

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT PERIOD QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR
		30/6/2024 RM'000	30/6/2023 RM'000	30/6/2024 RM'000	30/6/2023 RM'000
Revenue	13	101,976	91,531	398,834	378,993
Cost of sales		(73,300)	(79,091)	(315,058)	(300,932)
<b>Gross profit</b>		<b>28,676</b>	<b>12,440</b>	<b>83,776</b>	<b>78,061</b>
Other operating income		1,735	2,483	8,987	4,777
Other operating expenses		(19,015)	(30,489)	(59,479)	(72,117)
<b>Profit from operations</b>		<b>11,396</b>	<b>(15,566)</b>	<b>33,284</b>	<b>10,721</b>
Finance income, net		(1,010)	(73)	(834)	1,049
<b>Profit before taxation</b>	<b>13</b>	<b>10,386</b>	<b>(15,639)</b>	<b>32,450</b>	<b>11,770</b>
Taxation	17	(3,376)	3,301	(7,763)	(1,931)
Zakat		(30)	(30)	(120)	(120)
<b>Profit after taxation for the financial period</b>		<b>6,980</b>	<b>(12,368)</b>	<b>24,567</b>	<b>9,719</b>
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment		72	358	72	358
Foreign currency translation differences		(509)	2,605	486	4,287
<b>Total comprehensive income for the financial period</b>		<b>6,543</b>	<b>(9,405)</b>	<b>25,125</b>	<b>14,364</b>
<b>Profit attributable to:</b>					
Owners of the Company		6,980	(13,384)	19,721	2,133
Non-controlling interests		(0)	1,016	4,846	7,586
		<b>6,980</b>	<b>(12,368)</b>	<b>24,567</b>	<b>9,719</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		6,543	(11,559)	20,393	5,127
Non-controlling interests		(0)	2,154	4,732	9,237
		<b>6,543</b>	<b>(9,405)</b>	<b>25,125</b>	<b>14,364</b>
<b>Basic earnings per share (sen)</b>	<b>22</b>	<b>2.18</b>	<b>(4.22)</b>	<b>6.10</b>	<b>0.67</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023.

The accompanying notes are an integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

	(Unaudited)	(Audited)
	AS AT	AS AT
Note	30/6/2024	30/6/2023
	RM'000	RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	19,154	17,843
Investment properties	5,900	6,463
Intangible assets	31,440	31,440
Deferred tax assets	4,746	6,397
Right of use assets	3,964	3,736
	<b>65,204</b>	<b>65,879</b>
<b>CURRENT ASSETS</b>		
Inventories	29,350	34,788
Tax recoverable	13,053	10,506
Other receivables	33,603	20,533
Trade receivables	125,201	138,258
Contract assets	46,327	46,053
Due from associates	-	184
Short term investment	6,980	7,828
Deposits with licensed banks, cash and bank balances	118,088	119,474
	<b>372,602</b>	<b>377,624</b>
<b>TOTAL ASSETS</b>	<b>437,806</b>	<b>443,503</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	126,504	119,697
Treasury shares	(1,287)	(1,287)
Foreign exchange reserve	9,874	9,274
Revaluation reserve	4,510	4,438
Share option reserve	451	64
Retained profits	71,838	91,590
<b>Equity attributable to owners of the Company</b>	<b>211,890</b>	<b>223,776</b>
Non-controlling interests	(0)	72,864
<b>Total Equity</b>	<b>211,890</b>	<b>296,640</b>
<b>NON-CURRENT LIABILITIES</b>		
Other payables	-	353
Long term borrowings	19 64,476	1,535
Deferred tax liabilities	-	29
Lease liabilities	2,224	1,322
	<b>66,700</b>	<b>3,239</b>
<b>CURRENT LIABILITIES</b>		
Other payables	41,906	28,446
Trade payables	53,781	64,174
Employee benefits	1,475	1,408
Provision for taxation	2,545	1,899
Short term borrowings	19 38,837	20,103
Contract liabilities	19,263	25,558
Lease liabilities	1,409	2,036
	<b>159,216</b>	<b>143,624</b>
<b>TOTAL LIABILITIES</b>	<b>225,916</b>	<b>146,863</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>437,806</b>	<b>443,503</b>
<b>NET ASSETS PER SHARE (SEN)</b>	<b>65.5</b>	<b>70.5</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023.

The accompanying notes are an integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

	<b>CURRENT YEAR TO DATE</b>	<b>PREVIOUS YEAR TO DATE</b>
	<b>30/6/2024 RM'000</b>	<b>30/6/2023 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	32,450	11,770
Adjustments for:		
Allowance for impairment losses on trade receivables	1,262	8,634
Allowance for impairment losses on contract assets	-	3,209
Allowance for slow moving inventories	175	727
Reversal of impairment on receivables	(3,317)	(2,119)
Reversal of impairment on contract assets	(3,209)	-
Depreciation of property, plant and equipment	3,175	2,778
Depreciation of right of use asset	3,022	2,349
Impairment loss on goodwill	-	3,900
Impairment loss on property, plant and equipment	-	72
Property, plant and equipment written off	2	-
Other receivables written off	2	-
Loss on revaluation of investment properties	563	-
Gain on disposal of property, plant and equipment	(151)	(248)
Loss on dissolution of a subsidiary	-	501
Share options granted under Share Option Plan	-	(209)
Unrealised gain on foreign exchange	(456)	(870)
Finance income, net	834	(1,049)
<b>Operating profit before working capital changes</b>	<b>34,352</b>	<b>29,445</b>
Decrease in inventories	5,263	428
Decrease /(Increase) in receivables	5,431	(25,686)
(Decrease) /Increase in payables	(6,824)	3,703
Decrease /(Increase) in amount owing by an associate	184	(169)
<b>Cash generated from operations</b>	<b>38,406</b>	<b>7,721</b>
Interest paid	(3,774)	(934)
Taxes paid	(8,042)	(11,423)
Zakat paid	(120)	(120)
<b>Net cash generated from/ (used in) operating activities</b>	<b>26,470</b>	<b>(4,756)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash outflow from acquisition of subsidiaries	(110,000)	-
(Placement)/Withdrawal of short term investment	847	11,413
Purchase of property, plant and equipment	(4,377)	(5,253)
Proceeds from disposals of property, plant and equipment	175	269
Proceeds from disposals of asset held for sale	-	380
Interest received	2,940	1,983
<b>Net cash (used in)/generated from investing activities</b>	<b>(110,415)</b>	<b>8,792</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Drawdown/(Repayment) of revolving credit/term loans	80,807	5,374
(Repayment)/ Drawdown of hire purchase and lease payables	98	1,285
Drawdown/(Repayment) of trade loan	3,668	(399)
(Repayment)/Drawdown of overdraft facilities	(2,625)	638
Proceed from exercise of employee share options	1,775	546
Dividends paid to owners	(1,650)	(6,358)
Dividends paid to non-controlling interest	-	(2,940)
<b>Net cash generated from/(used in) financing activities</b>	<b>82,073</b>	<b>(1,854)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,872)</b>	<b>2,182</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>119,474</b>	<b>112,945</b>
Effects of exchange differences	486	4,287
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>118,088</b>	<b>119,414</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	68,107	62,567
Deposits with licensed bank	49,981	56,847
	<b>118,088</b>	<b>119,414</b>

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023.

The accompanying notes are an integral part of this statement.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Reserves RM'000	Revaluation Reserves RM'000	Share Option Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>30 June 2024</b>									
At 1 July 2023	119,697	(1,287)	9,274	4,438	64	91,590	223,776	72,864	296,640
Other comprehensive income for the financial year	-	-	-	-	-	19,721	19,721	4,846	24,567
- Revaluation of property, plant and equipment	-	-	-	72	-	-	72	-	72
- Foreign currency translation reserve	-	-	600	-	-	-	600	(114)	486
Total comprehensive income for the financial year	-	-	600	72	-	19,721	20,393	4,732	25,125
Transaction with owners:									
- Exercise of employee share options	1,329	-	-	-	446	-	1,775	-	1,775
- Share options lapsed	-	-	-	-	(59)	59	-	-	-
- Acquisition of subsidiaries	5,478	-	-	-	-	(37,882)	(32,404)	(77,596)	(110,000)
- Dividends paid on shares to owner of the company	-	-	-	-	-	(1,650)	(1,650)	-	(1,650)
<b>At 30 June 2024</b>	<b>126,504</b>	<b>(1,287)</b>	<b>9,874</b>	<b>4,510</b>	<b>451</b>	<b>71,838</b>	<b>211,890</b>	<b>(0)</b>	<b>211,890</b>
<b>30 June 2023</b>									
At 1 July 2022	119,151	(1,287)	6,489	4,117	361	95,684	224,515	65,056	289,571
Other comprehensive income for the financial year	-	-	-	-	-	2,133	2,133	7,586	9,719
- Revaluation of property, plant & equipment	-	-	-	358	-	-	358	-	358
- Foreign currency translation reserve	-	-	2,779	-	-	-	2,779	1,508	4,287
Total comprehensive income for the financial year	-	-	2,779	358	-	2,133	5,270	9,094	14,364
Transaction with owners:									
- Exercise of employee share options	545	-	-	-	(209)	-	336	-	336
- Share options lapsed	-	-	-	-	(87)	87	-	-	-
- Dissolution of a subsidiary	-	-	-	-	-	-	-	581	581
- Dividends paid on shares to owner of the company	-	-	-	-	-	(6,358)	(6,358)	-	(6,358)
- Dividends paid on shares to Non-controlling interest	-	-	-	-	-	-	-	(2,940)	(2,940)
<b>At 30 June 2023</b>	<b>119,696</b>	<b>(1,287)</b>	<b>9,268</b>	<b>4,475</b>	<b>65</b>	<b>91,546</b>	<b>223,763</b>	<b>71,210</b>	<b>295,554</b>

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 2023.

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 FOURTH QUARTER ENDED 30 JUNE 2024**

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**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 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 2023.

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 2023.

**Adoption of amendments/improvements to MFRSs**

The Group and the Company have adopted the following amendments/improvements to MFRSs that are mandatory for the current financial year:

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

**1. BASIS OF PREPARATION (CONTINUED)**

**New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:**

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

<u>New MFRS</u>		<b>Effective for financial periods beginning on or after</b>
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023 <sup>#</sup>
MFRS 3	Business Combinations	1 January 2023 <sup>#</sup>
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7	Financial Instruments: Disclosures	1 January 2023 <sup>#</sup> / 1 January 2024
MFRS 9	Financial Instruments	1 January 2023 <sup>#</sup>
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 <sup>#</sup> / 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023 <sup>#</sup> / 1 January 2024
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023 <sup>#</sup>
MFRS 119	Employee Benefits	1 January 2023 <sup>#</sup>
MFRS 121	The Effects of Changes in Foreign Exchange Rate	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 <sup>#</sup>
MFRS 132	Financial Instruments: Presentation	1 January 2023 <sup>#</sup>
MFRS 136	Impairment of Assets	1 January 2023 <sup>#</sup>
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023 <sup>#</sup>
MFRS 138	Intangible Assets	1 January 2023 <sup>#</sup>
MFRS 140	Investment Property	1 January 2023 <sup>#</sup>

*# Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

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**1. BASIS OF PREPARATION (CONTINUED)****New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (Cont'd):**

- (b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective.
- (c) The Group and the Company are currently assessing the impact of initial application of the above applicable amendments/improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

**2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the financial year ended 30 June 2023 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 under review.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

**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, except for the issuance of new AWC shares in line with the Group's Employee Share Option Scheme ("ESOS"), as follows:

- i) 18,300,286 ordinary shares were issued at an exercise price of 33.6 sen per share;
- ii) 3,902,012 ordinary shares were issued at an exercise price of 42.3 sen per share;
- iii) 546,150 ordinary shares were issued at an exercise price of 72.3 sen per share;
- iv) 100,000 ordinary shares were issued at an exercise price of 75.1 sen per share;
- v) 2,565,000 ordinary shares were issued at an exercise price of 23.7 sen per share;
- vi) 675,000 ordinary shares were issued at an exercise price of 41.8 sen per share;
- and
- vii) 135,000 ordinary shares were issued at an exercise price of 51.2 sen per share.

Options to subscribe for 12,721,260 ordinary shares remain unexercised.

Treasury Shares

The number of treasury shares held as at 30 June 2024 is as follows: -

	No. of shares	Amount RM
Balance of treasury shares as at 1 July 2023	4,628,700	1,287,081
Add: Purchase of treasury shares during the year under review	-	-
Balance of treasury shares as at 30 June 2024	<u>4,628,700</u>	<u>1,287,081</u>

**7. DIVIDENDS PAID**

On 28 June 2024, the Company paid a First Interim Single-Tier Dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 June 2024 amounting to approximately RM1.65m.

**8. SEGMENTAL INFORMATION**

The segment information for the current period ended 30 June 2024 is as follows:

	Investment Holding	Facilities Division	Engineering Division	Environment Division	Rail Division	Others Division	Adjustments and Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	31,920	230,329	79,676	101,968	18,968	-	(64,027)	398,834
Profit/(Loss) before tax	31,917	2,966	8,319	24,647	4,483	(41)	(39,841)	32,450
Segment assets	246,941	184,022	67,950	142,886	57,432	10	(261,435)	437,806



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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

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**9. CARRYING AMOUNT OF REVALUED ASSETS**

Not Applicable.

**10. SIGNIFICANT AND SUBSEQUENT EVENT**

No material events subsequent to 30 June 2024 to the date of this report that have not been reflected in the financial statements for current financial period.

**11. CHANGES IN COMPOSITION OF THE GROUP**

On 15 December 2023 and 27 December 2023 respectively Trackwork & Supplies Sdn Bhd and Stream Group Sdn Bhd became wholly owned subsidiaries.

On 28 January 2024, a wholly owned subsidiary, Stream Environment Co. Ltd , Kingdom of Saudi Arabia, was incorporated.

On 7 March 2024, a wholly owned subsidiary, Stream Environment Protection Equipment Trading L.L.C , Dubai, was incorporated.

On 13 March 2024, a wholly owned subsidiary, PT Stream Environment Solution, Indonesia, was incorporated.

**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**AWC BERHAD**

(Company No. 550098-A)




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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**


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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**13. PERFORMANCE REVIEW BY SEGMENTS**

Revenue	Current quarter	Preceding year	Current year	Preceding year
	ended	corresponding	to-date ended	corresponding
	30 June	quarter ended	30 June	year ended
	2024	30 June	2024	30 June
	RM'000	RM'000	RM'000	RM'000
Facilities	59,047	41,588	230,329	200,925
Environment	29,712	27,131	101,968	100,224
Engineering	21,881	20,504	79,676	82,477
Investment holdings	5,480	480	31,920	6,480
Rail	4,760	8,224	18,968	20,791
Total	120,880	97,927	462,861	410,897
Less: Elimination	(18,904)	(6,396)	(64,027)	(31,904)
<b>Consolidated Total</b>	<b>101,976</b>	<b>91,531</b>	<b>398,834</b>	<b>378,993</b>

Profit/(Loss) before tax	Current quarter	Preceding year	Current year	Preceding year
	ended	corresponding	to-date ended	corresponding
	30 June	quarter ended	30 June	year ended
	2024	30 June	2024	30 June
	RM'000	RM'000	RM'000	RM'000
Facilities	2,847	(14,300)	2,966	(7,912)
Environment	8,477	4,765	24,647	20,165
Engineering	1,746	(1,555)	8,319	3,739
Investment holdings	10,292	(2,076)	31,917	1,967
Rail	1,869	(2,914)	4,483	(2,041)
Others	(3)	(4)	(41)	(33)
Total	25,228	(16,084)	72,291	15,885
Less: Elimination	(14,842)	445	(39,841)	(4,115)
<b>Consolidated Total</b>	<b>10,386</b>	<b>(15,639)</b>	<b>32,450</b>	<b>11,770</b>

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

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**13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)****13.1 Facilities Division****Quarter on Quarter (“QoQ”)**

Revenue for Q4/FY24 amounted to RM59.0m, compared to RM50.7m in Q3/FY24, an increase of RM8.3m/16.4%. The increase was mainly attributable to the higher additional works from Concession of RM3.9m.

Although the division recorded a PBT of RM2.8m in Q4/FY24 as compared to PBT of RM379k in Q3/FY24, an increase of RM2.5m/>100%, this included a one-time inter-division receivables write-back of RM2.9m.

**Current quarter vs preceding year corresponding quarter**

The revenue for the current quarter Q4/FY24 was higher by RM17.4m/42.0% compared to the preceding year’s corresponding quarter Q4/FY23.

The division recorded a PBT of RM2.8m which included a one-time inter-division receivables write-back of RM2.9m in the current quarter under review Q4/FY24 as compared to LBT of RM14.3m in Q4/FY23, an increase of RM17.1m/>100%. The LBT in Q4/FY23 was arising from impairment loss on receivables (RM4.5m), higher electricity cost recorded (RM0.7m), costs of unscheduled works (RM2.7m) as well as ongoing impacts arising from the effects of minimum wage 2022. The division continues to grapple with unscheduled costs arising from the Healthcare segment.

**13.2 Environment Division****QoQ**

The division’s revenue for the quarter under review Q4/FY24 amounted to RM29.7m compared to the immediate preceding quarter Q3/FY24, at RM26.1m. The increase of RM3.6m/13.6% was largely due to higher revenue achieved in line with the favourable margin revision from the final accounts of a few projects in the Singapore and UAE region and the reversal of defect liability period provision in all regions.

Consequent to the above, the division recorded a PBT of RM8.5m in Q4/FY24 as compared to PBT of RM6.0m in Q3/FY24, an increase of RM2.5m/41.9% even with an impairment loss on trade receivables of RM1.1m.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

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**13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)****13.2 Environment Division(continued)****Current quarter vs preceding year corresponding quarter**

The revenue for the current quarter Q4/FY24 was RM29.7m vs RM27.1m in Q4/FY23, an increase of RM2.6m/9.5%.

PBT increased significantly by RM3.7m/77.9% in the current quarter under review Q4/FY24 as compared to preceding year corresponding quarter Q4/FY23 which was weighed down by escalated costs of a project in Singapore (RM1.7m) and impairment loss on trade receivables (RM1.4m).

**13.3 Engineering Division****QoQ**

The revenue for Q4/FY24 amounted to RM21.9m compared to RM16.4m in Q3/FY24, an increase of RM5.4m/33.1% mainly due to higher revenue recognized from project progress from both the Plumbing and Air-condition segments.

Despite the higher revenue, the division recorded a PBT of RM1.7m in Q4/FY24 vs a PBT of RM2.5m in Q3/FY24, a decrease of RM0.7m/29.0% in line with a write-back of an impairment on contract asset of RM3.2m which off-set a corresponding non-recurring charge of RM1.9m to the cost of a project undertaken by the Plumbing segment in the immediate preceding quarter.

**Current quarter vs preceding year corresponding quarter**

The revenue for the current quarter Q4/FY24 was RM21.9m vs RM20.5m in Q4/FY23, an increase of RM1.4m/6.7%. The higher revenue recorded was mainly attributable to project progress from the Plumbing segment during the current quarter under review.

Arising from above, the division recorded a PBT of RM1.7m during the quarter under review Q4/FY24 as compared to a LBT of RM1.5m in Q4/FY23, a turnaround of RM3.3m/>100% where the LBT in the preceding year corresponding quarter was materially impacted by the recognition of impairment loss on contract asset and trade receivables of RM3.2m and RM1.0m respectively.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

**13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)**

**13.4 Rail Division**

**QoQ**

The Division recorded a higher revenue for Q4/FY24 of RM4.8m compared to RM4.3m in Q3/FY24, an increase of RM503k/11.8% due to higher commission, order fulfilment and project deliverables during the quarter under review.

Arising from the higher revenue and more favorable products mix contributing to better margins, the division recorded a PBT of RM1.9m in Q4/FY24 vs a PBT of RM452k in Q3/FY24, an increase of RM1.4m/>100% in the current quarter.

**Current quarter vs preceding year corresponding quarter**

The revenue in Q4/FY24 was RM4.8m compared to RM8.2m in Q4/FY23, a decrease of RM3.4m/42.1% due to better order fulfilment and project deliverables in Q4/FY23.

In contrast to the lower revenue, the division recorded a PBT of RM1.9m in Q4/FY24 vs a LBT of RM2.9m in Q4/FY23, a turnaround of RM4.8m/>100% during the current quarter as Q4/FY23 LBT included an impairment of receivables of RM4.6m.

**14. COMMENTARY ON MATERIAL VARIATION IN REVENUE AND PROFIT BEFORE TAXATION AGAINST PRECEDING QUARTER**

	Current quarter ended 30 June 2024	Preceding quarter ended 31 March 2024	Favorable/ (Adverse) Variance
	RM'000	RM'000	RM'000
Revenue	<u>101,976</u>	<u>91,229</u>	<u>10,747</u>
Profit before taxation and zakat	<u>10,386</u>	<u>7,866</u>	<u>2,520</u>

On a QoQ basis, revenue increased by RM10.7m/11.8% due to higher revenue recorded by all divisions as highlighted above.

Arising from the above as well as points highlighted under the respective business divisions, the Group recorded a higher PBT of RM10.4m compared to a PBT of RM7.9m in the immediate preceding quarter, an increase of RM2.5m/32.0% despite of an impairment of trade receivables (RM1.1m), share based payment charge from ESOS granted to eligible employees during the year (RM0.8m) and fair value loss from investment properties (RM0.6m).

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

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**15. COMMENTARY ON PROSPECTS**

While cost related pressures experienced by the Facilities division remains a challenge, the Board is optimistic that the Group's financial performance in the new financial year ahead will be underpinned by the performance of the Environment division. The Group's orderbook of RM702m will continue to provide earnings visibility moving forward.

We set out below our analysis of prospects by Divisions:

**15.1 Facilities Division**

The Concession Agreement (CA) for the renewal of the maintenance concession for the Southern Region (Johor, Malacca, Negeri Sembilan) and Sarawak was signed in early March 2016. This contract is for 10 years, from 1.1.16 to 31.12.25. Initial rate p.a. is set at approximately RM52 mil for the first 5 years, with automatic increase to RM59m p.a. from year 6 to 10.

In addition, together with the new CA, we also signed a contract to undertake the Critical Asset Refurbishment Programme, or CARP, over the next seven years.

Under this contract, we are to undertake the CARP over various locations, and based on predetermined timing/schedules. Under this CARP we are to be paid RM140m over ten years (the renewed concession period), equaling approximately RM1.16m monthly.

These two contracts significantly improve the Group's long-term prospects. We expect positive contribution to our revenue and profit performance from our CARP contract over the next several years.

Also, we currently undertake certain maintenance contracts in the commercial and healthcare segments where these contracts are generally for two to five year periods. We expect these contracts to continue contributing positively to our prospects.

**15.2 Environment Division**

The Environment Division has contracts on hand that will tide it over for the next three financial years. Prospects remain positive for this Division as we expect projects progress and recognition to continue contributing positively to the Group.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

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**15. COMMENTARY ON PROSPECTS (CONTINUED)**

**15.3 Engineering Division**

**Air conditioning segment**

As projects undertaken by this segment's Malaysian operation have largely entered Defects Liability Period (DLP) with no new tender/project participations, we do not expect further material negative contributions from this segment moving forward. Additionally, the Management has streamlined and rationalized the operational cost structure of this segment to be in line with serving out the existing projects which are now in DLP.

**Plumbing segment**

With the projects undertaken by the segment remaining on track, these are expected to contribute positively to the Group's earnings over the next three financial years. The segment is actively pursuing value engineering propositions to its clients to mitigate higher cost of materials currently experienced in its procurement processes.

**15.4 Rail Division**

The division continues to actively pursue rail related projects and procurement opportunities domestically as well as regionally and remains well poised with the agencies and principal representations it holds.

**16. PROFIT FORECAST OR PROFIT GUARANTEE**

Not applicable.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

**17. INCOME TAX EXPENSE**

	Current quarter ended 30 June 2024 RM'000	Period to date ended 30 June 2024 RM'000
Profit before taxation and zakat	10,386	32,450
Income tax expense for the year	(3,376)	(7,763)
Effective tax rate	32%	24%

Domestic income tax is calculated at Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions whilst the income from operations in Abu Dhabi are exempted from tax. During the financial period, the income tax rate applicable to the subsidiaries in Singapore was 17% (2023: 17%).

**18. CORPORATE PROPOSALS**

There was no corporate proposal announced but not completed at the date of this report.

**19. BORROWINGS**

	As at 30 June 2024 RM'000	As at 30 June 2023 RM'000
Secured short-term borrowings:		
Term loan	13,770	775
Hire purchase	909	-
Revolving credit	18,000	6,400
Trade loan	6,163	1,908
Bank overdraft	(5)	2,619
Total short-term borrowings	38,837	11,702
Secured long-term borrowings:		
Term loan	63,437	8,718
Hire purchase	1,039	-
Total long-term borrowings	64,476	8,718
Total borrowings	103,313	20,420

All the above borrowings are denominated in Ringgit Malaysia except for the trade loan and bank overdraft are denominated in Singapore Dollar.



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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

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**20. MATERIAL LITIGATION**

Other than appended below, there is no material litigation which may materially affect the Group for the current quarter under review.

Trackwork & Supplies Sdn. Bhd. (“the Claimant”), a subsidiary of the Company, had through its solicitors, Messrs. Gan Partnership in their letter dated 25 April 2023 requested to commence an arbitration between the Claimant and Emrail Sdn. Bhd. (“the Respondent”) made pursuant to Rule 7 of the Arbitration Rules of the Asian International Arbitration Centre. The Claimant’s claim is based on the purchase orders issued by the Respondent to the Claimant (“the Contract”) whereby the Claimant had supplied and delivered materials or goods to the Respondent for a project in relation to restoration of track and slope stabilisation, track rehabilitation and associated works. The Claimant is seeking for an order that the Respondent pay the sum of RM2,163,420.00 to the Claimant and/or any order of loss, cost, expenses and/or damages suffered by the Claimant arising from the default in payment by the Respondent. Dispute has arisen between the Claimant and the Respondent under the Contract with regard to the payment by Respondent in respect of the Invoices issued by the Claimant. Notice to arbitrate has been issued by the Claimant’s solicitors and the Respondent through its solicitors have responded to the notice to arbitrate.

The Arbitrator had dismissed the preliminary objection raised by the Respondent on the pre-conditions for arbitration have not been fulfilled and the costs of the preliminary proceedings are to be paid by the Respondent to the Claimant. The Arbitrator has fixed a hearing on the arbitration from 17 February 2025 to 19 February 2025.

The Respondent has filed an appeal to the Shah Alam High Court on the dismissal of Respondent’s preliminary objection by the Arbitrator. The Shah Alam High Court has fixed the hearing of the appeal on 30 October 2024.

The Company will make further announcement if there is any material update on the aforesaid arbitration.

**21. DIVIDEND DECLARED**

The Board of Directors is pleased to propose a final single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 June 2024. The book closure and payment dates for this dividend will be announced in due course.

# AWC BERHAD

(Company No. 550098-A)



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## EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

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### 22. 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 year, excluding treasury shares held by the Company as follows:

	Current quarter ended 30 June 2024	Period to date ended 30 June 2024
Profit attributable to owners of the Company (RM'000)	6,980	19,721
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	319,788	323,261
Basic earnings per share (sen)	2.18	6.10

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

### 23. REALISED AND UNREALISED PROFITS

	As at 30 June 2024 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	223,903
- Unrealised	4,946
	228,849
Less: Consolidation adjustments	(157,011)
Total group retained profit as per consolidated accounts	71,838

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

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**24. ITEMS INCLUDED IN CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Profit from operations is for the current quarter and period to-date ended 30 June 2024 is stated after charging / (crediting) the following items:

	<b>Current quarter ended 30 June 2024 RM'000</b>	<b>Period to date ended 30 June 2024 RM'000</b>
Depreciation and amortisation	2,287	6,197
Foreign exchange gain	(305)	(456)
Loss/ (Gain) on disposal of property, plant and equipment	8	(151)
Interest income	(716)	(2,940)
Interest expense	1,726	3,774
Impairment losses on trade receivables	1,064	1,262
Loss on revaluation of investment properties	563	563
Reversal of impairment on trade receivables	(859)	(3,317)
Reversal of impairment on contract assets	-	(3,209)
Stock written off	4	175
Other income	(303)	(1,433)

**25. AUTHORISATION FOR ISSUE**

This interim financial report has been approved by the Board of Directors of the Company for issuance on 27 August 2024.