

4. INFORMATION ON THE AWC GROUP

4.1 Incorporation

AWC was incorporated in Malaysia on 13 June 2001 as a public company under the Companies Act. It is principally an investment holding company, duly incorporated to acquire the Acquiree Companies and to assume the listing status of TCHB through the Corporate and Debt Restructuring Scheme of TCHB, which resulted in AWC becoming the ultimate holding Company of TCHB Group. It should be noted that the TCHB Group will subsequently be liquidated.

Following the completion of the Acquisitions, the AWC Group became a service provider of comprehensive facility management and specialist services for M&E engineering and automation systems.

As at 27 July 2003, AWC Group has 382 employees.

Details of the subsidiary companies of AWC are tabulated in the tables disclosed in Section 1 of this Prospectus.

4.2 Share Capital and Changes in Share Capital

The present authorised share capital of AWC is RM500,000,000 and the current issued and paid-up share capital is RM103,289,613.50 comprising 206,579,227 ordinary shares of RM0.50 each.

The changes in the issued and paid-up share capital of AWC since its incorporation are as follows:-

Date of Allotment	No. of Ordinary Shares	Par Value RM	Consideration	Cumulative Issued and Paid-up Share Capital RM
13.06.2001	2	0.50	Cash	1.00
30.06.2003	174,433,333	0.50	Issued pursuant to Acquisitions	87,216,667.50
27.07.2003	3,466,083	0.50	Issued pursuant to Share Exchange	88,949,709.00
27.07.2003	28,679,809	0.50	Issued pursuant to Debt Settlement Scheme	103,289,613.50

4.3 Business Overview

AWC is principally an investment holding company, duly incorporated to acquire the Acquiree Companies and to assume the listing status of TCHB pursuant to the Corporate and Debt Restructuring Scheme. Following the completion of the Acquisition, the AWC Group will be a service provider of comprehensive facility management and specialist services for mechanical and electrical ("M&E") engineering and automation systems.

The AWC Group will be operating under two(2) divisions, namely:-

- (i) The Integrated Facilities Management Division; and
- (ii) The M&E Engineering Division.

4. INFORMATION ON THE AWC GROUP (Cont'd)

4.3.1 Principal activities and type of services and products
(i) the Integrated Facilities Management Division

Comprehensive facility management involves the provision of an integrated range of services for the office, commercial, industrial and administrative buildings. The services provided by AWC Group's facility management division include electrical, mechanical, civil, structural, energy and utilities management and maintenance, vertical transport management, security and safety management and central monitoring systems, landscaping and ground care amongst others. The primary objective of facility management is to preserve the buildings' conditions and capital value over time. The solutions offered by the AWC Group are tailored to the customer's needs and are focused on achieving convenience, cost savings and energy conservation and savings for buildings. The facility management system is designed to enable customers to reduce their responsibility on facility maintenance in order to remain focused in their core business.

The comprehensive facilities management services are carried out through its Subsidiaries, namely AWSB, AWFM and GGLN.

AWSB holds the Concession from the Government to provide comprehensive facility management services to the existing Federal Government common-user buildings and to any subsequently built Federal Government common-user buildings which is granted to AWSB within the Concession Zone for a period of ten(10) years commencing from 1998 with an option to extend for another five(5) years upon review.

The fees of the Concession are subject to review after every five(5) years. Under the said Concession, AWSB receives monthly income based on the lettable floor area of a building. In addition, AWSB will be reimbursed for any jobs undertaken at the request of the Government not presently covered under the scope of the Concession. Any additional repair or upgrading work will be separately reimbursed by the Government. Additional buildings to be covered will be on a supplemental basis to the Concession.

As part of facility management services provided, AWSB is also required to maintain or implement the safety systems in the building such as fire fighting and prevention systems. AWSB is to also supply skilled staff for greater and efficient management of each building.

AWSB only has one customer, which is the Government as in accordance to the Concession, AWSB is restricted to only servicing the Federal Government common-user buildings covered under the Concession located within the Concession Zone.

As AWSB is restricted to only servicing the Federal Government under the Concession, AWC's other subsidiaries, AWFM focuses on providing comprehensive facility management services for both the government sector, which is outside the scope of the Concession and the private sector, such as commercial, educational and industrial buildings.

AWFM has site offices around Malaysia, i.e. at Melaka, Seremban, Penang, Johor Bahru and Tanjung Kupang in Johor and Kuching, Miri, Sibul, Limbang, Lawas, Maluri, Kapit, Bintulu and Sri Aman in Sarawak to help facilitate the provision of its services. It also has three(3) marketing offices in Kuala Lumpur, Johor and Sarawak to provide marketing of its services and has a large pool of personnel and resources to service the buildings which it is contracted to service.

4. INFORMATION ON THE AWC GROUP (Cont'd)

AWFM has positioned itself to provide a one-stop solution to facility management, which includes the following services:-

- (i) Maintenance and management of the electrical and mechanical systems of the building;
- (ii) Maintenance and management of the civil and structural requirements of the building;
- (iii) Managing the energy and utilities consumption;
- (iv) Managing the vertical transport facilities of the building;
- (v) Managing the security and safety of the building;
- (vi) Provision of Central Management Maintenance Systems;
- (vii) Maintaining and inspection of the fire fighting and prevention equipment and systems;
- (viii) Provision of landscaping and ground care services;
- (ix) Management, control and maintenance of the climate in the building; and
- (x) Cleaning and housekeeping services.

To complement its one-stop solution as a comprehensive facility management group, its other subsidiary, GGLN was acquired to assist and complement government agencies, corporate bodies, land and property developers and other organizations in the creation of a healthy, safe and pleasant green environment and space by incorporating hard and soft landscapes, which are properly planned, designed, implemented and managed. GGLN has been in the landscaping sector for more than 8 years and had undertaken over 200 landscaping projects in Malaysia.

With the support of an experienced team of design, management and project staff, GGLN provides a comprehensive range of services, which includes hard and soft turn key landscape projects, planning and design, implementation of landscape, maintenance of sites, supplies of trees and plants, irrigation, hydro-seeding and turfing.

GGLN operates and manages a nursery with a land area of approximately 8 acres in Jenderam, Sepang where propagation and planting activities are carried out in order to maintain a continuous supply of good quality plants to be supplied to its projects.

The AWC Group through GGLN holds the exclusive distributorship, for Selangor and Wilayah Persekutuan, awarded by Zoysian (Malaysia) Sdn Bhd to carry out the distribution of Zoysian GO-LAWN Net Planting System ("GO-Lawn") and Zoysian Instant Turf Planter ("ZITP") Systems. GO-LAWN is a net planting system patented by a Japanese owned company which also has an operation in Malaysia named Zoysian (Malaysia) Sdn Bhd. GO-LAWN is made of a biodegradable cotton net which is soil-free and is attached with fresh turf sprigs. With GO-LAWN, one can quickly plant healthy and vigorous turf with less diseases and insects problems. GO-LAWN can simply be rolled onto a prepared area to be planted and then topdressed. Over 10,000 sq meters of GO-LAWN can be easily planted within a day. The ZITP System is used for the turfing of rooftops and balconies of buildings and houses. It is light in weight and easy to install. It will enhance insulation of buildings from heat which consequently results in a reduction in energy consumption of air-conditioning systems.

(ii) the M&E Engineering Division

The M&E Engineering Division comprise the provision of various M&E engineering services, which complement the comprehensive facility management for the building industry with its value added services which include, amongst others, as follow:-

- BAS
- Air Conditioning Controls System
- Hydronic Balancing System (an engineering service which is used for regulating water flow in a HVAC system)
- Industrial Cooling Systems
- System Service and Maintenance
- Retro fitting System (replacement of the older and outdated HVAC systems with the BAS systems or controls which will allow for a greater range of functions and flexibility of usage)
- Installation of high tension switchgear and transformer, generator set complete with acoustic system,

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- Low voltage electrical installation works
- Telephone system
- Audio visual services, including PA System, Master Antenna TV and Closed Circuit TV
- Plumbing & Sanitary Services
- Lift Systems
- Fire Fighting Services
- Air Conditioning and Ventilation Systems
- Infrastructure M&E Engineering Works, including highway street lighting and tunnel M&E works.

Unlike the facility management services, the M&E engineering division provides most of its services and products to the private sector, which is mainly for commercial and industrial engineering requirements. The solutions offered by the AWC Group are tailored to the customer's needs and are focused on achieving convenience, cost savings and energy conservation and savings for buildings.

AWC Group's M&E engineering services are carried out through its subsidiaries, namely M&C(M), M&C(S) and KPSB.

A brief description of some of the systems available under the M&E engineering division is set out below:-

(a) BAS

BAS are comprehensive computerised systems which can be installed in buildings for the integration and automation of building systems such as security systems, lighting, indoor climate controls, water flow and other systems. The individual systems are linked together forming a network of points. The BAS have the following uses:-

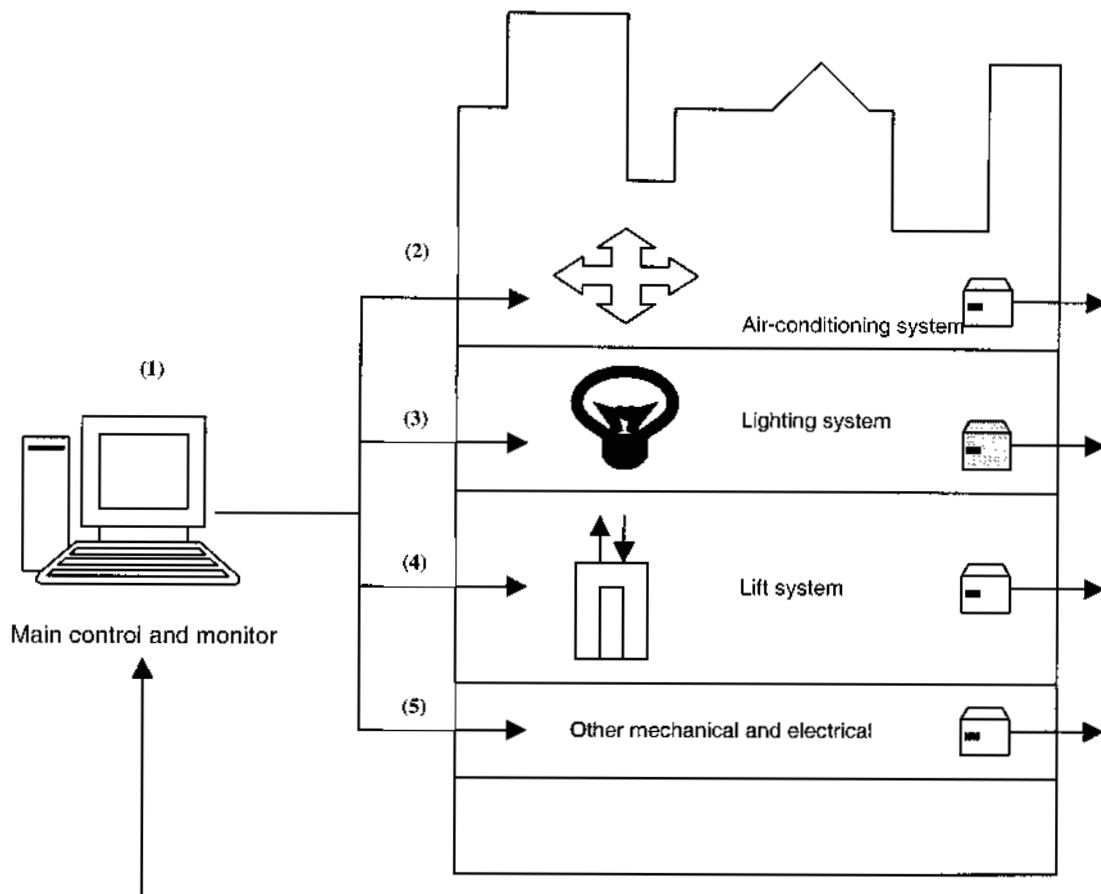
- The BAS provide the remote control and monitoring of this network of sections at a single focal point. This allows for minimal staff to supervise these systems with the controls. The BAS are also useful as they can prompt a user on any system faults, system parts replacement requirements and buildings system servicing schedules. The BAS can also be utilised as an overall safety, notification and alarm system.
- BAS allow the user to vary the sections settings to an optimal level without energy wastage and this in turn translates to further cost savings.
- The BAS are designed to be open-ended which allows for flexibility and are able to cover any additional systems that may be incorporated later.

Where the BAS are adapted for residential purposes the system is known as HAS. HAS are provided by M&C(S), AWC's subsidiary in Singapore. HAS are usually used in high-rise residential buildings such as condominiums, apartments and flats. The HAS will integrate the systems in a home to provide convenient and easy control for home applications. In addition, the HAS can also be operated on-line via the internet to provide for greater access and convenience. The principle of the HAS is similar to a BAS which is also to provide convenience, control and cost savings.

The value added engineering provided by AWC Group in respect of BAS is in the programming phase which adapts the BAS according to the building or user's requirement. This value adding engineering requires both experience and technical know-how by M&C(M) to ensure that the BAS functions as required.

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An illustration of a typical BAS/HAS is as follows:-



Notes:-

- (1) The main control and monitoring unit is used by the user to monitor the various systems in the building such as the HVAC system, the lighting system and lift system and other systems which the BAS/HAS has been set up to monitor. The unit here will gather information from all the sensors placed at the various locations to inform the user of the conditions in the system such as temperature, number of lifts that are operational and so on. As it is a 'live' system, the information transmitted is in real-time giving the user accurate and immediate information. For any system which is automated, with the BAS, the user is also able to control and set parameters for the system to function such as setting the air-conditioning to operate during working hours only or changing the number the lifts operating at different times of the day.
- (2) The HVAC system can be monitored by placing sensors in the relevant places. System perimeters can also be preset to offset the increase or decrease in temperature in a room to the preset levels.
- (3) The lighting system in a building can also be monitored and controlled by installing sensors at the appropriate places.
- (4) The lift system can also be monitored and controlled by the user. This will enable the user to determine how many lifts need to be operated at certain times of the day.
- (5) The BAS/HAS application is designed to be open ended to allow for the incorporation of other systems in the building which is existing or is to be installed in the future.

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(b) HVAC Systems

Climate control systems are often essential in office/commercial buildings. The HVAC system is an integral part of the climate control system.

The engineering services provided by AWC Group are focused primarily on achieving solutions to effective and efficient operating HVAC systems through proper selection and design of correct control components, modification, up-grading, retro fitting or improvement of existing HVAC systems.

The AWC Group is involved in the installation of HVAC systems in new buildings and modification, up-grading, retro fitting or improvement of existing HVAC systems. Besides the climate controls, the AWC Group also provides lighting and dimming controls which are used to control room lighting and to reduce energy costs.

The value added engineering services provided by AWC Group are focused primarily on ensuring that a HVAC system for building operates efficiently and effectively. These services include efficiency and effectiveness analysis of various HVAC systems of buildings and are oriented to focus on areas where cost savings for the customers can be achieved.

One of the goals for the engineering services provided is energy management with the aim of energy conservation. This is in line with the Government's latest plans to promote energy conservation which includes tax incentives for companies that provide energy management services.

As mentioned above, of the many systems in a building, the HVAC system is usually the largest consumer of energy.

AWC Group provides energy management services to its customer via the following methods: -

- *Existing building systems audit.* The building systems audit will measure the effectiveness and efficiency of the various systems of a building. In the context of HVAC systems, parts and management of an existing HVAC system is audited and the data obtained will be used to identify and rectify the existing HVAC systems faults and weaknesses. This will result in reduced energy consumption through this system optimisation.
- *Integration of HVAC systems with the BAS.* The BAS, being the central monitoring system in a building, will be able to dynamically monitor and regulate, *inter alia*, the operation time and utilisation capacity of HVAC system to suit the changing requirements within the building to prevent energy wastage.

Set out below is the list of engineering services provided by AWC Group in relation to the HVAC:-

- *Air Conditioning Controls System*

The air-conditioning system exists in almost all buildings and is used to cool the temperature inside a building. The coolness or temperature can vary according to the area size, time of the day, number of occupants and many other factors. Usually air-conditioning systems are operated on either an on/off basis or by shifts. As such it is costly and difficult to vary the temperature in a room. However, AWC group has devised methods to control the air-conditioning system without compromising on the comfort levels and cost of operating the HVAC system.

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By analysing where parts or sections of the HVAC system can be upgraded or improved, AWC Group can install certain parts there to control the variables in the system. Then by linking the system to their BAS, it will allow the user to make different settings or program the system to run on a modulated shift basis to conserve energy while ensuring that the temperature meets the requirements of the occupants. This is important as air-conditioning systems usually consumes large amounts of electricity. With a comprehensive system, the user is able to save costs, have better energy conservation and as well as have a better management of the air-conditioning system in the building.

In the HVAC system, there are basically two different elements namely water and air which are used in the critical parts of the HVAC system. The HVAC system uses water as a cooling element to cool the air and also to channel heat away from the system. The entire HVAC system is arranged in circuit where the water is constantly cooled to produce cool air.

- Hydronic Balancing System

The hydronic balancing system is an engineering service which is used for regulating water flow in a HVAC system. HVAC systems uses water as a part of its cooling element. As water pressure usually varies in different areas in a building, there is a necessity for the supply and pressure of water to be constant in all critical parts of the HVAC system. The technical skills are provided by the Company to balance the water pressure throughout the whole HVAC system to the required usage and building type.

- Industrial Cooling Systems

While most HVAC systems are designed for use in general purpose office buildings, the AWC Group can also provide HVAC system engineering services for other types of buildings such as those for industrial use. Buildings which may require HVAC systems are factories, plants, storage facilities, laboratories, greenhouses and other special purpose buildings. Industrial cooling systems are more complex and are larger in size than the HVAC systems used for commercial buildings as it must cater for a more robust and demanding operating requirement.

Here the HVAC system can be analysed and solutions can be provided to adjust the HVAC system for heavier usage. In addition, industrial cooling systems generally consumes more energy due to its heavier workload and through its M&E engineering division, AWC Group is able to provide energy savings and control systems. The operators will then be able to operate the HVAC system more efficiently and at a lower cost.

- System Service and Maintenance

As part of its after sales service, the AWC Group provides regular system service and maintenance work. In an effort to forge long and beneficial relationships with its customers, the AWC Group provides regular checks in the systems which it has installed or designed to ensure that the system is functioning normally and as part of its responsibility in ensuring that the system meets the user requirement. In addition, the Company may provide training for the customer's staff to operate the BAS independently. The AWC Group may also from time to time propose system or parts upgrade or repair or replacement when receive reports from customers or as and when defects are detected by maintenance engineers. It is important for AWC Group to back-up the services it provides with good after sales-service and maintenance.

4. INFORMATION ON THE AWC GROUP (Cont'd)

- Retrofitting

Besides providing service for new systems, the AWC Group also provides retro-fitting services. This is relevant to older buildings fitted with older or outdated HVAC systems and controls. Having a system which is no longer efficient or outdated will result in higher operating costs for the systems. Worse, it may even present a safety concern. The analysis of the HVAC system can be provided to identify the critical areas for change. A solution such as retro-fitting services to replace the older systems in place with the BMS/BAS systems or control can be provided. This will allow for a greater range of functions and flexibility of usage and enable the HVAC system to be more efficient and cost effective.

(c) **Electrical Systems**

The AWC Group offers services in designing and installation of electrical systems which involves high tension and low voltage electrical works, generator sets complete with acoustic system, uninterruptible power supply, lightning protection system, floodlights, streetlights, compound lights security and tunnel lighting for high rise complexes, government buildings, hospitals, universities, ports, airports, stadiums, factories, highways, tunnels and infrastructure works.

In connection with the provision of electrical systems, AWC Group also offers maintenance services for electrical systems. The processes of maintenance in respect of the electrical systems are similar to the maintenance services provided for the HVAC systems, as mentioned above.

(d) **Extra Low Voltage, Telecommunication and Computer Network System**

These systems involve the designing and installation of telephone ducting/manhole, private automatic branch exchange, fibre optic, under-floor trunking system and computer structure cabling works, data centre and network system, master antenna television system, public address systems, audio visual and sound reinforcement systems.

The services as offered above are a product of the value added engineering services carried out by AWC Group. The value added engineering services provided by AWC Group are focused on these areas which are:-

- Energy usage analysis

Utility costs such as energy costs form a large portion of the expenses, especially for HVAC systems which usually consume large amount of electricity and as such are costly more to operate. In addition, an inefficient or faulty HVAC system will consume more energy and cause more wastages. The AWC Group's expertise is employed here to provide solutions in terms of controls and regulations for the HVAC systems. This value-added engineering process requires upgrading, replacement or repair which is carried out by the experienced staff of AWC Group to identify and propose solutions to the overall system. By conducting an energy usage analysis and formulating a proper plan, AWC Group will be able to provide a cost savings programme and solutions for the operators of the HVAC system which will reduce their energy costs.

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- System requirements

AWC Group's engineering services include the configuration of HVAC systems and the BAS to meet its user requirements. In addition, the implementation of a proper BAS, the HVAC system can also be configured to match the utilisation and the user's requirement. The existing HVAC systems for buildings may have been initially designed for a specific purpose and while the requirements of the purpose of the building may have changed, the HVAC system will by and large remain unchanged. The AWC Group can provide a specific systems requirement analysis and solutions for the requirement of the building to match the type or specifications of the HVAC system. The AWC Group is able to conduct and develop scenarios to test the efficiency of the HVAC system to determine its suitability for the required purpose. A solution is then formulated to determine the best possible course of action such as redesign or upgrading of the existing HVAC system and even a total replacement. The type of solution chosen will very much be dependent on the client's requirement and budget.

Apart from the engineering services offered by AWC Group, the principal products traded by AWC Group are as follows:-

Brand name	Product	Description
TAC Controls	Software and hardware equipment	Software and hardware equipment used for the control and regulation of parts and systems in the hardware HVAC system
	BMS/BAS system	Software used to integrate and monitor and control any existing automated system in the building
IMI (TA)	Software and hardware equipment	Software and hardware equipment used for the regulation and balancing of water differential pressure in a building
Echelon	LonNetworking	Open system software provider for integrating and connecting multiple vendor systems into an interoperable system as opposed to a proprietary system
Lutron	Lighting/Dimming Controls	Lighting and dimming controls for commercial and residential buildings
OKM Valves	Butterfly valves	Valves which are primarily used for the isolation of certain section of pipes and for the regulation of water supply in the pipes
M&E	Fire Dampers	Fire fighting equipment used to prevent the spread of fire through the air-conditioning ducts
Tozen	Flexible Joints	Joints which are used to connect pipes and are also used to absorb vibrations within the pipe system to reduce the risk of breakage
AVA	Y Strainers	Sections which are placed to allow for filtering of small particles such as stones and sand debris from the water
Wise	Thermometers	Used to measure water and air temperature
	Pressure Gauges	Used to measure water and air pressure

Overall, as at 27 July 2003, a summary of contracts being undertaken by the AWC Group via its subsidiaries is set out below:-

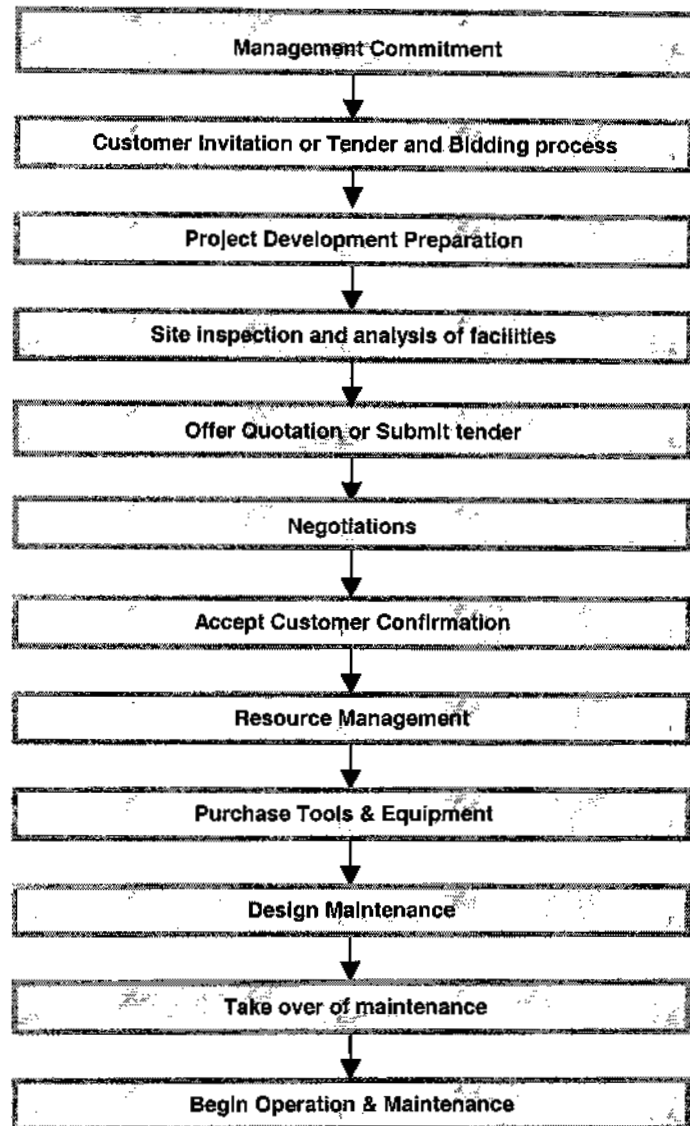
Subsidiaries	No. of Contracts as at 27 July 2003	Remaining Value of Contract (RM' million)	Tenure (months)
AWSB	1	120.90	60
AWFM	10	3.55	12 to 24
GGLN	15	2.58	1 to 22
M&C(M)	57	5.20	1 to 15
M&C(S)	66	5.12	1 to 18
KPSB	3	33.57	12 to 25
Total	152	170.92	1 to 60

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4.3.2 The Business Processes

(i) Facility Management Tender and Operation Process

The process of tendering and operation of a comprehensive facility management service are as follows:-



Notes:-

Management Commitment

The management of a potential customer will express its requirement for management of the facilities within its building or premises. The management will then source for contractors or facility managers to undertake either one or all the facilities within the building.

Customer Invitation or Tender and Bidding stage

The tenders for the facility management contract for the building is offered by way of invitation or by advertisement in newspapers to attract tenders for the maintenance of the buildings. Generally, most of the contracts are for a period of two(2) years with an option to extend for another one(1) year and most of the contracts are subject to review by both parties to revisit the fees paid and type of service provided. The company can also bid for several tenders at the same time and will depend on the type of services to be provided.

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Project Development Preparation

At this stage, the technical personnel of AWC Group will perform a detailed analysis and compiled all the necessary services that are required to be maintained by the potential customers. This includes the critical cost analysis on utility costs and energy consumptions of all the systems especially for HVAC system which contributes about 70% of the M&E cost which in turn costs about 30% of the total cost.

Site inspection and analysis of facilities

Further inspections are made at the site to examine the status of the facilities and equipment to determine the costs involved and the amount of initial rectification works that are required. The AWC Group can also determine the costs of providing the facility management together with other costs that could be involved.

Offer Quotation or Submit tender

Once the cost of providing the facility management has been finalised, the AWC Group will then submit its quotation or tender for the contract. The quotation must take into account the variable costs that could be incurred especially the energy and utility costs and also provide some margins for AWC Group.

Negotiation stage

AWC Group and the potential customer will then negotiate further on the quotation and the range of services to be provided to reach a contractual amount which is agreeable to both parties. This will also include the areas to be covered under the contract and other proposed items which the contract may not cover.

Accept Customer's Confirmation

Upon receiving the confirmation or mandate from the client on the package of services and the fee quotation for providing the services, AWC Group can then proceed with the necessary preparation works for the provisions of the facility management services.

Resource Management

As AWC Group has other buildings or facilities that it must manage, it must allocate its resources accordingly. For comprehensive maintenance work, some technical staff may be stationed at the site to supervise all operational functions and are also responsible for the hiring or contract staff to perform the non-technical works. For other minor work such as cleaning contracts, the AWC Group uses its pool of general cleaning staff which need not be stationed at the premise. In addition, at this stage, the AWC Group can also determine whether additional technical expertise and equipment is needed and if so, it may then be procured or outsourced.

Purchase tools and equipment

Depending on the type of facility management service to be provided, the AWC Group may have to purchase tools and equipment to facilitate its services. As some services are general in nature such as cleaning, the AWC Group will already have the tools and equipment and will only purchase additional items should they become necessary. The tools and equipment are easily available as most of the items are common.

Design maintenance

The next step the AWC Group has to take is to design the maintenance plan. This will be the master plan which will include the type and how the services are provided. This includes operational specifications, schedules and allocation of work which are then recorded in the planned, predictive and maintenance report to form a master list of things to do. The maintenance program is designed to optimise the usage of the AWC Group's resources, keep costs to a minimum while not compromising on the quality of its services.

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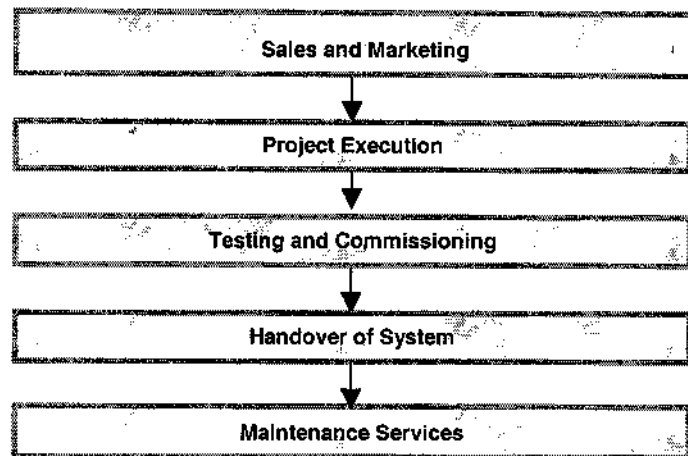
Take over of maintenance

At this stage, the AWC Group will begin to take over the existing maintenance works of the building and undertake all the necessary preparatory works such as allocation of resources and so forth. Other services which may be deemed necessary by the AWC Group will be proposed to the customer be added into the original facility management contract.

Begin Operation and maintenance

This is the final stage where after all preparations have been undertaken, the AWC Group can proceed to provide its daily facility management services and carry out the services as provided for under its contract according to its master maintenance plan for the building or premise.

(ii) M&E Engineering Tender and Operation Process



Notes:-

Marketing and Sales

The products and services of the M&E engineering division of AWC Group are secured by way of tenders, invitations and negotiations. It will after assessing its customers' requirements, produce a preliminary proposal for discussions with its customers or submit a detailed proposal by way of tender. The proposals will take into consideration its estimated cost to evaluate its costing in deriving at its quotation.

Project Execution

Upon confirmation of interest from its customers of its principal products and services, the M&E engineering division of the AWC Group will commence sourcing, procuring and arranging for delivery of its principle products. In terms of the services provided by the AWC Group, it will plan and design a compatible system to its customer. The systems provided by the AWC Group include fire protection system, HVAC system, electrical systems, solar energy utilization system. Once the proposed system is approved by the customers, the AWC Group will schedule its engineering works program and arrange for manpower to implement the proposed system. The engineering works involve producing CAD drawings, design concept, equipments installation, hardware interfacing, software interfacing, system programming, low and high level integration and providing solutions to problems. At this stage, the hardware and software installation and programming works and all other tasks will be monitored and ensured that completion of the tasks will be according to its schedule. The AWC Group also monitors and controls its project cost.

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Testing and Commissioning

After the installation works, a testing and commissioning works on the installed equipments and hardware and software will be perform to check on its performance and calibration.

Handover of Systems

A joint inspection between the M&E engineering division of the AWC Group and its respective customers will be carried out before handing over to the customers.

Maintenance Services

In providing its maintenance services to its customers for the systems installed or products sold by the AWC Group, the M&E engineering division will plan its work program schedules. Its maintenance services include trouble shooting on system or product problems, provide modification, adjustment and calibration works as well as providing system training to its customers.

4.3.3 Quality Control and Assurance

(i) Core principles for provision of facility management services

AWC Group has a comprehensive list of procedures and services that the Company must carry out in order to ensure that the facility management services have been performed and of a satisfactory level. This will also enable the company to detect any faults or other problems that might occur and take the necessary preventive measures to avoid it. The AWC Group has adopted the following key programs/values throughout its organization and remains mindful of these programs/values throughout the provision of its services to its customers in order to maintain quality standards and create value in the AWC Group's process flows:-

(a) *PPPM*

The objective of the PPPM is to ensure that the Company is providing the necessary services that it is contracted for and also a reporting tool to determine where the faults are to improve on their services.

Under this program, there are three main areas to be considered which are used together to form a complete and comprehensive program.

- The *planning stage* involves formulation of a proper maintenance plan tailored to the type of building to be serviced and the specifications of the contract. This is a key step as it will determine how the maintenance program is to be operated on a day to day basis and it will also determine the resources required to provide the maintenance service.
- The *preventive stage* is to identify and determine areas where faults may occur. A routine schedule of checks will then be implemented to monitor the critical sections or equipment to ensure early detection of any faults. This will allow a better response time and a more appropriate solution to the situation.
- The *predictive stage* involves the formulation of a contingency plan should any fault or emergency occur. This can be done through the computerised system which AWC Group uses to track trends and irregularities in the systems of the buildings. This information can then be used to predict when a fault may occur and a suitable course of action can then be taken. With this contingency plan in place, the company can then gauge how much risk or exposure it faces and can then take the necessary steps to insure itself against it.

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(b) Self operation and maintenance on building systems

This program takes responsibility for the operation and maintenance of existing buildings systems that are installed in the buildings which they are contracted for maintaining and servicing. At the basic servicing and maintenance level, the AWC Group has the necessary expertise to service such systems. However should higher expertise be required to service the system, it will usually be sourced from the systems manufacturer themselves.

(c) Systematic documentation, reporting and information gathering methods

The program also collates all information regarding the systems of the building. By analysing the information collected, the AWC Group is able to identify any possible trends for faults and take the necessary preventive and maintenance measures.

(d) Training programs and skills upgrade

In line with AWC Group's policy to offer quality service and quick response time, the AWC Group has implemented several training programs for its staff. It currently has a staff training centre in Kuching while most of the on-the-job training is done on site. The AWC Group also has site offices throughout Malaysia which supports the facility management services and also has experienced and technical staff stationed there. Besides internal training programs, the AWC Group will also undergo training by the vendors of systems which it is maintaining or by the contractors which it sources for some jobs. Such training is important as this will enable the AWC Group to expand its technical knowledge into areas which it does not previously have the expertise. This in turn will enable the AWC Group to offer additional services apart from its existing field of expertise.

(e) Guarantees for all work done and spare parts

AWC Group also provides a guarantee period for any work done or parts installed in the building that it manages. In its continuing strive to provide the highest quality of service, this guarantee will further endorse the AWC Group's quality services and products and will serve to give a higher level of comfort to the customers of the AWC Group.

(f) Crisis management program

The division continuously strives to maintain full operational alertness and readiness in response to any possible occurrence of faults and breakdowns in the building. AWC Group has a crisis management program in place to handle the general faults and breakdowns in the building. The program ensures effective and efficient response to crisis situations.

(g) Maintain high quality and standards

As part of its reputation as a quality service provider, AWC Group has implemented a system to ensure and maintain its facility management services are provided with the highest quality. The system will monitor the number of complaints received and the turn-around time to resolve the complaints. The objective is to keep the complaints to minimal and there will be no unnecessary delay or downtime.

In addition, particularly for AWSB, the PPPM reports which are accessible by the Ministry of Works, the customer and at the headquarter in KL will also give the AWC Group an overall monitoring of the quality of service provided in every building and also to rectify any decrease in quality. With the CMIS system, every building may be monitored and graded individually for the level of quality the facility manager is providing.