

Circular/Notice to Shareholders

ADVANCECON HOLDINGS BERHAD

Subject CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED PRIVATE PLACEMENT OF UP TO 96,674,940 NEW ORDINARY SHARES IN ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR THE "COMPANY"), REPRESENTING UP TO 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES)

Please refer attachment below.

Attachments

[Advancecon Circular \(final\).pdf](#)
697.0 kB

Announcement Info	
Company Name	ADVANCECON HOLDINGS BERHAD
Stock Name	ADVCON
Date Announced	10 Feb 2023
Category	Document Submission
Reference Number	DCS-10022023-00001

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, SOLICITOR, ACCOUNTANT, BANK MANAGER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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ADVANCECON

ADVANCECON HOLDINGS BERHAD

(Registration No. 199701011469 (426965-M))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED PRIVATE PLACEMENT OF UP TO 96,674,940 NEW ORDINARY SHARES IN ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR THE "COMPANY"), REPRESENTING UP TO 20% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser and Placement Agent

UOB Kay Hian

UOB Kay Hian Securities (M) Sdn Bhd

Registration No. 199001003423 (194990-K)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting of Advancecon ("**EGM**") which is scheduled to be conducted on a fully virtual basis through live streaming and online meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via Remote Participation and Electronic Voting ("**RPV**") facilities at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC – D1A282781) on Tuesday, 28 February 2023 at 10:00 a.m., or at any adjournment thereof, together with the Proxy Form are enclosed herein.

A member entitled to attend, participate, speak and vote remotely at the EGM via the Remote Participation and Voting facilities provided is entitled to appoint a proxy or proxies (not more than 2) to attend, participate, speak and vote on his/ her behalf. In such event, the completed and signed Proxy Form should be lodged at the Poll Administrator's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. Please refer to the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form, not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof. The lodging of the Proxy Form shall not preclude you from attending, participating, speaking and voting at the EGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Tuesday, 26 February 2023 at 10:00 a.m.

Date and time of the EGM : Tuesday, 28 February 2023 at 10:00 a.m.

This Circular is dated 10 February 2023

DEFINITIONS

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

"Act"	: The Companies Act 2016
"Advancecon" or the "Company"	: Advancecon Holdings Berhad (Registration No. 199701011469 (426965-M))
"Advancecon Group" or the "Group"	: Advancecon and its subsidiaries, collectively
"Advancecon Share(s)" or "Share(s)"	: Ordinary share(s) in Advancecon
"Board"	: Board of Directors of Advancecon
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"Circular"	: This circular dated 10 February 2023
"Director(s)"	: The director(s) of Advancecon shall have the meaning given in Section 2(1) of the Capital Markets And Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon:- i. a director of the listed issuer, its subsidiary or holding company; or ii. a chief executive of the listed issuer, its subsidiary or holding company
"EGM"	: Extraordinary General Meeting of Advancecon
"EPS"	: Earnings per Share
"FPE"	: Financial period ended/ ending
"FYE"	: Financial year ended/ ending
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 8 February 2023, being the latest practicable date prior to the printing and despatch of this Circular
"Market Day(s)"	: Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for trading of securities
"NA"	: Net asset attributable to owners of the Company
"PAT/ (LAT)"	: Profit/ (Loss) after taxation
"PBT/ (LBT)"	: Profit/ (Loss) before taxation
"Placement Share(s)"	: Up to 96,674,940 new Advancecon Shares to be issued pursuant to the Proposed Private Placement

DEFINITIONS (CONT'D)

"Proposed Private Placement"	:	Proposed private placement of up to 96,674,940 new Advancecon Shares, representing approximately 20% of the existing total number of issued Shares (excluding treasury shares) as at the LPD
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"UOBKH" or the "Adviser" or the "Placement Agent"	:	UOB Kay Hian Securities (M) Sdn. Bhd. (Registration No. 199001003423 (194990-K))
"VWAP"	:	Volume weighted average market price

All references to "**you**" or "**your(s)**" in this Circular are made to our shareholders, who are entitled to attend and vote at the EGM.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating 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 Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposed Private Placement. You are advised to read this Circular in its entirety for further details of the Proposed Private Placement and not to rely solely on this Executive Summary in forming a decision on the Proposed Private Placement before voting at the EGM.

Key information	Description	Reference												
Summary	The Proposed Private Placement involves the issuance of new Advancecon Shares representing approximately 20% of the existing total number of issued Shares (excluding treasury shares), at an issue price to be determined and announced later.	Section 2												
Utilisation of proceeds	<table> <tr> <th>Details of utilisation</th><th>Timeframe for utilisation</th><th>RM'000</th></tr> <tr> <td>Development of solar photovoltaic energy generating facility</td><td>Within 12 months from the receipt of placement funds</td><td>21,690</td></tr> <tr> <td>Estimated expenses for the Proposed Private Placement</td><td>Upon completion of the Proposed Private Placement</td><td>110</td></tr> <tr> <td>Total</td><td></td><td>21,800</td></tr> </table>	Details of utilisation	Timeframe for utilisation	RM'000	Development of solar photovoltaic energy generating facility	Within 12 months from the receipt of placement funds	21,690	Estimated expenses for the Proposed Private Placement	Upon completion of the Proposed Private Placement	110	Total		21,800	Section 2.6
Details of utilisation	Timeframe for utilisation	RM'000												
Development of solar photovoltaic energy generating facility	Within 12 months from the receipt of placement funds	21,690												
Estimated expenses for the Proposed Private Placement	Upon completion of the Proposed Private Placement	110												
Total		21,800												
Rationale and justification for Proposed Private Placement	<p>The rationale for the Proposed Private Placement is as follows:-</p> <ul style="list-style-type: none"> (i) enables the Company to raise additional funds without incurring interest costs as compared to conventional bank borrowings; (ii) increases the size and strength of the Company's shareholders' funds; and (iii) enables the Company to raise funds in an expeditious manner, compared to pro-rated issuance such as a rights issue, which usually requires a longer timeframe for implementation, also without certainty that the Company will be able to meet its fundraising objectives as the level of funds raised will depend on the subscription rate by the entitled shareholders and/ or renouncee(s). 	Section 4												
Approvals required	<p>The Proposed Private Placement is subject to the following approvals:-</p> <ul style="list-style-type: none"> (i) the approval from Bursa Securities, of which has been obtained vide Bursa Securities' letter dated 3 February 2023; (ii) the approval of the shareholders of Advancecon at the EGM of the Company to be convened; and (iii) the approvals/ consents of any other relevant authorities and/ or parties, if required. 	Section 8												
Interests of Directors, major shareholders, chief executive and/ or persons connected to them	None of the Directors, major shareholders, chief executive of Advancecon and/ or persons connected to them have any interest, whether direct or indirect, in the Proposed Private Placement.	Section 9												
Directors' statement and recommendation	The Board, having considered all aspects of the Proposed Private Placement, including the rationale and justifications and the effects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interest of the Company and its shareholders.	Section 10												



ADVANCECON HOLDINGS BERHAD

(Registration No. 199701011469 (426965-M))
(Incorporated in Malaysia)

Registered Office

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1 Medan Syed Putra Utara
59200 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

10 February 2023

Board of Directors

Yeoh Chong Keat (*Independent Non-Executive Chairman*)
Dato' Phum Ang Kia (*Executive Director/ Group Chief Executive Officer*)
Ir. Yeo An Thai (*Executive Director/ Group Chief Operating Officer*)
Tung Kai Hung (*Executive Director*)
Mohd Zaky Bin Othman (*Independent Non-Executive Director*)
Lee Elaine (*Independent Non-Executive Director*)

To: The shareholders of Advancecon

Dear Sir/ Madam,

PROPOSED PRIVATE PLACEMENT

1. INTRODUCTION

On 13 January 2023, UOBKH had, on behalf of the Board, announced that the Company proposes to undertake a private placement of up to 96,674,940 Placement Shares, representing up to 20% of the total number of issued shares of Advancecon.

On 3 February 2023, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 3 February 2023, resolved to approve the listing and quotation of up to 96,674,940 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities, subject to the terms and conditions as set out in **Section 8** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED PRIVATE PLACEMENT AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE EGM.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

2.1 Placement size

The Proposed Private Placement entails an issuance of up to 20% of the total number of issued shares of Advancecon at an issue price to be determined and announced later.

As at the LPD, the total issued share capital of Advancecon was RM114,139,592 comprising 492,756,000 Advancecon Shares (including 9,381,300 treasury shares). For avoidance of doubt, the Board has undertaken not to sell, cancel, transfer and/ or distribute any treasury shares until the completion of the Proposed Private Placement. Accordingly, a total of up to 96,674,940 Placement Shares representing approximately 20% of the existing total number of 483,374,700 Advancecon Shares (excluding treasury shares), may be issued pursuant to the Proposed Private Placement.

2.2 Basis and justification of determining the issue price(s) of the Placement Shares

The Placement Shares will be issued based on a discount of not more than 10% to the 5-day VWAP of Advancecon Shares up to and including the last trading day immediately preceding the price-fixing date, to be determined and fixed by the Board at a later date after receipt of all relevant approvals for the Proposed Private Placement. The Board has not set any minimum issue price or minimum proceeds to be raised from the Proposed Private Placement.

As the Proposed Private Placement may be implemented in several tranches within 6 months, there could potentially be several price fixing dates and issue prices. The implementation of the Proposed Private Placement in multiple tranches would provide flexibility to Advancecon to procure interested investor(s) to subscribe for the Placement Shares expediently within the period as approved by Bursa Securities.

In the event the Placement Shares are to be issued in tranches, there will be a price-fixing announcement for each tranche and the Company will ensure payment for the Placement Shares by the placee(s) is received within 5 Market Days from the price-fixing date of each tranche of the Proposed Private Placement.

The Board intends to fully place out the Placement Shares at a price deemed attractive as well as acceptable to both the Company and potential investor(s) and also to meet the Group's funding objectives as set out in **Section 2.6** of this Circular. After taking into consideration the prevailing market conditions and market sentiments, the Board is of the view that a discount of up to 10% will be attractive enough to entice potential investor(s) to subscribe for the Placement Shares.

For illustrative purposes, the illustrative issue price of the Placement Shares is assumed at RM0.2255 per Placement Share, which represents a discount of approximately 9.80% to the 5-day VWAP of Advancecon Shares up to and including the LPD of RM0.2500.

(Source: Bloomberg)

2.3 Ranking of the Placement Shares

The Placement Shares shall, upon allotment, issuance and full payment of the issue price, rank equally in all respects with the existing issued Advancecon Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the Placement Shares.

2.4 Listing and quotation for the Placement Shares

Bursa Securities had, vide its letter dated 3 February 2023, approved the listing and quotation for the Placement Shares on the Main Market of Bursa Securities pursuant to the Proposed Private Placement.

2.5 Allocation to placees

The Placement Shares will be placed out to third party investor(s) to be identified at a later stage, where such investor(s) shall be person(s) who/ which qualify under Schedules 6 and 7 of the Capital Markets and Services Act, 2007.

Additionally, the Placement Shares will not be placed out to the following parties:-

- (i) the Directors, major shareholders or chief executive of Advancecon or a holding company of Advancecon, where applicable ("**Interested Person**");
- (ii) a person connected with an Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Pursuant to Paragraph 8.02(1) of the Listing Requirements, the Company must ensure that at least 25% of the total listed Advancecon Shares (excluding treasury shares) are in the hands of a minimum number of 1,000 public shareholders holdings not less than 100 Advancecon Shares each. As at the LPD, the public shareholding spread of Advancecon is at 57.10% comprising 3,074 shareholders. Upon completion of the Proposed Private Placement, Advancecon will remain in compliance with the minimum public spread requirements as the proforma of the public shareholding spread of Advancecon after the Proposed Private Placement will be 64.25% comprising 3,074 shareholders.

In the event the Board is unable to identify sufficient placees to subscribe for the entire portion of the Placement Shares at one time, the Proposed Private Placement may be implemented in tranches within 6 months from the date of approval of Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities.

2.6 Utilisation of proceeds

Based on the illustrative issue price of RM0.2255 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to RM21.80 million. The proceeds from the Proposed Private Placement are intended to be utilised in the following manner:-

Details of utilisation	Timeframe for utilisation	RM'000
Development of solar photovoltaic energy generating facility ^{*1}	Within 12 months from the receipt of placement funds	21,690
Estimated expenses for the Proposed Private Placement ^{*2}	Upon completion of the Proposed Private Placement	110
Total		21,800

Notes:-

*1 LSS TPG Sdn Bhd ("**LSS**"), an indirect wholly-owned subsidiary of Advancecon through its wholly-owned subsidiary, Advancecon Solar Sdn Bhd, had on 18 August 2021 entered into a power purchase agreement ("**PPA**") with Tenaga Nasional Berhad ("**TNB**") to design, construct, own, operate and maintain a large scale solar photovoltaic energy generating facility with a capacity of 26.00 megawatts (MW) located in Kuala Langat, Selangor ("**Solar Power Plant**") for connection to TNB's medium voltage distribution network of 33 kilovolts in Teluk Panglima Garang. For information purpose, Advancecon does not own the land located in Kuala Langat, where the Solar Power Plant will be constructed on.

Pursuant to the PPA, LSS will sell to TNB and TNB will purchase from LSS the net energy output (solar photovoltaic energy generated that is measured in kilowatt-hour ("**kWh**") to be generated by the Solar Power Plant for a period of 21 years from the commercial operation date in accordance with the agreed terms and conditions as stipulated in the PPA. On 19 August 2022, the Company had announced that LSS had received a notification letter dated 8 August 2022 from the Energy Commission ("**EC**") that the EC had granted an extension of time for the effective period of the PPA for another 4 years, as such the PPA had been extended from 21 years to 25 years. The extension of the PPA for another 4 years was granted by the EC to bidders of the Malaysia's fourth round of large scale solar awards ("**LSS4**") projects to help the LSS4 project owners address the rising cost of solar modules, partly attributed to the disruptions in the global supply chain.

The PPA is based on take and pay, energy only under Build, Own and Operate (BOO) concession. LSS shall declare the plant's energy production throughout the period of the PPA and will be entitled to be paid the energy rate that is approved by the EC or such other rate as may be adjusted in accordance with the terms of the PPA. The Solar Power Plant is expected to generate solar photovoltaic energy of approximately 43 million kWh to 51 million kWh per annum or contribute revenue of approximately RM9.80 million to RM11.63 million per annum to the Group, upon commission of its commercial operations.

As at the LPD, the development of the Solar Power Plant has yet to commence. The delay in the development of the Solar Power Plant was mainly due to amongst others, on-going negotiation with suppliers on engineering, procurement constructing and commissioning ("**EPCC**") costs and selection of EPCC contractors. The construction for the Solar Power Plant is targeted to commence in March 2023 and is expected to take up to 10 months to complete. The Solar Power Plant is expected to be commissioned in the fourth quarter of 2023.

Accordingly, the Board has earmarked part of the gross proceeds from the Proposed Private Placement to partially finance the development of the Solar Power Plant in the following manner:-

Details	RM'000	%
Purchase of solar panels and other related materials which includes racking equipment and components such as aluminium railings and clamps.	15,800	72.8
Interconnection works (i.e. installation of concrete poles and cabling)	40	0.2
Sub-contracting works and engineering expenses	5,650	26.1
Contingency costs (i.e. provision for fees to the relevant authorities and contingency sums set aside to cover unexpected or underestimation of costs	200	0.9
	21,690	100.0

The Board is of the view that the Proposed Private Placement will essentially put in place the necessary financing requirements within an acceptable timeframe for the development of the Solar Power Plant which has been scheduled to commence in March 2023. As highlighted above, the funding from the Proposed Private Placement will be utilised mainly for the procurement of raw material and defrayment of operating expenses in relation to the Solar Power Plant which is essential to support the smooth implementation of the Solar Power Plant.

*2 The proceeds earmarked for estimated expenses in relation to the Proposed Private Placement will be utilised as set out below:-

	RM'000
Professional fees (i.e. adviser and placement agent)	60
Regulatory fees	22
Other incidental expenses in relation to the Proposed Private Placement	28
Total	110

The estimated expenses include professional fees, regulatory fees and other incidental expenses in relation to the Proposed Private Placement. Variation in the actual expenses will be adjusted against the proceeds allocated for the development of the Solar Power Plant.

For the avoidance of doubt, the total cost of procuring and installing the solar panels as well as other related costs and expenses for the development of the Solar Power Plant is estimated to be approximately RM103.70 million. As the indicative gross proceeds to be raised from the Proposed Private Placement for the development of the Solar Power Plant is up to RM21.69 million, the said proceeds is expected to fund up to 20.92% of the total cost for the development for the Solar Power Plant. The remaining funding of 79.08% (i.e. RM82.01 million) of the total cost for the development of the Solar Power Plant, which includes EPCC costs (i.e. costs for purchase of solar panel, interconnection costs and other contingent costs), will be funded via a term loan of RM80.00 million that has been secured by the Group as at the LPD and the rest via internally generated funds. For information purposes, based on Advancecon's latest unaudited financial results for the 9-month FPE 30 September 2022, the Group's cash and bank balances stood at RM21.48 million. For illustration purpose, the term loan of RM80.00 million for the funding of the Solar Power Plant carries an interest rate of 5.07% per annum for a tenure of 15 years. As such, the Group is expected to incur additional financing cost of RM4.06 million per annum.

The actual gross proceeds to be raised from the Proposed Private Placement is dependent on the issue price and the number of Placement Shares to be issued. Any shortfall in the actual gross proceeds raised and the intended gross proceeds to be raised from the Proposed Private Placement will be adjusted accordingly to firstly fund the estimated expenses of the Proposed Private Placement, followed by the development costs of the Solar Power Plant. Pending utilisation of the proceeds from the Proposed Private Placement for the above purposes, the proceeds will be placed as deposits with licensed financial institutions or short-term money market instruments, as the Board may deem fit. Any interest income derived from such deposits or instruments will be utilised for development costs of the Solar Power Plant as set out in Note 1 above.

3. FUND RAISING EXERCISES IN THE PAST 12 MONTHS

Save for the Proposed Private Placement, the Company has not undertaken any other fund raising exercises in the 12 months prior to the date of this Circular.

4. RATIONALE AND JUSTIFICATION FOR THE PROPOSED PRIVATE PLACEMENT

After due consideration of the various methods of fund raising, the Board is of the view that the Proposed Private Placement is the most appropriate avenue of fund raising to address the Group's needs as set out in **Section 2.6** of this Circular as the Proposed Private Placement:-

- (i) enables the Company to raise additional funds without incurring interest costs as compared to conventional bank borrowings;
- (ii) increases the size and strength of the Company's shareholders' funds; and
- (iii) enables the Company to raise funds in an expeditious manner, compared to pro-rated issuance such as a rights issue, which usually requires a longer timeframe for implementation, also without certainty that the Company will be able to meet its fundraising objectives as the level of funds raised will depend on the subscription rate by the entitled shareholders and/ or renouncee(s).

5. INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS OF THE GROUP

5.1 Overview and outlook for the Malaysian economy

Malaysia's economy expanded by 6.9% in the first half of 2022 underpinned by favourable momentum in the domestic economy and steady expansion in the external sector, as well as continued improvement of the labour market conditions. The strong performance is expected to sustain, backed by an increase in private consumption and business activities as the economy transitions to endemicity phase of COVID-19 with the surging tourist arrivals. Furthermore, the growth momentum was attributed to the Government's consistent policy support, particularly with the implementation of initiatives under the Budget 2022 since the start of the year, as well as the spillover effects from the Budget 2021 measures coupled with various assistance and stimulus packages.

In tandem with continued implementation of development programmes and projects, the economy is expected to expand further in the second half of the year. The growth prospects have been supported by the resumption of economic and social activities and improvement in international travel activities following the relaxation of COVID-19 restrictions regionally. With better prospects as indicated by the Leading Index, the economy is anticipated to gain its growth momentum in the second half of the year attributed to strong domestic demand as the country transitions into endemicity. For the full year of 2022, the economic growth is expected to register a higher growth within the range of 6.5% – 7%. The domestic economy remains resilient and is forecast to expand between 4% – 5% in 2023 driven by the domestic demand.

Nevertheless, the pace of economic recovery is also dependent on other factors, including successful containment of the pandemic, support for cost of living and efforts in mitigating the downside risks such as geopolitical uncertainties, global inflation as well as tightening financial conditions.

Global growth is projected to moderate in 2022, after experiencing a strong economic expansion, both in advanced economies as well as emerging markets and developing economies (EMDEs), in 2021. In addition, escalating inflationary pressure as a result of high commodity prices is projected to prompt most central banks to tighten their monetary policy. Meanwhile, a slowdown in China's economic activities, supply chain disruptions and prolonged geopolitical tensions are anticipated to soften global growth in 2023.

Malaysia's economic recovery continued its strong momentum in the first half of 2022 amid the global headwinds. The GDP grew at 6.9% during the period supported by the implementation of Budget 2022 measures, transition to the endemicity and reopening of international borders. The economy is expected to grow at 6.1% in the second half of 2022 in line with strong domestic pent-up demand from private sector, remarkable tourism activities and outstanding trade performance. Furthermore, robust performance in services and manufacturing sectors as well as improvement in the labour market conditions are envisaged to contribute significantly to the economic growth. Overall, the nation's economy is expected to grow between 6.5% – 7% in 2022.

In line with the softening global economic outlook, Malaysia's economy is expected to moderate in 2023. Strong economic fundamentals, further improvement in employment prospects, sustained consumer and business confidence as well as continuous policy support for vulnerable households are projected to stimulate domestic demand. Steady external demand, especially for electrical & electronic (E&E) products and major commodities, is anticipated to continue driving the exports, thus maintaining a surplus in current account of the balance of payments (BOP).

On the supply side, all economic sectors are projected to expand, with the services and manufacturing sectors remain as the major contributors to the economy. The services sector will benefit from an increase in domestic demand and tourism activities. The manufacturing sector is expected to be driven by global demand for E&E and rubberbased products coupled with an expansion in domestic industries such as food and construction related products. Meanwhile, the construction sector is projected to improve with the acceleration of existing infrastructure projects and higher private investment that would increase demand for more commercial and residential buildings. Thus, the nation's GDP is forecast to expand between 4% – 5% in 2023.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

5.2 Overview and outlook of the construction industry in Malaysia

The construction sector contracted by 2.1% in the first half of 2022, mainly due to lower construction activities in civil engineering and residential buildings subsectors. In contrast, non-residential buildings and specialised construction activities subsectors registered a growth during the same period, in line with expansion in business activities, albeit rising prices of construction-related materials. The sector is expected to turn around in the second half with an expansion rate of 6.9%, supported by positive growth in all subsectors. Improvement in private investment and robust domestic economic activities are anticipated to increase demand for more industrial buildings. In addition, the acceleration of major infrastructure projects will continue to drive the sector's performance.

The development of residential property is expected to remain active supported by continuous implementation of measures under the Budget 2022 including a total government guarantee of up to RM2 billion to banks via Skim Jaminan Kredit Perumahan (SJKP) as well as housing projects for low income group with an allocation of RM1.5 billion. In 2022, the sector is projected to rebound by 2.3%.

The construction sector is forecast to expand by 4.7% in 2023 following a better performance in all subsectors. Civil engineering subsector is anticipated to rebound buoyed by implementation of new projects such as Mass Rapid Transit Line 3 (MRT3) Circle Line and acceleration of ongoing infrastructure projects which include, Rapid Transit System (RTS) Link, East Coast Rail Link (ECRL) and Light Rail Transit Line 3 (LRT3).

In addition, the approved investment projects in the manufacturing sector are anticipated to come onstream and subsequently creating a greater demand for industrial buildings. Hence, the non-residential buildings subsector is projected to expand further. Meanwhile, the residential buildings subsector is expected to grow steadily supported by more construction of affordable houses, in line with the strategy under the 12MP. In addition, incentive offered by the Government to encourage home ownership through the i-MILIKI programme is expected to spur demand for residential buildings while addressing the property overhang issue.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

5.3 Overview and outlook of the mining and quarry industry in Malaysia

The mining sector registered its first positive growth since 2017 (0.7%; 2020: -10.6%). The turnaround was mainly attributed to the gradual recovery in global oil demand and new output from the PETRONAS Floating Liquefied Natural Gas DUA (PFLNG2) facility located in offshore East Malaysia, which commenced operations in February 2021. These factors had more than offset the impact of facility closures such as the Gumusut-Kakap field for maintenance purposes, and production disruptions in the other mining sub-sector due to restrictions from containment measures.

The mining sector is projected to register higher growth. This reflects the continued increase in crude oil and natural gas production due to the operationalisation of new facilities such as the Pegaga gas project in Block SK320 located in offshore East Malaysia, which commenced operations in March 2022. Growth will also be supported by higher production in existing oil and gas facilities including the PFLNG2 facility and following the completion of several maintenance works. The end of OPEC+ oil output cut agreement by the second half of the year is also expected to result in higher production.

(Source: Economic and Monetary Review 2021, Bank Negara Malaysia)

5.4 Overview and outlook of the renewable energy industry in Malaysia

Renewable energy sources such as wind and solar emit little to no greenhouse gases and are readily available and in most cases cheaper than coal, oil or gas (IPCC, 2022). The National Renewable Energy Policy and Action Plan was launched in 2009 to spearhead renewable energy uptake in Malaysia. This is further strengthened by the National Energy Policy 2021-2040 launched in 2022, which aims to continue meeting the nation's growing energy demands, while ensuring a cleaner and more resilient economy to achieve a net zero pathway. Based on the energy mix in Malaysia, hydropower is currently the highest contributor to the total renewable energy use. However, large hydropower could be affected as river sources deplete as well as siltation and sedimentation increase. Therefore, changing climate and weather patterns must be taken into consideration when planning for the use of hydropower, to ensure the effectiveness and success of projects like the Bakun hydroelectric power plant as well as other hydropower plants.

On the other hand, solar power has the potential to contribute more to the energy mix. Being one of the main suppliers of solar-photovoltaic panels in the world, Malaysia's local uptake still needs to be further encouraged. With the introduction of the Net-Energy Metering ("**NEM**") system, excess energy produced from solar panels fixed on private or commercial buildings can be sold back to the grid based on the Feed-In-Tariff (FIT) and Large-Scale Solar (LSS) systems, creating a new economic market ecosystem.

Furthermore, the sustainable waste management industry could offer a dynamic and profitable revenue stream to the economy, as well as a potential alternative energy source through biomass and biogas utilisation. Malaysia currently exports some of its waste products to other countries for this purpose, for example, used cooking oils exported to Singapore to be further processed into aircraft fuel; and palm oil mill effluents (POME) to Japan for biomass energy production. The advancements in the waste management industry, including recycling, upcycling and biofuel generation, as well as the push toward a circular economy and waste-to-wealth economy, will open new revenue streams for local businesses and create new job opportunities. Moving forward, the Government through relevant agencies with the support of public and private research institutions, is looking into other sources of potential alternative energy such as wind, thermal and wave.

Reducing energy consumption through energy efficiency measures is one of the most cost-effective options utilised by the Government in addressing the economic impacts of the rising fuel prices. The National Energy Efficiency Action Plan (NEEAP) outlines strategies to encourage efficient use of electricity and promote energy-efficient products among industries and consumers. Meanwhile, the Government Green Procurement (GGP) initiative has encouraged the utilisation of energy-efficient products as well as other green products and services in government buildings since 2013. In 2021, the GGP was valued at approximately RM616.8 million, involving 27 ministries.

(Source: Economic Outlook 2023, Ministry of Finance Malaysia)

Energy transition will remain as one of the key priorities as more corporates as well as utility players continue expanding their renewable energy exposure. Malaysia has a target of renewable energy to grow to 31% of generation mix by 2025 and 40% by 2035. At the moment, renewable energy contributes to 18% of Malaysia's energy mix, dominated by hydropower technologies, which account for 86 per cent of renewable capacity. By way of illustration, the installed capacity for renewable energy is presently at 7.995MW. By the year 2035, the projected installed capacity for renewable energy is approximately 18,000MW – which is more than double the present installed capacity.

The Ministry of Energy and Natural Resources ("**KeTSA**") has stated that with the above RE targets, the carbon emission intensity from the power sector is set to be reduced by 45% in 2030, and by 60% in 2035. This will be consistent with Malaysia's targets under the Paris Agreement. Solar energy has been identified as being the RE with the highest potential in sunny Malaysia. With that in mind, Malaysia intends to introduce battery energy storage systems with a total capacity of 500MW from 2030 to 2034. These battery energy storage systems will enable the storing of excess energy generated by solar panels for later use.

The announcement by Prime Minister Datuk Seri Ismail Sabri Yaakob that Malaysia will not construct any new coal power plants while delivering the 12th Malaysia Plan in parliament would also pave the way for non-hydropower renewables to meet an increasing power demand amid retiring thermal power plants. The introduced Green Electricity Tariff (GET) programme in November 2021 to replace the current myGreen+ scheme will also spur the growth of renewables as it gains interest from multinational companies. The main objective is to enable consumers to reduce their carbon emissions by purchasing renewable energy, with the target of 4,500GWh of renewable electricity to be distributed for the GET programme. TNB, HSBC, Nestle Malaysia and CIMB Bank are among the companies that showed interest towards the scheme and additionally, the Energy Commission, SEDA and MyPower Corp, all governmental bodies, have committed to purchase all their electricity from the GET programme.

On the corporate front, Nestle Malaysia for example, has stated that it would fully transition to RE across all its operations in Malaysia as of Jan 1, 2022, allowing it to reduce emissions by 75,000 tonnes of carbon dioxide equivalent every year.

TNB has stated that it planned to invest RM22 billion in 2022-2024 under the Incentive-Based Regulation (IBR) framework to continue developing the grid of the future into a key enabler of the energy transition, supporting the country's goal to shift from using fuel to 31 per cent of RE by 2025.

KeTSA Minister Datuk Seri Takiyuddin Hassan also expressed his ministry's commitment in pursuing its agenda to ensure that the country's natural resources are safeguarded, and managed sustainably and responsibly for future generations. Takiyuddin said that in line with the agenda to address the country's climate change, KeTSA is also committed to increasing electricity generation from renewable energy sources through the Electricity Supply Generation Development Plan 2021-2039.

(Source: Media release entitled "Power sector boosted by better demand" dated 16 December 2021, TNB's website)

5.5 Future prospects of the Group

Advancecon Group is mainly involved in the construction, property investment and civil engineering business. Through its subsidiaries, the Group is also involved in the renewable energy and quarry operations business. The construction and support services segment represents Advancecon Group's main revenue contributor, contributing approximately 99.0% of total revenue in both the FYE 31 December 2020 and FYE 31 December 2021.

Based on the Group's latest unaudited financial results for the financial period ending 30 September 2022, the Group has an outstanding order book of RM511.4 million, which provides earnings visibility for the next 24 months. Moving forward, the Group will continue to enhance its development and production services and assets by focusing on executing its current order book, tendering for more projects to replenish its current order book, and continue to review its cost control strategies to further improve operational efficiency within the Group.

As mentioned in **Section 2.6** of this Circular, the gross proceeds to be raised from the Proposed Private Placement are intended to finance the development costs of the Solar Power Plant and the estimated expenses in relation to the Proposed Private Placement, which is in line with the Company's strategy to expand and focus in its green energy segment pursuant to the diversification of the Group's principal activities to the renewable energy business in 2020. In the FYE 31 December 2021, the Group had completed the installation of three rooftop solar photovoltaic (PV) projects for Onn Corp Resources (M) Sdn Bhd, Prominent Image Sdn Bhd and Jemco Sdn Bhd which allowed the Group to commence the PPA programme under the Net Energy Metering (NEM) scheme for a period of twenty one years. The development of the Solar Power Plant will be able to further expand the Group's asset ownership under the renewable energy spectrum and strengthen the Group's concession-based recurring income for a long-term sustainability.

Given that the Government of Malaysia ("GoM") has a target to increase the share of renewable energy in Malaysia's generation mix to 31% by 2025, and a projection of 40% by 2035, renewable energy will continue to be one of the key focus areas for Malaysia with continued commitment by the GoM via the Energy Commission Malaysia ("EC") to develop renewable energy projects through various schemes such as Net Energy Metering (NEM), Large Scale Solar (LSS), Self Consumption (SELCO) and Non-Solar Renewable Energy Projects. Additionally, the allocation of RM2.0 billion by the GoM for two (2) years up to 2022 as continuation of the Green Technology Financing Scheme could support Malaysia towards achieving the renewable energy target of 31% by 2025.

Premised on the above, and barring any unforeseen circumstances, the Board is of the view that the Proposed Private Placement is the most appropriate avenue of fund raising at this juncture to address the Group's financing needs for the development of the Solar Power Plant. The Board will continue to review the performance and progress of the Group's operating segments and financial performance, and to introduce measures to further improve its financial position while minimising its operating costs, where required.

(Source: Management of Advancecon)

6. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

6.1 Issued share capital

The pro forma effects of the Proposed Private Placement on the issued share capital of the Company are set out below:-

	No. of Shares	RM
Issued share capital as at the LPD	492,756,000	114,139,592
Less: treasury shares at cost in the open market	(9,381,300)	(3,249,343)
Issued share capital as at the LPD (excluding treasury shares)	483,374,700	110,890,249
Placement Shares to be issued pursuant to the Proposed Private Placement	96,674,940	21,800,199 ^{*1}
Enlarged issued share capital (excluding treasury shares)	580,049,640	132,690,448

Note:-

^{*1} Computed based on the illustrative issue price of RM0.2255 per Placement Share.

6.2 NA per Share and gearing level

Based on the latest audited consolidated statements of financial position of the Group as at 31 December 2021, the pro forma effects of the Proposed Private Placement on the NA per Share and gearing of the Group are set out as follows:-

	Audited as at 31 December 2021 RM'000	After the Proposed Private Placement RM'000
Share capital	114,139	135,940 ^{*1}
Treasury shares	(3,249)	(3,249)
Retained profits	104,685	104,575 ^{*2}
Shareholder's equity/ NA	215,575	237,266
Non-controlling interest	-	-
Total Equity	215,575	237,266
Number of Shares in issue (excluding treasury shares) ('000)	483,374	580,049
NA per Share (RM)	0.45	0.41
Total borrowings (RM'000)	126,120	126,120
Gearing level (times)	0.59	0.53

Notes:-

^{*1} Assuming 96,674,940 Placement Shares are issued at the illustrative issue price of RM0.2255 per Placement Share.

^{*2} After deducting the estimated expenses of RM110,000 in relation to the Proposed Private Placement.

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6.3 Substantial shareholders' shareholdings

For information purpose, the Proposed Private Placement may have a dilutive effect on the Company's existing shareholders' shareholdings.

The Proposed Private Placement is expected to enlarge the share capital of the Company and increase its shareholders' funds. The pro forma effects of the Proposed Private Placement on the substantial shareholders' shareholdings of the Company as at the LPD are set out below:-

Substantial shareholders	Shareholdings as at the LPD				After the Proposed Private Placement ^{*1}			
	<-----Direct-----> No. of Shares	% ^{*2}	<-----Indirect-----> No. of Shares	% ^{*2}	<-----Direct-----> No. of Shares	% ^{*3}	<-----Indirect-----> No. of Shares	% ^{*3}
Dato' Phum Ang Kia	97,563,750	20.18	150,000 ^{*4}	0.03	97,563,750	16.82	150,000 ^{*4}	0.03
Lim Swee Chai	55,381,250	11.46	-	-	55,381,250	9.55	-	-
Pham Soon Kok	28,413,250	5.88	-	-	28,413,250	4.90	-	-

Notes:-

^{*1} The Proposed Private Placement is not expected to give rise to the emergence of any new substantial shareholder(s) or new major shareholder(s) of Advancecon.

^{*2} Based on the total issued Shares of 483,374,700 (excluding treasury shares).

^{*3} Based on the enlarged issued Shares of 580,049,640 after the Proposed Private Placement (excluding treasury shares).

^{*4} Indirect Interest by virtue of his children pursuant to Section 59(11)(c) of the Companies Act, 2016.

6.4 Earnings and EPS

The Proposed Private Placement is not expected to have any material impact on the earnings of Advancecon Group for the financial year ending 31 December 2023. However, the earnings per share of Advancecon Group is expected to be diluted upon completion of the Proposed Private Placement as a result of the increase in the number of Advancecon Shares in issue arising from the Proposed Private Placement.

The Proposed Private Placement is expected to contribute positively to the future earnings of Advancecon Group when the benefits from the utilisation of proceeds to be raised from the Proposed Private Placement as set out in **Section 2.6** of this Circular are realised.

6.5 Convertible securities

As at the LPD, the Company does not have any outstanding convertible securities.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Advancecon Shares as traded on Bursa Securities for the past 12 months from February 2022 to January 2023 are set out below:-

	High RM	Low RM
2022		
February	0.340	0.310
March	0.335	0.295
April	0.315	0.285
May	0.300	0.250
June	0.290	0.250
July	0.320	0.270
August	0.300	0.270
September	0.275	0.250
October	0.265	0.240
November	0.280	0.245
December	0.265	0.245
2023		
January	0.260	0.245
Last transacted market price as at 12 January 2023 (being the latest trading day prior to the announcement of the Proposed Private Placement)		0.255
Last transacted market price as at the LPD		0.250

(Source: Bloomberg)

8. APPROVALS REQUIRED/ OBTAINED AND CONDITIONALITY

The Proposed Private Placement is subject to the following approvals being obtained:-

- (i) Bursa Securities, for which the approval for the listing and quotation for the Placement Shares on the Main Market of Bursa Securities was obtained vide its letter dated 3 February 2023, subject to the following conditions:-

Conditions	Status of compliance
(a) UOBKH and Advancecon UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement	To be complied
(b) UOBKH to furnish Bursa Securities with the certified true copy of the resolutions passed by the shareholders at extraordinary general meeting approving the Proposed Private Placement	To be complied
(c) UOBKH to inform Bursa Securities upon the completion of the Proposed Private Placement	To be complied
(d) Advancecon to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed	To be complied
(e) Payment of additional listing fee, if any, based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable	To be complied

- (ii) the approval of the shareholders of Advancecon for the Proposed Private Placement and the waiver of their pre-emptive rights under Section 85(1)^{*1} of the Act read together with clause 15 of the Constitution of the Company to be offered new Advancecon Shares to be issued pursuant to the Proposed Private Placement at the forthcoming EGM of the Company, which will result in a dilution of their shareholding percentage in the Company; and

- (iii) any other relevant authority, if required.

The Proposed Private Placement is not conditional upon any other proposals undertaken or to be undertaken by Advancecon.

Note:-

^{*1} Section 85(1) of the Act provides that:-

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 15 of the Constitution of the Company states that:-

"Subject to any direction to the contrary that may be given in general meeting, all new shares or other convertible securities shall, before issue, be offered to members who at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiry of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution in such manner as they think most beneficial to the Company."

By voting in favour of the ordinary resolution for the Proposed Private Placement, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the Act and Clause 15 of the Constitution of the Company to be first offered the Advancecon Shares under the Proposed Private Placement, which will result in a dilution of their shareholding percentage in the Company.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED TO THEM

None of the Directors, major shareholders, chief executive of Advancecon and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Private Placement, including the rationale and justification and the effects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interest of the Company and its shareholders.

Accordingly, the Board recommends that you **vote in favour** of the ordinary resolution pertaining to the Proposed Private Placement to be tabled at the Company's forthcoming EGM.

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Private Placement is expected to be completed by the first quarter of 2023.

12. EGM

The EGM, the notice of which is enclosed in this Circular, will be conducted on a fully virtual basis through live streaming and online meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via Remote Participation and Electronic Voting ("**RPV**") facilities at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC – D1A282781) on Tuesday, 28 February 2023 at 10:00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolution to give effect to the Proposed Private Placement.

If you are unable to attend, participate, speak and vote remotely at the EGM via the Remote Participation and Voting facilities provided, you are entitled to appoint a proxy or proxies (not more than 2) to attend, participate, speak and vote on your behalf. As such, you are requested to complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, to be deposited at Poll Administrator's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. In the case of an appointment of a proxy made in electronic form, the Proxy Form can be electronically lodged via Tricor's TIIH Online website at <https://tiih.online>. Please refer to the procedures as set out in the Administrative Guide for the electronic lodgement of proxy form, not less than 48 hours before the time appointed for holding the EGM. The lodging of the Proxy Form shall not preclude you from attending, participating, speaking and voting at the EGM should you subsequently wish to do so.

13. FURTHER INFORMATION

Shareholders are advised to refer to the **Appendix I** set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
ADVANCECON HOLDINGS BERHAD

Dato' Phum Ang Kia
Executive Director and Group Chief Executive Officer

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein 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. CONSENT

UOBKH, being the Adviser and the Placement Agent for the Proposed Private Placement, 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 INTERESTS

UOBKH has given its written confirmation that as at the date of this Circular, there is no situation of conflict of interests that exists or likely to exist in relation to its role as the Adviser for the Proposed Private Placement.

4. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group that has not been provided for which, upon becoming enforceable, may have a material impact on the Group's financial results/ position:-

	RM'000
Contracted but not provided for:-	
Purchase of property, plant and equipment	4,258

5. CONTINGENT LIABILITIES

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

6. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group:-

i. **SHAH ALAM HIGH COURT CIVIL SUIT NO. BA-23NCVC-24-04/2021**
Zeti Ismrizan Binti Isa & 5 Ors ("Plaintiffs") vs. SPRING ENERGY SDN BHD
("SESB" or "Defendant")

SESB, a wholly owned subsidiary of Spring Energy Resources Berhad (a 51%-owned subsidiary of Advancecon) had on 19 April 2021 received a Writ of Summon and Statement of Claim both dated 16 April 2021 filed by the Plaintiffs under Shah Alam High Court Civil Suit No. BA23NCVC-24/04/2021 ("**Suit 24**"). Persatuan Penduduk Bukit Damar Dengkil and SESB had earlier entered into an agreement to construct the Link Road & Access Road and earthwork at Lot 281 & 282 of Kampung Bukit Damar. The Plaintiffs are claiming that the work carried out by SESB was done without their consent, that the work has caused damages and/or variation to the quality or nature to their lands. Therefore, the Plaintiffs have filed the Writ of Summons and Statement of Claim against SESB to claim for the purported losses and/or damages suffered by them including the purported decrease in the value of their lands.

Pursuant to the Writ of Summons and Statement of Claim, the Plaintiffs are claiming from SESB for the sum of RM3,966,065.18 being the alleged specific damages suffered by the Plaintiffs due to the purported damages and/or variation to the quality or nature caused to their lands by SESB which carried out construction work without the consent of the Plaintiffs. SESB then raised a Third Party Claim against Persatuan Penduduk Bukit Damar Dengkil, Dato' Mohamad Hussin bin Semail and Muhammad Faizal bin M. Hairi ("**Third Parties**") to indemnify SESB for any losses and/or damages suffered by SESB as a result of the Plaintiffs' claim on the basis that the Third Parties have breached the agreement and/or failed to obtain the consent from the Plaintiffs and/or have fraudulently or negligently misrepresented SESB that they have obtained the consent from all the landowners of Lot 281 and Lot 282 for SESB to commence the work. The Third Parties filed an application to strike out SESB's Third Party Claim on 6 August 2021 ("**Strike Out Application**").

On 3 November 2021 for hearing of the Strike Out Application, the High Court allowed the Strike Out Application due to technical irregularity and the High Court fixed case management for the main suit (i.e. Suit 24) on 17 November 2021.

The Court during the case management on 17 November 2021 directed the parties to file and serve 'Tabulated Summary of the parties' positions and arguments on the issues and sub-issues' and submit list of witness and Witness Statement by 4 January 2022. The Court then fixed the next case management on 6 January 2022 to fix the trial date.

During the case management on 17 November 2021, SESB informed the Court that SESB will file an appeal against the High Court's decision in striking out the SESB's Third Party Claim against Dato' Mohamad Hussin bin Semail and Muhammad Faizal bin M. Hairi and will file a leave application to add the office bearer (i.e the Chairman) of Persatuan Penduduk Bukit Damar Dengkil as Third Party to the Suit 24.

SESB then filed Notice of Appeal in Court of Appeal on 18 November 2021. The case management for the Appeal was fixed on 7 January 2022.

On 30 November 2021, SESB filed in Shah Alam High Court the Notice of Application to seek leave to add the office-bearer of Persatuan Penduduk Bukit Damar Dengkil as Third Party and the Affidavit in Support ("**Leave Application**"). The Court fixed the case management before the Judge on 17 December 2021.

During the case management on 17 December 2021, the Court fixed the hearing for the Leave Application on 6 January 2022 before the Judge. The Court had on 6 January 2022 disallowed the Leave Application and fixed the Trial dates on 21 July 2022, 22 July 2022 and 25 July 2022, during the case management.

SESB had on 9 February 2022 requested to withdraw the appeal against the High Court's decision in striking out the SESB's Third Party Claim against Dato' Mohamad Hussin bin Semail and Muhammad Faizal bin M. Hairi and the Court has vacated the hearing on 10 March 2022 as the Parties had reached a consensus for withdrawal with costs of RM500 to be paid by SESB. SESB had on 8 March 2022 filed the Writ of Summons and Statement of Claim against Dato' Mohamed Dahan Bin Abdul Latif, being sued in the capacity of the Chairman/ Office-bearer of Persatuan Penduduk Bukit Damar Dengkil for breach of contract and against Mohamad Hussin bin Semail and Muhammad Faizal bin M.Hairi in personal capacity under the tort of deceit and misrepresentation under the Suit No. BA-22NCVC-99-03/2022 ("**Suit 99**").

The defendants in the Suit 99 (namely, Dato' Mohamed Dahan Bin Abdul Latif, being sued in the capacity of the Chairman/ Office-bearer for Persatuan Penduduk Bukit Damar Dengkil, Mohamad Hussin bin Semail and Muhammad Faizal bin M.Hairi) filed a striking out application on 25 April 2022 and the High Court reserved its decision until 9 August 2022 after the hearing and which was subsequently rescheduled to 17 August 2022.

On 15 July 2022, the High Court allowed the consolidation application by SESB with cost in the case and Suit 24 was transferred and consolidated with Suit 99.

On 17 August 2022, the High Court in Suit 99 directed SESB to amend the Writ and also Statement of Claim against the 1st Defendant as Dato' Mohamad Dahan Bin Abdul Latif was no longer the chairman of the Persatuan Penduduk Bukit Damar Dengkil so that it will not affect the execution of judgment (if any) in future in the event that SESB have succeeded in the case. However, the High Court subsequently suggested for SESB to withdraw its suit (i.e. Suit 99) since the Plaintiffs' claim (i.e. Suit 24) has been moved to the same court and that the Plaintiffs' claim (i.e. Suit 24) should be the main suit and not the Suit 99. Therefore, the High Court has suggested SESB to file a 3rd party notice in the Plaintiffs' claim (i.e. Suit 24) to sue the current chairman of the Persatuan Penduduk Bukit Damar Dengkil (i.e. Muhammad Faizal bin M.Hairi) and the other 2 individuals (i.e. Mohamad Hussin bin Semail and Muhammad Faizal bin M.Hairi, in their own capacity).

Therefore, in compliance with the court's directions, the Suit 99 has been withdrawn with no order as to costs and with liberty to file afresh. Further, SESB has also filed an application for leave to add the Persatuan Penduduk Bukit Damar Dengkil and the other 2 individuals as third party to Suit 24 on 6 September 2022.

The court has on 15 September 2022 allowed SESB's application for leave to add the 3rd parties (Enclosure 109). The 3rd Party Notice has also been filed and served to the relevant parties on 29 September 2022. The 3rd parties have entered appearance on 11 October 2022.

During the case management on 18 October 2022, the court has given the directives for the parties to finalise the pleadings for Third party Proceedings. The next Case Management is fixed on 7 December 2022 for the parties to finalise the pleadings for Third Parties' Proceedings.

The Statement of Claim against the Third Parties' Proceedings has been filed on 31 October 2022. The Defence has been filed by the Third Parties on 11 November 2022 and the Third parties have also filed a striking out application on 11 November 2022. SESB has filed the Reply to the Defence and Affidavit in reply to oppose to the striking out application on 29 November 2022.

During the Case Management on 7 December 2022, the court has directed the parties to file the necessary cause papers for the Third Party proceedings and the pre-trial documents for the main proceedings before 8 February 2023, and has fixed a Case Management for this matter on 8 February 2023. During the Case Management on 8 February 2023, the court has adjourned the Hearing to 5 April 2023.

SESB's Solicitors is of the opinion that SESB has a good chance to defend the Plaintiffs' claim and/or in succeeding the third party proceedings based on the evidence and facts.

**ii. KUALA LUMPUR HIGH COURT WINDING UP PETITION NO. WA-28NCC-176-03/2022
SESB vs. Maju Holdings Sdn Bhd ("MHSB")**

Winding Up Petition was presented to the Court on 2 March 2022 and served to MHSB on 4 March 2022 under the ground that MHSB is insolvent under the law and has defaulted its payment of RM17,200,000 to SESB pursuant to the settlement agreement dated 3 August 2021 entered into between MHSB and SESB ("**Maju Settlement Agreement**"). Under the Maju Settlement Sum, MHSB shall pay SESB a sum of RM48,800,000 million within 6 months from the date of the Maju Settlement Agreement.

This matter was set for Hearing on 25 November 2022. During the Hearing on 25 November 2022, the court has adjourned the Hearing to 13 January 2023.

During the Hearing on 13 January 2023, the court has struck out the Winding Up Petition under the ground that the parties have reached a settlement and MHSB had paid the outstanding Maju Settlement Sum to SESB on 31 January 2023.

**iii. COURT OF APPEAL CIVIL APPEAL NO. W-02(NCC)(A)-1080-06/2022
MHSB vs. SESB**

MHSB filed a Fortuna Injunction application in the High Court on 4 March 2022 to prevent SESB from proceeding with the winding up petition dated 2 March 2022 vide Winding Up Petition No. WA-28NCC-176-03/2022. On 19 May 2022, the High Court dismissed MHSB's Fortuna Injunction application with costs of RM5,000.

MHSB had on 14 June 2022 filed a Notice of Appeal against the High Court's decision in dismissing their application for fortuna injunction to restrain SESB from winding up MHSB with costs of RM5,000. A case management was fixed on 27 October 2022. MHSB has informed the court during the Case Management on 27 October 2022 of their intention to withdraw the appeal.

This matter is set for Case Management on 28 November 2022 for the parties to resolve the issue on costs of withdrawal and to file the Notice of Discontinuance.

During the Case Management on 28 November 2022, the court has taken noted that the parties could not reach a consensus on the costs of withdrawal, therefore, has fixed the Hearing on 19 January 2023 for the Judges' determination.

On 1 December 2022, the parties have reached a consensus as to the costs of withdrawal and hence, this matter has been withdrawn on 8 December 2022 and the Hearing on 19 January 2023 has been vacated.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur, Selangor during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the date of the forthcoming EGM of the Company:-

APPENDIX I – FURTHER INFORMATION (CONT'D)

- i. the Constitution of the Company;
- ii. audited consolidated financial statements of the Group for the past 2 financial years up to the FYE 31 December 2021 and the unaudited consolidated financial statements of the Group for the 9-month FPE 30 September 2022;
- iii. the letters of consent and declaration of conflict of interests referred to in **Sections 2** and **3** above, respectively; and
- iv. the relevant cause papers in respect of **Section 6** above.

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ADVANCECON HOLDINGS BERHAD

(Registration No. 199701011469 (426965-M))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("**EGM**") of Advancecon Holdings Berhad ("**Advancecon**" or the "**Company**") will be conducted on a fully virtual basis through live streaming and online meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia via Remote Participation and Electronic Voting ("**RPV**") facilities at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC – D1A282781) on Tuesday, 28 February 2023 at 10:00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the following resolution:-

ORDINARY RESOLUTION

PROPOSED PRIVATE PLACEMENT OF UP TO 96,674,940 NEW ORDINARY SHARES IN ADVANCECON, REPRESENTING APPROXIMATELY 20% OF THE EXISTING TOTAL NUMBER OF ISSUED SHARES OF ADVANCECON (EXCLUDING TREASURY SHARES) ("PROPOSED PRIVATE PLACEMENT")

"**THAT** subject to the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board of Directors of Advancecon ("**Board**") to allot and issue up to 96,674,940 new ordinary shares in Advancecon ("**Advancecon Share(s)**") ("**Placement Share(s)**"), representing approximately 20% of the existing total number of issued shares of Advancecon (excluding treasury shares) by way of private placement to independent third party investor(s) to be identified later upon such terms and conditions as disclosed in the circular to the shareholders of the Company dated 10 February 2023 ("**Circular**");

THAT approval be and is hereby given to the Board to determine the issue price for each tranche of the Placement Shares at a later date based on not more than 10% discount to the 5-day volume weighted average market price of the Advancecon Shares immediately preceding the price-fixing date;

THAT the Placement Shares will, upon allotment and issuance, rank equally in all respects with the existing Advancecon Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the Placement Shares;

THAT the proceeds of the Proposed Private Placement be utilised for the purpose as set out in the Circular, and the Board be and is hereby authorised with full power to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Board deems fit, necessary and/ or expedient or in the best interest of the Company, subject (where required) to the approval of the relevant authorities. Pursuant to Paragraph 9.19 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") ("**Bursa Securities**"), the Company will make an immediate announcement to Bursa Securities should there be any deviation by 5% or more from the original utilisation of proceeds as set out in the Circular. Further, pursuant to Paragraph 8.22 of the Listing Requirements, in the event that the deviation from the original utilisation of proceeds is deemed as a material variation, the Company will seek its shareholders' approval for the variation at an extraordinary general meeting to be convened;

THAT pursuant to Section 85 of the Companies Act 2016 and read together with Clause 15 of the Constitution of Advancecon, approval be given to waive the pre-emptive rights of the shareholders of Advancecon to be offered new Advancecon Shares ranking equally to the existing issued Advancecon Shares arising from any issuance of new Advancecon Shares pursuant to the Proposed Private Placement. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect;

AND THAT the Board be and is hereby empowered and authorised to sign, execute, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary, and to do all acts, deeds and things as may be required to give effect to and to complete the Proposed Private Placement with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to and to complete the Proposed Private Placement."

By order of the Board

TAN TONG LANG (MAICSA 7045482 / SSM PC No. 202208000250)

THIEN LEE MEE (LS0010621 / SSM PC No. 201908002254)

Company Secretaries

Kuala Lumpur

10 February 2023

Notes:-

1. *In respect of deposited securities, only member whose names appear in the Company's Record of Depositors as at 21 February 2023 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/ her behalf.*
2. *A member shall not be entitled to appoint more than (2) proxies. Where a member appoints more than one (1) proxy, he/she shall specify the proportions of his/ her shareholdings to be represented by each proxy, failing which the appointment shall be invalid.*
3. *A proxy may but need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the shareholder to speak at the meeting.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**Central Depositories Act**") , it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/ her attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
7. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof at which the person named in the appointment proposes to vote:*
 - (a) *In hard copy form*
In the case of an appointment made in hard copy form, the original Proxy Form must be deposited at the Poll Administrator office, Tricor Investor & Issuing House Services Sdn Bhd (Tricor) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (b) *By electronic means*
The Proxy Form can be electronically lodged via Tricor's TIH Online website at <https://tiih.online>. Please follow the procedure for the electronic lodgement of proxy form as set out in the Administrative Guide for the EGM.
8. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.*

Explanatory Note to Ordinary Resolution:

Section 85(1) of the Companies Act 2016 provides that:

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 15 of the Constitution of the Company states that:

"Subject to any direction to the contrary that may be given in general meeting, all new shares or other convertible securities shall, before issue, be offered to members who at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiry of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution in such manner as they think most beneficial to the Company."

By voting in favour of the proposed Ordinary Resolution, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 15 of the Constitution of the Company to be first offered the Advancecon Shares, which will result in a dilution of their shareholding percentage in the Company.

Personal data privacy:-

By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, participate, speak and vote at this meeting, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for this meeting and the preparation and compilation of the attendance lists, minutes and other documents relating to this meeting, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



Registration No. 199701011469 (426965-M)
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING ("EGM")

- Day, Date and Time** : Tuesday, 28 February 2023 at 10:00 a.m.
- Venue** : Online Meeting Platform provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia
- Meeting Platform** : TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC – D1A282781)

MODE OF MEETING

The EGM of the Company will be conducted fully virtual through live streaming and online voting via Remote Participation and Voting ("**RPV**") facilities via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC – MYNIC – D1A282781). An online meeting platform used to conduct the meeting can be recognized as the meeting venue as required under Section 327(2) of the Companies Act 2016, provided that the online platform located in Malaysia.

You may consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the EGM.

REMOTE PARTICIPATION AND VOTING ("RPV") FACILITIES

The RPV facilities are available on Tricor's **TIIH Online** website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC – D1A282781).

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the EGM using RPV facilities from Tricor.

A shareholder who has appointed a proxy(ies) or attorney(s) or authorized representative(s) to attend, participate, speak and vote at this EGM via RPV must request his/ her proxy(ies) or attorney(s) or authorized representative(s) to register himself/ herself for RPV at TIIH Online website at <https://tiih.online>.

Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the EGM using the RPV facilities:

Before the EGM Day

	Procedure	Action
i	Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services", select the "Sign Up" button and followed by "Create Account by Individual Holder". Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
ii	Submit your registration for RPV	<ul style="list-style-type: none"> Registration is open from Tuesday, 21 February 2023 until the day of EGM on Tuesday, 28 February 2023. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the EGM to ascertain their eligibility to participate in the EGM using the RPV. Login with your user ID (i.e. email address) and password and select the corporate event: "(REGISTRATION) ADVANCECON HOLDINGS BERHAD EGM 2023". Read and agree to the Terms & Conditions and confirm the Declaration. Select "Register for Remote Participation and Voting" Review your registration and proceed to register System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the General Meeting Record of Depositors as at 21 February 2023, the system will send you an e-mail after 26 February 2023 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).</i></p>
On the EGM Day		
(c)	Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the EGM at any time from 9:00 a.m. i.e. 1 hour before the commencement of the EGM on Tuesday, 28 February 2023 at 10:00 a.m.
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: "(LIVE STREAM MEETING) ADVANCECON HOLDINGS BERHAD EGM 2023" to engage in the proceedings of the EGM remotely. If you have any question for the Chairman/ Board, you may use the query box to transmit your question. The Chairman/ Board will endeavor to respond to questions submitted by remote participants during the EGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e)	Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 10:00 a.m. on Tuesday, 28 February 2023 until a time when the Chairman announces the end of the session. Select the corporate event: "(REMOTE VOTING) ADVANCECON HOLDINGS BERHAD EGM 2023" or if you are on the live stream meeting page, you can select "GO TO REMOTE VOTING PAGE" button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolution that is tabled for voting. Confirm and submit your votes.
(f)	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the EGM, the Live Streaming will end.

Note to users of the RPV facilities:

1. Should your registration for the RPV facilities be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at 21 February 2023 shall be eligible to participate, speak and vote at the EGM or appoint a proxy(ies) and/ or the Chairman of the Meeting to attend and vote on his/ her behalf.
- In view that the EGM will be conducted on a fully virtual basis, a member can appoint the Chairman of the Meeting as his/ her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the EGM yourself, please do not submit any Proxy Form for the EGM. You will not be allowed to participate in the EGM together with a proxy appointed by you.
- Accordingly, proxy forms and/ or documents relating to the appointment of proxy/ corporate representative/attorney for the EGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Sunday, 26 February 2023 at 10:00 a.m.**
 - (i) In Hard copy:

By hand or post to the office of the Poll Administrator, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (ii) By Electronic form:

All shareholders can have the option to submit Proxy Form electronically via TIIH Online and the steps to submit are summarised below:

PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM

Procedure	Action
i. <u>Steps for Individual Shareholders</u>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: "ADVANCECON HOLDINGS BERHAD 2023 EGM – SUBMISSION OF PROXY FORM". Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy/ proxies to vote on your behalf. Appoint your proxy/proxies and insert the required details of your proxy/ proxies or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy/ proxies' appointment. Print the form of proxy for your record.
ii. <u>Steps for corporation or institutional shareholders</u>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects the "Sign Up" button and followed by "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>(Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/ she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor Investor & Issuing House Services Sdn Bhd if you need clarifications on the user registration.)</i></p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online Select the corporate event: "ADVANCECON HOLDINGS BERHAD 2023 EGM – SUBMISSION OF PROXY FORM". Agree to the Terms & Conditions and Declaration. Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxy/ proxies by inserting the required data. Login to TIIH Online, select corporate event: "ADVANCECON HOLDINGS BERHAD 2023 EGM – SUBMISSION OF PROXY FORM". Proceed to upload the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

POLL VOTING

The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to conduct the poll voting electronically.

Shareholders or proxy/ proxies or corporate representative(s) or attorney(s) can proceed to vote on the resolution at any time from **10:00 a.m.** on **Tuesday, 28 February 2023** but before the end of the voting session which will be announced by the Chairman of the meeting. Please refer to the Procedures for Remote Participation and Voting via RPV Facilities provided above for guidance on how to vote remotely via TIIH Online.

Upon completion of the voting session for the EGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolution is duly passed.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the EGM via Tricor's TIIH Online website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than **Sunday, 26 February 2023** at **10:00 a.m.** The Board will endeavor to answer the questions received at the EGM.

NO DOOR GIFT/ FOOD VOUCHER

There will be no distribution of door gift or food voucher for the EGM.

We thank you for your continuous support to the Company.

ENQUIRY

If you have any enquiry prior to the meeting, you may contact the following persons during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd <i>Registration No. 197101000970 (11324-H)</i> Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia		Telephone Number
	General Line	603-2783 9299
	Ms Nur Qaisara Naaila	603-2783 9272 Nur.Qaisara.Naaila@my.tricorglobal.com
	Pn Nor Faeayzah	603-2783 9274 Nor.Faeayzah@my.tricorglobal.com
	Fax Number	603-2783 9222
	Email	is.enquiry@my.tricorglobal.com

ADVANCECON

ADVANCECON HOLDINGS BERHAD

(Registration No. 199701011469 (426965-M))
(Incorporated in Malaysia)

PROXY FORM

No. of Shares held	CDS Account No.

*I/ We *NRIC No./ Passport No./ Company No.
of.....
and telephone no./ email address.....being a *member/members of
Advancecon Holdings Berhad (the "**Company**"), hereby appoint

Proxy 1 Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding
Email Address/ Contact No.			

and (if more than 1 proxy)

Proxy 2 Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding
Email Address/ Contact No.			

or failing *him/ her, the CHAIRMAN OF THE MEETING as *my/ our *proxy/ proxies, to vote for *me/ us and on *my/ our behalf at the Extraordinary General Meeting ("**EGM**") of the Company which is to be conducted on a fully virtual basis through live streaming and online Remote Participation and Voting ("**RPV**") facilities via TIH Online website at <https://tiah.online> or <https://tiah.com.my> (Domain registration number with MYNIC – D1A282781) on Tuesday, 28 February 2023 at 10:00 a.m., or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/ her discretion.

ORDINARY RESOLUTION	FOR	AGAINST
Proposed Private Placement		

**Strike out whichever not applicable*

Dated this _____ day of _____ 2023

.....
Signature of Member/ Common Seal

**Strike out whichever is not desired.*

.....
Signature of Shareholder(s)

Notes:-

1. *In respect of deposited securities, only member whose names appear in the Company's Record of Depositors as at 21 February 2023 shall be eligible to participate this meeting or appoint proxy(ies) to participate on his/ her behalf.*
2. *A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints more than one (1) proxy, he/ she shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.*
3. *A proxy may but need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the shareholder to speak at the meeting.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
7. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof at which the person named in the appointment proposes to vote:*
 - (a) *In hard copy form*
In the case of an appointment made in hard copy form, the original Proxy Form must be deposited at the Poll Administrator office, Tricor Investor & Issuing House Services Sdn Bhd (Tricor) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (b) *By electronic means*
The Proxy Form can be electronically lodged via Tricor's TIH Online website at <https://tiah.online>. Please follow the procedure for the electronic lodgement of proxy form as set out in the Administrative Guide for EGM.
8. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.*

Personal Data Privacy:-

By submitting an instrument appointing a proxy(ies) and/ or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 10 February 2023.

Please Fold here



The Poll Administrator for the Meeting of
ADVANCECON HOLDINGS BERHAD
(Registration No. 199701011469 (426965-M))
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

Please Fold here