

OTHERS ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "THE COMPANY") - EXTENSION OF TIME FOR THE UTILISATION OF PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING ("IPO")

ADVANCECON HOLDINGS BERHAD

Type	Announcement
Subject	OTHERS
Description	ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "THE COMPANY") - EXTENSION OF TIME FOR THE UTILISATION OF PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING ("IPO")

Reference is made to the utilisation of proceeds raised from the Initial Public Offering ("**IPO**") as disclosed in the Company's prospectus dated 19 June 2017 that was issued in conjunction with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad on 10 July 2017, the announcements dated 29 August 2018 and 26 August 2020 respectively in relation to Variations and Extension of timeframe ("**EOT**") for utilisation of proceeds raised from the IPO. As at to-date, the Company remains a balance of RM13.087 million IPO proceeds which has yet to be utilised ("**Balance IPO Proceeds**").

1. INTRODUCTION

The Board of Directors ("the Board") of Advancecon wishes to announce that the Board has decided to further extend the timeframe for the utilisation of the Balance IPO Proceeds allocated for the construction of new workshop were initially intended to be utilised up to 10 January 2022.

2. DETAILS OF THE EOT FOR THE UTILISATION OF PROCEEDS

For shareholders' information, as at 31 December 2021, being the latest practicable date of this announcement, only RM13.09 million of the RM56.70 million, which is earmarked for the construction of new workshop, raised from the IPO is unutilised, details of which are set out below:-.

No	Details of utilisation	Allocation of IPO Proceeds upon listing ¹	Allocation of IPO Proceeds upon listing (revised)	Actual utilisation of IPO Proceeds	Unutilised IPO Proceeds	Estimated timeframe for utilisation prior to the EOT	Estimated timeframe for utilisation after EOT
		RM'000	RM'000	RM'000	RM'000		
	Construction of new workshop	14,600	14,090 ²	(1,003)	13,087	Within 54 ³ months	Within 78 months

Notes:

¹ As per IPO Prospectus dated 19 June 2017.

² On 29 August 2018, the Board announced to re-allocate the utilisation of construction of new workshop and repayment of bank borrowings to day-to-day working capital expenses for payment to suppliers.

³ On 26 August 2020, the Board announced to extend the estimated of timeframe for construction of new workshop from within 36 months to within 54 months from date of IPO, up till 10 January 2022.

3. RATIONALE

The Board of Advancecon has decided to extend the timeframe for the utilisation of IPO proceeds for construction of new workshop due to the following reasons:

- The construction progress of new workshop were delayed due to the implementation of the movement control order ("MCO"), conditional movement control order ("CMCO"), enhanced movement control order ("EMCO") and National Recovery Plan (phase 1) (previously known as nationwide total lockdown (phase 1)) caused by the outbreak of COVID-19 which had resulted in the disruption of the construction sector.
- As a result, the timeframe required for the completion of new workshop is expected to be extended to 10 January 2024.

4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

None of the Directors and/or major shareholders of Advancecon and/or persons connected with them have any interests, direct or indirect, in the abovementioned variation and extension of time for the utilisation of IPO Proceeds.

5. STATEMENT BY BOARD OF DIRECTORS

The Board of Advancecon is of the opinion that the extension of time for the utilisation of IPO Proceeds will not have any material effect on the financial performance of Advancecon and are in the best interest of the Company and shareholders.

6. APPROVALS REQUIRED

The extension of time for the utilisation of IPO Proceeds are not subject to any regulatory authorities and shareholders' approval on the basis that the variation is not material given that the extension of time remains consistent with Advancecon's existing business plans and strategies as disclosed in the IPO Prospectus. Nevertheless, the Board will continue to disclose the status of the utilisation of IPO Proceeds in its quarterly results and annual report until its fully utilised.

The Board is of the opinion that the EOT will not have any adverse effect on the financial performance of the Company and is in the best interest of the Company.

This announcement is dated 6 January 2022.

Company Name	ADVANCECON HOLDINGS BERHAD
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