

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "THE COMPANY") - Proposed Disposal of all that parcel of freehold vacant industrial land measuring 317,300 square metres, held under individual title Geran 67421, Lot 7957, Bandar Gurun, Daerah Kuala Muda, Negeri Kedah, bearing postal address Lot 7957, Mukim Gurun, 08300 Gurun, Kedah by Spring Energy Sdn. Bhd., a 51% owned indirect subsidiary of Advancecon

ADVANCECON HOLDINGS BERHAD

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Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
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Pursuant to Paragraph 10.06 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors of Advancecon wishes to announce that Spring Energy Sdn. Bhd. ("SESB" or "the Vendor"), a 51% owned indirect subsidiary of the Company had on 25 October 2022 entered into a Sale and Purchase Agreement ("SPA") with Thong Guan Industries Berhad ("TGIB" or "the Purchaser") for the disposal of all that parcel of freehold vacant industrial land measuring 317,300 square metres, held under individual title Geran 67421, Lot 7957, Bandar Gurun, Daerah Kuala Muda, Negeri Kedah, bearing postal address Lot 7957, Mukim Gurun, 08300 Gurun, Kedah ("the said Property") for a total consideration of Ringgit Malaysia Thirty Four Million (RM34,000,000.00) only ("Disposal Consideration"), subject to the terms and conditions contained in the SPA ("Proposed Disposal").

Please refer to the details of announcement as attached.

This announcement is dated 25 October 2022.

Please refer attachment below.

Attachments

[Advancecon - Proposed Disposal Gurun Land \(for bursa\).pdf](#)
164.1 kB

Announcement Info

Company Name	ADVANCECON HOLDINGS BERHAD
Stock Name	ADVCON

Date Announced	25 Oct 2022
Category	General Announcement for PLC
Reference Number	GA1-25102022-00050

ADVANCECON HOLDINGS BERHAD

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1. INTRODUCTION

Pursuant to Paragraph 10.06 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors of Advancecon wishes to announce that Spring Energy Sdn. Bhd. (“SESB” or “the Vendor”), a 51% owned indirect subsidiary of the Company had on 25 October 2022 entered into a Sale and Purchase Agreement (“SPA”) with Thong Guan Industries Berhad (“TGIB” or “the Purchaser”) for the disposal of all that parcel of freehold vacant industrial land measuring 317,300 square metres, held under individual title Geran 67421, Lot 7957, Bandar Gurun, Daerah Kuala Muda, Negeri Kedah, bearing postal address Lot 7957, Mukim Gurun, 08300 Gurun, Kedah (“the said Property”) for a total consideration of Ringgit Malaysia Thirty Four Million (RM34,000,000.00) only (“Disposal Consideration”), subject to the terms and conditions contained in the SPA (“Proposed Disposal”).

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Background information on the said Property

The details on the Property are set out below:

Registered owner	:	SESB
Title No.	:	Individual title Geran 67421, Lot 7957, Bandar Gurun, Daerah Kuala Muda, Negeri Kedah
Location	:	Lot 7957, Mukim Gurun, 08300 Gurun, Kedah.
Description	:	Vacant freehold industrial land
Existing use	:	Undeveloped
Category of land use	:	Industrial Land
Express condition	:	This land is only for industrial building use. Residential building is prohibited to be built on this land.
Restriction in interest	:	Nil
Encumbrances	:	Nil
Title land area	:	317,300 square metres
Unaudited net book value of the Property as at 30 June 2022	:	RM30,800,000.00
Original cost of investment in the Property and the date of investment	:	RM30,800,000.0 (This is not an investment but part of Maju Settlement payment). The land was transfer to Spring Energy on 22 March 2022

2.2 Information on SESB

SESB was incorporated in Malaysia on 10 September 1997 as a private limited company with its registered office at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor. SESB is an indirect 51% owned subsidiary of Advancecon and its principal activity is quarry operator and contractor in civil engineering work.

SESB has a total issued share capital of RM22,200,000 divided into 22,200,000 ordinary shares. As at the date of this announcement, the Directors of SESB are Dato' Yap Soon Huat, Yap Yee Huat, Yap Chai Huat and Yap Ho Huat and the details of the shareholder and shareholding are as follows:-

Shareholder	Shareholdings
Spring Energy Resources Berhad	100%

2.3 Information on TGIB

TGIB was incorporated in Malaysia on 22 November 1994 as a public listed company with its registered office at 170-09-01 Livingston Tower, Jalan Argyll, George Town, Pulau Pining.

TGIB has a total issued share capital of RM223,513,095.50 divided into 391,771,940.00 ordinary share. The principal activity of TGIB is investment holding activities and trading of plastic products and petroleum products.

As at the date of this announcement, the Directors of TGIB are as follows:-

Name of Directors
Dato Ang Poon Chuan
Datuk Ang Poon Seong
Dato Ang Poon Khim
Ang See Ming
Duli Yang Teramat Mulia Tengku Sarafudin
Badlishah Ibni Sultan Sallehuddin
Tengku Muzzammil Bin Tengku Makram

3. BASIS OF ARRIVING AT THE DISPOSAL CONSIDERATION

The Disposal Consideration of RM34,000,000.00 was arrived at based on a "willing-buyer willing-seller" basis after arm's length negotiation after taking into consideration the net book value of the land and market sentiment of property sector.

4. SALIENT TERMS OF THE SPA

The words and abbreviations used throughout this section of the Announcement shall have the same meaning as defined in the SPA unless the context otherwise requires or defined herein.

The salient terms of the SPA include, amongst others, the following:

4.1 Mode of Payment of Purchase Price

The purchase consideration shall be the sum of Ringgit Malaysia Thirty Four Million (RM34,000,000.00) only, which is calculated at the rate of Ringgit Malaysia only per square foot ("**Purchase Price**") (RM9.95 per sf)

The Purchaser shall pay the Purchase Price to the Vendor as follows:

- 4.1.1 Upon the execution of this SPA, the Purchaser shall pay, in addition to the Earnest Sum already paid to the Vendor's Solicitors, the remainder of the Deposit, namely, the sum of Ringgit Malaysia Three Million and Sixty Thousand (RM3,060,000.00) only as follows:
- (i) the RPGT Retention Sum (RM1,700,000.00) to the Purchaser's Solicitors as stakeholders for the purpose of compliance with the Real Property Gains Tax Act, 1967, pursuant to the terms and conditions of the SPA; and
 - (ii) the Balance Deposit (RM1,360,000.00) to the Vendor's Solicitors as stakeholders, to be released to the Vendor, pursuant to the terms and conditions of the SPA herein.
- 4.1.2 In the event of the completion of the sale and purchase herein, the Vendor shall treat the Deposit as part payment towards the account of the Purchase Price.
- 4.1.3 On or before the Completion Date or, as the case may be, the extended Completion Date, the Balance Sum shall be paid to the Vendor's Solicitors as stakeholders to be dealt with the terms and conditions of the SPA herein.
- 4.1.4 For the purpose of this SPA the Purchase Price or any part thereof:
- (i) deposited with or paid to the Vendor, or
 - (ii) deposited with or paid to the Vendor's Solicitors whether as stakeholder or otherwise, or
 - (iii) deposited with or paid to the Purchaser's Solicitors as stakeholder for payment of the RPGT Retention Sum, or
 - (iv) deposited with or paid to whomsoever for the payment of any money required to be paid by the Vendor under the terms of this SPA (e.g. arrears of quit rent, assessment etc.)
- shall be deemed as deposited with or paid to the Vendor.
- 4.1.5 If the Purchaser is not able to pay the Balance Sum on or before the Completion Date, the Purchaser shall be automatically granted an extension of one (1) month from the Completion Date to make payment subject to the payment by the Purchaser on or before the extended Completion Date, interest calculated at the Agreed Rate on a daily basis on the Balance Sum or such outstanding balance thereof for the period of extension until full settlement to the Vendor's Solicitors as stakeholders.
- 4.1.6 The Vendor's Solicitors shall be authorized to release the Balance Deposit and the Earnest Deposit to the Vendor upon the Purchaser's Solicitors' receipt of all of the following:
- (a) this SPA (duly executed by the Parties);
 - (b) all the documents stipulated under Clause 4.1(a) to (h) of the SPA; and

- (c) the Vendor's Solicitors written confirmation addressed to the Purchaser's Solicitors confirming that the original Title has been deposited with the Vendor's Solicitors as stakeholders pursuant to Clause 4.1(i) of the SPA.

4.2 Purchaser's Default

If the Purchaser fails to pay the Balance Sum in accordance with this SPA (save and except where the non-payment is caused by the Vendor's default, delay or omission in any of its obligations, representations and warranties herein, the existence of any Encumbrances on the Property or due to other reasons as agreed in this SPA), the Vendor shall be at liberty by notice in writing served on the Purchaser to terminate this whereupon:-

- (a) the Deposit shall be forfeited to the Vendor as agreed liquidated damages and all other monies paid by the Purchaser towards the Purchase Price shall be refunded by the Vendor and/or Vendor's Solicitors within fourteen (14) days from the date of receipt by the Purchaser of the Vendor's written notification of such termination and if the Vendor and/or Vendor's Solicitors shall fail to refund as aforesaid, the Vendor shall pay to the Purchaser interest at the Agreed Rate from the day next after the expiry of the aforesaid period to the date of the Purchaser's receipt of the refund;
- (b) the Purchaser shall redeliver to the Vendor (simultaneous in exchange for the refund by the Vendor referred to in Clause 8.1(a)) all documents delivered by the Vendor to the Purchaser save and except for the Transfer which shall be retained by the Purchaser for purposes of applying for a refund on the stamp duty paid, if already paid, and upon refund thereof, the Transfer shall be forwarded to the Vendor with the rights interest benefits and titles of the Vendor in the Property remaining intact;
- (c) the Purchaser shall at their own costs and expense, re-deliver to the Vendor the Property with vacant possession if already given by the Vendor upon expiry of the notice of termination.
- (d) the Purchaser shall (simultaneous in exchange for the refund by the Vendor referred to in Clause 8.1(a)) withdraw its private caveat pursuant to Clause 10.2 or alternatively deliver to the Vendor's Solicitors the relevant Notice of Withdrawal of Private Caveat duly executed together with the requisite registration fees and cause the Financier to withdraw its private caveat lodged on the Property; and
- (e) whereupon this SPA shall be terminated and rendered null and void and the Parties shall have no claim whatsoever in respect of and arising out of this SPA save for any antecedent breach.

4.3 Vendor's Default

If the Vendor fails, refuse, neglects or is unable (other than due to the fault, delay or omission of the Purchaser) to complete the sale and transfer of the Property to the Purchaser pursuant to the terms of this SPA and perform the Vendor's obligations in this SPA and/or if the Vendor is in breach of any of the Vendor's obligations, representations and warranties in this SPA, it is hereby agreed by the Parties hereto that without prejudice to any other rights or remedies available to the Purchaser, the Purchaser shall be entitled to either of the following remedies:-

- (a) specific performance against the Vendor and it is agreed that compensation without specific performance shall not be adequate; or
- (b) terminate this SPA by notice in writing whereupon:-

- (c) the Vendor shall within fourteen (14) days from the date of the Vendor's Solicitors' receipt of the Purchaser's notice of termination, refund to the Purchaser all monies paid by the Purchaser towards the Purchase Price (including the Deposit), and if the Vendor shall fail to refund as aforesaid, interest shall be incurred and be payable by the Vendor on the said monies at the Agreed Rate from the date of termination to the date of refund;
- (d) the Vendor shall further pay to the Purchaser a sum equivalent to the Deposit as agreed liquidated damages within fourteen (14) days from the date of the Vendor's Solicitors' receipt of the Purchaser's notice of termination, and if the Vendor shall fail to pay the liquidated damages aforesaid, interest shall be incurred and be payable by the Vendor on the said sum at the Agreed Rate from the date of termination to the date of payment;
- (e) the Purchaser shall redeliver to the Vendor (simultaneous with the refund and payment by the Vendor of the sums referred to in Clause 8.2(b)(i) & (ii)) all documents delivered by the Vendor to the Purchaser save and except for the Transfer which shall be retained by the Purchaser for purposes of applying for a refund on the stamp duty paid, if already paid, and upon refund thereof, the Transfer if returned by the Stamp Duty Office shall be forwarded to the Vendor;
- (f) the Purchaser shall (simultaneous with the refund and payment by the Vendor of the sums referred to in Clause 8.2(b)(i) & (ii)) at their own costs and expense, re-deliver to the Vendor the Property with vacant possession if already given by the Vendor;
- (g) the Purchaser shall withdraw its private caveat pursuant to Clause 10.2 or alternatively deliver to the Vendor's Solicitors the relevant Notice of Withdrawal of Private Caveat duly executed together with the requisite registration fees, upon the Purchaser's receipt of the refund and payment of all sums stipulated above; and
- (h) thereafter, this SPA shall be terminated and rendered null and void and the Parties shall have no claim whatsoever in respect of and arising out of this SPA save for any antecedent breach.

4.4 Termination of SPA

- 4.4.1 If the Purchaser elects to terminate the sale and purchase herein pursuant to Clause 14.1(b), the Purchaser shall be entitled, at its option, by notice served on the Vendor within fourteen (14) days of notification by the Vendor of such acquisition to elect either to terminate the sale and purchase herein or to proceed with the sale and purchase :-
 - a) the Vendor shall be entitled to the benefit of any arrangement made or the whole amount of any compensation awarded in respect of the Property; and
 - b) the provisions of SPA shall apply with such modifications as necessary.

5. **RATIONALE OF THE PROPOSED DISPOSAL**

The Proposed Disposal will enable the Group to unlock the value of its assets, thereby strengthening the cash flow position of the Group.

6. UTILISATION OF PROCEEDS

The proceeds from the Proposed Disposal are expected to be utilised by the Company and/or its subsidiaries for the repayment of some bank borrowings, as well as for working capital within 12 months from receiving the Purchase Price.

7. RISKS FACTORS

The risk factor in relation to the Proposed Disposal is delay or non-completion of the Proposed Disposal.

Notwithstanding to the above, SESB will work closely with the Purchaser to take reasonable steps to ensure that the terms and conditions is fulfilled in a timely manner.

8. EFFECTS OF THE PROPOSED DISPOSAL

8.1 Share Capital and Substantial Shareholders' Shareholding

The Proposed Disposal will not have any effect on the issued and paid-up capital of the Company and the substantial shareholders' shareholding of Advancecon as the Proposed Disposal does not involve issuance of new ordinary shares of Advancecon.

8.2 Net Assets ("NA"), NA per share and gearing

The Proposed Disposal is not expected to have any immediate material effect on the NA, NA per share and Gearing of Advancecon Group for the financial year ending 31 December 2022.

8.3 Earnings Per Share ("EPS")

The Proposed Disposal is not expected to have significant impact to the earnings of the Group for FYE 31 December 2022.

9. LIABILITIES TO BE ASSUMED

There are no liabilities, including contingent liabilities and guarantees to be assumed by Advancecon arising from the Proposed Disposal.

10. PERCENTAGE RATIOS

The highest percentage ratio applicable to the Proposed Disposal is approximately 15.8% pursuant to paragraph 10.02(g) of the MMLR of Bursa Securities.

11. APPROVAL REQUIRED

Save for the approval of the relevant authorities for the transfer of the Property ownership from SESB to the Purchaser, the Proposed Disposal is not subject to the approval of the shareholders of the Company.

12. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED TO THEM

None of the Directors, major shareholders and/or persons connected to them has any interest, whether direct or indirect, in the Proposed Disposal.

13. DIRECTOR'S STATEMENT

The Board having considered all aspects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of the Advancecon Group.

14. ESTIMATION TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed before 28 February 2023.

15. DOCUMENTS FOR INSPECTION

The SPA is available for inspection at the registered office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, during normal working hours from Monday to Friday (except Saturday, Sundays and Public Holidays) for a period of three (3) months from the date of this announcement or upon the conclusion of the Proposed Disposal, whichever is earlier.

This announcement is dated 25 October 2022.