

THIS STATEMENT 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 ("Bursa Securities") has not perused this Statement prior to its issuance as it is exempt document pursuant to Practice Note 18 of Bursa Securities Main Market Listing Requirements.

Bursa Securities takes no responsibility for the contents of this Statement, 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 Statement.



AWC BERHAD

[Registration No. 200101014341(550098-A)]
(Incorporated in Malaysia)

SHARE BUY-BACK STATEMENT IN RELATION TO THE

**PROPOSED SHARE BUY-BACK OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED
SHARES OF THE COMPANY ("PROPOSED SHARE BUY-BACK")**

The Proposed Share Buy-Back will be tabled as ordinary resolution under Special Business at the Eighteenth Annual General Meeting ("18th AGM") of AWC Berhad ("AWC" or "Company") to be held at Ballroom 1, Tropicana Golf And Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 November 2019 at 10:00 a.m. The Notice of the 18th AGM together with the Proxy Form are enclosed in the Annual Report of the Company for the financial year ended 30 June 2019 which is despatched together with this Statement.

A member entitled to attend and vote at the 18th AGM is entitled to appoint more than one (1) proxy to attend and to vote on his/her behalf. In such event, the Proxy Form should be deposited at the Company's Share Registrar 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 forty-eight (48) hours before the time for holding the 18th AGM or adjourned meeting. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the 18th AGM should you subsequently wish to do so.

The last date and time for lodging the Proxy Form	:	Tuesday, 26 November 2019 at 10:00 a.m.
Day, date and time of the 18 th AGM	:	Thursday, 28 November 2019 at 10:00 a.m.

This Statement is dated 29 October 2019

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

“Act”	: The Companies Act 2016 as amended from time to time and any re-enactment thereof
“AGM” or “18 th AGM”	: Annual General Meeting or Eighteenth Annual General Meeting
“Annual Report 2019”	: Annual Report of AWC for the financial year ended 30 June 2019
“AWC” or the “Company”	: AWC Berhad [Registration No. 200101014341 (550098-A)]
“AWC Group” or the “Group”	: Collectively, AWC and its subsidiary companies
“AWC Share(s)” or “Share(s)”	: Ordinary share(s) in AWC
“Board”	: The Board of Directors of AWC
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“Code”	: Malaysian Code on Take-Overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisition, including any amendment that may be made from time to time
“Director(s)”	: Director(s) of AWC or its subsidiaries (as the case may be)
“EPS”	: Earnings per Share
“FYE”	: Financial year ended
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
“LPD”	: 30 September 2019, being the latest practicable date prior to the printing of this Statement
“Major Shareholder”	: A person who has an interest or interests in one or more of the voting shares in a corporation and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the corporation; or (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.
“Minister”	: Minister charged with the responsibilities for companies, currently the Minister of Domestic Trade, Co-operatives and Consumerism, Malaysia
“NA”	: Net assets

DEFINITIONS (cont'd)

"Person(s) Connected"	: Person(s) connected as defined in Paragraph 1.01 of the Listing Requirements
"Proposed Share Buy-Back"	: Proposed share buy-back of up to 10% of the total number of issued Shares of AWC
"Purchased Share(s)"	: AWC Share(s) purchased pursuant to the Proposed Share Buy-Back
"Record of Depositors"	: A record consisting of names of depositors provided by Bursa Depository under the Rules of Bursa Depository
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"Statement"	: The share buy-back statement dated 29 October 2019 in relation to the Proposed Share Buy-Back
"Treasury shares"	: Has the meaning given in Section 127 of the Act

References to "we", "us", "our" and "ourselves" mean our Company, or where the context otherwise requires, our Group.

All references to "you" in this Statement mean the shareholders of our Company.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

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AWC BERHAD

[Registration No. 200101014341(550098-A)]
(Incorporated in Malaysia)

Registered Office:

Third Floor, No. 77, 79 & 81
Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

29 October 2019

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: The Shareholders of AWC

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF AWC

1. INTRODUCTION

On 16 October 2019, the Board announced the Company's intention to seek the approval of the shareholders of AWC for the Proposed Share Buy-Back at the forthcoming 18th AGM to be convened on 28 November 2019.

THE PURPOSE OF THIS STATEMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SHARE BUY-BACK, TOGETHER WITH THE RECOMMENDATION OF THE BOARD TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT THE FORTHCOMING 18TH AGM. THE NOTICE OF THE FORTHCOMING 18TH AGM AND THE PROXY FORM ARE ENCLOSED IN THE ANNUAL REPORT 2019, WHICH IS DESPATCHED TOGETHER WITH THIS STATEMENT.

SHAREHOLDERS OF AWC ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT THE FORTHCOMING 18TH AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Board proposes to seek the approval from the shareholders for the authority to purchase the Company's own shares of up to 10% of the total number of issued shares of the Company.

The Proposed Share Buy-Back is subject to compliance with the Act, the Listing Requirements, any prevailing laws and/or any other relevant authorities at the time of purchase.

Pursuant to Paragraph 12.07(3) of the Listing Requirements, the approval from the shareholders for the Proposed Share Buy-Back would be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming AGM to be convened and shall be valid until: -

- i. the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed, at which time will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- ii. the expiration of the period within the next AGM of the Company after the date it is required by law to be held; or
- iii. revoked or varied by ordinary resolution passed by the shareholders at a general meeting of the Company,

whichever occurs first.

2.1 Maximum number or percentage of AWC Shares to be acquired

The Board proposes to seek a mandate from the shareholders to purchase and/or hold in aggregate up to 10% of the total issued shares of AWC through Bursa Securities.

The maximum aggregate number of AWC Shares, which may be purchased by the Company, shall not exceed 10% of the total number of issued shares in our Company at any point in time subject to compliance with the provision of the Act, the Listing Requirements and/or any other relevant authorities.

Based on the issued shares of AWC of 296,526,881 AWC Shares as at the LPD, AWC may buy-back up to 29,652,688 AWC Shares (inclusive of the Purchased Shares that have been bought back to date), representing up to 10% of its issued shares as at the LPD.

The actual number of AWC Shares to be purchased and the timing of such purchase will depend on, amongst others, market conditions and sentiments, as well as the retained earnings and financial resources of the Company at the time of the purchase(s).

2.2 Funding

The Proposed Share Buy-Back may be funded through internally-generated funds and/or external borrowings as long as the purchase is backed by an equivalent amount of retained profits of our Company. As at the LPD, we have not determined the source of funding for the Proposed Share Buy-Back.

The actual amount of funds to be utilised for the Proposed Share Buy-Back will only be determined later depending on the actual number of AWC Shares to be purchased, the availability of funds at the time of purchase(s) and other relevant cost factors.

The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the retained profits of our Company. Based on our Company's latest audited consolidated financial statements for the FYE 30 June 2018 and the latest unaudited consolidated financial statements for the FYE 30 June 2019, the retained profits of the Company are approximately RM5,637,421 and RM6,116,520.

The Proposed Share Buy-Back, if funded through internally-generated funds, is not expected to have a material impact on the cash flow position of our Company. In the event the Proposed Share Buy-Back is to be financed by bank borrowings, our Company will ensure our capabilities of repaying such borrowings and that such repayment will not have a material effect on our cash flow position. In addition, the Board will ensure that our Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Proposed Share Buy-Back.

2.3 Pricing

Pursuant to Paragraph 12.1 of the Listing Requirements, our Company may only purchase AWC shares on Bursa Securities at a price which is not more than 15% above the weighted average market price ("**WAMP**") of AWC Shares for the five (5) market days immediately before the date of purchase(s).

In addition, pursuant to Paragraph 12.18 of the Listing Requirements, in the case of a resale or transfer of treasury shares, our Company may only resell treasury shares on Bursa Securities or transfer treasury shares pursuant to Section 127(7) of the Act, at: -

- a) a price which is not less than the WAMP of AWC Shares for the five (5) Market Days immediately before the resale; or
- b) a discounted price of not more than five per cent (5%) to the WAMP of AWC Shares for the five (5) Market Days immediately before the resale or transfer provided that:
 - i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
 - ii) the resale or transfer price is not less than the cost of purchase of AWC Shares being resold or transferred.

2.4 Treatment of Purchased Shares

In accordance with Section 127(4) of the Act, our Directors may deal with the Purchased Shares, at their discretion, in the following manner: -

- a) cancel the Purchased Shares; or
- b) retain the Purchased Shares as treasury shares; or
- c) retain part of the Purchased Shares as treasury shares and cancel the remainder.

Accordingly, based on Section 127(7) of the Act, where such Purchased Shares are held as treasury shares, our Directors may, at their discretion: -

- a) distribute the Purchased Shares as dividends to shareholders, such dividends to be known as "shares dividends"; or
- b) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities; or
- c) transfer the Purchased Shares or any of the Purchased Shares for the purpose of or under an employees' share scheme; or
- d) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration; or
- e) cancel the Purchased Shares or any of the Purchased Shares; or
- f) sell, transfer or otherwise use the Purchase Shares for such other purposes as the Minister may by order prescribe; and/or

- g) in any other manner as may be prescribed by the Act, rules, regulations and order made pursuant to the Act and the requirements of Bursa Securities, and/or any other relevant authority for the time being in force.

In the event the Purchased Shares are held as treasury shares, the rights attaching to them as to voting, dividends and participation in other distributions or otherwise, will be suspended and the treasury shares will not be taken into account in calculating the number of percentage of Shares, or of a class of shares in our Company for any purpose including substantial shareholdings, take-overs, notices, requisitioning of meetings, quorum for a meeting and result of a vote on resolution(s) at a meeting.

An immediate announcement will be made to Bursa Securities in respect of the intention of our Directors to either resell the Purchased Shares or cancel them.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, will enable AWC to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the open market. The Company will be able to purchase its own Shares when the Shares are being traded at values that are below what the Board believes to be their intrinsic value. This will enable the prices of AWC Shares traded on the Main Market of the Bursa Securities to be stabilised and therefore better reflect its fundamentals.

If the AWC Shares purchased are subsequently cancelled, the Proposed Share Buy-Back may strengthen the EPS of AWC. Consequently, long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company.

The Purchased Shares can also be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total number of issued shares of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders, and it will be exercised only after due consideration of the financial resources of AWC Group, and of the resultant impact on the shareholders of the Company. The Board in exercising any decision to buy-back any AWC Shares will be mindful of the interests of AWC and its shareholders.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK

The potential advantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows: -

- a. allows the Company to take preventive measures against speculation particularly when its shares are undervalued, which would in turn, stabilise its market price and hence, enhance investors' confidence;
- b. allows the Company the flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;
- c. the Company may distribute any shares held as treasury shares as share dividends to reward the shareholders of the Company; and
- d. the Company may realise potential gains from the resale of the treasury shares, if the Purchased Shares which are retained as treasury shares are resold at a higher price.

The potential disadvantages of the Proposed Share Buy-Back to the Company and its shareholders are as follows: -

- i. the Proposed Share Buy-Back will reduce the financial resources of AWC and may result in the Group foregoing other investment opportunities that may emerge in the future; and
- ii. as the Proposed Share Buy-Back can only be made out of retained earnings of the Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

However, these disadvantages are mitigated by the prospect that the financial capacity of our Group may increase, if the Purchased Shares held as treasury shares are resold at higher price than their purchase price.

The Board, in exercising any decision on the purchase of AWC Shares pursuant to the Proposed Share Buy-Back and any subsequent resale of treasury shares on the Bursa Securities, will be mindful of the interest of the Company and its shareholders.

5 FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK

5.1 Issued Share Capital

The effect of the Proposed Share Buy-Back on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

The Proposed Share Buy-Back will however, result in the reduction of the issued share capital of the Company if the Purchased Shares are cancelled. Based on the issued share capital of the Company as at LPD, and assuming that the maximum number of AWC Shares (of up to ten per centum (10%) of the total number of issued shares) authorised under the Proposed Share Buy-Back are purchased and cancelled, the effect of the Proposed Share Buy-Back is set out as follows:

	No. of Shares
Issued share capital as at LPD	296,526,881
Maximum number of purchased shares cancelled	(29,652,688)
Resultant total number of issued shares	266,874,193

On the other hand, if AWC Shares purchased are retained as treasury shares, resold or distributed to its shareholders, the Proposed Share Buy-Back will have no effect on the total number of issued shares of AWC.

5.2 EPS

Where the Shares so purchased are cancelled, the EPS of the Group will increase. However, the increase in EPS will be affected to the extent of the reduction of the interest income arising from the funds utilised for the Purchased Shares or any increase in the interest expense arising from borrowings to fund the purchase. In the event that the Purchased Shares are treated as treasury shares and subsequently sold, the EPS of the Group will increase where the treasury shares are sold at prices above the purchase price and also due to any resultant increase in interest income of the Group.

5.3 NA and Working Capital

The effects of the Proposed Share Buy-Back on the NA of the Group will depend on the number of Shares purchase, the purchase price for such AWC Shares and whether the Purchased Shares are cancelled or retained as treasury shares.

If the Purchased Shares are kept as treasury shares, the NA per Share will decrease, unless the cost per Share of the treasury shares purchased is below the NA per Share at the relevant point in time. This is because the treasury shares, which are required to be carried at cost, must be offset against equity and therefore would result in a decrease in NA of the Company.

Similarly, if the Purchased Shares are cancelled as provided under the Act, the NA per Share of the AWC Group will decrease, unless the cost per Share of the Purchased Shares is below the NA per Share at the relevant point in time.

In the case where the Purchased Shares are treated as treasury shares and subsequently resold on Bursa Securities, the NA per Share of the AWC Group will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as share dividends, the NA of the AWC Group will decrease accordingly by the cost of the treasury shares.

The implementation of the Proposed Share Buy-Back is likely to reduce the working capital of the Group, the quantum of which will depend on the purchase price of the Shares, the actual number of Shares bought back and any associated costs incurred in making the purchase.

For Shares so purchased which are kept as treasury shares, upon its resale, the working capital of the Company will increase. Again, the quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

5.4 Dividends

The Proposed Share Buy-Back is not expected to have any impact on the dividend policy of the Board in recommending dividends, if any, to shareholders of AWC. However, as stated herein above, the Board may distribute future dividends in the form of the treasury shares purchased pursuant to the Proposed Share Buy-Back.

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5.5

Directors' and Substantial Shareholders' Shareholdings

Based on the Register of Directors' Shareholdings and Register of Substantial Shareholders as at LPD and assuming that the maximum number of AWC Shares (of up to ten per centum (10%) of the total number issued shares) authorised under the Proposed Share Buy-Back are purchased from shareholders other than the existing substantial shareholders of AWC, and all such shares purchased are cancelled or retained as treasury shares, the effect of the Proposed Share Buy-Back on the shareholdings of the existing Directors and substantial shareholders of AWC are set out below:

	As at LPD*			After the Proposed Share Buy-Back			
	Direct		Indirect	Direct		Indirect	%
	No. of Shares	%		No. of Shares	%		
<u>Directors</u>							
Dato' Ahmad Kabeer Bin Mohamed Nagoor	16,775,000	5.72	83,000,000 ⁽¹⁾	16,775,000	6.29	83,000,000 ⁽¹⁾	31.10
Dato' Nik Mod Amin Bin Nik Abd Majid	400,000	0.14	-	400,000	0.15	-	-
Yang Mulia Tunku Puan Sri Dato' Hajjah Noor Hayati Binti Tunku Abdul Rahman Putra Al-Haj	100,000	0.03	-	100,000	0.04	-	-
Dato' Ahri Bin Hashim	-	-	-	-	-	-	-
Sureson A/L Krisnasamy	-	-	-	-	-	-	-
<u>Substantial Shareholders</u>							
K-Capital Sdn. Bhd.	83,000,000	28.31	-	83,000,000	31.10	-	-
Dato' Ahmad Kabeer bin Mohamed Nagoor	16,775,000	5.72	83,000,000 ⁽¹⁾	16,775,000	6.29	83,000,000 ⁽¹⁾	31.10

Notes:

* Excluding 3,326,800 treasury shares held by AWC as at LPD.

(1) Deemed interested by virtue of his interest in K-Capital Sdn. Bhd.

Save for the resulting increase in percentage shareholdings as a consequence of the Proposed Share Buy-Back, none of the Directors or substantial shareholders or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back or the resale of treasury shares, if any.

6. PUBLIC SHAREHOLDING SPREAD

The Proposed Share Buy-Back will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% shareholding spread as required under Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the Record of Depositors of AWC showed 181,059,036 Shares, representing 61.75% of its total number of issued shares were held by the public shareholders. The Company will endeavour to ensure that the Proposed Share Buy-Back will not breach Paragraph 12.14 of the Listing Requirements, which states that a listed corporation must not purchase its own shares on Bursa Securities if that purchase(s) will result in the listed corporation being in breach of the public shareholding spread requirements as set out under Paragraph 8.02(1) of the Listing Requirements.

7. PURCHASES AND RESALE OF AWC SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

The Company does not have an existing authority to purchase its Shares for the previous twelve (12) months. Hence, no shares were purchased, resold, transferred and/or cancelled by the Company during the last twelve (12) months preceding the LPD. As at the date of this Statement, a total of 3,326,800 Shares were held by the Company as treasury shares.

8. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of AWC shares as traded on Bursa Securities for the past twelve (12) months are as follows: -

	High RM	Low RM
<u>2018</u>		
October	0.920	0.740
November	0.845	0.755
December	0.810	0.650
<u>2019</u>		
January	0.710	0.620
February	0.780	0.670
March	0.810	0.725
April	0.795	0.720
May	0.785	0.690
June	0.755	0.690
July	0.745	0.700
August	0.715	0.580
September	0.630	0.590

(Source: investing.com)

The last transacted price of AWC Shares as at the LPD prior to the printing of this Statement was RM0.615 per Share.

9. IMPLICATIONS OF THE CODE

A person and any person acting in concert with him will be obliged to make a mandatory general offer under Part III and subparagraph 10.1 of Practice Note 9 of the Code for the remaining ordinary shares of the Company not already owned by him/them if as a result of the Proposed Share Buy-Back:

- a. a person obtains control in the Company;

- b. a person (holding more than 33% but not more than 50% of the voting shares or voting rights of a company) increases his holding of the voting shares or voting rights of the Company by more than 2% in any six (6)-month period; or
- c. a person (holding more than 33% but not more than 50% of the voting shares or voting rights of a company) acquires more than 2% of the voting shares or voting rights of the Company when he knows or reasonably ought to know that the Company would carry out a share buy-back scheme.

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code by any of our Company's substantial shareholders and/or persons acting in concert with them, the Board will ensure that such number of Shares are purchased, retained as treasury shares, cancelled or distributed such that the Proposed Share Buy-Back would not result in the triggering of any mandatory offer obligation on the part of our Company's substantial shareholders and/or persons acting in concert with them. In this connection, the Board is mindful of the requirements when making any purchase of our Shares pursuant to the Proposed Share Buy-Back.

10. APPROVAL REQUIRED

The Proposed Share Buy-Back is subject to and conditional upon the approval of AWC's shareholders at the forthcoming 18th AGM of the Company.

The Proposed Share Buy-Back is not conditional or inter-conditional upon any other corporate proposal undertaken or to be undertaken by the Company.

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

Save for the proportionate increase in the percentage shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Share Buy-Back, none of the Directors, substantial shareholders of AWC, and/or person connected to them, as defined in the Listing Requirements, have any interest, whether directly or indirectly, in the Proposed Share Buy-Back.

12. DIRECTORS' STATEMENT

The Board of AWC, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of the Company.

13. DIRECTORS' RECOMMENDATION

The Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 18th AGM of the Company.

14. 18TH AGM

The ordinary resolution pertaining to the Proposed Share Buy-Back is set out in the Notice of the 18th AGM in the 2019 Annual Report. An extract of the same is in the attached **Appendix II** of this Statement.

The 18th AGM will be held at Ballroom 1, Tropicana Golf and Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28 November 2019 at 10:00 a.m. The Notice of the 18th AGM, together with the Proxy Form, are set out in the Annual Report 2019, which is despatched together with this Statement.

A member entitled to attend and vote at the 18th AGM is entitled to appoint more than one (1) proxy to attend and vote on his behalf. If you intend to appoint a proxy to attend and vote at the 18th AGM on your behalf, the Proxy Form must be completed and 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 forty-eight (48) hours before the time for holding the AGM or adjourned AGM at which the person named in the instrument proposes to vote.

15. FURTHER INFORMATION

Shareholders are requested to refer to the attached **Appendix I** of this Statement for further information.

Yours faithfully
for and on behalf of the Board of
AWC BERHAD

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

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Directors of AWC and they collectively and individually, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Registered Office of the Company at Third Floor, No. 77, 79 and 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from Monday to Friday (except for Public Holiday) from the date of this Statement up to and including the date of the forthcoming AGM:

- (a) Constitution of the Company; and
- (b) Audited financial statements of AWC for the past two (2) financial years ended 30 June 2018 and 30 June 2019.

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AWC BERHAD

[Registration No. 200101014341(550098-A)]
(Incorporated in Malaysia)

EXTRACT OF THE NOTICE OF EIGHTEENTH ("18TH") ANNUAL GENERAL MEETING ("AGM")

ORDINARY RESOLUTION 8

PROPOSED SHARE BUY-BACK OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED SHARE BUY-BACK")

"THAT, subject to the provisions of the Companies Act 2016 ("Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all prevailing laws, rules, regulations, orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company ("Directors"), to the extent permitted by law, to purchase such number of AWC Shares as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that:

- (i) the maximum aggregate number of AWC Shares, which may be purchased by the Company, shall not exceed 10% of the total number of issued shares in the Company at any point in time subject to compliance with the provision of the Act, the Main Market Listing Requirements of Bursa Securities and/or any other relevant authorities;
- (ii) the maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the retained profits of the Company; and
- (iii) the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until:
 - (a) the conclusion of the next AGM of AWC following the general meeting at which the ordinary resolution for the Proposed Share Buy-Back is passed, at which time shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
 - (b) the expiration of the period within the next AGM is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholder of the Company at a general meeting,

whichever occurs first;

THAT the Directors be and are hereby authorised to deal with the AWC Share(s) purchased under the Proposed Share Buy-Back ("Purchased Shares"), at their discretion, in the following manner:

- (i) cancel the Purchased Shares; or
- (ii) retain the Purchased Shares as treasury shares; or
- (iii) retain part of the Purchased Shares as treasury shares and cancel the remainder;

THAT where such Purchased Shares are held as treasury shares, the Directors be and are hereby authorised to deal with the treasury shares in their absolute discretion, in the following manner:

- (i) distribute the Purchased Shares as dividends to shareholders, such dividends to be known as "shares dividends"; or
- (ii) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities; or
- (iii) transfer the Purchased Shares or any of the Purchased Shares for the purpose of or under an employees' share scheme; or
- (iv) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration; or
- (v) cancel the Purchased Shares or any of the Purchased Shares; or
- (vi) sell, transfer or otherwise use the Purchase Shares for such other purposes as the Minister may by order prescribe; and/or
- (vii) in any other manner as may be prescribed by the Act, rules, regulations and order made pursuant to the Act and the requirements of Bursa Securities, and/or any other relevant authority for the time being in force;

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps as necessary or expedient (including opening and maintaining a Central Depository System account) and to enter into and execute, on behalf of the Company, any instrument, agreement and/or arrangement with any person, and with full power to assent to any condition, modification, variation and/or amendment as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as the Directors may deem fit, necessary and expedient in the best interest of the Company in order to implement, finalise and give full effect to the purchase by the Company of its Shares."

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