

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/09/2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2010 RM'000	CURRENT YEAR TO DATE 30/09/2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2010 RM'000
Revenue	14	25,919	35,937	25,919	35,937
Cost of sales		(15,742)	(25,727)	(15,742)	(25,727)
Gross profit		10,177	10,210	10,177	10,210
Other operating income		126	1,397	126	1,397
Other operating expenses		(8,474)	(7,226)	(8,474)	(7,226)
Profit from operations		1,829	4,381	1,829	4,381
Finance costs, net		(91)	(107)	(91)	(107)
Profit before taxation	14	1,738	4,274	1,738	4,274
Income tax expense	18	(144)	(418)	(144)	(418)
Profit for the financial period		1,594	3,856	1,594	3,856
Other comprehensive income:					
Foreign currency translation differences		344	(279)	344	(279)
Total comprehensive income for the financial period		1,938	3,577	1,938	3,577
Profit attributable to:					
Equity holders of the parent		725	2,355	725	2,355
Non-controlling interest		869	1,500	869	1,500
		1,594	3,855	1,594	3,855
Total comprehensive income attributable to:					
Equity holders of the parent		900	2,213	900	2,213
Non-controlling interest		1,038	1,363	1,038	1,363
		1,938	3,577	1,938	3,577
Basic earnings per share (sen)	26	0.32	1.04	0.32	1.04

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2011.

The accompanying notes are an integral part of this statement.

AWC BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

	(Unaudited)	(Audited)
Note	AS AT 30/09/2011 RM'000	AS AT 30/6/2011 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	10,092	10,003
Investment properties	3,309	3,329
Other investments	36	36
Intangible assets - others	5,243	5,293
Intangible assets - goodwill	9,459	9,459
Deferred tax assets	139	139
	28,278	28,259
CURRENT ASSETS		
Amount owing by jointly controlled entity	4,595	4,685
Inventories	10,344	10,752
Tax recoverable	1,653	4,578
Other receivables	6,728	4,454
Trade receivables	36,464	50,849
Cash and bank balances	61,283	64,025
	121,067	139,343
TOTAL ASSETS	149,345	167,602
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	68,604	68,604
Treasury shares	(830)	(830)
Reserves	4,638	3,738
	72,412	71,512
Non-controlling interest	25,329	24,291
Total Equity	97,741	95,803
NON-CURRENT LIABILITIES		
Provision for end of service benefit	-	256
Long term borrowings	4,487	4,302
Deferred taxation	1,006	1,084
	5,493	5,642
CURRENT LIABILITIES		
Other payables	26,915	16,841
Trade payables	14,489	41,169
Provision for taxation	1,523	4,961
Short term borrowings	3,184	3,186
	46,111	66,157
TOTAL LIABILITIES	51,604	71,799
TOTAL EQUITY AND LIABILITIES	149,345	167,602
NET ASSETS PER SHARE (RM)	0.32	0.32

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2011.

The accompanying notes are an integral part of this statement.

AWC BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUATER ENDED 30 SEPTEMBER 2011

	CURRENT PERIOD TO DATE	PREVIOUS PERIOD TO DATE
	30/9/2011 RM'000	30/9/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,738	4,273
Adjustments for:		
Non-cash items	874	879
Non-operating items	91	87
Operating profit before working capital changes	2,702	5,239
Net change in current assets	12,590	5,490
Net change in current liabilities	(16,839)	(5,810)
Cash (used in)/generated from operations	(1,546)	4,919
Interest paid	(163)	(178)
Deferred expenditure paid	(300)	(348)
Tax paid	(567)	(421)
Net cash (used in)/generated from operating activities	(2,577)	3,972
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in amount due from associated company	69	-
Net change in amount owing by/to jointly controlled entity	90	1,432
Purchase of plant and equipment	(422)	(571)
Proceeds from disposals of plant and equipment	133	116
Interest received	73	90
Net cash (used in)/generated from investing activities	(57)	1,067
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(166)	(177)
(Repayment)/Drawdown of hire purchase and lease payables	(20)	165
Drawdown of bills payable	-	550
Acquisition of treasury shares	-	(26)
Net cash (used in)/generated from financing activities	(186)	512
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,820)	5,552
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	63,067	56,351
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	60,247	61,903
Cash and cash equivalents comprise:		
Cash and bank balances	18,808	23,583
Deposits with licensed bank	42,475	38,903
	61,283	62,486
Less: Bank overdrafts	(1,036)	(583)
	60,247	61,903

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2011.

The accompanying notes are an integral part of this statement.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011**

	←----- Attributable to Equity Holders of the Parent ----->						Total	Non- Controlling Interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Foreign Exchange Reserves RM'000	Statutory Reserve RM'000	Accumulated Losses RM'000			
30 September 2011									
At 1 July 2011	68,604	7,649	(830)	(130)	307	(4,088)	71,512	24,291	95,803
Total comprehensive income for the financial period	-	-	-	175	-	725	900	1,038	1,938
At 30 September 2011	68,604	7,649	(830)	45	307	(3,363)	72,412	25,329	97,741
30 September 2010									
At 1 July 2010	114,340	7,649	(551)	(244)	277	(51,522)	69,949	24,668	94,617
Effects of applying FRS 139	-	-	-	-	-	(832)	(832)	(639)	(1,471)
Restated balance	114,340	7,649	(551)	(244)	277	(52,354)	69,117	24,029	93,146
Total comprehensive income for the financial period	-	-	-	(141)	-	2,355	2,214	1,363	3,577
Purchase of treasury shares	-	-	(25)	-	-	-	(25)	-	(25)
At 30 September 2010	114,340	7,649	(576)	(385)	277	(49,999)	71,306	25,392	96,698

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 2011.

The accompanying notes are an integral part of this statement.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

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

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011.

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 2011.

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 2011 except for the adoption of the following IC Interpretations, Amendments to FRSS/IC Interpretations and Annual Improvements to FRSS that have been issued and effective for the Group:

FRSS, Amendments to FRSS and IC Interpretations		Effective Date
Amendments to FRS 1 (Revised)	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1 (Revised)	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
IC Interpretation 4	Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 18	Transfer of Assets from Customers	1 January 2011
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Annual Improvements to FRSS (2010)		1 January 2011

The above accounting standards and interpretations (including the consequential amendments) are expected to have no material impact on the financial statements of the Group upon its initial application.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 30 June 2011 was not subject to any audit qualification.

3. SEASONAL OR CYCLICAL FACTORS

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

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

5. CHANGE IN ESTIMATES

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

6. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the current quarter under review

The number of treasury shares held as at 30 September 2011 is as follows:-

	No. of shares	Amount
		RM
Balance of treasury shares as at 30 September 2011	3,236,800	829,618

7. DIVIDENDS PAID

A second interim single-tier dividend of 1 sen per share amounting to RM2,254,424 was paid in the current quarter.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

8. SEGMENTAL INFORMATION

The segment information for the current financial period to date is as follows:

30 September 2011	Investment Holding	Facilities Division	Engineering Division	Technology Division	Environment Division	Adjustment and Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	585	12,656	4,945	1,276	7,561	(1,104)	25,919
Inter-segment revenue	-	-	53	-	114	-	167
Segment (loss)/profit	(399)	1,023	(144)	(372)	2,243	-	2,351
Segment assets	98,873	40,707	23,997	15,038	68,848	(98,118)	149,345

Reconciliation of profit

Profit for the period ended 30 September 2011	RM'000
Total profit for reportable segments	2,351
Other corporate expenses	(575)
Effects of FRS 139	(38)
Group's profit before taxation	1,738

9. CARRYING AMOUNT OF REVALUED ASSETS

Not applicable.

10. SIGNIFICANT AND SUBSEQUENT EVENT

There were no material events subsequent to 30 September 2011 to the date of this report that have not been reflected in the financial statements for the current financial period.

11. CHANGES IN COMPOSITION OF THE GROUP

As announced on 27 September 2011, AWC Facilities Engineering Sdn Bhd ("AFESB"), a 75% owned subsidiary of the Company and AW Facility Management Sdn Bhd ("AWFM") a wholly-owned subsidiary of the Company had on 20 September 2011 jointly incorporated a new subsidiary under the name of AWC Facilities Management (India) Private Limited ("AFMIPL") for a total consideration of INR10,000,000, equal to approximately RM650,000 comprising 1,000,000 ordinary shares of INR10. AFESB and AWFM hold 99.99% and 0.01% equity interest in AFMIPL respectively.

On 10 October 2011 the Company and AWFM acquired 105,000 ordinary shares of RM1.00 each in Resource Data Management Asia Sdn. Bhd. ("RDM Asia"), representing 70% equity interests of RDM Asia for a total consideration of RM105,000. The Company and AWFM holds 69% and 1% equity interest in RDM Asia respectively.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011**

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material contingent liabilities or contingent assets as at the date of this report.

13. COMMITMENTS

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

	As at 30 September 2011 RM'000	As at 30 June 2011 RM'000
Non-cancellable operating lease commitments		
Future minimum rentals payable:		
Not later than 1 year	341	471
Later than 1 year and not later than 2 years	94	94
Later than 2 years and not later than 5 years	76	76
	<u>511</u>	<u>641</u>

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. PERFORMANCE REVIEW

	Current Quarter Ended 30 September 2011	Prior Year Corresponding Quarter Ended 30 September 2010	Variance	Preceding Quarter Ended 30 June 2011	Variance
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	25,919	35,937	(10,018)	49,809	(23,890)
Profit before taxation	1,738	4,274	(2,536)	6,989	(5,251)
Profit attributable to equity holders of the parent	725	2,355	(1,630)	3,471	(2,746)

14.1 Revenue

The Group's revenue for the current quarter decreased by RM10.0 million as compared to RM35.9 million recorded in the corresponding quarter last year principally due to lower revenue registered by its Environment Division.

Meanwhile, the decrease of approximately RM23.9 million in the Group's revenue for the current quarter as compared to the immediate preceding quarter is attributed principally to the lower revenue registered by all Divisions in particular the Environment Division.

14.2 Profit Before Taxation

The Group's profit before taxation eased by RM2.5 million in the current quarter as compared to a profit before taxation of RM4.3 million in the corresponding quarter last year following a softer earnings contribution from the Environment Division.

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

	Current Quarter Ended 30 September 2011	Preceding Quarter Ended 31 June 2011	Variance
	RM'000	RM'000	RM'000
Profit Before Taxation	1,738	6,989	(5,251)

The Group registered a profit before taxation of RM1.7 million for the current quarter as compared to profit before taxation of RM6.9 million in the immediate preceding quarter principally due to decline in pre-tax earnings from Environment Division and Facilities Division in the current quarter.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

16. COMMENTARY ON PROSPECTS

The Group's revenue and profit which is closely pegged to project income from contracted offshore projects, is highly correlated to the economic prospects and development of the region in which it operates. The Group is also exposed to foreign currency risks of its operating regions such as United Emirates Dirham (which is closely pegged to United States Dollar) and Singapore Dollar. In addition, delay in progress and completion of projects will also result in lower revenue recognition leading to an adverse impact on the Group's financial performance.

Meanwhile, the income from Federal Government integrated facilities management services concession under its Facilities Division shall continue to sustain a stable and consistent stream of turnover to the Group.

17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable.

18. INCOME TAX EXPENSE

	Current quarter ended 30 September 2011 RM'000	Period to date ended 30 September 2011 RM'000
Income tax expense for the period	144	144

The Group's effective tax rate is lower than the statutory tax rate mainly due to the effect of tax exempt profits from the joint controlled entity, foreign-source income generated from its operations in Abu Dhabi, United Arab Emirates and pioneer status tax incentive enjoyed by certain subsidiary of the Group.

19. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

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

20. QUOTED SECURITIES

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

21. CORPORATE PROPOSALS

There was no corporate proposal announced but not completed as at the latest practicable date.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

22. BORROWINGS

	As at 30 September 2011 RM'000	As at 30 June 2011 RM'000
Secured Short-term Borrowings:		
Bank overdrafts	1,036	959
Revolving credit	950	950
Term loan	635	643
Hire purchase payables	563	634
Total Short-term Borrowings	3,184	3,186
Secured Long-term Borrowings:		
Term loan	2,886	3,014
Hire purchase payables	1,631	1,288
	4,487	4,302
Total Borrowings	7,671	7,488

All of the above borrowings are denominated in Ringgit Malaysia except for RM302,159 (2011: RM248,734) which are denominated in Singapore Dollars.

23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There is no off balance sheet financial instrument as at the date of this report.

24. MATERIAL LITIGATION

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

25. PROPOSED DIVIDEND

- (a) The Board has declared an interim dividend of 1.5 sen per share for the financial year ending 30 June 2012 (2011: first interim franked and tax exempt dividend of 1 sen per share and second interim single-tier dividend of 1 sen per share).

Details of the interim dividend declared by the Board are as follow:-

Interim dividend for financial year ending	:	30 June 2012
Amount per share (single-tier)	:	1.5 sen
Entitlement to dividend based on Record of Depositors as at	:	19 December 2011
Date payable	:	16 January 2012

- (b) The total dividend for the current financial year to-date ending 30 June 2012 is interim dividend of 1.5 sen per share (2011: interim dividends of 2 sen per share)

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011

26. 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 number of ordinary shares in issue during the period, excluding treasury shares held by the Company as follows:

	Current quarter ended 30.09.2011	Period to date ended 30.09.2011
Profit attributable to equity holders of the parent (RM'000)	725	725
Number of ordinary shares in issue, excluding treasury shares ('000)	225,442	225,442
Basic earnings per share (sen)	0.32	0.32

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

27. REALISED AND UNREALISED PROFITS/LOSSES

	30.09.2011 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:	
- Realised	(3,427)
- Unrealised	(934)
	(4,361)
Total share of retained profit / (accumulated losses) from associated company:	
- Realised	-
- Unrealised	-
Total share of retained profit / (accumulated losses) from jointly controlled entity:	
- Realised	909
- Unrealised	-
	(3,452)
Less: Consolidation adjustments	89
Total group retained profit / (accumulated losses) as per consolidated accounts	(3,363)

28. AUTHORISATION FOR ISSUE

This interim financial report has been approved by the Board of Directors of the Company for issuance on 29 November 2011.