

AWC FACILITY SOLUTIONS BERHAD

(Company No. 55098-A)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2008****CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/03/08 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/07 RM'000	CURRENT YEAR TO DATE 31/03/08 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/07 RM'000
Revenue	16	23,856	27,182	75,715	73,365
Cost of sales		(19,311)	(16,573)	(59,487)	(50,072)
Gross profit		4,545	10,609	16,228	23,293
Other operating income		227	304	803	989
Other operating expenses		(5,241)	(6,646)	(15,904)	(15,272)
Profit from operations		(469)	4,267	1,127	9,010
Finance costs		(129)	(187)	(485)	(695)
Profit before taxation	16	(598)	4,080	642	8,315
Taxation	19	163	(1,326)	(843)	(2,387)
Net profit for the period		(435)	2,754	(201)	5,928
Attributable to:					
Equity holders of the parent		(228)	1,730	575	4,302
Minority interests		(207)	1,024	(776)	1,626
		(435)	2,754	(201)	5,928
Earnings per share attributable to equity holders of the parent:					
Basic earnings per ordinary share of RM0.50 each (sen)	24	(0.10)	0.76	0.25	1.88

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2007.

The accompanying notes are an integral part of this statement.

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UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)	(Audited)
	AS AT	AS AT
Note	31/03/08	30/6/07
	<u>RM'000</u>	<u>RM'000</u>
NON-CURRENT ASSETS		
Property, plant and equipment	11,775	11,998
Investment properties	3,556	3,612
Other investments	35	34
Goodwill on consolidation	19,446	19,446
Deferred expenditure	2,512	3,992
Deferred tax assets	139	139
	<u>37,463</u>	<u>39,221</u>
CURRENT ASSETS		
Inventories	10,687	9,070
Trade receivables	32,634	46,696
Other receivables	5,640	4,974
Tax recoverable	1,805	1,317
Cash and bank balances	27,085	19,461
	<u>77,851</u>	<u>81,518</u>
TOTAL ASSETS	<u>115,314</u>	<u>120,739</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	114,340	114,340
Treasury shares	(466)	(405)
Reserves	<u>(47,853)</u>	<u>(48,427)</u>
	66,021	65,508
Minority interest	<u>11,720</u>	<u>12,496</u>
Total Equity	<u>77,741</u>	<u>78,004</u>
NON-CURRENT LIABILITIES		
Long term borrowings	21 7,172	3,651
Long term payables	1,500	1,500
Deferred taxation	1,170	1,170
	<u>9,842</u>	<u>6,321</u>
CURRENT LIABILITIES		
Trade payables	15,030	15,859
Other payables	8,414	13,886
Provision for taxation	773	1,596
Short term borrowings	21 3,514	5,073
	<u>27,731</u>	<u>36,414</u>
TOTAL LIABILITIES	<u>37,573</u>	<u>42,735</u>
TOTAL EQUITY AND LIABILITIES	<u>115,314</u>	<u>120,739</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY		
HOLDERS OF THE PARENT (RM)		
	<u>0.29</u>	<u>0.29</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2007.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2008****CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	CURRENT PERIOD TO DATE	PREVIOUS PERIOD TO DATE
	31/03/2008 RM'000	31/03/07 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	642	8,315
Adjustments for:		
Non-cash items	4,379	2,818
Non-operating items	171	235
Operating profit before working capital changes	5,192	11,368
Net change in current assets	11,060	11,805
Net change in current liabilities	(2,690)	3,294
Cash generated from operations	13,562	26,467
Deferred expenditure paid	(441)	(215)
Interest paid	(486)	(563)
Tax paid	(2,154)	(2,991)
Net cash generated from operating activities	10,481	22,698
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	315	329
Proceeds from disposals of plant and equipment	92	19
Acquisition of subsidiaries	-	(15,602)
Purchase of plant and equipment	(1,663)	(640)
Net cash used in investing activities	(1,256)	(15,894)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to equity holders of parent company	-	(1,638)
Purchase of treasury shares	(62)	(50)
Drawdown/(Repayment) of hire purchase and lease financing	58	(193)
Drawdown/(Repayment) of term loans	2,974	(1,171)
Repayment of other long-term payables	(3,500)	(1,500)
Repayment of other short-term borrowings	(486)	251
Net cash used in financing activities	(1,016)	(4,301)
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,208	2,503
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,500	10,229
CASH AND CASH EQUIVALENTS AT END OF PERIOD	25,708	12,732
Cash and cash equivalents comprise:		
Cash and bank balances	12,530	6,654
Deposits with licensed bank	14,555	9,461
	27,085	16,115
Less: Bank overdrafts	(1,377)	(3,383)
	25,708	12,732

The Condensed Consolidated Cashflow Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2007

The accompanying notes are an integral part of this statement.

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**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2008**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the parent →							Total Equity RM'000
	----- [Non - Distributable] -----			Foreign Exchange Reserves	Accumulated Losses	Total	Minority Interests	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>31 March 2008</u>								
At 1 July 2007	114,340	7,649	(405)	347	(56,424)	65,507	12,496	78,003
Net profit for the period	-	-	-	-	575	575	(776)	(201)
Purchase of treasury shares	-	-	(61)	-	-	(61)	-	(61)
At 31 March 2008	<u>114,340</u>	<u>7,649</u>	<u>(466)</u>	<u>347</u>	<u>(55,849)</u>	<u>66,021</u>	<u>11,720</u>	<u>77,741</u>
<u>31 March 2007</u>								
At 1 July 2006	114,340	7,649	(355)	347	(61,017)	60,964	5,148	66,112
Net profit for the period	-	-	-	-	4,302	4,302	1,626	5,928
Dividends	-	-	-	-	(1,638)	(1,638)	-	(1,638)
Purchase of treasury shares	-	-	(50)	-	-	(50)	-	(50)
Arising from acquisition of subsidiaries	-	-	-	-	-	-	4,908	4,908
At 31 March 2007	<u>114,340</u>	<u>7,649</u>	<u>(405)</u>	<u>347</u>	<u>(58,353)</u>	<u>63,578</u>	<u>11,682</u>	<u>75,260</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2007.

The accompanying notes are an integral part of this statement.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2008

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2007.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2007 except for the adoption of the following new and revised FRS issued by Malaysian Standards Board (“MASB”) that are effective for the Group for the financial period beginning 1 January 2007:

- FRS 117 Leases
- FRS 124 Related party disclosures

The adoption of FRS 117 and FRS 124 mentioned above does not have significant financial impact on the Group or prior year financial statements.

2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements for the financial year ended 30 June 2007 was not subject to any audit qualification.

3. EXTRAORDINARY AND EXCEPTIONAL ITEMS

There were no extraordinary items during the current quarter under review.

4. SEASONAL OR CYCLICAL FACTORS

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

5. CHANGE IN ESTIMATES

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

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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6. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There was no sale of unquoted investments and properties during the current quarter under review.

7. QUOTED SECURITIES

There was no purchase or disposal of quoted securities for the current quarter and financial year-to-date. At the end of the current quarter under review, the Group did not hold any investments in quoted securities.

8. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter.

9. CORPORATE PROPOSALS

There were no corporate proposals announced that require any disclosure in this report.

10. DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities during the current quarter under review.

Share Buy-Back

The Company had on 6 March 2008 purchased 250,000 of its own ordinary shares from the open market. The shares which were purchased at a market price of RM0.19 per share for a total consideration of RM47,350.00 were financed by internally generated funds. These shares are being held as treasury shares. Subsequent to this purchase the Company is holding 1,736,800 shares as treasury shares at an average purchase price of RM0.27 per share.

There was no cancellation of shares or resale of treasury shares during the quarter.

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any material contingent liabilities or contingent assets of the Group as at the date of this report.

12. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet financial instruments as at the date of this report.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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13. MATERIAL LITIGATION

There are no material litigations or claims against the Group as at the date of this report.

14. SEGMENTAL INFORMATION

Segmental analysis for the current financial year to date is as follows:

	Investment holding	Integrated facility management	M&E engineering	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External revenue	-	40,265	35,450	-	75,715
Inter-segment revenue	6,818	3,995	350	(11,163)	-
Total revenue	6,818	44,260	35,800	(11,163)	75,715
Results					
Profit from operations	5,251	1,823	(530)	(5,417)	1,127
Net finance costs	(133)	(100)	(291)	39	(485)
Profit before tax					642
Taxation					(843)
Net profit for the period					(201)

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

	Current Quarter Ended 31 March 2008 RM'000	Preceding Quarter Ended 31 December 2007 RM'000	Variance	
			RM'000	%
Profit Before Taxation	(598)	39	(637)	(1,633)

Loss before taxation for the current quarter amounted to RM598,000 compared to profit before taxation of RM39,000 in the immediate preceding quarter. The drop of approximately RM637,000 was due to the lower revenue and gross profit of certain businesses in the M&E Division. Some of these businesses are under review by management for re-structuring.

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16. PERFORMANCE REVIEW

	Current Quarter Ended 31.03.2008 RM'000	Preceding Quarter Ended 31.12.2007 RM'000	Variance		Prior Year Corresponding Quarter Ended 31.03.2007 RM'000	Variance	
			RM'000	%		RM'000	%
Revenue	23,856	27,812	(3,956)	(14)	27,182	(3,326)	(12)
Profit before taxation	(598)	39	(1,162)	(1,633)	4,080	(4,678)	(115)
Profit attributable to equity holders of the parent	(228)	(4)	(224)	(5,600)	1,730	(1,958)	(113)

16.1 Revenue

Revenue for the current quarter under review, as compared to the immediate preceding quarter has decreased by approximately RM3.96 million or 14%. This decrease in revenue was attributable to lower number of projects secured by M & E division.

Compared to the corresponding quarter last year, revenue recorded showed a decrease of RM3.3 million (12%).

16.2 Profit Before Taxation

Profit before tax for the current quarter has shown a drop of RM1.16 million and RM4.68 million compared to the immediate preceding quarter and the prior year corresponding quarter respectively.

The drop compared to the immediate preceding quarter, and the corresponding quarter last year, is attributable to the reasons as has been explained in Note 15 above.

16.3 Profit Attributable To Equity Holders Of The Parent

The current quarter shows loss attributable to the equity holders of the parent of RM228,000 as compared to loss attributable to equity holders of RM4,000 in the preceding quarter and profit of RM1.73 million in the corresponding quarter last year. This decrease is due mainly to the reasons as set out in Note 15 and Note 16.2 above.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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17. COMMENTARY ON PROSPECTS

The IFM Division's results remain fairly stable, and continue to contribute positively towards the Group's performance. As mentioned above in Note 15, certain businesses in the M&E Division are under review to strengthen the Division's future performance.

The directors are of the view that the Group's businesses should be strengthened and at this announcement will not comment on the results for the current financial year to 30 June 2008.

18. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable.

19. TAXATION

	Current quarter ended 31.03.2008 RM'000	Year to date ended 31.03.2008 RM'000
Tax (income)/expense for the period	(163)	843
Deferred taxation	-	-
	<u>(163)</u>	<u>843</u>

The Group's tax expense is higher than the profit before tax mainly due to the loss suffered by some subsidiaries in M&E division which cannot offset by profit enjoyed by other subsidiaries.

20. CARRYING AMOUNT OF REVALUED ASSETS

Not applicable

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21. BORROWINGS

	At 31.03.2008 RM'000	At 30.6.2007 RM'000
Secured Short-term Borrowings:		
Bank overdrafts	1,350	1,838
Banker acceptances/Revolving credit	950	1,377
Term loan (due within 12 months)	873	1,318
Hire purchase payables (due within 12 months)	314	357
	3,487	4,890
Unsecured Bank overdrafts	27	411
Unsecured Short- term Multi trade facility	-	59
Total Short-term Borrowings	3,514	5,360
Secured Long-term Borrowings:		
Term loan (due after 12 months)	6,135	2,715
Hire purchase payables (due after 12 months)	1,037	936
	7,172	3,651
Total Borrowings	10,686	9,011

All of the above borrowings are denominated in Ringgit Malaysia except for RM29,374 (2007: RM40,427) which are denominated in Singapore Dollars.

22. SIGNIFICANT AND SUBSEQUENT EVENT

On 20th May 2008, the Company entered into a share sale agreement ('The Agreement') with Point-Euro Malaysia Sdn Bhd ('Point-Euro') in relation to the disposal of the Company's entire 100% or 400,000 shares in Plant & Maintenance Engineering Sdn Bhd ('PME') to Point-Euro for a purchase consideration of RM750,000.

Upon completion of the Agreement, PME shall cease to be a subsidiary of the Company.

23. COMMITMENTS

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

	At 31.03.2008 RM'000	At 30.6.2007 RM'000
Non-cancellable operating lease commitments		
Future minimum rentals payable:		
Not later than 1 year	1,077	1,094
Later than 1 year and not later than 2 years	495	998
Later than 2 years and not later than 5 years	103	350
	1,675	2,442

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
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24. EARNINGS PER SHARE

The basic earnings per ordinary share of the Group is calculated based on the Group's net profit for the period attributable to equity holders of the parent over the weighted average number of ordinary shares in issue during the period as follows:

	Current quarter ended 31.03.2008	Year to date ended 31.03.2008
Profit attributable to equity holders of the parent (RM'000)	(228)	575
Weighted average number of ordinary shares in issue ('000)	226,942	226,942
Basis earnings per share (sen)	(0.10)	0.25

The Group did not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares in the Company and therefore, there is no potential dilutive effect to its basic earnings per share.

25. AUTHORISATION FOR ISSUE

This interim financial report has been approved by the Board of Directors of the Company for issuance on 28 May 2008.

26. DIVIDENDS

The Board has not recommended any interim dividends for the current financial quarter.