

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2012 RM'000	CURRENT YEAR TO DATE 30/09/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2012 RM'000
Revenue	14	26,850	25,420	26,850	25,420
Cost of sales		(19,140)	(18,734)	(19,140)	(18,734)
Gross profit		7,710	6,686	7,710	6,686
Other operating income		88	266	88	266
Other operating expenses		(7,577)	(10,201)	(7,577)	(10,201)
Profit/(Loss) from operations		221	(3,249)	221	(3,249)
Finance costs, net		49	(38)	49	(38)
Profit/(Loss) before taxation	14	270	(3,287)	270	(3,287)
Income tax expense	18	(257)	(56)	(257)	(56)
Profit/(Loss) for the financial period		13	(3,343)	13	(3,343)
Other comprehensive income/(expenses):					
Foreign currency translation differences		331	(1,264)	331	(1,264)
Total comprehensive income/(expenses) for the financial period		344	(4,606)	344	(4,606)
Profit/(Loss) attributable to:					
Owners of the Company		350	(3,063)	350	(3,063)
Non-controlling interests		(337)	(280)	(337)	(280)
		13	(3,343)	13	(3,343)
Total comprehensive income/(expenses) attributable to:					
Owners of the Company		519	(3,706)	519	(3,706)
Non-controlling interests		(175)	(900)	(175)	(900)
		344	(4,606)	344	(4,606)
Basic earnings per share (sen)	23	0.16	(1.36)	0.16	(1.36)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013.

The accompanying notes are an integral part of this statement.

AWC BERHAD
(Company No. 550098-A)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013

	(Unaudited)	(Audited)
	AS AT 30/09/2013 RM'000	AS AT 30/6/2013 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	8,684	8,700
Investment properties	1,999	2,026
Other investments	36	36
Intangible assets - others	49	146
Intangible assets - goodwill	5,912	5,912
Deferred tax assets	3,544	3,544
	20,224	20,364
CURRENT ASSETS		
Amount owing by jointly controlled entity	3,056	2,047
Inventories	10,027	11,341
Tax recoverable	5,332	4,828
Other receivables	4,822	4,285
Trade receivables	52,460	48,701
Cash and bank balances	55,040	63,766
	130,737	134,968
TOTAL ASSETS	150,961	155,332
EQUITY AND LIABILITIES		
Equity		
Share capital	68,604	68,604
Treasury shares	(855)	(855)
Reserves	3,901	3,382
Equity attributable to owners of the Company	71,650	71,131
Non-controlling interests	23,939	24,114
Total Equity	95,589	95,245
NON-CURRENT LIABILITIES		
Other payable	2,716	2,674
Provision for end of service benefit	-	164
Long term borrowings	20 2,648	3,147
Deferred taxation	99	99
	5,463	6,084
CURRENT LIABILITIES		
Other payables	28,686	28,110
Trade payables	12,326	16,760
Provision for taxation	7,448	7,547
Short term borrowings	20 1,449	1,586
	49,909	54,003
TOTAL LIABILITIES	55,372	60,087
TOTAL EQUITY AND LIABILITIES	150,961	155,332
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 2013.

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 2013**

	[Non - Distributable]				Statutory Reserve	Distributable Accumulated Losses	Total	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Foreign Exchange Reserves					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2013									
At 1 July 2013	68,604	7,649	(855)	768	307	(5,342)	71,131	24,114	95,245
Total comprehensive expenses for the financial period	-	-	-	169	-	350	519	(175)	344
At 30 September 2013	68,604	7,649	(855)	937	307	(4,992)	71,650	23,939	95,589
30 September 2012									
At 1 July 2012	68,604	7,649	(855)	586	307	(3,341)	72,950	26,094	99,044
Total comprehensive income for the financial period	-	-	-	(644)	-	(3,063)	(3,707)	(900)	(4,607)
Contributions by and distribution to owners of the Company:									
Disposal of subsidiaries	-	-	-	-	-	-	-	(1,586)	(1,586)
At 30 September 2012	68,604	7,649	(855)	(58)	307	(6,404)	69,243	23,608	92,851

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 2013.

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 2013

	CURRENT PERIOD TO DATE	PREVIOUS PERIOD TO DATE
	30/09/2013 RM'000	30/09/2012 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	270	(3,287)
Adjustments for:		
Non-cash items	507	1,716
Non-operating items	(49)	38
Operating profit/(loss) before working capital changes	728	(1,533)
Net change in current assets	(2,848)	6,463
Net change in current liabilities	(3,993)	(1,395)
Cash (used in)/generated from operations	(6,113)	3,535
Interest paid	(130)	(141)
Taxes paid	(697)	(800)
Net cash (used in)/generated from operating activities	(6,940)	2,593
CASH FLOWS FOR INVESTING ACTIVITIES		
Net change in amount owing by/to jointly controlled entity	(1,008)	3
Net cash outflow arising on disposal of a subsidiary	-	(532)
Purchase of plant and equipment	(400)	(126)
Proceeds from disposals of plant and equipment	81	33
Interest received	178	103
Net cash used in investing activities	(1,149)	(519)
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of term loans	(126)	(182)
Repayment of trade loan	(353)	(72)
Repayment of hire purchase and lease payables	(158)	(194)
Net cash used in financing activities	(637)	(448)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(8,726)	1,626
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	63,766	48,424
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	55,040	50,050
Cash and cash equivalents comprise:		
Cash and bank balances	17,218	29,905
Deposits with licensed bank	37,822	20,145
	55,040	50,050

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013.

The accompanying notes are an integral part of this statement.

AWC BERHAD
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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

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

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2013.

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 2013.

MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective

The following MFRSs, Amendments to MFRSs and IC Interpretations have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group:

MFRSs, Amendments to MFRSs and IC Interpretations		Effective Date
MFRS 9	Financial Instruments	1 January 2015
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014

The adoption of the accounting standards, amendments and interpretations set out above is expected to have no material impact on the financial statements of the Group upon their initial application.

2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the financial statements for the financial year ended 30 June 2013 was not subject to any audit qualification.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013

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 2013 is as follows:-

	No. of shares	Amount RM
Balance of treasury shares as at 1 July 2013	3,326,800	855,221
add: Purchase of treasury shares during the period under review	-	-
	3,326,800	855,221
less: Sale of treasury shares	-	-
Balance of treasury shares as at 30 September 2013	3,326,800	855,221

7. DIVIDENDS PAID

There was no dividend paid in the current quarter.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

8. SEGMENTAL INFORMATION

The segment information for the current period to-date ended 30 September 2013 is as follows:

	Investment holding	Facilities Division	Engineering Division	Environment Division	Adjustments and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	17,193	6,648	4,418	(1,409)	26,850
Inter-segment revenue	-	1,195	214	-	-	1,409
Segment (loss)/profit	(247)	1,480	227	(615)	-	845
Segment assets	46,054	59,960	27,811	62,346	(45,210)	150,961

Reconciliation of profit for the current period to-date ended 30 September 2013 is as follow:

	RM'000
Total profit for reportable segments	845
Inter-segment profit /(loss)	(575)
Group's profit before taxation	270

9. CARRYING AMOUNT OF REVALUED ASSETS

Not Applicable.

10. SIGNIFICANT AND SUBSEQUENT EVENT

There were no material events subsequent to 30 September 2013 to the date of this report that have not been reflected in the financial statements for the current financial period.

11. CHANGES IN COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the current quarter.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

13. COMMITMENTS

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

	As at 30 September 2013 RM'000	As at 30 June 2013 RM'000
Non-cancellable operating lease commitments		
Future minimum rentals payable:		
Not later than 1 year	427	569
Later than 1 year and not later than 2 years	269	269
Later than 2 years and not later than 5 years	6	6
	<u>702</u>	<u>844</u>

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013

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

14. PERFORMANCE REVIEW BY SEGMENTS

Revenue	Current quarter ended 30 September 2013 RM'000	Current period to-date ended 30 September 2013 RM'000	Preceding year corresponding period ended 30 September 2012 RM'000	Variance for Period-to- date [Favorable / (adverse)] RM'000
Facilities	15,998	15,998	13,785	2,213
Environment	4,418	4,418	5,451	(1,033)
Engineering	6,433	6,433	6,194	239

Segment profit/(loss)	Current quarter ended 30 September 2013 RM'000	Current period to-date ended 30 September 2013 RM'000	Preceding year corresponding period ended 30 September 2012 RM'000	Variance for period-to- date [Favorable / (adverse)] RM'000
Facilities	1,480	1,480	63	1,417
Environment	(615)	(615)	(173)	(442)
Engineering	227	227	122	105

14.1 Facilities Division

This Division registered a pre-tax profit of RM1.5 million for the current period to-date which was RM1.4 million higher as compared to the corresponding period last year principally due to the additional revenue arising from revised concession rates and additional works.

14.2 Environment Division

The Environment Division recorded a pre-tax loss of RM0.6 million for the current period to-date as compared to a pre-tax loss of RM0.2 million in the corresponding period last year primarily due to the lower recognition of project-based income following the delay in commencement of certain projects.

14.3 Engineering Division

The pre-tax earnings of the Engineering Division for the current period to-date were higher by RM0.1 million against the corresponding period last year principally due to higher turnover registered by the Engineering Division for the current period to-date.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013

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

	Current quarter ended 30 September 2013 RM'000	Preceding quarter ended 30 June 2013 RM'000	Variance RM'000
Profit before taxation	270	3,413	(3,143)

The Group registered a profit before taxation of RM0.3 million for the current quarter as compared to profit before taxation of RM3.4 million in the immediate preceding quarter principally due to lower earnings registered by the Environment Division.

16. COMMENTARY ON PROSPECTS

16.1 Facilities Division

The principal income of the Facilities Division from Federal Government integrated facilities management services concession (which is currently on interim extension) is subject to renewal of the concession.

16.2 Environment Division

Revenue and profit for the Environment Division is closely pegged to project income from contracted onshore and offshore projects which is highly correlated to:-

- (a) The economic prospects and development of the offshore regions in which it operates principally in the Middle East and Singapore.
- (b) Project risks such as delay in commencement, progress and completion of projects which may result in lower revenue recognition leading to an adverse impact on the financial performance of this Division.

In addition, the Division is also exposed to foreign currency risks of its operating regions such as United Emirates Dirham (which is closely pegged to United States Dollar) and Singapore Dollar.

Considering the present global economic climate, the Environment Division shall be selective in building its order books in developing and upcoming economies both abroad and closer to home.

16.3 Engineering Division

Performance of this Division is expected to remain closely pegged to the cyclical construction sector in both Malaysia and Singapore which is highly correlated to the economic outlook and consumers' sentiment under intense market competition.

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013

17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable.

18. INCOME TAX EXPENSE

	Current quarter ended 30 September 2013 RM'000	Period to date ended 30 September 2013 RM'000
Income tax expense for the period	257	257

The effective tax rate of certain subsidiaries is lower than the statutory tax rate mainly due to the effect of tax exempt profits from the 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. CORPORATE PROPOSALS

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

20. BORROWINGS

	As at 30 September 2013 RM'000	As at 30 June 2013 RM'000
Secured short-term borrowings:		
Bank overdrafts	-	
Trade loan	-	352
Term loan	810	601
Hire purchase payables	639	633
Total short-term borrowings	1,449	1,586
Secured long-term borrowings:		
Term loan	1,563	1,897
Hire purchase payables	1,085	1,250
Total borrowings	4,097	4,733

All of the above borrowings are denominated in Ringgit Malaysia except for RM214,001 (2013: RM586,911) which are denominated in Singapore Dollars.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013**

21. MATERIAL LITIGATION

As announced on 18 October 2013, the Company had on 17 October 2013 received a Notice of Discontinuance dated 10 October 2013 stating that the Plaintiffs have withdrawn the appeal against the decision of the Kuala Lumpur High Court on Civil Suit No.22NCC-367-05/2013 made on 29 July 2013.

The Company will announce further material development on the above matter, if any.

22. PROPOSED DIVIDEND

There was no dividend proposed in the current quarter.

23. EARNINGS PER SHARE

The basic earnings per ordinary share of the Group is calculated based on the Group's net profit for the period attributable to owners of the Company over the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company as follows:

	Current quarter ended 30 September 2013	Period to date ended 30 September 2013
Profit attributable to owners of the company (RM'000)	350	350
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	225,352	225,352
Basic earnings per share (sen)	<u>0.16</u>	<u>0.16</u>

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

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EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013

24. REALISED AND UNREALISED PROFITS/LOSSES

	<u>As at 30 September 2013 RM'000</u>
Total retained profits / (accumulated losses) of the Company and its subsidiaries:	
- Realised	28,173
- Unrealised	<u>3,432</u>
	31,605
Total share of retained profit / (accumulated losses) from associated company:	
- Realised	-
- Unrealised	-
Total share of retained profit / (accumulated losses) from jointly controlled entity:	
- Realised	2,224
- Unrealised	<u>-</u>
	33,829
Less: Consolidation adjustments	<u>(38,821)</u>
Total group retained profit / (accumulated losses) as per consolidated accounts	<u>(4,992)</u>

25. ITEMS INCLUDED IN CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit from operations is for the current quarter and period to-date ended 30 September 2013 is stated after charging / (crediting) the following items:

	<u>Current quarter ended 30 September 2013 RM'000</u>	<u>Period to date ended 30 September 2013 RM'000</u>
Interest income	(178)	(178)
Other (income)/expenses	(88)	(88)
Interest expense	129	129
Depreciation and amortisation	510	510
Provision for and write off of receivables	12	12
Provision for and write off of inventories	21	21
(Gain)/loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange (gain) or loss	34	34
Gain or loss on derivatives	-	-
Exceptional items	-	-

26. AUTHORISATION FOR ISSUE

This interim financial report has been approved by the Board of Directors of the Company for issuance on 27 November 2013.