

PRESS RELEASE
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AWC ACHIEVES RECORD REVENUE OF RM300 MILLION AND ANNOUNCES DIVIDEND

SUBANG JAYA, 29 AUGUST 2018 – AWC BERHAD (“AWC” or “the Group”), a well-established engineering services provider announced its fourth quarter results for the financial year ending 30 June 2018 (“Q4FYE2018”) with revenue of RM94.2 million and profit after tax and minority interest (“PATMI”) of RM4.4 million. This brought the cumulative full year revenue and PATMI to RM304.0 million and RM21.4 million respectively.

Full Year (FYE2018) vs Corresponding Period Last Year (FYE2017)

	FYE2018 RM'000	FYE2017 RM'000	%
Revenue	303,964	296,496	↑2.5%
Profit Before Tax (PBT)	33,444	38,656	↓13.5%
Profit After Tax (PAT)	26,483	30,903	↓14.3%
Profit After Tax and Minority Interest (PATMI)	21,376	22,019	↓2.9%

Fourth Quarter (Q4FYE2018) vs Corresponding Period Last Year (Q4FYE2017)

	Q4FYE2018 RM'000	Q4FYE2017 RM'000	%
Revenue	94,155	85,955	↑9.5%
Profit Before Tax (PBT)	7,193	10,444	↓31.1%
Profit After Tax (PAT)	6,190	8,097	↓23.6%
Profit After Tax and Minority Interest (PATMI)	4,397	5,903	↓25.5%

Segmental Performance (FYE2018 vs FYE2017)

The Group’s Facilities division reported revenue and PBT of RM182.8 million and RM19.5 million, an increase of 35.2% and 213.0% respectively as compared to its preceding period of RM135.19 million and RM6.23 million. The increase in revenue was mainly attributed to the commencement of four (4) new projects in Putrajaya as well as contribution from the Capital Asset Refurbishment Programme (“CARP”). While the increase in PBT was due to higher revenue, cost reduction measures as well as savings on mobilization costs incurred for the new contracts also contributed to the improved performance in this division.

The Environment division registered revenue and PBT of RM57.9 million and RM12.7 million, which translates to a decline of 16.5% and 41.2% respectively as compared to RM69.3 million and RM21.5 million in FYE2017. The decrease in revenue was mainly due to delays in certain projects, which are expected to pick up in the ensuing quarters. The lower PBT was attributed by delivery of certain big-ticket items with higher gross margins in FYE2017 (resulting in stronger margins earned) coupled with lower recovery of bad debts recorded during the year under review (RM0.5 million vs RM3.951 million).

The Engineering division reported revenue and PBT of RM101.1 million and RM3.0 million. This translates to a decrease of 14.9% and 75.4% as compared to FYE2017 of RM118.9 million and RM12.0 million respectively. The decrease in revenue was mainly attributed by project delays since Q1FYE2018. Subsequently, the drop in PBT was due to margin compression in the Air Cond segment and cost overruns. In addition, there was also an impairment made on trade receivables, slow moving stock as well as certain project delays in the Plumbing segment.

After stripping out non-core income and the accounting for costs associated with the on-going acquisition exercise (RM0.5 million) as well as prior years under provision for taxation (RM1.0 million), the Group's PATMI during the year under review may be viewed as an improvement over the immediate corresponding year.

The Group's balance sheet remained robust, boasting a net cash position of RM44.4 million and current ratio of 3.4x. The Group's current outstanding orderbook as at 30 June 2018 stood at approximately RM965.5 million which will provide clear earnings visibility for the coming financial year.

Dividend

In-line with the Group's commitment to reward shareholders, a first and final single-tier dividend of 0.5 sen per ordinary share for the financial year ended 30 June 2018 was declared by the Board of Directors, which is subject to Shareholder's approval at the forthcoming Annual General Meeting.

Quote from the Managing Director & Group CEO, Dato' Ahmad Kabeer

"I am proud to announce that AWC has achieved a record revenue for FYE2018, breaching the RM300 million mark which marks a new milestone for the Group. Subsequently, FYE2018 has delivered a more core centric performance as compared to FYE2017. Despite the challenging operating environment, I am optimistic that the Group will continue to deliver and create value for our shareholders. We would like to thank them for their confidence and unwavering support in AWC Berhad." Commented AWC's Managing Director & Group CEO, Dato' Ahmad Kabeer.

About AWC Berhad

AWC Berhad is a well-established engineering services provider specialising in integrated facilities management, plumbing & rainwater harvesting, mechanical & electrical services and automated pneumatic waste collection systems.

AWC provides total asset management services and is the concessionaire for integrated facilities management for the Southern Zone and Sarawak. They are also an international leader in the design and supply of automated pneumatic waste collection system (AWCS) with a proven track record in

Malaysia, Singapore, Hong Kong and the Middle East. Their plumbing division has established a foothold in the plumbing sector as evidenced by the many premium high end project awards. Known for harnessing new technology, AWC is at the forefront of green building services offering energy/resource management solutions via their M&E and rainwater harvesting divisions.

For more information, please visit <http://www.awc.com.my/>

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