "Employee benefits"
- Amendment to MFRS 7, "Financial Instruments: Disclosures"
- Amendments to MFRS 10, 11 & 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"
- Annual improvements 2009 – 2011 Cycle
- IC Interpretation 20 "Stripping costs in the production phase of a surface mine"

The impact of the above accounting standards, amendments to accounting standards and interpretations effective during the financial year is not material to the financial results and position of the Company except for MFRS 11.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Reconciliation of equity balances

The table below reconciles equity balances previously reported which had been restated in accordance with MFRS on 1 January 2013 (date of transition):

	GROUP
	30.6.2013
	RM
ACCUMULATED LOSSES	
Accumulated losses as reported in prior years	(5,342,387)
EFFECTS OF TRANSITIONING TO MFRS 11	
Capital reserves as at 1 July 2012 transferred to retained earnings	409,820
Accumulated losses restated under MFRS 11	(4,932,567)

Accounting standards, amendments to accounting standards and interpretations that are applicable for the Group in the following periods but are not yet effective:

Annual periods beginning on/after 1 January 2014

Amendments to MFRS 132 Financial Instruments: Presentation

These Amendments clarifies the meaning of "currently has a legally enforceable right of set-off" that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business and is not contingent on a future event. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

Amendments to MFRS 136 Impairment of assets

These Amendments removed certain disclosures of the recoverable amount of CGUs which had been included in MFRS 136 by the issuance of MFRS 13.

IC Interpretation 21 Levies

This Interpretation provides guidance that accounting for an obligation to pay a levy that is not income tax. The interpretation clarifies that a liability to pay a levy is recognised when the obligating event occurs. Obligating event is the event identified by the legislation that triggers the payment of the levy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Annual periods beginning on/after 1 July 2014

Amendments to MFRS 119 Employee Benefits

These Amendments provides a practical expedient in accounting for contributions from employees or third parties to defined benefit plans. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by MFRS 119 for the gross benefit.

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

These Amendments relates to the Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

Amendments to MFRS 2 Share-based payment

These Amendments clarifies the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

Amendments to MFRS 3 Business combination

These Amendments clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, Amendments to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself, but not to the parties to the joint arrangement for their interests in the joint arrangement.

Amendments to MFRS 8 Operating segments

These Amendments requires the disclosure of judgements made in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. It also clarifies that reconciliation of the total reportable segments' assets to the entity's assets is required if that amount is regularly provided to the chief operating decision maker.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Amendments to MFRS 13 Fair value measurement

These Amendments relates to the Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when MFRS 13 was issued, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

In addition, Amendments to MFRS 13 also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

Amendments to MFRS 116 Property, plant and equipment and MFRS 138 Intangible Assets

These Amendments clarifies the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 124 Related Party Disclosures

These Amendments extends the definition of 'related party' to include an entity, or any member of a group of which it is a part, that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Amendments to MFRS 140 Investment Property

These Amendments clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

Annual periods beginning on/after 1 January 2016

Amendments to MFRS 116 Property, plant and equipment

These Amendments to MFRS 116 prohibit revenue-based depreciation because revenue does not, as a matter of principle, reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to MFRS 138 Intangible assets

These Amendments to MFRS 138 introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Amendments to MFRS 11 Joint Arrangements

These Amendments clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in MFRS 3, it shall apply the relevant principles on business combinations accounting in MFRS 3, and other MFRSs, that do not conflict with MFRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses.

Annual periods beginning on/after 1 January 2017

MFRS 15 Revenue from Contracts with Customers

The Standard provides clarity on revenue recognition especially on areas where existing requirements unintentionally created diversity in practice. Under MFRS 15, an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group plans to adopt the abovementioned MFRSs, IC Interpretations and amendments to MFRSs which are relevant to the Group's operations when they become effective.

The Group is in the process of assessing the impact of implementing these accounting standards amendments and interpretations, since the effects would only be observable for the future financial years.

Effective date yet to be announced by Malaysian Accounting Standards Board ("MASB")

MFRS 9 Financial Instruments

This Standard addresses the classification and measurement of financial assets and financial liabilities. All financial assets shall be classified into two measurement categories: those measured as at fair value and those measured at amortised cost at initial recognition. This classification depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the instrument. The Standard retains most of the MFRS 139 requirements for financial liabilities. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income.

The new hedge accounting model represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The most significant improvements apply to those that hedge non-financial risk, and they are expected to be of particular interest to non-financial institutions. As a result of these changes, users of the financial statements will be provided with better information about risk management and about the effect of hedge accounting on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

The impact of MFRS 9 is still being assessed. Aside from the above mentioned, the adoption of the accounting standards, amendments to accounting standards and interpretations are not expected to have a material impact to the financial statements of the Company.

Accounting standards, amendments to accounting standards and interpretations that are not relevant and not yet effective for the Company are as follows:

- Amendments to MFRS 139, "Novation of Derivatives and Continuation of Hedge Accounting"
- Amendments to MFRS 10, MFRS 12 and MFRS 127 "Investment Entities"
- Amendments to MFRS 14, "Regulatory Deferral Accounts"
- Amendments to MFRS 116, "Agriculture: Bearer Plants"

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 2014 amounted to RM5,912,091 (2013: RM5,912,091). Further details are disclosed in Note 16(i) to 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant Judgement and Estimates (CONT'D)

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.

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	
	2014	2013	2014	2013
	RM	RM	RM	RM
Facilities	61,540,264	78,571,189	-	-
Engineering	26,738,851	23,373,797	-	-
Environment	31,226,744	43,055,013	-	-
Dividend income	-	-	-	11,816,950
Management fees	-	-	2,340,000	2,340,000
	119,505,859	144,999,999	2,340,000	14,156,950

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

4. PROFIT/(LOSS) FROM OPERATIONS

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Profit/(Loss) from operations is arrived after charging/(crediting):				
Employee benefits expense (Note 5)	32,738,112	32,569,419	2,931,399	2,858,551
Non-executive directors' fees (Note 6)	686,007	743,093	242,700	249,950
Allowance for impairment losses for:				
- jointly controlled entity	-	339,020	-	-
- trade receivables	642,734	3,014,771	-	-
- other receivables	-	841,146	-	-
Allowance for slow-moving inventories	426,304	135,219	-	-
Net foreign exchange loss/(gain):				
- realised	242,671	864,872	(14,791)	(4,916)
- unrealised	60,459	(1,607)	-	-
Amortisation of intangible assets - others (Note 16(ii))	133,250	401,400	-	-
Auditors' remuneration [#] :				
- for the financial year	225,353	230,816	40,000	60,000
- (over)/underprovision in the previous financial year	4,072	(15,703)	5,037	(13,000)
- other fees	-	6,500	-	6,500
Bad debts (recovered)/written off	(263,158)	194,485	-	133,656
Reversal of allowance for impairment losses of:				
- trade receivables	(34,408)	(30,000)	-	-
- other receivables	-	(190,000)	-	(190,000)
Depreciation of property, plant and equipment (Note 11)	1,505,315	1,679,467	75,244	154,242
Dividend income	-	-	-	(11,816,950)
Depreciation of investment properties (Note 12)	120,472	51,009	-	-
Fair value adjustment on:				
- trade receivables	-	(359,302)	-	-
- trade payables	-	78,207	-	-
Loss on disposal of subsidiaries	-	1,151,312	-	-
Loss on deconsolidation of a subsidiary	-	488,570	-	-
Amount owing by contract customers written off	-	782,909	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Profit/(Loss) from operations is arrived after charging/(crediting):				
Impairment losses on:				
- goodwill	-	610,132	-	-
- investment in subsidiaries	-	-	-	46,610,687
Inventories written off	-	190,557	-	-
(Reversal)/Provision for end service benefit	(109,397)	84,204	-	-
Provision for retirement benefit obligation	246,870	297,191	-	-
Provision for costs	-	13,102,381	-	-
Net (gain)/loss on disposal of property, plant and equipment	(1,303,635)	140,745	14,552	206,803
Property, plant and equipment written off	15,957	-	-	-
Deposit written off	17,731	-	-	-
Research and development costs	-	330,761	-	-
Rental expense for:				
- buildings	993,083	1,143,829	42,000	42,000
- vehicles	42,733	1,453	-	-
Rental income from investment properties	(120,200)	(144,900)	-	-
Direct operating expenses arising from investment properties	-	2,875	-	-

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 RM82,898 (2013: RM66,943).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

5. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Salaries, wages, bonus and allowances	28,414,116	26,600,118	2,710,917	1,435,061
Employees Provident Fund	2,682,527	2,631,519	183,742	231,807
Social Security Contributions	216,540	198,893	4,839	5,216
Gratuity expenses (Executive Director)	-	1,212,603	-	1,186,467
Directors' fee	-	145,015	-	-
Other staff related expenses	1,424,929	1,781,271	31,901	-
	32,738,112	32,569,419	2,931,399	2,858,551

Included in staff costs of the Group and of the Company are executive directors' emoluments amounting to RM4,991,136 (2013: RM5,506,559) and RM1,236,000 (2013: RM1,478,057) respectively, as further disclosed in Note 6 to the financial statements.

6. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
DIRECTORS OF THE COMPANY				
Executive:				
Salaries and other emoluments	1,200,000	1,412,890	-	212,890
Employees Provident Fund and Social Security contributions	180,000	222,700	36,000	78,700
Bonus	1,200,000	-	1,200,000	-
Gratuity expenses (Executive Director)	-	1,186,467	-	1,186,467
Fees and other emoluments	67,149	37,325	-	-
	2,647,149	2,859,382	1,236,000	1,478,057
Non-Executive:				
Fees and other emoluments	622,700	476,160	242,700	249,950
	3,269,849	3,335,542	1,478,700	1,728,007

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

6. DIRECTORS' REMUNERATION (CONT'D)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
DIRECTORS OF THE SUBSIDIARIES				
Executive:				
Salaries and other emoluments	2,012,210	2,013,740	-	-
Employees Provident Fund and Social Security contributions	177,074	180,743	-	-
Bonus	45,000	132,000	-	-
Fees	109,703	320,694	-	-
	2,343,987	2,647,177	-	-
Non-executive:				
Fees and other emoluments	63,307	266,933	-	-
	2,407,294	2,914,110	-	-
TOTAL	5,677,143	6,249,652	1,478,700	1,728,007
Analysis excluding benefits-in-kind:				
Total executive Directors' remuneration excluding benefits-in-kind (Note 5):				
- of the Company	2,647,149	2,859,382	1,236,000	1,478,057
- of the subsidiaries	2,343,987	2,647,177	-	-
	4,991,136	5,506,559	1,236,000	1,478,057
Total non-executive Directors' remuneration (Note 4):				
- of the Company	622,700	476,160	242,700	249,950
- of the subsidiaries	63,307	266,933	-	-
	686,007	743,093	242,700	249,950
TOTAL DIRECTORS' REMUNERATION EXCLUDING BENEFITS-IN-KIND	5,677,143	6,249,652	1,478,700	1,728,007

Remuneration in the form of benefits-in-kind paid to the executive Directors of the Group for the financial year amounted to RM47,945 (2013: RM87,462).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

6. DIRECTORS' REMUNERATION (CONT'D)

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	
	2014	2013
Executive Directors:		
Below RM100,000	-	-
RM950,001 – RM1,000,000	-	-
RM1,050,001 – RM1,100,000	-	-
RM1,350,001 – RM1,400,000	-	1
RM1,450,001 – RM1,500,000	-	1
RM2,600,001 – RM2,650,000	1	-
Non-executive Directors:		
Below RM100,000	3	3
RM100,001 – RM150,000	1	1
RM250,001 – RM300,000	-	1
RM400,001 – RM450,000	1	-

7. FINANCE (INCOME)/COSTS, NET

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest expense on:				
Bank guarantees	1,450	88,198	-	-
Term loans	219,224	196,796	-	-
Hire purchase and finance lease	173,273	109,374	3,969	8,750
Others	124,946	104,383	904	25,331
Interest income	(1,049,109)	(902,738)	(19,968)	(13,630)
	(530,216)	(403,987)	(15,095)	20,451

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

8. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Current tax:				
For the financial year	2,211,814	6,483,115	(48,234)	2,614,368
Underprovision in prior financial years	99,952	1,037,777	-	743,487
	2,311,766	7,520,892	(48,234)	3,357,855
Deferred tax (Note 29):				
Relating to origination and reversal of temporary differences	883,315	(3,376,503)	-	-
Overprovision in prior financial years	597,685	(17,083)	-	-
	1,481,000	(3,393,586)	-	-
TOTAL TAX EXPENSE/(SAVING)	3,792,766	4,127,306	(48,234)	3,357,855

The domestic statutory tax rate is 25% (2013: 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	
	2014	2013	2014	2013
	RM	RM	RM	RM
Profit/(Loss) before taxation	13,752,924	9,715,360	(2,017,640)	(36,817,584)
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	2,362,727	2,428,839	(504,410)	(9,204,400)
Tax effects of:				
Different tax rates in other countries	(80,793)	(27,862)	-	-
Expenses not deductible for tax purposes	1,014,334	3,059,982	456,176	11,996,056
Income not subject to tax	(255,174)	(937,273)	-	(177,288)
Income exempted under pioneer status	(259,886)	(1,531,280)	-	-
Enhanced deductions	(65,147)	-	-	-
Income tax rebate	(111,406)	(5,358)	-	-
Utilisation of previously unrecognised deferred tax assets	-	(88,680)	-	-
Tax effect of partial tax exemption	(131,180)	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

8. INCOME TAX EXPENSE (CONT'D)

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Recognition of previously unrecognised deferred tax assets	(197,655)	(366,186)	-	-
Deferred tax assets not recognised during the year	834,805	574,430	-	-
(Over)/Underprovision in prior financial years:				
- Current tax	84,456	1,037,777		743,487
- Deferred tax	597,685	(17,083)	-	-
	3,792,766	4,127,306	(48,234)	3,357,855

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.

	2014	2013
Profit attributable to owners of the Company (RM)	6,952,132	4,554,568
Weighted average number of ordinary shares in issue, excluding treasury shares	225,352,427	225,352,427
Basic earnings per share (sen)	3.1	2.0

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	
	2014	2013	2014	2013
	RM	RM	SEN	SEN
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	-	2.50

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

11. PROPERTY, PLANT AND EQUIPMENT

GROUP	LAND AND BUILDINGS*	COMPUTER EQUIPMENT AND SOFTWARE	MACHINERY, EQUIPMENT AND MOTOR VEHICLES	FURNITURE, FITTINGS AND OFFICE EQUIPMENT	ELECTRICAL INSTALLATIONS AND RENOVATION	TOTAL
	RM	RM	RM	RM	RM	RM
AT 30 JUNE 2014						
Cost						
At 1 July 2013	5,035,864	6,798,935	7,827,350	4,356,217	1,322,868	25,341,234
Additions (Note 32)	-	349,611	604,574	129,457	25,479	1,109,121
Disposals	(1,200,000)	(28,835)	(1,189,596)	(125,138)	(297,909)	(2,841,478)
Writeoffs	-	(20,483)	-	(3,478)	-	(23,961)
Translation differences	-	10,161	3,644	3,902	2,921	20,628
At 30 June 2014	3,835,864	7,109,389	7,245,972	4,360,960	1,053,359	23,605,544
ACCUMULATED DEPRECIATION						
At 1 July 2013	928,742	6,071,849	5,159,741	3,584,179	896,525	16,641,036
Charge for the financial year	70,468	280,004	852,519	179,250	123,074	1,505,315
Disposals	(187,062)	(28,230)	(760,697)	(102,677)	(289,092)	(1,367,758)
Writeoffs	-	(7,073)	-	(931)	-	(8,004)
Translation differences	-	9,325	10,856	2,851	2,719	25,751
At 30 June 2014	812,148	6,325,875	5,262,419	3,662,672	733,226	16,796,340
NET CARRYING AMOUNT						
At 30 June 2014	3,023,716	783,514	1,983,553	698,288	320,133	6,809,204

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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

GROUP	LAND AND BUILDINGS*	COMPUTER EQUIPMENT AND SOFTWARE	MACHINERY, EQUIPMENT AND MOTOR VEHICLES	FURNITURE, FITTINGS AND OFFICE EQUIPMENT	ELECTRICAL INSTALLATIONS AND RENOVATION	TOTAL
	RM	RM	RM	RM	RM	RM
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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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

Land and Buildings*

	FREEHOLD LAND RM	FREEHOLD BUILDINGS RM	TOTAL RM
GROUP			
AT 30 JUNE 2014			
Cost			
At 1 July 2013/30 June 2014	660,000	4,375,864	5,035,864
Disposal	(660,000)	(540,000)	(1,200,000)
	-	3,835,864	3,835,864
ACCUMULATED DEPRECIATION			
At 1 July 2013	-	928,742	928,742
Disposal	-	(187,062)	(187,062)
Charge for the financial year	-	70,468	70,468
At 30 June 2014	-	812,148	812,148
NET CARRYING AMOUNT			
At 30 June 2014	-	3,023,716	3,023,716
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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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

	MOTOR VEHICLE RM	COMPUTER EQUIPMENT AND SOFTWARE RM	FURNITURE, FITTINGS AND OFFICE EQUIPMENT RM	RENOVATION RM	TOTAL RM
COMPANY					
AT 30 JUNE 2014					
Cost					
At 1 July 2013	230,000	425,256	72,129	67,745	795,130
Addition	-	31,422	-	-	31,422
Disposal	(230,000)	-	-	-	(230,000)
At 30 June 2014	-	456,678	72,129	67,745	596,552
ACCUMULATED DEPRECIATION					
At 1 July 2013	88,168	380,343	46,680	52,396	567,587
Charge during the financial year	30,667	20,593	10,435	13,549	75,244
Disposals	(118,835)	-	-	-	(118,835)
At 30 June 2014	-	400,936	57,115	65,945	523,996
NET CARRYING AMOUNT					
At 30 June 2014	-	55,742	15,014	1,800	72,556
AT 30 JUNE 2013					
Cost					
At 1 July 2012	677,330	425,256	59,085	67,745	1,229,416
Addition	-	-	13,044	-	13,044
Disposal	(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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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 RM9,838,909 (2013: RM11,543,013).
- b. Net book values of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Motor vehicles	927,787	1,560,208	-	141,832
Office equipment	6,507	15,759	-	-
	934,294	1,575,967	-	141,832

- c. Freehold land and freehold buildings of the Group with a total net book value of RM3,023,716 (2013: RM3,085,784) have been pledged to financial institutions for borrowings as disclosed in Note 28(i)(c).

12. INVESTMENT PROPERTIES

	GROUP	
	2014	2013
	RM	RM
FREEHOLD BUILDINGS		
At cost:-		
At 1 July 2013/2012	2,192,194	2,192,194
Accumulated depreciation	(287,261)	(166,788)
Net book value	1,904,933	2,025,406
Accumulated depreciation:-		
At 1 July 2013/2012	166,788	115,779
Depreciation during the financial year	120,473	51,009
At 30 June 2014/2013	287,261	166,788

The freehold buildings of the Group with a carrying amount of RM1,258,887 (2013: RM1,364,237) have been pledged to financial institutions for borrowings, as disclosed in Note 28(i)(c).

The income earned by the Group from rental of investment properties amounted to RM120,200 (2013: RM144,900). Direct operating expenses incurred on the investment properties during the year amounted to RM89,315 (2013: RM49,138).

The fair value of the investment property had been determined by the Directors based on current price in an active market for the properties. Detail of the Group investment properties and information about the fair value hierarchy as of 30 June 2014 are as follows:-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

12. INVESTMENT PROPERTIES (CONT'D)

GROUP	LEVEL 1 RM	LEVEL 2 RM	LEVEL 3 RM	TOTAL RM
2014				
Investment properties	-	1,904,933	-	1,904,933
2013				
Investment properties	-	2,025,406	-	2,025,406

13. INVESTMENTS IN JOINTLY CONTROLLED ENTITY

	GROUP		
	2014 RM	2013 RM	2012 RM
Unquoted shares at cost	514,800	514,800	514,800
Share of post acquisition results and reserve	2,124,453	2,124,453	2,795,683
	2,639,253	2,639,253	3,310,483
Less: impairment losses	(2,639,253)	(2,639,253)	(520,657)
	-	-	2,789,826

The Group's share of revenue, loss, assets and liabilities of jointly controlled entities are as follows:

	GROUP	
	2014 RM	2013 RM
Revenue	228,573	124,818
Loss for the financial year	(1,121,873)	(671,230)

	GROUP		
	2014 RM	2013 RM	2012 RM
Current assets	3,709,605	7,347,369	9,251,450
Current liabilities	(2,312,131)	(4,864,767)	(6,073,281)
Non-current liabilities	(31,472)	(23,322)	(19,063)
Net assets	1,366,002	2,459,280	3,159,106
Reserve	296,578	179,973	151,377
	1,662,580	2,639,253	3,310,483

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

13. INVESTMENTS IN JOINTLY CONTROLLED ENTITY (CONT'D)

Details of the jointly controlled entity are as follows:

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACITIVITIES
		2014	2013	
Multi Link Environmental Services LLC ("MLES")	Abu Dhabi, United Arab Emirates	16.99%	16.99%	Designing, supplying and installing of automated waste collection systems.

In the current financial year, the Group recognises its interests in jointly controlled entity using equity method of accounting. In previous financial year, the Group recognised its interests in jointly controlled entity using proportionate consolidation.

Amount owing by jointly controlled entity:-

	2014 RM	2013 RM
Trade	1,855,825	1,942,783
Less : Allowance for impairment loss	(454,795)	(891,043)
	1,401,030	1,051,740
Non-trade	-	995,636
	1,401,030	2,047,376
Allowance for impairment losses:		
At 1 July 2013/2012	891,043	552,023
(Reversal)/Addition	(436,248)	339,020
At 30 June 2014/2013	454,795	891,043

The trade balance is subject 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.

14. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2014 RM	2013 RM
Unquoted shares, at cost		
At 1 July 2013/2012	100,825,503	116,013,503
Addition	-	112,000
Disposal	-	(15,300,000)
	100,825,503	100,825,503
Less: Accumulated impairment losses	(58,899,589)	(58,899,589)
At 30 June 2014/2013	41,925,914	41,925,914

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

14. INVESTMENTS IN SUBSIDIARIES (CONT'D)

	COMPANY	
	2014 RM	2013 RM
ACCUMULATED IMPAIRMENT LOSSES:-		
At 1 July 2013/2012	(58,899,589)	(27,088,902)
Addition	-	(46,610,687)
Disposal	-	14,800,000
At 30 June 2014/2013	(58,899,589)	(58,899,589)

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 in previous financial year of RM46,610,687 represents the write-down of investment in subsidiaries to the Company's share of net assets in its subsidiaries.

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACITIVITIES
		2014	2013	
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.
M & C Engineering and Trading Sdn. Bhd. ^ ("M&C(M)")	Malaysia	100%	100%	Air-conditioning and building automation.
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 (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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

14. INVESTMENTS IN SUBSIDIARIES (CONT'D)

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
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 FZE * ¹	Abu Dhabi, United Arab Emirates	51%	51%	Trading in building materials, environmental protection equipment, pumps, engines, valves and spare parts.
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 and general trading.

^ Consolidated under merger method of accounting.

@ 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.

a. Disposal in the previous 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 Infinite QL Sdn Bhd ("IQL") to him for a total cash consideration of RM500,000.

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 previous financial year:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

14. INVESTMENTS IN SUBSIDIARIES (CONT'D)

a. Disposal in the previous financial year (CONT'D)

	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. Deconsolidation in the previous financial year

AWC Facilities Management (India) Pvt. Ltd. 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 previous financial year.

The deconsolidation had the following effects on the financial position of the Group as at the end of the previous 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)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

14. INVESTMENTS IN SUBSIDIARIES (CONT'D)

b. Deconsolidation in the previous financial year (CONT'D)

	GROUP 2013 RM
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
	488,570
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)

15. OTHER INVESTMENTS

	GROUP 2014 RM	2013 RM
At cost		
Investment in associate	1,661	1,661
Investment in unquoted shares	1,327,023	1,327,023
Investment in golf club membership	-	34,500
	1,328,684	1,363,184
Less: Impairment loss	(1,327,023)	(1,327,023)
	1,661	36,161

The Group designated its investment in 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. The golf club membership was disposed in the current financial year.

Details of the associate which is incorporated in Malaysia, are as follow:-

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACITIVITIES
		2014	2013	
Premium Patents Sdn Bhd	Malaysia	24.99%	24.99%	Dormant

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

16. INTANGIBLE ASSETS

i. Goodwill

	GROUP	
	2014	2013
	RM	RM
At 1 July 2013/2012	5,912,091	7,682,266
Disposal of subsidiaries (Note 14(a))	-	(1,160,043)
Impairment loss	-	(610,132)
At 30 June 2014/2013	5,912,091	5,912,091

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 Environment segments as follows:

CGU	2014	2013
	RM	RM
Environment - NSB and its subsidiaries	5,912,091	5,912,091

Impairment loss on goodwill in Environment segment in previous financial year was due to 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 years 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 15%. Cash flows beyond the period are not included in the computation of value-in-use on the grounds of prudence.

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	37%	4.5%	15%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

16. INTANGIBLE ASSETS (CONT'D)

i. Goodwill (CONT'D)

a. Impairment tests for goodwill (CONT'D)

Key assumptions used in value-in-use computations (CONT'D)

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 years 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. Deferred Expenditure

GROUP	2014 RM	2013 RM
Cost		
At 30 June 2014/2013	10,202,701	10,202,701
ACCUMULATED AMORTISATION		
At 1 July 2013/1 July 2012	10,056,639	9,655,239
Amortisation for the financial year	133,250	401,400
At 30 June 2014/30 June 2013	10,189,889	10,056,639
NET CARRYING AMOUNT		
At 30 June 2014/2013	12,812	146,062

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

17. INVENTORIES

	GROUP		
	2014	RESTATED 2013	RESTATED 2012
	RM	RM	RM
At cost			
Consumables	233,873	2,142,788	602,344
Trading and installation goods	11,129,713	8,653,733	11,578,291
	11,363,586	10,796,521	12,180,635

None of the inventories are stated at net realisable value.

18. OTHER RECEIVABLES

	GROUP			COMPANY	
	2014	RESTATED 2013	RESTATED 2012	2014	2013
	RM	RM	RM	RM	RM
Deposits	1,014,483	1,941,686	1,804,521	1,620	1,620
Prepayments	1,680,735	684,517	615,351	28,669	24,366
Staff loans	184,281	323,430	269,655	-	-
Other receivables	3,057,463	1,279,297	599,145	-	-
	5,936,962	4,228,930	3,288,672	30,289	25,986
Less: Allowance for impairment losses	(124,685)	(923,547)	(562,401)	-	-
	5,812,277	3,305,383	2,726,271	30,289	25,986

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Allowance for impairment losses:-				
At 1 July 2013/2012	(923,547)	(562,401)	-	(480,000)
Addition	-	(841,146)	-	-
Written off	798,862	290,000	-	290,000
Writeback	-	190,000	-	190,000
At 30 June 2014/2013	(124,685)	(923,547)	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

19. TRADE RECEIVABLES

	GROUP		
	2014	RESTATED	RESTATED
	2013	2012	
	RM	RM	RM
Trade receivables	41,616,963	20,842,513	23,861,144
Accrued billings	193,038	926,120	2,493,691
Retention sums on contracts	11,129,171	11,771,659	11,336,777
	52,939,172	33,540,292	37,691,612
Less: Allowance for impairment losses	(1,851,446)	(4,204,826)	(2,062,212)
Translation differences	(13,000)	3,271	(42,409)
	51,074,726	29,338,737	35,586,991
Amount due from customers on contracts (Note 20)	17,094,106	17,541,855	8,884,693
	68,168,832	46,880,592	44,471,684
Allowance for impairment losses:-			
At 1 July 2013/2012	(4,204,826)	(2,062,212)	(4,532,506)
Reversal	-	359,302	330,581
Addition	(642,734)	(3,014,771)	(63,476)
Writeback	34,408	30,000	121,392
Written off	2,961,706	315,694	2,081,797
Disposal of subsidiaries	-	167,161	-
At 30 June 2014/2013	(1,851,446)	(4,204,826)	(2,062,212)

The Group's normal trade credit terms range from 30 to 90 days (2013: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

20. AMOUNTS DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	GROUP	
	2014	2013
	RM	RM
Construction costs incurred to date	43,963,927	143,742,912
Attributable profits	31,720,910	69,349,254
	75,684,837	213,092,166
Less: Progress billings	(60,509,843)	(197,227,361)
	15,174,994	15,864,805
Amount due from customers on contracts (Note 19)	17,094,106	17,541,855
Amount due to customers on contracts (Note 30)	(1,919,112)	(1,677,050)
	15,174,994	15,864,805
Advances received on contracts, included within other payables (Note 31)	-	1,368,103

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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	
	2014	2013	2012	2014	2013
	RM	RM	RM	RM	RM
Cash and bank balances	25,409,767	20,046,262	18,621,616	469,201	2,471,910
Deposits with licensed banks	17,952,830	43,130,123	30,607,174	-	-
	43,362,597	63,176,385	49,228,790	469,201	2,471,910

The Group's deposits with licensed banks amounting to RM1,599,464 (2013: RM5,111,388) have been pledged to banks for credit facilities granted to certain subsidiaries, as disclosed in Note 28(i)(a).

23. SHARE CAPITAL

	PAR VALUE	NUMBER OF ORDINARY SHARES		AMOUNT	
		2014	2013	2014 RM	2013 RM
AUTHORISED					
Ordinary shares					
At 30 June 2014/2013	RM0.30	1,666,666,666	1,666,666,666	500,000,000	500,000,000
ISSUED AND FULLY PAID-UP					
Ordinary shares					
At 30 June 2014/2013	RM0.30	228,679,227	228,679,227	68,603,769	68,603,769

a. 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.

The main features of the ESOS are as follows:

- 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

23. SHARE CAPITAL (CONT'D)

a. Employees' Share Option Scheme ("ESOS") (CONT'D)

- 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.

b. Treasury Shares

	PAR VALUE	GROUP/COMPANY			
		NUMBER OF ORDINARY SHARES AMOUNT		AMOUNT	
		2014	2013	2014 RM	2013 RM
Ordinary shares					
At 30 June 2014/2013	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 being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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 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

At the end of the reporting period, the Company will be able to distribute dividends out of its entire retained profits, if any, under the single tier tax system.

28. BORROWINGS

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
SHORT-TERM BORROWINGS				
Secured:				
Term loan	809,160	600,688	-	-
Trade loan	-	352,589	-	-
Hire purchase and finance lease payables (Note 28(iii))	269,196	632,657	-	36,498
	1,078,356	1,585,934	-	36,498
LONG-TERM BORROWINGS				
Secured:				
Term loan	1,153,713	1,897,246	-	-
Hire purchase and finance lease payables (Note 28(iii))	779,109	1,249,753	-	85,441
	1,932,822	3,146,999	-	85,441
TOTAL BORROWINGS				
Term loan	1,962,873	2,497,934	-	-
Trade loan	-	352,589	-	-
Hire purchase and finance lease payables (Note 28(iii))	1,048,305	1,882,410	-	121,939
	3,011,178	4,732,933	-	121,939

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

28. BORROWINGS (CONT'D)

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
MATURITY OF BORROWINGS (EXCLUDING HIRE PURCHASE AND FINANCE LEASE PAYABLES)				
Not later than 1 year	809,160	953,277	-	-
Later than 1 year and not later than 2 years	809,160	643,472	-	-
Later than 2 year and not later than 5 years	344,553	1,253,774	-	-
	1,962,873	2,850,523	-	-

- i. The 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 statements;
 - 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);
 - 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 (2013: RM62,857).
- iii. Hire purchase and finance lease payables is as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
MINIMUM LEASE PAYMENTS				
Not later than 1 year	295,801	717,754	-	41,556
Later than 1 year and not later than 2 years	479,938	667,711	-	41,556
Later than 2 years and not later than 5 years	316,563	662,841	-	48,438
	1,092,302	2,048,306	-	131,550
Less: Future finance charges	(43,997)	(165,896)	-	(9,611)
	1,048,305	1,882,410	-	121,939
PRESENT VALUE OF FINANCE LEASE PAYABLES				
Not later than 1 year	269,196	632,657	-	36,498
Later than 1 year and not later than 2 years	463,428	627,724	-	38,365
Later than 2 year and not later than 5 years	315,681	622,029	-	47,076
	1,048,305	1,882,410	-	121,939

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

28. BORROWINGS (CONT'D)

iii. Hire purchase and finance lease payables is as follows: (CONT'D)

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
ANALYSED AS				
Due within 12 months	269,196	632,657	-	36,498
Due after 12 months	779,109	1,249,753	-	85,441
	1,048,305	1,882,410	-	121,939

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 2014, the Group has complied with all the requirements of the covenants.

29. DEFERRED TAX

	GROUP	
	2014	2013
	RM	RM
At 1 July 2013/2012	(3,445,032)	(60,731)
Translation differences	453	9,285
Recognised in profit or loss (Note 8)	1,481,000	(3,393,586)
At 30 June 2014/2013	(1,963,579)	(3,445,032)
Deferred tax comprised the following:		
Deferred tax assets	(2,063,000)	(3,544,000)
Deferred tax liabilities	99,421	98,968
	(1,963,579)	(3,445,032)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

29. DEFERRED TAX

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	INTANGIBLE ASSETS-OTHERS	OTHERS	TOTAL
	RM	RM	RM	RM
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
At 1 July 2013	49,415	-	(14,604)	34,811
Recognised in profit or loss	12,172	-	(36,505)	(24,333)
At 30 June 2014	61,587	-	(51,109)	10,478

Deferred Tax Assets of the Group:

	PAYABLES	ALLOWANCE FOR IMPAIRMENT LOSSES	OTHERS	TOTAL
	RM	RM	RM	RM
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)
At 1 July 2013	(3,396,016)	(33,449)	(50,378)	(3,479,843)
Recognised in profit or loss	1,634,949	-	(129,163)	1,505,786
At 30 June 2014	(1,761,067)	(33,449)	(179,541)	(1,974,057)

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

	GROUP	
	2014	2013
	RM	RM
Unutilised tax losses	4,227,207	4,150,712
Unabsorbed capital allowances	16,061	1,128
Others	2,504,245	2,521,637
	6,747,513	6,673,477

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

30. TRADE PAYABLES

	GROUP		
		RESTATED	RESTATED
	2014	2013	2012
	RM	RM	RM
Trade payables	20,141,007	10,630,453	11,610,419
Amount due to customers on contracts (Note 20)	1,919,112	1,677,050	1,212,735
	22,060,119	12,307,503	12,823,154

The credit period granted to the Group range from 30 to 90 days (2013: 30 to 90 days).

31. OTHER PAYABLES

	GROUP			COMPANY	
		RESTATED	RESTATED		
	2014	2013	2012	2014	2013
	RM	RM	RM	RM	RM
CURRENT:					
Advances received	-	1,460,325	-	-	-
Accruals	7,796,025	9,073,374	10,581,566	1,747,270	639,894
Provision for short-term accumulating compensated absences	208,140	317,537	869,774	40,744	40,744
Provision for costs (Note a)	-	13,102,381	-	-	-
Retirement benefit obligation (Note b)	302,206	25,618	130,813	-	-
Sundry payables	2,545,974	3,718,723	5,228,239	60	847
	10,852,345	27,697,958	16,810,392	1,788,074	681,485
NON-CURRENT:					
Retirement benefit obligation (Note b)	2,483,609	2,673,814	2,402,241	-	-
	13,335,954	30,371,772	19,212,633	1,788,074	681,485

- The provision for costs amounting to RM 13,102,381 in previous financial year related to costs of civil and 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

31. OTHER PAYABLES (CONT'D)

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

	GROUP	
	2014	2013
	RM	RM
Present value of unfunded defined benefit obligations	2,785,814	2,699,432
Current portion	302,205	25,618
Non-current portion:		
- later than 1 year and not later than 2 years	383,165	302,206
- later than 2 year and not later than 3 years	383,165	383,165
- more than 3 years	1,717,279	1,988,443
	2,483,609	2,673,814
	2,785,814	2,699,432

The amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income were as follows:-

	GROUP	
	2014	2013
	RM	RM
Current service cost	193,280	184,076
Interest cost	53,590	113,115
	246,870	297,191

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

	GROUP	
	2014	2013
	RM	RM
At 1 July 2013/2012	2,699,432	2,533,054
Add: Provision for the financial year	246,870	297,191
Less: Payment during the financial year	(160,488)	(130,813)
At 30 June 2014/2013	2,785,814	2,699,432

Principal actuarial assumptions used:

	GROUP	
	2014	2013
	%	%
Discount rate	5.0	5.0
Expected salary increment rate	6.0	6.0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

32. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Cost of plant and equipment purchased (Note 11)	1,109,121	836,713	31,422	13,044
Amount financed through finance lease and hire purchase	(352,482)	(362,865)	-	-
Cash disbursed for purchase of plant and equipment	756,639	473,848	31,422	13,044

33. OPERATING LEASE COMMITMENTS

LEASES AS LESSEE

	GROUP	
	2014 RM	2013 RM
Future minimum lease payments under the non-cancellable operating leases are as follows:-		
Not later than 1 year	668,928	569,140
Later than 1 year and not later than 2 years	387,945	269,310
Later than 2 year and not later than 5 years	738,408	5,510
	1,795,281	843,960

34. CONTINGENT LIABILITY

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Unsecured:				
Corporate guarantee given to banks for credit facilities granted to subsidiaries	-	-	22,004,108	24,095,683

35. SIGNIFICANT RELATED PARTY DISCLOSURES

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

- its subsidiaries;
- its associate;
- its jointly controlled entity; and
- 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:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

35. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
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	6,752,709	8,114,724	1,478,700	2,455,471
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)

Information regarding the related parties' balances at the end of reporting period are disclosed in Note 13 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)(i)(i) to the financial statements.

Interest Rate Risk Sensitivity Analysis

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:-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

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

i. Market Risk (CONT'D)

i. Interest Rate Risk (CONT'D)

	GROUP		COMPANY	
	2014	2013	2014	2013
	INCREASE/ (DECREASE)	INCREASE/ (DECREASE)	INCREASE/ (DECREASE)	INCREASE/ (DECREASE)
	RM	RM	RM	RM
Effect on profit after taxation/equity:				
Increase of 100 basis points	(14,722)	(21,379)	-	-
Decrease of 100 basis points	14,722	21,379	-	-

ii. Foreign Exchange 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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)

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

GROUP	GBP	SGD	USD	EURO	SEK	AED	QAR	MYR	TOTAL
2014	RM	RM	RM	RM	RM	RM	RM	RM	RM
FINANCIAL ASSETS									
Amount owing by jointly controlled entity	-	-	-	-	-	1,234,078	-	166,952	1,401,030
Other receivables	-	137,813	-	-	-	-	2,860	3,990,869	4,131,542
Trade receivables	-	9,917,851	956	-	-	10,344,040	1,183,080	29,628,799	51,074,726
Deposits with licensed banks, cash and bank balances	-	7,150,226	483,931	-	-	6,392,133	208,904	29,127,403	43,362,597
	-	17,205,890	484,887	-	-	17,970,251	1,394,844	62,914,023	99,969,895
FINANCIAL LIABILITIES									
Trade payables	39,047	3,055,891	230,516	706,573	1,211,722	4,829,427	83,812	9,984,018	20,141,006
Other payables	-	1,343,097	-	-	-	1,801,539	113,520	10,077,797	13,335,953
Term loan	-	-	-	-	-	-	-	1,962,873	1,962,873
Hire purchase and finance lease payables	-	160,554	-	-	-	-	-	887,751	1,048,305
	39,047	4,559,542	230,516	706,573	1,211,722	6,630,966	197,332	22,912,439	36,488,137
Net financial (liabilities)/assets	(39,047)	12,646,348	254,371	(706,573)	(1,211,722)	11,339,285	1,197,512	40,001,584	63,481,758
Less: Net financial assets denominated in the entity's functional currency	-	(12,660,391)	-	-	-	(11,339,285)	(1,197,512)	(40,001,584)	(65,198,772)
Currency exposure	(39,047)	(14,043)	254,371	(706,573)	(1,211,722)	-	-	-	(1,717,014)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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	MYR	TOTAL
2013	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	-	-	-	892,491	1,349	1,581,226	2,620,866
Trade receivables	-	6,562,495	-	-	-	8,945,598	372,853	13,457,791	29,338,737
Deposits with licensed banks, cash and bank balances	-	3,588,496	396,388	-	-	7,981,753	480,878	50,728,870	63,176,385
	-	10,296,791	396,388	-	-	19,053,921	855,080	66,581,184	97,183,364
FINANCIAL LIABILITIES									
Trade payables	35,110	585,877	29,215	828,839	811,307	801,359	212,021	7,326,725	10,630,453
Other payables	-	960,778	-	-	-	7,567,915	141,920	21,701,159	30,371,772
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	8,369,274	353,941	33,173,907	45,735,158
Net financial (liabilities)/assets	(35,110)	8,163,226	367,173	(828,839)	(811,307)	10,684,647	501,139	33,407,277	51,448,206
Less: Net financial assets denominated in the entity's functional currency	-	(8,178,300)	-	-	-	(6,863,476)	(501,139)	(33,407,277)	(48,950,192)
Currency exposure	(35,110)	(15,074)	367,173	(828,839)	(811,307)	3,821,171	-	-	2,498,014

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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)

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						
2014						
Trade payables	-	20,141,006	20,141,006	20,141,006	-	-
Other payables	-	13,335,953	13,335,953	13,335,953	-	-
Term loan	6.90%	1,962,873	1,962,873	809,160	1,153,713	-
Hire purchase and finance lease payable	3.31%- 7.21%	1,048,305	1,092,302	295,801	796,501	-
		36,488,137	36,532,134	34,581,920	1,950,214	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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						
2013						
Trade payables	-	10,630,453	10,630,453	10,630,453	-	-
Other payables	-	30,371,772	30,371,772	30,371,772	-	-
Term loan	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	-
		45,735,158	46,253,757	42,833,372	3,420,385	-

	WEIGHTED AVERAGE EFFECTIVE RATE	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 – 5 YEARS RM
COMPANY					
2014					
Other payables	-	1,788,074	1,788,074	1,788,074	-
2013					
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 payable	4.88%	121,939	131,550	41,556	89,994
		2,467,076	2,476,687	2,386,693	89,994

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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 amounts owing by 2 customers which constitute approximately 44% of its trade receivables 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	
	2014	2013
	RM	RM
Qatar	1,183,080	372,853
Singapore	9,917,851	6,562,495
United States	956	-
United Arab Emirates	10,344,040	8,945,598
Malaysia	29,628,799	13,457,791
	51,074,726	29,338,737

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

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

iii. Credit Risk

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
2014				
Not past due	16,711,989	-	-	16,711,989
Past due:				
- less than 3 months	14,030,383	-	-	14,030,383
- 3 to 6 months	3,554,074	-	-	3,554,074
- over 6 months	18,618,314	(1,840,034)	-	16,778,280*
	52,914,760	(1,840,034)	-	51,074,726
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	14,255,025	(4,204,101)	-	10,050,924*
	33,543,563	(4,204,826)	-	29,338,737

*- included retention sum of RM11,129,171 (2013 - RM11,771,659) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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.

c. Fair Values

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of long term finance lease liabilities carried on the statements of financial position are estimated using valuation technique under the hierarchy level 2 mentioned above whereby the expected future cash flows are discounted at the market interest rate for similar types of borrowings.

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:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

c. Fair Values (CONT'D)

	GROUP		COMPANY	
	CARRYING VALUE RM	FAIR VALUE RM	CARRYING VALUE RM	FAIR VALUE RM
FINANCIAL LIABILITIES				
At 30 June 2014				
Hire purchase and finance lease payables	1,048,305	1,048,305	-	-
At 30 June 2013				
Hire purchase and finance lease payables	1,882,410	1,918,313	121,939	122,414

The following summarises the methods used to determine the fair values of the financial instruments:-

- 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.
- The fair values of 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, are as follows:-

	GROUP		COMPANY	
	2014	2013	2014	2013
	%	%	%	%
Hire purchase payables	4.56	4.56	-	4.48

- The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

37. OPERATING SEGMENTS

a. Business Segments

The Group has four 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 reviewed 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. 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 tax recoverable, deferred tax assets, deferred tax liabilities and provision for taxation.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

37. OPERATING SEGMENTS (CONT'D)

a. Business Segments (CONT'D)

	INVESTMENT HOLDING	FACILITIES	ENGINEERING	ENVIRONMENT	ADJUSTMENT AND ELIMINATIONS	PER CONSOLIDATED FINANCIAL STATEMENTS
	RM	RM	RM	RM	RM	RM
30 JUNE 2014						
Revenue						
External revenue	-	61,540,264	26,738,851	31,226,744	-	119,505,859
Inter-segment revenue	2,340,000	9,630,970	1,048,185	-	(13,019,155)	-
	2,340,000	71,171,234	27,787,036	31,226,744	(13,019,155)	119,505,859
RESULTS						
Results before the following adjustments	(1,949,471)	8,352,991	1,080,910	7,356,865	-	14,841,295
Depreciation and amortisation	(75,244)	(882,719)	(113,845)	(687,229)	-	(1,759,037)
Impairment loss on:						
- goodwill	-	-	-	-	-	-
- subsidiaries	-	-	-	-	-	-
Allowance for impairment loss on:						
- trade receivables	-	(11,412)	(631,322)	-	-	(642,734)
- other receivables	-	-	-	-	-	-
- jointly controlled entity	-	-	-	-	-	-
Bad debts written off	-	-	-	-	-	-
Other non-cash items	(14,552)	(28,801)	897,115	(70,578)	-	783,184
Segment results	(2,039,267)	7,430,059	1,232,858	6,599,058	-	13,222,708
Net finance (cost)/income	15,126	169,589	(47,592)	393,093	-	530,216
Income tax expense						(3,792,766)
Consolidated profit after taxation for the financial year						9,960,158

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

37. OPERATING SEGMENTS (CONT'D)

a. Business Segments (CONT'D)

	INVESTMENT HOLDING	FACILITIES	ENGINEERING	ENVIRONMENT	ADJUSTMENT AND ELIMINATIONS	PER CONSOLIDATED FINANCIAL STATEMENTS
	RM	RM	RM	RM	RM	RM
30 JUNE 2014						
Assets						
Segment assets	43,948,322	45,551,518	30,072,674	71,466,615	(46,290,106)	144,749,023
Tax recoverable						1,497,473
Deferred tax assets						2,063,000
Consolidated total assets						148,309,496
Liabilities						
Segment liabilities	1,790,775	24,130,453	9,999,725	12,929,332	(10,304,063)	38,546,222
Deferred tax liabilities						99,421
Provision for taxation						2,871,899
Consolidated total liabilities						41,517,542
Other segment items						
Additions to non-current assets other than financial instruments						
- property, plant and equipment	31,422	686,100	82,307	309,292		1,109,121

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

37. OPERATING SEGMENTS (CONT'D)

a. Business Segments (CONT'D)

	INVESTMENT HOLDING	FACILITIES	ENGINEERING	ENVIRONMENT	ADJUSTMENT AND ELIMINATIONS	PER CONSOLIDATED FINANCIAL STATEMENTS
	RM	RM	RM	RM	RM	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	-	-	-	(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 items	(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 taxation for the financial year						5,588,054

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

37. OPERATING SEGMENTS (CONT'D)

a. Business Segments (CONT'D)

	INVESTMENT HOLDING	FACILITIES	ENGINEERING	ENVIRONMENT	ADJUSTMENT AND ELIMINATIONS	PER CONSOLIDATED FINANCIAL STATEMENTS
	RM	RM	RM	RM	RM	RM
30 JUNE 2013						
Assets						
Segment assets	45,270,293	51,249,338	24,754,724	65,304,928	(43,553,108)	143,026,175
Tax recoverable						4,828,427
Deferred tax assets						3,544,000
Consolidated total assets						151,398,602
Liabilities						
Segment liabilities	2,471,377	32,414,984	6,406,734	14,044,827	(7,784,685)	47,553,237
Deferred tax liabilities						98,968
Provision for taxation						7,546,674
Consolidated total liabilities						55,198,879
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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

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 2014						
Revenue	81,695,013	32,084,753	-	1,176,181	4,549,912	119,505,859
Non-current assets	15,747,519	416,035	-	2,403	537,744	16,703,701
30 JUNE 2013						
Revenue	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

c. Information About Major Customers

The following are major customers with revenue equal to or more than 10 percent of the Group revenue:-

		GROUP	
		2014 RM	2013 RM
	SEGMENT		
Kementerian Kerja Raya Malaysia	Facilities	46,102,824	67,901,703

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Ambang Wira Sdn Bhd ("AWSB"), a wholly-owned subsidiary of the Company, had on 15 January 2014 received a letter from the Public Private Partnership Unit of the Prime Minister's Department informing AWSB that the Federal Government has agreed in principle for AWSB to implement the privatisation of management and maintenance services of Federal Government buildings for Southern Zone and Sarawak Zone ("Privatisation") subject to the terms and conditions of the Privatisation to be negotiated between the Federal Government and AWSB.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

39. COMPARATIVE FIGURES

Certain comparative figures of the Group have been reclassified where necessary to give effect of the transition to MFRS 11 as follows:-

	AS PREVIOUSLY STATED RM	GROUP RECLASSIFICATION/ ADJUSTMENTS RM	AS RESTATED RM
2013			
STATEMENT OF FINANCIAL POSITION			
Current assets			
Inventories	11,340,672	(544,151)	10,796,521
Other receivables	4,284,692	(979,309)	3,305,383
Trade receivables	48,700,651	(1,820,059)	46,880,592
Deposits with licensed bank, cash and bank balances	63,766,010	(589,625)	63,176,385
Equity			
Foreign exchange reserve	768,030	151,377	919,407
Accumulated losses	(5,342,387)	409,820	(4,932,567)
Non-controlling interests	24,114,333	393,748	24,508,081
Non-current liabilities			
Provision for end of service benefit	164,351	(23,322)	141,029
Current liabilities			
Trade payables	16,760,460	(4,452,957)	12,307,503
Other payables	28,109,768	(411,810)	27,697,958
STATEMENT OF CASH FLOWS			
Cash flow from operating activities			
Allowance for impairment losses for jointly controlled entity	339,020	2,789,826	3,128,846
Provision for end of service benefits	84,204	(4,259)	79,945
Decrease in inventories	768,454	(207,239)	561,215
Increase in receivables	(5,804,752)	(5,002,891)	(10,807,643)
Decrease in payables	(1,536,033)	1,208,514	(327,519)
Cash and cash equivalents at beginning of financial year	48,423,849	804,941	49,228,790
Effects of exchange differences	318,423	(178,517)	139,906

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014 (CONT'D)

39. COMPARATIVE FIGURES (CONT'D)

The financial statements of the previous financial year which are presented for comparatives purposes were examined and reported on by another firm of auditors.

40. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the realised and unrealised (accumulated losses)/retained profits 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	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total (accumulated losses)/retained profits:				
- Realised	42,889,518	45,868,096	(46,202,378)	(44,232,972)
- Unrealised	1,903,120	(9,936,837)	-	-
	44,792,638	35,931,259	(46,202,378)	(44,232,972)
Total share of retained profits of jointly controlled entity:				
- Realised	-	927,002	-	-
	44,792,638	36,858,261	(46,202,378)	(44,232,972)
Less: Consolidation adjustments	(42,773,073)	(42,200,648)	-	-
At 30 June 2014/2013	2,019,565	(5,342,387)	(46,202,378)	(44,232,972)

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 AS AT 30 JUNE 2014 (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	18 years	2,535,837
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	18 years	1,746,767

NO.	OWNER	LOCATION	DESCRIPTION	EXISTING USE	LAND AREA (SQ. FT)	BUILD-UP AREA (SQ. FT)	APPROXIMATE AGE OF BUILDING	TENURE	AUDITED NET BOOK VALUE AS AT 30 JUNE 2014 (RM)

3.	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	14 years	71,927
4.	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	7 years	574,118

4,928,649

ANALYSIS OF SHAREHOLDINGS

AS AT 17 OCTOBER 2014

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 by Show of Hand	: One vote per per share
Voting Rights by Poll	: One vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	NO. OF SHARES #	%*
Less than 100	1,868	134,935	0.06
100 - 1,000	1,522	813,728	0.36
1,001 - 10,000	2,300	12,237,839	5.43
10,001- 100,000	1,409	52,041,741	23.09
100,001 - less than 5% of the issued shares	201	80,684,667	35.80
5% and above of the issued shares	1	79,439,517	35.25
Total	7,301	225,352,427	100.00

Excluding a total of 3,326,800 shares bought back and retained as treasury shares.

SUBSTANTIAL SHAREHOLDERS' AS AT 17 OCTOBER 2014

(As per the Register of Substantial Shareholders)

NAME OF SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES HELD			
	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.

ANALYSIS OF SHAREHOLDINGS AS AT 17 OCTOBER 2014 (CONT'D)

DIRECTORS' SHAREHOLDINGS AS AT 17 OCTOBER 2014

(As per the Register of Directors' Shareholdings)

NAME OF DIRECTORS	NO. OF SHARES HELD			
	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 17 OCTOBER 2014

(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.	Lee Kim Soon	4,536,000	2.01
3.	Ho Shu Keong	2,694,200	1.20
4.	Zainab Binti Abdul Rahman	2,653,900	1.18
5.	Md. Shah Bin Abu Hasan	2,400,000	1.06
6.	Divesh Navinchandra Sheth	2,070,200	0.92
7.	Slam Resources Sdn. Bhd.	2,065,000	0.92
8.	Chan Ai Sim	2,032,700	0.90
9.	Shaul Hamid Bin Madar	1,878,100	0.83
10.	Liow Meng Kiong	1,770,000	0.79
11.	Tengen Supplies Sdn. Bhd.	1,476,900	0.66
12.	Md. Shah Bin Abu Hasan	1,470,000	0.65
13.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Song Soon Hee</i>	1,400,000	0.62
14.	Lim Chong Chang	1,300,000	0.58
15.	Cimsec Nominess (Tempatan) Sdn. Bhd. <i>CIMB Bank for Chong Lee Fong</i>	1,112,600	0.49
16.	Md. Shah Bin Abu Hasan	1,025,400	0.46
17.	Lim Hooi Kheng	1,018,400	0.45
18.	Ahmad Kabeer Bin Mohamed Nagoor	1,000,000	0.44
19.	Sreekumar A/L Narayana Pillai	1,000,000	0.44
20.	Chan Ai Sim	900,000	0.40

ANALYSIS OF SHAREHOLDINGS
AS AT 17 OCTOBER 2014 (CONT'D)

30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 17 OCTOBER 2014 (CONT'D)

(without aggregating securities from different securities accounts belonging to the same person)

NO.	NAME	NO. OF SHARES HELD	%*
21.	Ho Peng Chong	848,000	0.38
22.	Tan Kean Hock	830,000	0.37
23.	Majestic Fleet Sdn. Bhd.	800,000	0.35
24.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Tan Yong Nguang @ Tan Yong Guan</i>	700,000	0.31
25.	Wong Chee Kuan	700,000	0.31
26.	Goh Sau Ming	682,000	0.30
27.	Mak Chooi Ha	650,000	0.29
28.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Leong Khai Ric</i>	650,000	0.29
29.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank for Goalkey System Sdn. Bhd.</i>	630,000	0.28
30.	Hanlow Holdings Sdn. Bhd.	620,000	0.28

* 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 Thirteenth Annual General Meeting of AWC BERHAD ("the Company") will be held at Ballroom 1, 1st Floor, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Friday, 12 December 2014 at 10.30 a.m. to transact the following businesses:-

AGENDA

- | | | |
|--|--|-----------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2014 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 2014. | (RESOLUTION 1) |
| 3. | To re-elect the following Directors who retire by rotation in accordance with Article 103 of the Company's Articles of Association: | |
| | i. Dato' Ahmad Kabeer bin Mohamed Nagoor | (RESOLUTION 2) |
| | ii. Dato' Sulaiman bin Mohd Yusof | (RESOLUTION 3) |
| 4. | To re-appoint Messrs. Morison Anuarul Azizan Chew as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | (RESOLUTION 4) |
| <p>As Special Business :
To consider and if thought fit, to pass the following Resolutions, with or without modifications:-</p> | | |
| 5. | <p>ORDINARY RESOLUTION 1
GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965</p> <p>"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 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."</p> | (RESOLUTION 5) |

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

6. ORDINARY RESOLUTION 2**RENEWAL OF THE AUTHORITY FOR THE SHARE BUY-BACK BY THE COMPANY
("PROPOSED RENEWAL")****(RESOLUTION 6)**

"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; and
- 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;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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)
YONG YEN LING (MAICSA 7044771)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
Date : 20 November 2014

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 Sections 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 (1) 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 set for holding the Meeting or at any adjournment thereof.
- 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 5 December 2014. Only members whose name appears in the Record of Depositors as at 5 December 2014 shall be entitled to attend the Meeting and to speak and vote thereat.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 Twelfth Annual General Meeting held on 3 December 2013 which will lapse at the conclusion of the Thirteenth 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 20 November 2014 for further details.

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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 Thirteenth Annual General Meeting of the Company to be held at Ballroom 1, 1st Floor, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor on Friday, 12 December 2014 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 2014.		
2.	To re-elect Dato' Ahmad Kabeer bin Mohamed Nagoor as Director who retires pursuant to Article 103 of the Company's Articles of Association.		
3.	To re-elect Dato' Sulaiman bin Mohd Yusof as Director who retires by rotation pursuant to Article 103 of the Company's Articles of Association.		
4.	To re-appoint Messrs. Morison Anuarul Azizan Chew as Auditors of the Company.		
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 _____, 2014.

CDS Account No.	
Number of Shares Held	

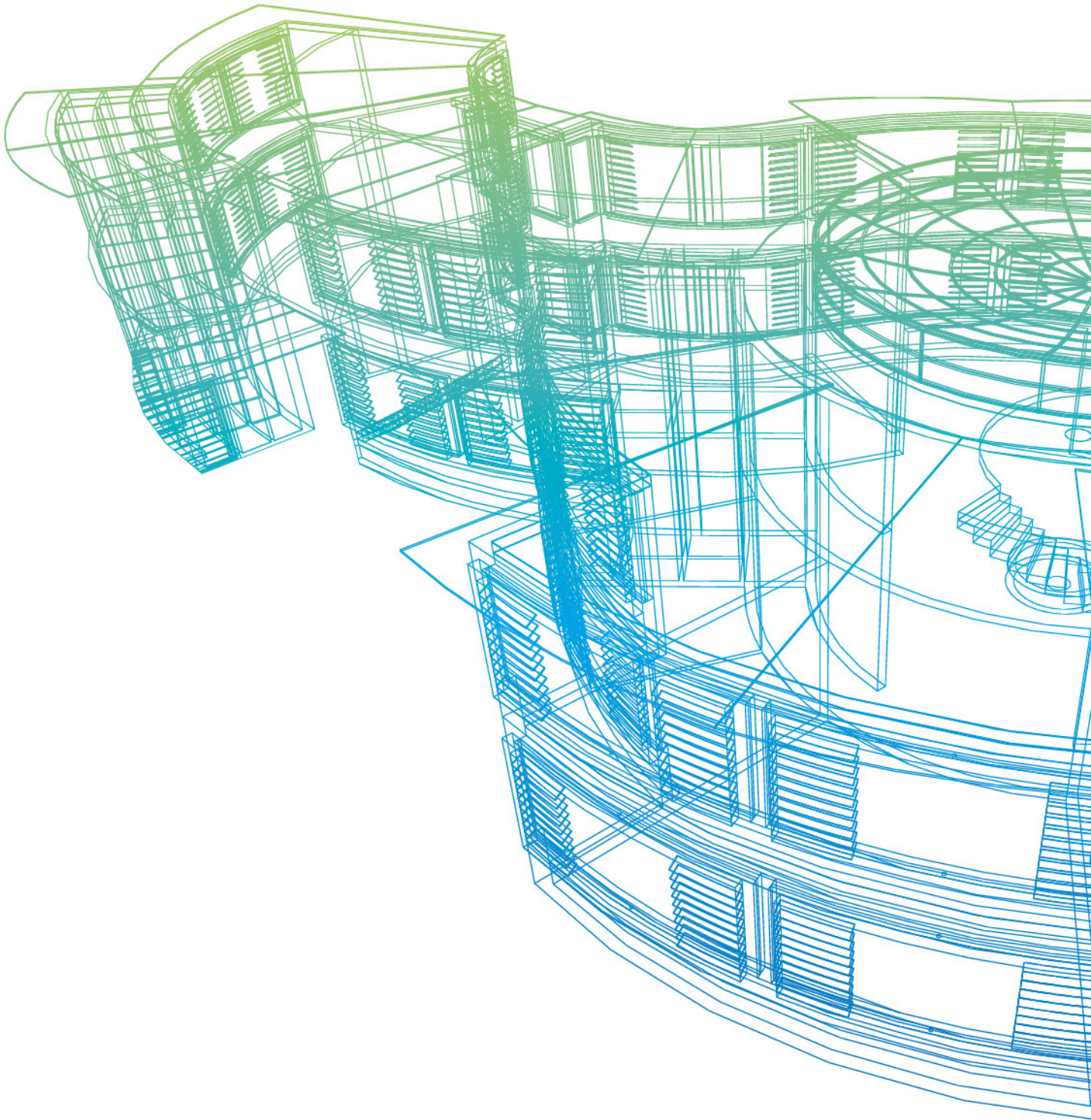
Signature of Member(s)/Common Seal

NOTES:

- 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.
- 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.
- 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.
- 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 (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 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.
- 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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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



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