

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

ADVANCECON HOLDINGS BERHAD

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

Reference is made to the utilisation of proceeds raised from the **IPO** as disclosed in the Company's prospectus dated 19 June 2017 that was issued in conjunction with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad on 10 July 2017 and the announcements dated 29 August 2018, 26 August 2020 and 6 January 2022 in relation to variations and extension of timeframe ("**EOT**") for the utilisation of proceeds raised from the IPO.

1. INTRODUCTION

After due deliberation, the Board of Directors (the "**Board**") of Advancecon wishes to announce that the Board has decided to further extend the timeframe for the utilisation of proceeds ("**IPO Proceeds**") raised from the IPO.

2. DETAILS OF THE VARIATION AND EOT FOR THE UTILISATION OF PROCEEDS

As at the date of this announcement, the Company and its subsidiaries ("**Group**") have utilised approximately RM43.90 million from the IPO Proceeds and a balance amount of RM12.81 million has yet to be utilised from the IPO Proceeds ("**Unutilised IPO Proceeds**"). After due deliberation, the Board has resolved to further extend the timeframe for the Unutilised IPO Proceeds allocated for capital expenditure of approximately RM12.81 million as set out below:

Details of utilisation	Allocation of IPO Proceeds upon listing(1)	Allocation of IPO Proceeds upon first variation	Actual utilisation of IPO Proceeds	Unutilised IPO Proceeds	Estimated timeframe for utilisation upon second and third variations	Revised timeframe for utilisation
	RM'000	RM'000	RM'000	RM'000		
Total Capital expenditures:	29,700	29,190	(16,385)	12,805	Within 78 months	Within 90 months

(a) Purchase of new construction machinery and equipment	15,100	15,100	(15,100)	-	Within 24 months	No change
(b) Construction of new workshop	14,600	14,090 ⁽²⁾	(1,285)	12,805	Within 78 months ⁽³⁾	Within 90 months
Repayment of bank borrowings	12,500	12,455 ⁽²⁾	(12,455)	-	Within 6 months	No change
Working capital	10,700	11,255 ⁽²⁾	(11,255)	-	Within 24 months	No change
Estimated listing expenses	3,800	3,800	(3,800)	-	Upon Listing	No change
Total	56,700	56,700	(43,895)	12,805		

Notes:

(1) Based on the allocation of IPO Proceeds as stated in the IPO Prospectus dated 19 June 2017.

(2) On 29 August 2018, the Board announced to re-allocate RM0.51 million and RM0.05 million from the utilisation of construction of new workshop and repayment of bank borrowings, respectively, to the day-to-day working capital expenses for payment to suppliers.

(3) On 26 August 2020, the Board announced to extend the estimated of timeframe for construction of new workshop from within 36 months to within 54 months from date of IPO, up till 10 January 2022 and subsequently on 6 January 2022, the Board announced to further extend the estimated of timeframe for construction of new workshop from within 54 months to within 78 months from date of IPO, up till 10 January 2024.

3. RATIONALE

The Board has decided to extend the timeframe of utilisation of the Unutilised IPO Proceeds for its capital expenditure to cater for additional time to relook and deliberate on the allocation of the IPO Proceeds for purchase of new construction machinery and equipment and the construction of the new workshop, after considering the current size of the Company's fleet and machinery.

4. INTEREST OF DIRECTORS' AND MAJOR SHAREHOLDERS' OF ADVANCECON AND ANY PERSONS CONNECTED TO THEM

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

5. STATEMENT BY THE BOARD

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

6. APPROVALS REQUIRED

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

This announcement is dated 18 December 2023.

Announcement Info	
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