THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED ISSUANCE OF UP TO 61,808,620 FREE WARRANTS ("WARRANTS") IN AWC BERHAD ("AWC") ON THE BASIS OF ONE (1) WARRANT FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN AWC HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

RHB Investment Bank Berhad
(Company No. 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the Extraordinary General Meeting ("**EGM**") of AWC which will be held at Resort Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 27 November 2018 at 11:00 a.m. or immediately following the conclusion of the 17th Annual General Meeting of AWC which will be held at 10:00 a.m. on the same day and at the same venue, whichever is later or at any adjournment thereof, together with the Proxy Form are enclosed in this Circular.

You are entitled to vote at the EGM. If you are unable to attend the EGM, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. In such event, you should complete and deposit the Proxy Form at our share registrar's office at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the date and time fixed for the EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

This Circular is dated 12 November 2018

DEFINITIONS

Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout this Circular:

Act	:	Companies Act 2016
AWC or Company	:	AWC Berhad
AWC Group or Group	:	Collectively, AWC and its subsidiaries
AWC Shares or Shares	:	Ordinary shares in AWC
Board	:	Board of Directors of AWC
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular to shareholders of AWC dated 12 November 2018 in relation to the Proposed Free Warrants Issue
Deed Poll	:	The document constituting the Warrants to be executed by our Company
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Our shareholders whose names appear in our Record of Depositors on the Entitlement Date
Entitlement Date	:	A date to be determined by your Board and announced at a later date, on which names of our shareholders must appear in our Record of Depositors as at 5:00 p.m. on that date in order to be entitled to the Warrants
EPS	:	Earnings per Share
ESOS	:	Employees' share option scheme of our Company, which took effect on 9 October 2015 and will expire on 8 October 2020
ESOS Options	:	Share options granted to the eligible employees/officers, executive directors and non-executive directors of our Group (excluding subsidiaries which are dormant) pursuant to the existing ESOS of our Company, which gives them the right to subscribe for new AWC Shares at an exercise price ranging between RM0.336 and RM0.751 per AWC Share
FYE	:	Financial year ended/ending, as the case may be
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	15 October 2018, being the latest practicable date prior to the date of this Circular
NA	:	Net assets
Official List	:	Official list of Bursa Securities
PAT	:	Profit after taxation

Proposed Free Warrants Issue	:	Proposed issuance of up to 61,808,620 Warrants on the basis of one (1) Warrant for every five (5) existing AWC Shares held on the Entitlement Date
Record of Depositors	:	A record of securities holders established by Bursa Depository under the rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act 1991
RHB Investment Bank or Principal Adviser	:	RHB Investment Bank Berhad
VWAMP	:	Volume weighted average market price
Warrants	:	Free warrants to be issued pursuant to the Proposed Free Warrants Issue

Currency

RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia

References to "**our Company**", "**we**", "**us**", "**our**" and "**ourselves**" in this Circular are to AWC and where the context otherwise requires, shall include our subsidiaries. References to "**our Group**" are to our Company and our subsidiaries. All references to "**you**" in this Circular are to our shareholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to the provisions of any statute, rules, regulation or rules of stock exchange shall (where the context admits) be construed as a reference to the provisions of such statute, rules, regulation or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments to the statute, rules, regulation or rules of stock exchange for the time being in force.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as in quarterly results or annual reports, is due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by your Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's and/or our Group's plans and objectives will be achieved.

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

Registered Office
Third Floor, No. 79 (Room A)
Jalan SS21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

12 November 2018

Board of Directors

Dato' Nik Mod Amin Bin Nik Abd Majid *(Independent Non-Executive Chairman)*
Dato' Ahmad Kabeer Bin Mohamed Nagoor *(Group Chief Executive Officer/President)*
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati Binti Tunku Abdul Rahman Putra Al-Haj *(Independent Non-Executive Director)*
Dato' Ahri Bin Hashim *(Independent Non-Executive Director)*
Sureson A/L Krisnasamy *(Independent Non-Executive Director)*

To: Our Shareholders

Dear Sir/Madam,

PROPOSED FREE WARRANTS ISSUE

1. INTRODUCTION

On 27 September 2018, RHB Investment Bank had, on behalf of your Board, announced that our Company proposes to undertake an issuance of free Warrants in AWC on the basis of one (1) Warrant for every five (5) existing AWC Shares held on the Entitlement Date.

On 2 November 2018, RHB Investment Bank had, on behalf of your Board, announced that Bursa Securities had vide its letter dated 2 November 2018, granted its approval for the following:

(i) admission to the Official List and the listing of up to 61,808,620 Warrants to be issued pursuant to the Proposed Free Warrants Issue; and

(ii) listing of up to 61,808,620 new AWC Shares to be issued pursuant to the exercise of the Warrants,

on the Main Market of Bursa Securities, subject to the conditions as set out in Section 9 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED FREE WARRANTS ISSUE AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED FREE WARRANTS ISSUE TO BE TABLED AT OUR FORTHCOMING EGM.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR AND THE APPENDICES CONTAINED HEREIN BEFORE VOTING BY WAY OF POLL ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED FREE WARRANTS ISSUE TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED FREE WARRANTS ISSUE

2.1 Basis and number of Warrants to be issued

The Proposed Free Warrants Issue will entail the issuance of up to 61,808,620 Warrants on the basis of one (1) Warrant for every five (5) existing AWC Shares held by the Entitled Shareholders. The entitlement basis for the Proposed Free Warrants Issue was determined after taking into consideration the following:

(i) the amount of proceeds which could potentially be raised by our Group as and when the Warrants are exercised during the exercise period of the Warrants;

(ii) the dilutive effect arising from the full exercise of the Warrants on the EPS of our Company; and

(iii) compliance with Paragraph 6.50 of the Listing Requirements which states that the number of new AWC Shares which will arise from all outstanding Warrants, when exercised, shall not exceed 50% of the total number of issued shares of our Company (excluding treasury shares and before the exercise of the Warrants) at all times.

The Entitlement Date will be determined by your Board and announced at a later date upon receipt of all relevant approvals for the Proposed Free Warrants Issue.

The maximum number of Warrants to be issued pursuant to the Proposed Free Warrants Issue was arrived at after taking into consideration the following:

(i) the issued share capital of our Company of RM106,517,942 comprising 284,723,730 AWC Shares (including 3,326,800 treasury shares) as at LPD;

(ii) the 3,326,800 treasury shares held by our Company as at LPD;

(iii) the 18,319,372 outstanding ESOS Options as at LPD; and

(iv) the new AWC Shares to be issued in tranches as part settlement for the acquisition by our Company of 60% equity interest in Trackwork & Supplies Sdn Bhd ("**Trackwork**") from Goh Poey Hong, Chong Kim Loong, Goh Tse Woei, Kong Keat Voon, Shaun Chan Thiam Eng, Chong Chong Hong and Lim Huey Yih (collectively referred to as the "**Sellers**"), which will be satisfied through a combination of cash amounting to RM20,000,000 and issuance of new AWC Shares with an aggregate value of RM23,500,000 ("**Consideration Shares**") ("**Acquisition**"). The Acquisition was announced by our Company on 28 February 2018 and approved by our shareholders at an adjourned EGM convened on 25 September 2018.

For information purposes, our Company had on 9 October 2018 announced that the Acquisition has been completed on even date ("**Completion Date**"). Our Company had, among others, issued and allotted 11,500,000 Consideration Shares to the Sellers at an issue price of RM1.00 per Consideration Share ("**Tranche 2 Consideration Shares**"). However, the remaining Consideration Shares will only be issued and allotted to the Sellers after the date of the signed audited financial statements of Trackwork for the FYEs 30 September 2018 and 30 September 2019, and only if the profit guarantee for each of the respective years or the cumulative profit guarantee for both years are met. Brief details of the Acquisition have been included in Section 6 of this Circular solely for information purpose.

For purposes of this Circular, the effects of the Proposed Free Warrants Issue are illustrated based on the following scenarios:

Minimum Scenario

Assuming that:

(i) none of the 18,319,372 outstanding ESOS Options as at LPD are exercised into new AWC Shares before the Entitlement Date; and

(ii) all of the 3,326,800 treasury shares held by our Company as at LPD are retained until the Entitlement Date.

Maximum Scenario

Assuming that:

(i) all of the 18,319,372 outstanding ESOS Options as at LPD are fully exercised into new AWC Shares before the Entitlement Date;

(ii) all of the 3,326,800 treasury shares held by our Company as at LPD are resold in the open market before the Entitlement Date; and

(iii) Trackwork achieves a PAT of not less than RM8,000,000 for the FYE 30 September 2018 and the signed audited financial statements of Trackwork for the FYE 30 September 2018 evidencing the same is released before the Entitlement Date, resulting in the issuance of 6,000,000 Consideration Shares to the Sellers or their nominees ("**Tranche 3 Consideration Shares**") at the indicative issue price of RM1.00 per Tranche 3 Consideration Share. The audited financial statements of Trackwork for the FYE 30 September 2018 may be signed as early as mid-December 2018. For the avoidance of doubt, the issuance of the last tranche of the Consideration Shares and any AWC Shares which may be issued as payment for the option price in respect of the exercise of the Call/Put Options (as defined in Section 6 of this Circular) has not been taken into consideration in deriving the maximum number of Warrants to be issued since the Proposed Free Warrants Issue is expected to be completed by the 4th quarter of 2018.

Based on the above, the minimum and maximum number of Warrants to be issued pursuant to the Proposed Free Warrants Issue are illustrated below:

		Minimum Scenario	**Maximum Scenario**
		No. of Shares	**No. of Shares**
Total issued share capital as at LPD		284,723,730	284,723,730
Less:	Treasury shares	(3,326,800)	-
Add:	Upon full exercise of the outstanding ESOS Options	-	18,319,372
		281,396,930	303,043,102
Add:	Upon issuance of the Tranche 3 Consideration Shares	-	6,000,000
Enlarged issued share capital		281,396,930	309,043,102
		No. of Warrants	**No. of Warrants**
To be issued pursuant to the Proposed Free Warrants Issue		56,279,386	61,808,620

The actual number of Warrants to be issued pursuant to the Proposed Free Warrants Issue will be determined based on the total number of AWC Shares in issue (excluding treasury shares) on the Entitlement Date.

Fractional entitlements arising from the Proposed Free Warrants Issue, if any, will be disregarded and dealt with in such manner as your Board in its absolute discretion deems fit, expedient and in the best interest of our Company.

The Proposed Free Warrants Issue will be implemented in a single issuance and the Warrants will have a tenure of five (5) years. After taking into consideration the prevailing cash flow position of our Group and to prevent immediate dilution to the EPS of our Company as a result of the exercise of Warrants, our Company has determined that the Warrants can be exercised into new AWC Shares at any time after the 3rd anniversary of the date of issuance of the Warrants and ending on the market day immediately before the 5th anniversary of the date of issuance of the Warrants.

The Warrants will be issued in registered form and constituted by the Deed Poll. The indicative salient terms of the Warrants are set out in Appendix I of this Circular.

2.2 Basis of determining the exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The exercise price of the Warrants will be determined by your Board and announced at a later date upon receipt of all relevant approvals for the Proposed Free Warrants Issue but before the announcement of the Entitlement Date.

The exercise price of the Warrants will be determined by your Board after taking into consideration, among others, the following:

(i) the historical trading prices of AWC Shares;

(ii) the earnings potential of our Group; and

(iii) an exercise price of no lower than the five (5)-day VWAMP of AWC Shares immediately preceding the price-fixing date for the Proposed Free Warrants Issue.

Your Board will make an immediate announcement on the exercise price, the basis of determining the exercise price together with justifications for any premium applied, once the exercise price has been determined.

Solely for illustrative purposes throughout this Circular, the indicative exercise price for the Warrants is assumed to be RM0.83 per Warrant, which approximates the five (5)-day VWAMP of AWC Shares up to and including the LPD of RM0.8246.

2.3 Ranking of the Warrants and the new Shares to be issued pursuant to the exercise of the Warrants

The Warrant holders will not be entitled to any voting right in any general meeting of our Company or to participate in any form of distribution and/or offer of securities in our Company until and unless such Warrant holders exercise their Warrants into new Shares.

The new Shares to be issued and allotted pursuant to the exercise of the Warrants shall rank equally in all respects with the then existing Shares, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution which may be declared, made or paid to our shareholders, for which the entitlement date is prior to the date of allotment of the new Shares to be issued pursuant to the exercise of the Warrants.

2.4 Listing of the Warrants and the new Shares to be issued pursuant to the exercise of the Warrants

Approval has been obtained from Bursa Securities vide its letter dated 2 November 2018 for the admission of the Warrants to the Official List as well as for the listing of the Warrants to be issued pursuant to the Proposed Free Warrants Issue and the new Shares to be issued pursuant to the exercise of the Warrants, on the Main Market of Bursa Securities.

3. UTILISATION OF PROCEEDS

The Proposed Free Warrants Issue will not raise any immediate funds as the Warrants will be issued at no cost to the Entitled Shareholders.

The actual gross proceeds to be raised by our Company pursuant to the exercise of the Warrants would depend on the actual number of Warrants exercised during the exercise period of the Warrants and the exercise price of the Warrants. As such, the exact timeframe and manner of utilisation of the proceeds cannot be determined at this juncture.

Based on the indicative exercise price of RM0.83 per Warrant and in the event the Warrants are fully exercised, our Company will raise gross proceeds of up to RM51.30 million. The gross proceeds to be raised, as and when the Warrants are exercised, are expected to be utilised to fund the future working capital requirements of our Group, which may include, among others, payment for trade and other payables as well as other operating expenditures. The gross proceeds to be raised may also be utilised to part finance the Option Price (as defined in Section 6 of this Circular) in the event the Call/Put Options (as defined in Section 6 of this Circular) is exercised. Nonetheless, the gross proceeds to be utilised for each component set out above are subject to our Group's funding requirements at the time of utilisation and therefore cannot be determined at this juncture.

Proceeds that are not immediately utilised will be placed in deposits with financial institutions and/or short term money market instruments.

4. RATIONALE FOR THE PROPOSED FREE WARRANTS ISSUE

The Proposed Free Warrants Issue is intended to:

(i) reward our shareholders for their continuous support by enabling them to own Warrants in our Company which are tradable on Bursa Securities without incurring any cost;

(ii) provide an opportunity to our shareholders to increase their equity participation in our Company through the exercise of the Warrants at a pre-determined price during the exercise period of the Warrants; and

(iii) strengthen the capital base of our Company and provide our Group with additional working capital as and when the Warrants are exercised.

5. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

5.1 Overview and outlook of the Malaysian economy

Prospects for the Malaysian economy remain favourable largely supported by sound domestic demand. In addition, steady global growth and trade, continuous expansion in electrical and electronics as well as higher oil prices are expected to support export growth. Consequently, real gross domestic product ("**GDP**") is expected to expand 4.8% in 2018 after recording a growth rate of 4.9% during the 1st half of the year. In 2019, growth is forecast to increase further to 4.9%. Despite the resilient economic performance, risks to growth are tilted to the downside emanating from heightening uncertainties in the global environment, including rising trade conflict, volatility in global financial markets and oil prices as well as geopolitical tension.

Private sector expenditure will remain as the key driver of growth, cushioning the effects of lower public sector spending in 2018 and 2019. Stable employment and wage growth, conducive financing condition and benign inflation will continue to support private consumption which accounts for about 55% of GDP. Meanwhile, private investment is anticipated to expand with capital outlays mainly channelled into the services and manufacturing sectors. On the contrary, public expenditure is projected to record a slower growth following initiatives taken by the Government of Malaysia ("**Government**") to review and reprioritise expenditure without jeopardising the economic growth as well as lower capital spending by public corporations.

On the supply side, growth is expected to be driven by the services and manufacturing sectors. The services sector is projected to remain firm supported by consumption and domestic tourism activities as well as strong demand for information and communication technology, transport and finance. The manufacturing sector is estimated to record a steady growth in tandem with developments in the global semiconductor industry. Though the growth in agriculture and mining sectors are expected to decline marginally in 2018, it is projected to rebound in 2019 following an uptick in the production of crude palm oil and liquefied natural gas ("**LNG**"). The construction sector is anticipated to expand, albeit at a moderate pace largely due to near completion of several mega projects as well as property overhang, particularly in the non-residential subsector. In 2019, the sector is expected to improve marginally following an increase in new planned supply in the affordable homes and industrial segments.

The external sector is expected to remain resilient in 2018 supported by steady global economic and trade performances. Nevertheless, in 2019, exports are anticipated to expand moderately in line with slower global trade activities. Meanwhile, current account surplus is estimated to narrow with widening deficits in the services and income accounts.

Malaysia's near-term growth outlook remains resilient with sound macroeconomic fundamentals, stable financial conditions as well as broad-based and diversified economic structure. Domestic demand continues to drive the economy while the external sector is benefitting from steady global growth and trade activities. Nevertheless, as a highly open economy, Malaysia faces several risks relating to uncertainties in the external environment. Heightening financial market volatility as well as escalating protectionism and trade tensions, which could have a dampening effect on global trade and investment flows are expected to have an adverse impact on Malaysia's economic growth. Moving forward, the Government through various measures will continue to strengthen structural reforms and accelerate the country's convergence with developed economies. These include addressing mismatch in the labour market; improving quality of education and training; further diversifying export products and markets; enhancing innovation and adoption of technology; as well as unlocking the potential of the digital economy as a future driver of growth.

(Source: Economic Outlook 2019, Ministry of Finance)

5.2 Overview and outlook of the industries where our Group operates

Our Group provides total building solutions in the following divisions:

Division	Description
Facilities	Provision of an integrated range of maintenance services for office, commercial, industrial, residential, healthcare and administrative buildings. These services include electrical, mechanical, civil, structural, energy and utility management and maintenance, vertical transport management, security and safety management and central monitoring systems, landscaping and ground care.
Engineering	Provision of various mechanical and electrical engineering services for the building industry. These include computerised building automation systems (BAS), trading and installation of heating, ventilation and air-conditioning systems (HVAC), integrated installation of electrical systems, energy saving and lift systems, trading of specialised water tanks and rainwater harvesting products, and installation of plumbing systems into building and facilities.
Environment	Provision of environmentally-friendly solutions to waste collection system management. These include general trading, design, development, installation and commissioning of cleaning equipment, central vacuum systems and automated pneumatic waste collection system under the proprietary brand of 'STREAM'.

Given the business activities of our Group, the performance of our Group is largely dependent on the outlook of the construction and healthcare industries in Malaysia, as well as the initiatives by the Government in promoting green growth, as summarised below.

Construction industry

Value added of the construction sector grew 4.8% year-on-year during the 1st half of 2018 supported by the civil engineering subsector. For 2018, the sector is expected to expand, albeit moderately at 4.5% following near completion of several mega projects and overhang, particularly in the non-residential subsector. The growth momentum is expected to improve slightly in 2019, with the sector expanding 4.7%, following an increase in new planned supply in the affordable homes and industrial segments. However, review of several infrastructure projects as well as subdued activities in non-residential subsector is expected to weigh down the sector's performance.

The civil engineering subsector is expected to remain as the driver of the construction sector in 2018 and 2019 largely supported by ongoing projects. Among the infrastructure projects include the Pan Borneo Highway in Sabah and Sarawak; Central Spine Road in East Coast; as well as Mass Rapid Transit ("**MRT**") Sungai Buloh – Serdang – Putrajaya ("**SSP**") Line and Light Rail Transit ("**LRT**") Line 3 in Klang Valley. Meanwhile, in the petrochemical and power plant segment, ongoing projects are the Deepwater Petroleum Terminal 2 at the Refinery and Petrochemical Integrated Development Complex in Pengerang, Johor; Floating LNG 2 in Sabah; and the Central Processing Platform in Bokor, Sarawak. In addition, mixed development projects such as the Tun Razak Exchange and Bukit Bintang City Centre in Kuala Lumpur are expected to support the growth of the subsector.

The residential subsector is expected to grow at a marginal pace following the mismatch between supply and demand. Towards this end, the Government suspended the development of residential properties, serviced apartments and luxury condominiums priced over RM1 million in prime areas, effective November 2017. In addition, the developers are focusing on sales of existing projects to address the overhang issues. Meanwhile, the Government will continue to provide affordable housing for the low and middle-income groups through various programmes.

The non-residential subsector is projected to decline following oversupply and overhang of high-end shops and shopping complexes as well as the downward trend in the incoming supply of commercial buildings. However, the demand for commercial buildings in prime areas is anticipated to remain stable supported by residential development projects in Klang Valley suburbs, particularly in areas along MRT and LRT routes; as well as in major cities such as Johor Bahru, Melaka and Pulau Pinang.

(Source: Economic Outlook 2019, Ministry of Finance)

Healthcare industry

Providing quality healthcare at affordable cost is vital to improve the overall health status of the nation to enhance wellbeing. In the remaining Eleventh Malaysia Plan period, efforts will be enhanced to create a sustainable healthcare system, optimise financial resources for healthcare, strengthen population health and pursue greater collaboration among stakeholders. Implementation of these initiatives is important as a healthy population is essential for national development and wellbeing.

Inadequate public health facilities and services, particularly in urban areas remain as a concern in meeting the healthcare needs of the population. This is partly due to the relatively higher private healthcare cost, which has resulted in more patients demanding public healthcare services. In this regard, the Government will focus on primary healthcare services and community-based services to improve the delivery of healthcare services through better stakeholder engagement. In addition, more hospitals and clinics will be built to improve access to quality healthcare and increase the hospital beds to population ratio. Existing health facilities will also be upgraded. Meanwhile, more non-specialist hospitals will provide scheduled specialist care where specialists will visit these hospitals on a regular basis and the areas of specialist services offered include geriatric care, palliative care and rehabilitative services.

In addition, a national centre for disease control and prevention will be established in the remaining Eleventh Malaysia Plan period to detect, prevent and respond to various diseases threats. Meanwhile, two (2) specialised medical institutions, namely the Endocrine Complex in Putrajaya Hospital and the Cardiology Centre in Serdang Hospital, will be established and are expected to be completed in 2022. Furthermore, a new regional northern cancer centre will be built to complement the National Cancer Institute while the National Institute of Health as the focal point for health and medical research will also be restructured and empowered to enhance its role.

(Source: Mid-term Review of the Eleventh Malaysia Plan, 2016-2020, Economic Planning Unit)

Green growth

Green growth initiatives will be enhanced to ensure sustainability of natural resources and increase resilience against climate change and disasters while achieving higher economic growth. Efforts towards green growth will be pursued intensely to achieve sustainable development to safeguard the natural endowment for the present and future generations. This will be achieved through three (3) priority areas, namely strengthening governance, conserving natural resources as well as combating climate change and reducing disaster risks.

Efforts to mitigate climate change will be intensified through reduction of greenhouse gas ("**GHG**") emissions from the key GHG emitting sectors, mainly energy, transport and waste. Besides, efforts to harness economic value through resource efficiency practices will be intensified by expanding the implementation of sustainable consumption and production practices. Meanwhile, in increasing resilience of the nation against climate change impacts and natural disasters, the mitigation and adaptation as well as risk reduction measures will continue to be undertaken in vulnerable sectors such as water, energy, agriculture, public health, cities and settlements.

Initiatives to improve energy efficiency in buildings will include promoting the implementation of energy performance contracting to reduce energy consumption. Meanwhile, the adoption of energy-efficient designs will be made mandatory for all Government buildings that will be built. At the same time, state governments will be encouraged to incorporate the Malaysian Standard: Code of Practice on Energy Efficiency and Renewable Energy for Non-Residential Buildings as part of the respective state Uniform Building By-Law.

Construction of green buildings through adoption of the Malaysian Carbon Reduction and Environmental Sustainability Tool ("**MyCREST**") for new buildings including residential and commercial buildings will be further encouraged to support green city development. These new buildings will be constructed with green features and designs as well as using green materials. The performance of these buildings will be monitored to account for the GHG emissions as well as electricity and water consumption savings. Meanwhile, the establishment of green lungs and conservation of urban forests will continue to be encouraged to support green city development.

In addition, the research, development, commercialisation and innovation for recyclable products will be increased to support expansion of the recyclable market. Moreover, the private sector will be encouraged to reduce, reuse and recycle wastes through enforcement of regulation for commercial, industrial and institutional as well as regulation for solid waste from construction activities. The location of recycling facilities and source of waste generation will also be mapped to provide information on feedstock availability. Meanwhile, implementation of financing instruments, which supports waste management, such as extended producer responsibility and take-back system as well as user-pay and polluter-pay principles will be expanded.

Recycling of bio-sludge, bio-effluent and biogas from sewerage treatment plants, as part of waste-to-wealth initiative, will be further promoted as a non-tariff revenue sources for the operators. For instance, treated wastewater can be used in non-food related industry, sewage sludge for renewable energy generation and as fertilisers, and biogas for electricity source. The waste-to-wealth initiative will create business opportunities across the water supply chain and resource recovery avenue as well as encourage research and development activities.

(Source: Mid-term Review of the Eleventh Malaysia Plan, 2016-2020, Economic Planning Unit)

In addition to our business activities above, our Group had on 25 September 2018 obtained the approval of our shareholders to diversify our Group's principal activities to include rail related works. Following the completion of the Acquisition, our Group now owns 60% equity interest in Trackwork, which has over 18 years of experience in rail related services. As such, the future performance of our Group will also depend on the outlook of the rail industry.

Rail industry

The transport and storage subsector is anticipated to expand 5.8% in 2018 before recording 5.5% in 2019 led by the land transport segment. The growth of the segment is mainly supported by higher passenger movement driven by festive seasons, school holidays and general election. In addition, the increase will be contributed by additional capacity of Electric Train Service with the procurement of new train units.

Capital spending in the transport segment is projected to continue to expand capacity and upgrade services. The projects include Pan Borneo Highway; MRT SSP Line and Electrified Double Track Gemas – Johor Bahru.

Towards ensuring value for money in all Government procurements, several mega projects were reviewed including High Speed Rail ("**HSR**"), East Coast Rail Link ("**ECRL**"), MRT Line 3 and LRT Line 3. Following the review, the total cost of LRT Line 3 was reduced by 47% from RM31.7 billion to RM16.6 billion, while the other three (3) projects were postponed.

(Source: Economic Outlook 2019, Ministry of Finance)

Although the Government has recently postponed the ECRL, HSR and MRT Line 3 projects, your Board is of the view that there is still a pressing need to improve Malaysia's existing railway infrastructure. Further, your Board also believes that the Government will continue to assess and perhaps negotiate better terms for the ECRL, HSR and MRT Line 3 projects which have been postponed and such projects may resume when the Government's financial standing improves. For information purposes, as at 30 August 2018, Trackwork has secured contracts with a total contract value of RM7.56 million for the supply of track materials to its principals for the MRT SSP Line project but has yet to secure any contract relating to the Electrified Double Track Gemas – Johor Bahru project.

(Source: Management of AWC)

5.3 Prospects of our Group

Our Group's financial performance for the FYE 30 June 2018 has been encouraging given the strong order book and contracts across our three (3) divisions, namely facilities, engineering and environment. For the FYE 30 June 2018, our Group recorded revenue of RM303.98 million, of which our facilities division contributed approximately 54.53% whilst our engineering and environment divisions contributed approximately 26.43% and 19.03% respectively.

As at 30 June 2018, the order book for our Group's facilities, engineering and environment divisions amounted to RM704 million, RM139 million and RM122 million respectively, aggregating to RM965 million. Some of the notable projects for each of the said divisions include the following:

(i) Facilities division

- ten (10) years concession spanning from 1 January 2016 to 31 December 2025 ("**Concession Period**") for building maintenance and support services for relevant Government buildings in the southern region (i.e. Johor, Malacca, Negeri Sembilan) and Sarawak ("**Contract Buildings**") such as:

  (a) *Wisma Persekutuan Johor Bahru, Bangunan Persekutuan Kluang, Bangunan Persekutuan Batu Pahat* and *Kompleks Sultan Abu Bakar,* located in Johor;

  (b) *Wisma Persekutuan Melaka, Menara Persekutuan Melaka* and *Bangunan Pejabat-Pejabat Pelabuhan Melaka,* located in Malacca;

  (c) *Wisma Persekutuan Seremban* located in Negeri Sembilan; and

  (d) *Bangunan Sultan Iskandar, Bangunan Tun Datuk Patinggi Tuanku Hj Bujang* and *Wisma Persekutuan Miri,* located in Sarawak.

- critical asset refurbishment programme for the Government which entails the refurbishment of critical assets deployed in the Contract Buildings at various locations over the Concession Period.

- four (4) separate facilities management contracts for the maintenance of relevant Government buildings in Putrajaya, namely the Ministry of Foreign Affairs, Palace of Justice, Ministry of Rural Development and Ministry of Communications and Multimedia, for a period of five (5) years from 2017 to 2022.

(ii) Engineering division

- air conditioning and building management system contract for the Capital 21 mall in Johor which was awarded to our Group in the financial year 2016.

- plumbing works and grey water harvesting contract for the Merdeka PNB 118 project in Kuala Lumpur, a mixed development project comprising residential, hotel and commercial space located where Stadium Merdeka and Stadium Negara used to stand.

- plumbing works contract for the 8 Conlay project in Kuala Lumpur, which comprise the development of lifestyle retail quarters, serviced residences, hotel and hotel residences.

(iii) Environment division

- subcontract for the implementation of solid waste handling system works for the Merdeka PNB 118 project in Kuala Lumpur.

- subcontract for the supply, installation, testing and commissioning of waste handling system for a new inflight catering facility at Taoyuan International Airport, Taiwan.

- subcontract for the implementation of solid waste handling system works for the Gombak Integrated Transport Terminal in Selangor.

In line with our Group's strategy to strengthen our earnings potential, we have diversified into rail related works via the Acquisition. Trackwork has over 18 years of experience in rail related services and its business covers the supply of track materials and rolling stock, maintenance of railway tracks, supplying and commissioning of track tools, equipment and machineries, supplying depot equipment and tools, as well as track diagnostics and monitoring systems.

As at 30 August 2018, Trackwork has an existing unbilled order book of approximately RM70.51 million for the supply of track materials/machineries/fittings including secured sales commission income of approximately RM8.85 million (on the back of a total contract value of approximately RM90.55 million) from contracts secured by its international principals for the FYEs 30 September 2018 and 30 September 2019. Premised on this and the prospects of the rail industry as set out in Section 5.2 of this Circular, Trackwork is well poised for further growth.

Taking into account the above factors, the outlook of the industries where our Group operates and our strong combined order book, our management remains optimistic of our Group's future prospects.

(Source: Management of AWC)

6. BRIEF DETAILS ON THE ACQUISITION

In view that the effects of the Proposed Free Warrants Issue have been illustrated to include the effects of the Acquisition and the Call/Put Options (as defined herein), brief details on the Acquisition and the Call/Put Options have been extracted from our Company's Circular to Shareholders in relation to the said proposals dated 7 September 2018 and included below for ease of reference.

The Acquisition entails the acquisition by our Company of 3,000,000 ordinary shares in Trackwork ("**Trackwork Shares**"), representing 60% equity interest therein from the Sellers, for a total purchase consideration of RM43,500,000, which will be satisfied through a combination of cash amounting to RM20,000,000 ("**Cash Consideration**") and the balance RM23,500,000 through Consideration Shares ("**Purchase Consideration**"). The Purchase Consideration will be/has been settled in the following manner:

(i) Tranche 1

The cash deposit of RM2,000,000 which is equivalent to 10% of the Cash Consideration has been paid to the Sellers' solicitors as stakeholder upon signing of the conditional share sale agreement dated 28 February 2018 in relation to the Acquisition (which was subsequently supplemented by the supplemental share sale agreement dated 26 July 2018) ("**SSA**").

(ii) Tranche 2

(a) The remaining RM18,000,000 which is equivalent to 90% of the Cash Consideration ("**Balance Cash Consideration**") has been paid to our solicitors on 9 October 2018 to hold as stakeholder in an interest bearing account. The Balance Cash Consideration shall be paid by our solicitors to the Sellers' solicitors together with interest accrued thereon, if any, for their immediate onward transmission to the Sellers in the tranches and proportion as set out in the SSA.

(b) 11,500,000 Tranche 2 Consideration Shares have been issued and allotted to the Sellers on 9 October 2018, at the issue price of RM1.00 per Tranche 2 Consideration Share.

(iii) Tranche 3 and Tranche 4

In accordance with the terms of the SSA, the Sellers have guaranteed that Trackwork will achieve a cumulative PAT of RM20,000,000 ("**Cumulative Profit Guarantee**") for the FYEs 30 September 2018 and 30 September 2019. As a pledge for the Cumulative Profit Guarantee, RM12,000,000 in value of Consideration Shares will be withheld and shall be dealt with in the following manner:

(a) in the event Trackwork achieves PAT of RM8,000,000 for the FYE 30 September 2018 ("**Year 1 Profit Guarantee**"), RM6,000,000 in value of Tranche 3 Consideration Shares will be issued and allotted to the Sellers or their nominees, at an issue price which will be determined based on the five (5)-day VWAMP of AWC Shares after the date of the signed audited financial statements of Trackwork for the FYE 30 September 2018.

(b) in the event Trackwork achieves PAT of RM12,000,000 for the FYE 30 September 2019 ("**Year 2 Profit Guarantee**"), RM6,000,000 in value of Consideration Shares will be issued and allotted to the Sellers or their nominees ("**Tranche 4 Consideration Shares**"), at an issue price which will be determined based on the five (5)-day VWAMP of AWC Shares after the date of the signed audited financial statements of Trackwork for the FYE 30 September 2019.

For information purposes, in the event the Year 1 Profit Guarantee is exceeded, such excess PAT shall be taken into account in determining the achievement of the Year 2 Profit Guarantee. In addition, in the event the Year 2 Profit Guarantee is exceeded, such excess PAT shall be taken into account in determining the achievement of the Cumulative Profit Guarantee.

Pursuant to the shareholders' agreement dated 28 February 2018 entered into by our Company, Trakniaga Sdn Bhd ("**Trakniaga**"), being the 40% shareholder of Trackwork, and Trackwork to govern the management and operation of Trackwork between the shareholders of Trackwork upon completion of the Acquisition, the parties have also agreed on the following:

(1) the granting by Trakniaga of a call option for our Company to require Trakniaga to dispose all the remaining Trackwork Shares held by Trakniaga ("**Option Shares**") to our Company ("**Call Option**") which shall only be exercised by our Company at any time from the expiry of the Cumulative Profit Guarantee period up to the 5th anniversary of the Completion Date ("**Call Option Period**"); and

(2) the granting by our Company of a put option for Trakniaga to require our Company to acquire all the Option Shares ("**Put Option**") which shall only be exercised by Trakniaga at any time during a period of six (6) months, commencing from the expiry of the Call Option Period.

(Collectively referred to as the "**Call/Put Options**").

The option price for the Call/Put Options ("**Option Price**") shall be satisfied in cash and/or through the issuance of new AWC Shares ("**Option Consideration Shares**") at an issue price to be determined based on the five (5)-day VWAMP of AWC Shares as at the date the formal exercise notice is served by our Company or Trakniaga in respect of their respective intentions to exercise the Call/Put Options. The mode of settlement of the Option Price shall be at the absolute discretion of our Company.

7. EFFECTS OF THE PROPOSED FREE WARRANTS ISSUE

For completeness, the effects of the Proposed Free Warrants Issue as set out in this section include the effects of the Acquisition and Call/Put Options, where applicable.

The pro forma effects of the Proposed Free Warrants Issue on our Company's total issued share capital, consolidated NA and gearing, substantial shareholders' shareholdings, consolidated earnings and EPS and convertible securities of our Company are set out below.

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7.1 Issued share capital

The Proposed Free Warrants Issue will not have any immediate effect on the total issued share capital of our Company until such time the Warrants are exercised. For illustrative purposes, the pro forma effects arising from the exercise of the Warrants on the total issued share capital of our Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	**RM**	**No. of Shares**	**RM**
Total issued share capital as at LPD	(1) 284,723,730	(1) 106,517,942	(1) 284,723,730	(1) 106,517,942
Less: Treasury shares	(3,326,800)	(855,221)	-	-
Add: Upon full exercise of the outstanding ESOS Options	-	-	18,319,372	(7) 10,524,201
	281,396,930	**105,662,721**	**303,043,102**	**117,042,143**
Add: Tranche 3 Consideration Shares and Tranche 4 Consideration Shares to be issued upon Trackwork achieving the Cumulative Profit Guarantee	(2) 12,000,000	12,000,000	(2) 12,000,000	12,000,000
	293,396,930	**117,662,721**	**315,043,102**	**129,042,143**
Add: Option Consideration Shares to be issued upon the exercise of the Call/Put Options	(3) 29,000,000	29,000,000	(3) 29,000,000	29,000,000
	322,396,930	**146,662,721**	**344,043,102**	**158,042,143**
Add: To be issued pursuant to the full exercise of the Warrants (4)	(5) 56,279,386	(6) 46,711,890	(5) 61,808,620	(6) 51,301,155
Enlarged issued share capital	**378,676,316**	**193,374,611**	**405,851,722**	**209,343,298**

Notes:

(1) Includes the following:

(a) the issuance of 448,636 new AWC Shares pursuant to the exercise of ESOS Options subsequent to 30 June 2018 and up to LPD at an exercise price ranging between RM0.336 and RM0.723 per AWC Share; and

(b) the issuance of 11,500,000 Tranche 2 Consideration Shares based on the issue price of RM1.00 per Tranche 2 Consideration Share.

(2) Based on the assumption that the issue price for the Tranche 3 Consideration Shares and Tranche 4 Consideration Shares is RM1.00 per Tranche 3 Consideration Share and Tranche 4 Consideration Share, being the issue price for the Tranche 2 Consideration Shares. However, the issue price set out herein is merely illustrative. The actual number of Tranche 3 Consideration Shares and Tranche 4 Consideration Shares to be issued will depend on the actual issue price for such Consideration Shares, which will be determined based on the five (5)-day VWAMP of AWC Shares after the date of the signed audited financial statements of Trackwork for the respective financial years.

(3) Based on the assumption that the Option Price is RM29,000,000 and will be fully settled through the issuance of Option Consideration Shares. The issue price for the Option Consideration Shares is also assumed to be RM1.00 per Option Consideration Share, being the issue price for the Tranche 2 Consideration Shares. However, the Option Price and the issue price per Option Consideration Share set out herein are merely illustrative. The actual number of Option Consideration Shares to be issued will depend on the actual issue price for the Option Consideration Shares as well as the actual Option Price which will be determined based on the PAT (excluding any unusual or non-recurring or exceptional items) of Trackwork based on its latest audited financial statements prior to the exercise of the Call/Put Options and the percentage of Option Shares in the equity of Trackwork.

(4) The Warrants are exercisable into new AWC Shares at any time after the 3rd anniversary of the date of issuance of the Warrants and ending on the market day immediately before the 5th anniversary of the date of issuance of the Warrants.

(5) The minimum and maximum number of Warrants to be issued pursuant to the Proposed Free Warrants Issue were arrived at based on the assumptions set out in Section 2.1 of this Circular.

(6) Based on the indicative exercise price of RM0.83 per Warrant.

(7) Based on the various exercise prices of the ESOS Options which range between RM0.336 and RM0.751 per AWC Share and after taking into consideration the reversal of share option reserve amounting to RM1,510,040.

7.2 NA and gearing

For illustrative purposes, based on the latest audited consolidated statements of financial position of our Company as at 30 June 2018, the pro forma effects of the Proposed Free Warrants Issue on the consolidated NA and gearing of our Group are as follows:

Minimum Scenario

		(I)	(II)	(III)	(IV)	(V)
	Audited as at 30 June 2018 (RM)	**Subsequent events up to LPD (RM)**	**After (I) and the Proposed Free Warrants Issue (RM)**	**After (II) and the issuance of the Tranche 3 Consideration Shares and Tranche 4 Consideration Shares (RM)**	**After (III) and the issuance of the Option Consideration Shares (RM)**	**After (IV) and the full exercise of the Warrants (RM)**
Share capital	94,841,433	(4) 106,517,942	106,517,942	(8) 118,517,942	(9) 147,517,942	(10) 194,229,832
Treasury shares	(855,221)	(855,221)	(855,221)	(855,221)	(855,221)	(855,221)
Translation reserve	4,413,700	4,413,700	4,413,700	4,413,700	4,413,700	4,413,700
Revaluation reserve	4,023,587	4,023,587	4,023,587	4,023,587	4,023,587	4,023,587
Share option reserve	1,510,040	1,510,040	1,510,040	1,510,040	1,510,040	1,510,040
Retained earnings	59,772,196	(5) 59,572,196	(7) 59,302,196	59,302,196	59,302,196	59,302,196
Shareholders' funds/NA	**163,705,735**	**175,182,244**	**174,912,244**	**186,912,244**	**215,912,244**	**262,624,134**
Number of AWC Shares outstanding (1)	269,448,294	281,396,930	281,396,930	293,396,930	322,396,930	378,676,316
NA per Share (RM) (2)	0.61	0.62	0.62	0.64	0.67	0.69
Total borrowings (RM)	13,456,310	(6) 14,731,883	14,731,883	14,731,883	14,731,883	14,731,883
Gearing (times) (3)	0.08	0.08	0.08	0.08	0.07	0.06

Notes:

(1) Excluding 3,326,800 treasury shares held by our Company as at LPD.

(2) Calculated based on NA over number of AWC Shares outstanding.

(3) Calculated based on total borrowings over NA.

(4) After taking into consideration:

(a) the issuance of 448,636 new AWC Shares pursuant to the exercise of ESOS Options subsequent to 30 June 2018 and up to LPD at an exercise price ranging between RM0.336 and RM0.723 per AWC Share; and

(b) the issuance of 11,500,000 Tranche 2 Consideration Shares based on the issue price of RM1.00 per Tranche 2 Consideration Share.

(5) After taking into consideration estimated expenses in relation to, among others, the Acquisition and Call/Put Options of approximately RM200,000 which have not been paid as at 30 June 2018. Such estimated expenses include professional fees, regulatory fees, cost to convene the EGMs as well as printing and postage costs in relation to the said proposals.

(6) Includes Trackwork's total borrowings of RM1,275,573 as at 30 September 2017.

(7) After deducting the estimated expenses in relation to the Proposed Free Warrants Issue amounting to RM270,000 which includes professional fees, regulatory fees, cost to convene the EGM as well as printing and postage costs.

(8) Based on the assumption that the issue price for the Tranche 3 Consideration Shares and Tranche 4 Consideration Shares is RM1.00 per Tranche 3 Consideration Share and Tranche 4 Consideration Share, being the issue price for the Tranche 2 Consideration Shares. However, the issue price set out herein is merely illustrative. The actual number of Tranche 3 Consideration Shares and Tranche 4 Consideration Shares to be issued will depend on the actual issue price for such Consideration Shares, which will be determined based on the five (5)-day VWAMP of AWC Shares after the date of the signed audited financial statements of Trackwork for the respective financial years.

(9) Based on the assumption that the Option Price is RM29,000,000 and will be fully settled through the issuance of Option Consideration Shares. The issue price for the Option Consideration Shares is also assumed to be RM1.00 per Option Consideration Share, being the issue price for the Tranche 2 Consideration Shares. However, the Option Price and the issue price per Option Consideration Share set out herein are merely illustrative. The actual number of Option Consideration Shares to be issued will depend on the actual issue price for the Option Consideration Shares as well as the actual Option Price which will be determined based on the PAT (excluding any unusual or non-recurring or exceptional items) of Trackwork based on its latest audited financial statements prior to the exercise of the Call/Put Options and the percentage of Option Shares in the equity of Trackwork.

(10) Based on the indicative exercise price of RM0.83 per Warrant.

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Maximum Scenario

	Audited as at 30 June 2018 (RM)	(I) Subsequent events up to LPD (RM)	(II) After (I) and assuming all the outstanding ESOS Options are fully exercised and all the treasury shares are resold (RM)	(III) After (II) and the issuance of the Tranche 3 Consideration Shares (RM)	(IV) After (III) and the Proposed Free Warrants Issue (RM)	(V) After (IV) and the issuance of the Tranche 4 Consideration Shares (RM)	(VI) After (V) and the issuance of the Option Consideration Shares (RM)	(VII) After (VI) and the full exercise of the Warrants (RM)
Share capital	94,841,433	(4) 106,517,942	(7) 117,042,143	(9) 123,042,143	123,042,143	(9) 129,042,143	(11) 158,042,143	(12) 209,343,298
Treasury shares	(855,221)	(855,221)	(8) -	-	-	-	-	-
Translation reserve	4,413,700	4,413,700	4,413,700	4,413,700	4,413,700	4,413,700	4,413,700	4,413,700
Revaluation reserve	4,023,587	4,023,587	4,023,587	4,023,587	4,023,587	4,023,587	4,023,587	4,023,587
Share option reserve	1,510,040	1,510,040	(7) -	-	-	-	-	-
Retained earnings	59,772,196	(5) 59,572,196	59,572,196	59,572,196	(10) 59,302,196	59,302,196	59,302,196	59,302,196
Shareholders' funds/NA	**163,705,735**	**175,182,244**	**185,051,626**	**191,051,626**	**190,781,626**	**196,781,626**	**225,781,626**	**277,082,781**
Number of AWC Shares outstanding	(1) 269,448,294	(1) 281,396,930	303,043,102	309,043,102	309,043,102	315,043,102	344,043,102	405,851,722
NA per Share (RM) (2)	0.61	0.62	0.61	0.62	0.62	0.62	0.66	0.68
Total borrowings (RM)	13,456,310	(6) 14,731,883	14,731,883	14,731,883	14,731,883	14,731,883	14,731,883	14,731,883
Gearing (times) (3)	0.08	0.08	0.08	0.08	0.08	0.07	0.07	0.05

Notes:

(1) Excluding 3,326,800 treasury shares held by our Company as at LPD.

(2) Calculated based on NA over number of AWC Shares outstanding.

(3) Calculated based on total borrowings over NA.

(4) After taking into consideration:

(a) the issuance of 448,636 new AWC Shares pursuant to the exercise of ESOS Options subsequent to 30 June 2018 and up to LPD at an exercise price ranging between RM0.336 and RM0.723 per AWC Share; and

(b) the issuance of 11,500,000 Tranche 2 Consideration Shares based on the issue price of RM1.00 per Tranche 2 Consideration Share.

(5) After taking into consideration estimated expenses in relation to, among others, the Acquisition and Call/Put Options of approximately RM200,000 which have not been paid as at 30 June 2018. Such estimated expenses include professional fees, regulatory fees, cost to convene the EGMs as well as printing and postage costs in relation to the said proposals.

(6) Includes Trackwork's total borrowings of RM1,275,573 as at 30 September 2017.

(7) Based on the various exercise prices of the ESOS Options which range between RM0.336 and RM0.751 per AWC Share and after taking into consideration the reversal of share option reserve amounting to RM1,510,040.

(8) Assuming that all of the 3,326,800 treasury shares held in our Company as at LPD are resold in the open market at their respective acquisition prices before the Entitlement Date and there are no transaction costs relating to the disposal of the treasury shares. Hence there is no gain or loss from the disposal of all the treasury shares.

(9) Based on the assumption that the issue price for the Tranche 3 Consideration Shares and Tranche 4 Consideration Shares is RM1.00 per Tranche 3 Consideration Share and Tranche 4 Consideration Share, being the issue price for the Tranche 2 Consideration Shares. However, the issue price set out herein is merely illustrative. The actual number of Tranche 3 Consideration Shares and Tranche 4 Consideration Shares to be issued will depend on the actual issue price for such Consideration Shares, which will be determined based on the five (5)-day VWAMP of AWC Shares after the date of the signed audited financial statements of Trackwork for the respective financial years.

(10) After deducting the estimated expenses in relation to the Proposed Free Warrants Issue amounting to RM270,000 which includes professional fees, regulatory fees, cost to convene the EGM as well as printing and postage costs.

(11) Based on the assumption that the Option Price is RM29,000,000 and will be fully settled through the issuance of Option Consideration Shares. The issue price for the Option Consideration Shares is also assumed to be RM1.00 per Option Consideration Share, being the issue price for the Tranche 2 Consideration Shares. However, the Option Price and the issue price per Option Consideration Share set out herein are merely illustrative. The actual number of Option Consideration Shares to be issued will depend on the actual issue price for the Option Consideration Shares as well as the actual Option Price which will be determined based on the PAT (excluding any unusual or non-recurring or exceptional items) of Trackwork based on its latest audited financial statements prior to the exercise of the Call/Put Options and the percentage of Option Shares in the equity of Trackwork.

(12) Based on the indicative exercise price of RM0.83 per Warrant.

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7.3 Substantial shareholders' shareholdings

Based on our Company's register of substantial shareholders as at LPD, the pro forma effects of the Proposed Free Warrants Issue on the shareholdings of the substantial shareholders of our Company are as follows:

Minimum Scenario

	As at LPD				(I) After the Proposed Free Warrants Issue				(II) After (I) and the Issuance of the Tranche 3 Consideration Shares and Tranche 4 Consideration Shares [3]			
	<-------- Direct ------->		<------ Indirect ------>		<-------- Direct ------->		<------ Indirect ------>		<-------- Direct ------->		<------ Indirect ------>	
	No. of AWC Shares	[1] %	No. of AWC Shares	[1] %	No. of AWC Shares	[1] %	No. of AWC Shares	[1] %	No. of AWC Shares	[1] %	No. of AWC Shares	[1] %
K-Capital Sdn Bhd ("**K-Cap**")	82,750,000	29.41	-	-	82,750,000	29.41	-	-	82,750,000	28.20	-	-
Dato' Ahmad Kabeer bin Mohamed Nagoor ("**DAKBMN**")	11,735,200	4.17	82,750,000	[2] 29.41	11,735,200	4.17	82,750,000	[2] 29.41	11,735,200	4.00	82,750,000	[2] 28.20
Employees Provident Fund Board ("**EPF**")	18,289,100	6.50	-	-	18,289,100	6.50	-	-	18,289,100	6.23	-	-

	(III) After (II) and the Issuance of the Option Consideration Shares [4]				(IV) After (III) and the full exercise of the Warrants			
	<-------- Direct --->		<------ Indirect ------>		<-------- Direct ------->		<------ Indirect ------>	
	No. of AWC Shares	[1] %	No. of AWC Shares	[1] %	No. of AWC Shares	[1] %	No. of AWC Shares	[1] %
K-Cap	82,750,000	25.67	-	-	99,300,000	26.22	-	-
DAKBMN	11,735,200	3.64	82,750,000	[2] 25.67	14,082,240	3.72	99,300,000	[2] 26.22
EPF	18,289,100	5.67	-	-	21,946,920	5.80	-	-

Notes:

(1) Excluding 3,326,800 treasury shares held by our Company as at LPD.

(2) Deemed interested by virtue of his interest in K-Cap pursuant to Section 8 of the Act.

(3) Based on the assumption that the issue price for the Tranche 3 Consideration Shares and Tranche 4 Consideration Shares is RM1.00 per Tranche 3 Consideration Share and Tranche 4 Consideration Share, being the issue price for the Tranche 2 Consideration Shares. However, the issue price set out herein is merely illustrative. The actual number of Tranche 3 Consideration Shares and Tranche 4 Consideration Shares to be issued will depend on the actual issue price for such Consideration Shares, which will be determined based on the five (5)-day VWAMP of AWC Shares after the date of the signed audited financial statements of Trackwork for the respective financial years.

(4) Based on the assumption that the Option Price is RM29,000,000 and will be fully settled through the issuance of Option Consideration Shares. The issue price for the Option Consideration Shares is also assumed to be RM1.00 per Option Consideration Share, being the issue price for the Tranche 2 Consideration Shares. However, the Option Price and the issue price per Option Consideration Share set out herein are merely illustrative. The actual number of Option Consideration Shares to be issued will depend on the actual issue price for the Option Consideration Shares as well as the actual Option Price which will be determined based on the PAT (excluding any unusual or non-recurring or exceptional items) of Trackwork based on its latest audited financial statements prior to the exercise of the Call/Put Options and the percentage of Option Shares in the equity of Trackwork.

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Maximum Scenario

	As at LPD				(I) Assuming all the outstanding ESOS Options are fully exercised and all the treasury shares are resold in the open market				(II) After (I) and the issuance of the Tranche 3 Consideration Shares [4]			
	<------- Direct ------->		<------- Indirect ------->		<------- Direct ------->		<------- Indirect ------->		<------- Direct ------->		<------- Indirect ------->	
	No. of AWC Shares	[1] %	No. of AWC Shares	[1] %	No. of AWC Shares	%	No. of AWC Shares	%	No. of AWC Shares	%	No. of AWC Shares	%
K-Cap	82,750,000	29.41	-	-	82,750,000	27.31	-	-	82,750,000	26.78	-	-
DAKBMN	11,735,200	4.17	82,750,000	[2] 29.41	[3] 12,935,200	4.27	82,750,000	[2] 27.31	12,935,200	4.19	82,750,000	[2] 26.78
EPF	18,289,100	6.50	-	-	18,289,100	6.04	-	-	18,289,100	5.92	-	-

	(III) After (II) and the Proposed Free Warrants Issue				(IV) After (III) and the issuance of the Tranche 4 Consideration Shares [4]				(V) After (IV) and the Issuance of the Option Consideration Shares [5]			
	<------- Direct ------->		<------- Indirect ------->		<------- Direct ------->		<------- Indirect ------->		<------- Direct ------->		<------- Indirect ------->	
	No. of AWC Shares	%	No. of AWC Shares	%	No. of AWC Shares	%	No. of AWC Shares	%	No. of AWC Shares	%	No. of AWC Shares	%
K-Cap	82,750,000	26.78	-	-	82,750,000	26.27	-	-	82,750,000	24.05	-	-
DAKBMN	12,935,200	4.19	82,750,000	[2] 26.78	12,935,200	4.11	82,750,000	[2] 26.27	12,935,200	3.76	82,750,000	[2] 24.05
EPF	18,289,100	5.92	-	-	18,289,100	5.81	-	-	18,289,100	5.32	-	-

	(VI) After (V) and the full exercise of the Warrants			
	<------- Direct ------->		<------- Indirect ------->	
	No. of AWC Shares	%	No. of AWC Shares	%
K-Cap	99,300,000	24.47	-	-
DAKBMN	15,522,240	3.82	99,300,000	[2] 24.47
EPF	21,946,920	5.41	-	-

Notes:

(1) Excluding 3,326,800 treasury shares held by our Company as at LPD.

(2) Deemed interested by virtue of his interest in K-Cap pursuant to Section 8 of the Act.

(3) Assuming DAKBMN exercises all of his 1,200,000 ESOS Options.

(4) Based on the assumption that the issue price for the Tranche 3 Consideration Shares and Tranche 4 Consideration Shares is RM1.00 per Tranche 3 Consideration Share and Tranche 4 Consideration Share, being the issue price for the Tranche 2 Consideration Shares. However, the issue price set out herein is merely illustrative. The actual number of Tranche 3 Consideration Shares and Tranche 4 Consideration Shares to be issued will depend on the actual issue price for such Consideration Shares, which will be determined based on the five (5)-day VWAMP of AWC Shares after the date of the signed audited financial statements of Trackwork for the respective financial years.

(5) Based on the assumption that the Option Price is RM29,000,000 and will be fully settled through the issuance of Option Consideration Shares. The issue price for the Option Consideration Shares is also assumed to be RM1.00 per Option Consideration Share, being the issue price for the Tranche 2 Consideration Shares. However, the Option Price and the issue price per Option Consideration Share set out herein are merely illustrative. The actual number of Option Consideration Shares to be issued will depend on the actual issue price for the Option Consideration Shares as well as the actual Option Price which will be determined based on the PAT (excluding any unusual or non-recurring or exceptional items) of Trackwork based on its latest audited financial statements prior to the exercise of the Call/Put Options and the percentage of Option Shares in the equity of Trackwork.

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7.4 Earnings and EPS

The Proposed Free Warrants Issue is not expected to have any material effect on the earnings and EPS of our Group for the FYE 30 June 2019.

The potential effect of any exercise of the Warrants on our Group's EPS would depend on, among others, the number of Warrants exercised at any point in time and the returns generated by our Group from the utilisation of proceeds arising from the exercise of the Warrants. Although our Group's EPS may be diluted as a result of the increase in the number of Shares as and when the Warrants are exercised, the utilisation of proceeds arising therefrom is expected to contribute positively to our Group's earnings.

7.5 Convertible securities

As at LPD, save for the 18,319,372 outstanding ESOS Options, our Company does not have any other outstanding convertible security.

The Proposed Free Warrants Issue will not give rise to any adjustment to the exercise price and the number of outstanding ESOS Options pursuant to the provisions of the by-laws governing the ESOS.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of AWC Shares traded on the Main Market of Bursa Securities for the past 12 months from November 2017 to October 2018 are as follows:

	High (RM)	Low (RM)
2017		
November	1.08	0.97
December	1.03	0.88
2018		
January	0.96	0.80
February	0.84	0.72
March	0.88	0.75
April	0.79	0.64
May	0.81	0.67
June	0.71	0.60
July	0.76	0.63
August	0.83	0.70
September	0.93	0.71
October	0.92	0.74
Last transacted market price of AWC Shares on 26 September 2018 (being the last trading day prior to the announcement of the Proposed Free Warrants Issue on 27 September 2018)		0.85
Last transacted market price of AWC Shares as at LPD		0.81

(Source: Bloomberg)

9. APPROVALS REQUIRED

The Proposed Free Warrants Issue is subject to and conditional upon approvals being obtained from the following:

(i) Bursa Securities for the following:

(a) admission to the Official List and the listing of up to 61,808,620 Warrants to be issued pursuant to the Proposed Free Warrants Issue; and

(b) listing of up to 61,808,620 new AWC Shares to be issued pursuant to the exercise of the Warrants,

on the Main Market of Bursa Securities, which was obtained vide its letter dated 2 November 2018, subject to the following conditions:

No.	Conditions	Status of compliance
1.	AWC and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Free Warrants Issue;	Noted.
2.	AWC and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Free Warrants Issue;	To be complied.
3.	AWC to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Free Warrants Issue is completed; and	To be complied.
4.	AWC to furnish Bursa Securities on a quarterly basis a summary of the total number of AWC Shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detail computation of listing fees payable.	To be complied.

(ii) our shareholders at the forthcoming EGM; and

(iii) any other relevant authority and/or party, if required.

The Proposed Free Warrants Issue is not conditional upon any other proposal undertaken or to be undertaken by our Company.

10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Free Warrants Issue and the Call/Put Options (as set out in Section 6 of this Circular), there is no other corporate exercise which our Company has announced on Bursa Securities but is pending completion as at LPD.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors, major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Free Warrants Issue, save for their respective entitlements as shareholders of our Company under the Proposed Free Warrants Issue which are also available to all the other Entitled Shareholders.

12. DIRECTORS' STATEMENT AND RECOMMENDATION

Your Board, after having considered all aspects of the Proposed Free Warrants Issue including the rationale and pro forma effects of the Proposed Free Warrants Issue, is of the opinion that the Proposed Free Warrants Issue is in the best interest of our Company.

Accordingly, your Board recommends that you vote in favour of the ordinary resolution in relation to the Proposed Free Warrants Issue to be tabled at our forthcoming EGM.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposed Free Warrants Issue is expected to be completed by the 4th quarter of 2018.

The tentative timeline for the implementation of the Proposed Free Warrants Issue is as follows:

Date/Month	Events
27 November 2018	EGM to approve the Proposed Free Warrants Issue
Early December 2018	Announcement of the Entitlement Date and price-fixing date
Mid-December 2018	Entitlement Date
End December 2018	Listing of the Warrants on the Main Market of Bursa Securities

14. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at Resort Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 27 November 2018 at 11:00 a.m. or immediately following the conclusion of the 17th Annual General Meeting of our Company which will be held at 10:00 a.m. on the same day and at the same venue, whichever is later or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Free Warrants Issue.

If you are unable to attend and vote in person at the EGM, please complete, sign and send the enclosed Proxy Form in accordance with the instructions therein as soon as possible and in any event so as to arrive at our share registrar's office at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the date and time fixed for the EGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

15. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of your Board
AWC BERHAD

DATO' NIK MOD AMIN BIN NIK ABD MAJID
Independent Non-Executive Chairman

INDICATIVE SALIENT TERMS OF THE WARRANTS

The indicative salient terms of the Warrants to be issued pursuant to the Proposed Free Warrants Issue are as follows:

Issue size and basis of allotment	:	Up to 61,808,620 Warrants on the basis of one (1) Warrant for every five (5) existing AWC Shares held by the Entitled Shareholders on the Entitlement Date.
Form	:	The Warrants will be issued in registered form and constituted by the Deed Poll.
Tenure	:	Five (5) years commencing from and inclusive of the date of issuance of the Warrants.
Exercise Period	:	The Warrants may be exercised at any time after the 3rd anniversary of the date of issuance of the Warrants and ending at 5:00 p.m. on the Expiry Date, provided that if such day falls on a day which is not a market day, then it shall be the market day immediately preceding the said non-market day. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise Price	:	The exercise price of the Warrants will be determined by your Board and announced at a later date upon receipt of all relevant approvals for the Proposed Free Warrants Issue but before the announcement of the Entitlement Date.
Exercise Rights	:	Each Warrant entitles the Warrant holders to subscribe for one (1) new AWC Share at the Exercise Price at any time during the Exercise Period, subject to the adjustments in accordance with the provisions of the Deed Poll.
Expiry Date	:	The market day falling immediately before the 5th anniversary of the date of issuance of the Warrants.
Mode of exercise	:	The Warrant holders must complete and sign the exercise notice (which shall be irrevocable) and deliver the duly completed and executed exercise notice to our Company's share registrar together with a remittance by way of cashier's order or banker's draft or money order or postal order drawn by a bank or post office operating in Malaysia.
Rights of the Warrants holders	:	The Warrant holders will not be entitled to any voting right in any general meeting of our Company or to participate in any form of distribution and/or offer of securities in our Company until and unless such Warrant holders exercise their Warrants into new Shares.
Ranking of new Shares to be issued pursuant to the exercise of the Warrants	:	The new Shares to be issued and allotted pursuant to the exercise of the Warrants shall rank equally in all respects with the then existing Shares, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution which may be declared, made or paid to our shareholders, for which the entitlement date is prior to the date of allotment of the new Shares to be issued pursuant to the exercise of the Warrants.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot of the Warrants shall be 100 Warrants carrying the right to subscribe for 100 Shares or such number of Warrants as may be varied from time to time by Bursa Securities and/or any relevant authorities to constitute a board lot.

INDICATIVE SALIENT TERMS OF THE WARRANTS (*Cont'd*)

Modification of rights of Warrant holders	:	Our Company may, from time to time, without the consent or sanction of the Warrant holders but in accordance with the provisions of the Deed Poll, modify the Deed Poll (including the form and content of the Warrant certificate), if such modification made does not materially prejudice the interest of the Warrant holders or is made to correct a manifest error or to comply with prevailing laws of Malaysia, rules of Bursa Depository, Securities Industry (Central Depositories) Act 1991 and/or the Listing Requirements. Subject to the above and the approval of any relevant authority, any modification, alteration or abrogation of the covenants or provisions contained in the Deed Poll (including the form and content of the Warrant certificate) proposed or agreed to by our Company must be sanctioned by special resolution of the holders of the Warrants and comply with the requirements of the Deed Poll.
Adjustment in the Exercise Price and/or the number of Warrants	:	The Exercise Price and/or number of Warrants in issue shall from time to time be adjusted subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll, by your Board in consultation with an approved adviser appointed by our Company and certified by the auditors of our Company.
Transferability	:	The Warrants will only be transferable in accordance with the provisions of the Deed Poll subject always to the prevailing provisions of Securities Industry (Central Depositories) Act 1991 and the rules of Bursa Depository.
Rights in the event of winding up, liquidation, compromise and/ or arrangement	:	If a resolution is passed for a members' voluntary winding up of our Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: (i) for the purpose of such winding up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant holders, or some persons designated by them for such purposes by a special resolution, will be a party, the terms of such winding up, compromise or arrangement shall be binding on all the Warrant holders; or (ii) every Warrant holder shall be entitled (upon and subject to the conditions) at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of our Company or six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his Warrants to our Company, elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement exercised the Exercise Rights represented by such Warrants to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiry of the above six (6) weeks, all exercise rights of the Warrants shall lapse and cease to be valid for any purpose.

INDICATIVE SALIENT TERMS OF THE WARRANTS (*Cont'd*)

Listing status	:	Approval has been obtained from Bursa Securities for the admission of the Warrants to the Official List as well as for the listing of the Warrants to be issued pursuant to the Proposed Free Warrants Issue and the new AWC Shares to be issued pursuant to the exercise of the Warrants, on the Main Market of Bursa Securities.
Governing law	:	Laws and regulations of Malaysia.

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by your Board who collectively and individually accept full responsibility for the accuracy of the information given herein. Your Board hereby confirms that after having made all reasonable enquiries, and to the best of their knowledge and belief, there is no false or misleading statement or other facts, the omission of which would make any statement herein false or misleading.

2. CONSENT

RHB Investment Bank, being the Principal Adviser for the Proposed Free Warrants Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

EPF is a common substantial shareholder of AWC and RHB Bank Berhad (being the holding company of RHB Investment Bank) ("**RHB Bank**"). Nevertheless, EPF is not involved in the day-to-day operations of RHB Bank and its subsidiaries.

Save as disclosed above, RHB Investment Bank confirms that it is not aware of any other circumstance which would or is likely to give rise to a possible conflict of interest situation in RHB Investment Bank's capacity as the Principal Adviser for the Proposed Free Warrants Issue.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

4.1 Material commitments

Save as disclosed below, as at 30 June 2018, your Board is not aware of any material commitment incurred or known to be incurred by our Group which upon becoming enforceable may have a material and adverse impact on the financial position of our Group:

	RM
Non-cancellable operating lease commitments	
Future minimum rentals payable:	
- Not later than one (1) year	1,333,279
- More than one (1) year and not later than five (5) years	1,575,938
- More than five (5) years	669,521
	3,578,738

4.2 Contingent liabilities

As at LPD, your Board is not aware of any contingent liability incurred or known to be incurred by our Group which upon becoming enforceable may have a material and adverse impact on the financial position of our Group.

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at LPD, your Board has confirmed that our Group is not engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant, and your Board is not aware and do not have any knowledge of any proceeding, pending or threatened, against our Group or of any fact likely to give rise to a proceeding, which may materially and adversely affect the financial position or business of our Group:

(i) Qudotech Sdn Bhd ("**Qudotech**"), our wholly-owned subsidiary, had on 20 September 2018, through its solicitors, filed a writ and statement of claim against BUCG (M) Sdn Bhd ("**BUCG**") claiming for an approximate sum of RM2,064,249.25 against BUCG ("**Claim**"). The Claim is in relation to the unpaid balance of the contract sum owed by BUCG under the letter of award dated 14 November 2012 awarded by BUCG to Qudotech for the whole plumbing services installation works for a block of serviced apartment and a 55-storey hotel at Jalan Conlay known as Banyantree Signatures Kuala Lumpur.

The Kuala Lumpur High Court ("**Court**") had on 11 October 2018 given the following directions to the parties:

(a) BUCG is to file its statement of defence and counter claim by 30 October 2018;

(b) Qudotech is to file its reply to the defence and defence to counter claim by 22 November 2018; and

(c) BUCG is to file its reply to Qudotech's defence by 7 December 2018.

BUCG had on 30 October 2018 filed its statement of defence and counter claim. The Court has fixed the next case management on 14 December 2018. The solicitors of Qudotech is of the opinion that Qudotech has a good chance of success in the Claim and to defeat BUCG's counter claim.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Third Floor, No. 79 (Room A), Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

(i) the Constitution of our Company;

(ii) the audited consolidated financial statements of our Group for the past two (2) FYEs 30 June 2017 and 2018;

(iii) the letter of consent referred to in Section 2 above;

(iv) the cause papers for the material litigation referred to in Section 5 above; and

(v) the draft Deed Poll.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of AWC Berhad ("**AWC**" or "**Company**") will be held at Resort Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 27 November 2018 at 11:00 a.m. or immediately following the conclusion of the 17th Annual General Meeting of the Company which will be held at 10:00 a.m. on the same day and at the same venue, whichever is later or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following ordinary resolution:

ORDINARY RESOLUTION

PROPOSED ISSUANCE OF UP TO 61,808,620 FREE WARRANTS ("WARRANTS") IN AWC ON THE BASIS OF ONE (1) WARRANT FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN AWC ("AWC SHARES" OR "SHARES") HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("ENTITLEMENT DATE") ("PROPOSED FREE WARRANTS ISSUE")

"**THAT** subject to and conditional upon the approvals of all relevant authorities or parties being obtained (if required), approval be and is hereby given to the Board of Directors of the Company ("**Board**") to issue up to 61,808,620 Warrants (with an exercise price to be determined at a later date) to the shareholders of the Company whose names appear in the Record of Depositors of the Company as at 5:00 p.m. on the Entitlement Date, on the basis of one (1) Warrant for every five (5) existing Shares held, in accordance with the provisions of the deed poll to be executed by the Company constituting the Warrants ("**Deed Poll**");

THAT the Board be and is hereby authorised to enter into and execute the Deed Poll and with full powers to assent to any condition, variation, modification and/or amendment in any manner as may be required or imposed by the relevant authorities or deemed necessary by the Board, and with full powers for the Board to implement, finalise and give effect to the aforesaid Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of the Warrants in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/or the number of the Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll;

THAT the Board be and is hereby authorised to issue and allot such appropriate number of new Shares pursuant to the exercise of the Warrants by the holders of the Warrants in accordance with the provisions of the Deed Poll;

THAT fractional entitlements arising from the Proposed Free Warrants Issue, if any, will be disregarded and dealt with in such a manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company;

THAT the new Shares to be issued and allotted pursuant to the exercise of the Warrants shall rank equally in all respects with the then existing Shares, save and except that they will not be entitled to any dividend, right, allotment and/or other distribution which may be declared, made or paid to the shareholders of the Company, for which the entitlement date is prior to the date of allotment of the new Shares to be issued pursuant to the exercise of the Warrants;

AND THAT approval be and is hereby given to the Board to do or to procure to be done all such acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company, all such documents and/or arrangements (including, without limitation, the affixing of the Company's common seal) as it may deem necessary, expedient and/or appropriate in order to implement, finalise, give full effect and complete the Proposed Free Warrants Issue, with full powers to amend and/or assent to any condition, modification, variation and/or amendment in any manner as may be required by the relevant authorities or as the Board may deem fit in connection with the Proposed Free Warrants Issue and in the best interest of the Company."

BY ORDER OF THE BOARD

Tea Sor Hua (MACS 01324)
Company Secretary

Petaling Jaya, Selangor Darul Ehsan
12 November 2018

Notes:

(i) A member of the Company who is entitled to attend and vote at the EGM is entitled to appoint up to two (2) proxies to attend and vote at the EGM in his stead. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

(ii) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the EGM shall have the same rights as the members to speak at the EGM.

(iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(iv) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with AWC Shares standing to the credit of the said securities account.

*(v) Where a member of the Company is an exempt authorised nominee which holds AWC Shares for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

(vi) To be valid, the instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the EGM or adjourned meeting.

(vii) For the purpose of determining a member who shall be entitled to attend the EGM, AWC will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 66(c) of AWC's Constitution to issue a General Meeting Record of Depositors as at 19 November 2018. Only members whose name appears in the Record of Depositors as at 19 November 2018 shall be entitled to attend the EGM and to speak and vote thereat.

(viii) The resolution set out in this Notice of EGM will be put to vote by poll.

PROXY FORM

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

I/We _____ NRIC/Company No. _____
(full name in capital letters)

of _____
(full address)

being (a) member(s) of AWC BERHAD hereby appoint _____

_____ NRIC No. _____
(full name in capital letters)

of _____
(full address)

and/or* _____ NRIC No. _____
(full name in capital letters)

of _____
(full address)

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Extraordinary General Meeting (**"EGM"**) of the Company to be held at Resort Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 27 November 2018 at 11:00 a.m. or immediately following the conclusion of the 17th Annual General Meeting of the Company which will be held at 10:00 a.m. on the same day and at the same venue, whichever is later or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her discretion.

Ordinary Resolution	**FOR**	**AGAINST**
Proposed Free Warrants Issue		

* *delete whichever not applicable*

CDS Account No.	
No. of Shares Held	

Dated this _____ day of _____ 2018.

Percentage of shareholdings to be represented by the proxies:		
	No. of Shares	**%**
Proxy 1		
Proxy 2		
TOTAL		100

_____
Signature/Common Seal of Member(s)

Notes:

(i) *A member of the Company who is entitled to attend and vote at the EGM is entitled to appoint up to two (2) proxies to attend and vote at the EGM in his stead. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*

(ii) *A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the EGM shall have the same rights as the members to speak at the EGM.*

(iii) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.*

(iv) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of AWC (**"AWC Shares"**) standing to the credit of the said securities account.*

(v) *Where a member of the Company is an exempt authorised nominee which holds AWC Shares for multiple beneficial owners in one (1) securities account (**"Omnibus Account"**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

(vi) *To be valid, the instrument appointing a proxy must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not less than 48 hours before the time for holding the EGM or adjourned meeting.*

(vii) *For the purpose of determining a member who shall be entitled to attend the EGM, AWC will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 66(c) of AWC's Constitution to issue a General Meeting Record of Depositors as at 19 November 2018. Only members whose name appears in the Record of Depositors as at 19 November 2018 shall be entitled to attend the EGM and to speak and vote thereat.*

(viii) *The resolution set out in this Notice of EGM will be put to vote by poll.*

Fold this flap for sealing

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AFFIX
STAMP

The Share Registrar of
AWC Berhad (550098-A)
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur

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