

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2024

ADVANCECON HOLDINGS BERHAD

Financial Year End 31 Dec 2024

Quarter 2 Qtr

Quarterly report for the financial period ended 30 Jun 2024

The figures have not been audited

Attachments

[Advancecon - Financial Results Q2 2024.pdf](#)
573.8 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2024

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	92,922	118,427	186,891	230,452
2	Profit/(loss) before tax	-6,735	1,546	-19,259	363
3	Profit/(loss) for the period	-6,745	173	-19,415	2,628
4	Profit/(loss) attributable to ordinary equity holders of the parent	-4,619	544	-19,142	691
5	Basic earnings/(loss) per share (Subunit)	-0.80	0.10	-3.33	0.13
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	0.2700		0.3100	

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info	
Company Name	ADVANCECON HOLDINGS BERHAD
Stock Name	ADVCON
Date Announced	28 Aug 2024
Category	Financial Results
Reference Number	FRA-27082024-00087



ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR SECOND QUARTER ENDED 30 JUNE 2024

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Period	Preceding Year Corresponding Period
	Note	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Revenue	A9	92,921,717	118,426,685	186,891,392	230,451,515
Cost of Sales		(90,279,781)	(108,827,658)	(194,260,635)	(214,572,175)
Gross Profit / (Loss)		2,641,936	9,599,027	(7,369,243)	15,879,340
Other Income		763,944	3,626,560	8,431,400	10,651,657
		3,405,880	13,225,587	1,062,157	26,530,997
Selling And Distribution Expenses		(18,356)	(750,179)	(205,794)	(1,206,653)
Administrative Expenses		(5,688,565)	(6,101,084)	(11,786,889)	(11,768,478)
Other Expenses		(1,828,368)	(1,799,071)	(3,723,377)	(6,939,737)
Finance Costs		(2,735,595)	(3,102,528)	(5,354,465)	(6,407,801)
Share of Result Of An Equity Accounted Associate		130,244	30,842	749,240	47,591
Share of Result Of An Equity Accounted Joint Ventures		-	42,215	-	107,104
(Loss) / Profit Before Taxation	B12	(6,734,760)	1,545,782	(19,259,128)	363,023
Income Tax Expense	B5	(418,042)	(1,716,683)	(1,579,138)	(2,925,357)
Deferred Tax	B5	407,926	343,544	1,423,108	(65,684)
(Loss)/ Profit After Taxation / Total Comprehensive (Expenses) / Income for the Financial Period		(6,744,876)	172,643	(19,415,158)	(2,628,018)
Total Comprehensive (Expenses) / Income attributable to:					
- Owners of the Company		(4,619,174)	543,848	(19,141,784)	691,498
- Non-controlling interests		(2,125,702)	(371,205)	(273,374)	(3,319,516)
(Loss)/ Earnings per share (sen)					
- Basic	B11	(0.80)	0.10	(3.33)	0.13
- Diluted	B11	(0.80)	0.10	(3.33)	0.13

(The Unaudited Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes as attached to the interim financial statements.)

ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	(Unaudited) As at Current Quarter 30.6.2024 RM	(Audited) As at Financial Year Ended 31.12.2023 RM
ASSETS		
Non-current assets		
Investment in an associate	2,432,406	1,683,166
Investment in joint venture	363,340	594,791
Property, plant and equipment	239,887,816	238,109,738
Investment properties	34,065,301	34,345,680
Intangible assets	1,150,000	1,200,000
Finance lease receivables	170,965	345,077
Trade receivables	222,328	305,194
Other receivables	5,864,805	7,639,340
Inventories	-	80,657
	284,156,961	284,303,643
Current assets		
Inventories	6,051,969	11,068,242
Contract assets	87,668,113	100,204,271
Finance lease receivables	386,401	411,852
Trade receivables	58,193,462	55,385,503
Other receivables, deposits and prepayments	31,648,771	32,331,296
Amount owing by related parties	1,135,585	378,992
Amount owing by an associated company	2,978,031	3,598,218
Amount owing by joint venture	-	2,075,685
Short-term investments	248,719	244,015
Current tax assets	5,955,177	6,444,505
Deposits with licensed banks	36,788,338	55,251,425
Cash and bank balances	25,252,726	27,037,763
	256,307,292	294,431,767
NON- CURRENT ASSET HELD FOR SALE	-	1,652,191
TOTAL ASSETS	540,464,253	580,387,601

ADVANCECON HOLDINGS BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024
(CONT'D)**

	(Unaudited) As at Current Quarter 30.6.2024 RM	(Audited) As at Financial Year Ended 31.12.2023 RM
EQUITY AND LIABILITIES		
Equity		
Share capital	133,729,611	133,729,611
Treasury shares	(3,249,343)	(3,249,343)
Retained profits	29,523,990	48,665,774
	<u>160,004,258</u>	<u>179,146,042</u>
Non-controlling interests	(3,263,650)	(2,990,276)
TOTAL EQUITY	<u>156,740,608</u>	<u>176,155,766</u>
Non-current liabilities		
Deferred tax liabilities	3,581,195	5,004,303
Long-term borrowings	116,149,381	105,221,224
Lease liabilities	1,605,086	2,262,017
	<u>121,335,662</u>	<u>112,487,544</u>
Current liabilities		
Contract liabilities	14,328,735	19,493,564
Trade payables	78,746,740	99,559,705
Other payables and accruals	24,211,616	28,237,812
Amount due to an associated company	1,085,409	4,867,431
Amount due to related party	26,611,452	25,406,791
Amount due to joint venture	-	1,421,720
Current tax liabilities	340,777	391,619
Short-term borrowings	101,945,940	99,121,586
Lease liabilities	1,404,905	1,450,854
Bank overdrafts	13,712,409	11,793,209
	<u>262,387,983</u>	<u>291,744,291</u>
TOTAL LIABILITIES	<u>383,723,645</u>	<u>404,231,835</u>
TOTAL EQUITY AND LIABILITIES	<u>540,464,253</u>	<u>580,387,601</u>
Net asset per share attributable to owner of the Company (RM)	<u>0.27</u>	<u>0.31</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes as attached to the interim financial statement.)

ADVANCECON HOLDINGS BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR SECOND QUARTER ENDED 30 JUNE 2024**

	Share Capital	Treasury Shares	Distributable Retained Profits	Attributable to Owners of the Company	Non-controlling Interest	Total Equity
	RM	RM	RM	RM	RM	RM
The Group						
(Audited)						
Balance at 1.1.2023	114,139,592	(3,249,343)	81,326,531	192,216,780	15,020,286	207,237,066
Loss after taxation / Total comprehensive expenses for the financial year	-	-	(34,292,692)	(34,292,692)	(11,582,422)	(45,875,114)
Transactions with owners:						
- Issuance of shares pursuant to private Placement	19,774,819	-	-	19,774,819	-	19,774,819
Share issuance expenses	(184,800)	-	-	(184,800)	-	(184,800)
Changes in non-controlling interests	-	-	1,631,935	1,631,935	(6,428,140)	(4,796,205)
Balance at 31.12.2023	133,729,611	(3,249,343)	48,665,774	179,146,042	(2,990,276)	176,155,766
(Unaudited)						
Balance at 1.1.2024	133,729,611	(3,249,343)	48,665,774	179,146,042	(2,990,276)	176,155,766
Loss after taxation / Total comprehensive expenses for the financial period	-	-	(19,141,784)	(19,141,784)	(273,374)	(19,415,158)
Balance at 30.6.2024	133,729,611	(3,249,343)	29,523,990	160,004,258	(3,263,650)	156,740,608

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes as attached to the interim financial statements.)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR SECOND QUARTER ENDED 30 JUNE 2024**

	Cumulative Current Period Ended 30.6.2024 RM	Cumulative Comparative Period Ended 30.6.2023 RM
CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES		
(Loss)/ Profit before taxation	(19,259,128)	363,023
Adjustments for:		
Depreciation:		
- property, plant and equipment	18,532,053	21,588,459
- investment properties	280,379	293,168
Amortisation of intangible assets	50,000	50,000
Reversal of impairment losses on property, plant and equipment	-	(442,430)
Reversal of impairment losses on trade receivables	-	(72,008)
Bad debt written off	-	80,035
Interest expense on lease liabilities	101,960	78,797
Interest expense	5,252,505	6,329,004
Share of net profit of an equity accounted associate	(749,240)	(47,591)
Share of net profit of an equity accounted joint venture	-	(107,104)
Property, plant and equipment written off	261	-
Gain on disposal of property, plant and equipment	(5,507,129)	(5,967,401)
Dividend income from short-term investments	(4,704)	(4,955)
Interest income	(377,096)	(806,860)
Operating (loss) / profit before working capital changes	(1,680,139)	21,334,137
Decrease / (Increase) in contract assets	12,536,158	(17,662,245)
(Decrease) / Increase in contract liabilities	(5,164,829)	1,183,086
Decrease in inventories	5,096,930	4,763,854
Decrease / (Increase) in trade and other receivables	1,557,989	(4,363,878)
(Decrease) / Increase in trade and other payables	(15,882,687)	6,381,368
(Increase) / Decrease in amount owing by an associate company	(3,702,292)	6,952,574
Decrease in amount owing to joint venture	(1,421,720)	(889,719)
Increase in amount owing by related parties	(756,593)	-
Cash (for)/ from operations	(9,417,183)	17,699,177

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)**

	Cumulative Current Period Ended 30.6.2024 RM	Cumulative Comparative Period Ended 30.6.2023 RM
Interest paid	(5,354,465)	(6,407,801)
Income tax refund	399,220	-
Income tax paid	(1,539,872)	(2,093,623)
NET CASH (FOR) / FROM OPERATING ACTIVITIES	(15,912,300)	9,197,753
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	377,096	806,860
Additional purchase of shares in a subsidiary	-	(6,428,139)
Dividend income from short-term investments	4,704	4,955
Decrease / (Increase) in deposits pledged with licensed bank	18,463,087	(264,082)
Purchase of property, plant and equipment	(9,944,517)	(3,992,702)
Proceeds from disposal of property, plant and equipment	4,250,978	4,182,211
Repayment from finance lease receivables	199,563	174,112
Proceeds from disposal of non-current asset held for sale	6,000,000	37,681,822
Distribution of cash from joint venture	231,451	-
Repayment from / (Advances to) an associate	535,822	(1,131,022)
Repayment from joint venture	2,075,685	38,765
NET CASH FROM INVESTING ACTIVITIES	22,193,869	31,072,780
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	19,774,818
Share issue expenses	-	(184,800)
Repayment from an associate	4,635	149,481
Net repayment of term loans	(9,383,581)	(14,834,377)
Net repayment of bankers' acceptances	(5,544,363)	(5,226,646)
Net (repayment) / drawdown of invoice financing	(3,714,606)	7,002,906
Net drawdown / (repayment) of revolving credit	13,000,000	(4,500,000)
Net drawdown / (repayment) of bank factoring	2,535,411	(29,146,823)
Repayment of lease liabilities	(702,880)	(430,594)
Repayment of hire purchase	(7,380,379)	(11,378,092)
Repayment from / (advances to) related parties	1,204,661	(2,242,055)
NET CASH FOR FINANCING ACTIVITIES	(9,981,102)	(41,016,182)
NET DECREASE IN CASH AND CASH EQUIVALENT	(3,699,533)	(745,649)
Cash and cash equivalents at beginning of the financial period	15,488,569	12,799,048
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD	11,789,036	12,053,399

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)**

	Cumulative Current Period Ended 30.6.2024 RM	Cumulative Comparative Period Ended 30.6.2023 RM
Cash and cash equivalent comprised of:		
Deposits with licensed banks	36,788,338	64,596,211
Short-term investments	248,719	239,277
Cash and bank balances	25,252,726	18,028,228
Bank overdrafts	(13,712,409)	(6,214,106)
	48,577,374	76,649,610
Less: Deposits pledged to licensed banks	(36,788,338)	(64,596,211)
	11,789,036	12,053,399

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes as attached to the interim financial statement.)

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A1. Basis of Preparation

The interim financial report of the Advancecon Holdings Berhad ("Advancecon" or "Company") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting, International Accounting Standard ("IAS") 34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Listing Requirements").

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2023, except for the adoption of the following Amendments to MFRS beginning 1 January 2024:

- Amendments to MFRS 16 "Lease Liability in a Sales Leaseback".
- Amendments to MFRS 101 "Classification of Liabilities as Current or Non-current".
- Amendments to MFRS 101 "Non-current Liabilities with Covenants".
- Amendments to MFRS 107 and MFRS 7 "Supplier Finance Arrangements".

The adoption of the above accounting standard(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

A2. Changes In Accounting Policies

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Year
• Amendments to MFRS 121 "Lack of Exchangeability".	2025
• Amendments to MFRS 10 and MFRS 128 "Sale or Contribution of Assets between an Investor	Deferred

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2023.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)**A4. Seasonal or Cyclical Factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors for the current quarter under review.

A5. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

Other than those disclosed in the financial statements, there were no material unusual items affecting the amounts reported for the current quarter.

A6. Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current quarter.

A7. Debt and Equity Securities

There was no issuance, repurchase and repayment of debts and equity securities by the Group and the Company during the current quarter.

A8. Dividends Paid

As at the date of this report, there was no payment of dividend during the financial year ending 31 December 2024.

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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)

A9. Segmental Reporting

The Group's operating and reportable segments comprised of:

- (a) Construction and Support Services – involved in earthworks and civil engineering services;
- (b) Property Investment – involved in sales of investment properties for capital gain and rental of investment properties;
- (c) Green Energy - involved in the development and/or operation of power generation from renewable energy, solar and other renewable energy projects;
- (d) Development - involved in the development of industrial park, workers' dormitory/ accommodation; and
- (e) Quarry Operation – involved in quarry operation and sale of related products.

	Construction and Support Services	Property Investment	Green Energy	Development	Quarry Operation	Consolidation Adjustment	Total
The Group	RM	RM	RM	RM	RM	RM	RM
Revenue							
External revenue	97,754,709	239,549	159,555	406,326	88,331,253	-	186,891,392
Inter-segment revenue	18,849,809	-	-	-	5,675,047	(24,524,856)	-
Consolidated revenue	116,604,518	239,549	159,555	406,326	94,006,300		186,891,392

Represented by:

Revenue recognised at a point in time

Construction and support services:

- sale of goods	16,302,282	-	-	-	-	(3,201,508)	13,100,774
- hiring of machinery	15,320,765	-	-	-	-	(12,622,072)	2,698,693
- day work revenue	2,679,271	-	-	-	-	-	2,679,271
Rental of centralised labour quarters	8,590	-	-	-	-	-	8,590

Quarry operations:

- sale of quarry products	-	-	-	-	43,804,491	(5,619,642)	38,184,849
- hiring of machinery	-	-	-	-	503,601	-	503,601
- transport income	-	-	-	-	1,931,054	-	1,931,054

Solar energy:

- operating revenue	-	-	159,555	-	-	-	159,555
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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)
A9. Segmental Reporting (Cont'd)

	Construction and Support Services RM	Property Investment RM	Green Energy RM	Development RM	Quarry Operation RM	Consolidation Adjustment RM	Total RM
The Group (Cont'd)							
Represented by: (Cont'd)							
<u>Revenue recognised over time</u>							
Construction and support services							
- contract revenue	79,551,610	-	-	-	-	(344,229)	79,207,381
Rental income from investment properties	-	239,549	-	-	-	-	239,549
Rental of centralised labour quarters	-	-	-	406,326	-	-	406,326
Quarry operations:							
- contract revenue	-	-	-	-	13,869,760	-	13,869,760
- sub-contract work	-	-	-	-	33,897,394	(55,405)	33,841,989
<u>Revenue from other sources</u>							
Management fee	2,742,000	-	-	-	-	(2,682,000)	60,000
	116,604,518	239,549	159,555	406,326	94,006,300		186,891,392
Results							
Segment results	(15,933,694)	(265,777)	(613,320)	(697,446)	3,003,536	(529,002)	(15,035,703)
Interest income							377,096
Dividend income from short-term investments							4,704
Finance Cost							(5,354,465)
Share of result of an equity accounted associate							749,240
Consolidated loss before taxation							(19,259,128)



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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)

A9. Segmental Reporting (Cont'd)

	Construction and Support Services	Property Investment	Green Energy	Development	Quarry Operation	Consolidation Adjustment	Total
The Group (Cont'd)	RM	RM	RM	RM	RM	RM	RM
Income tax expense							(1,579,138)
Deferred Tax							1,423,108
Consolidated loss after taxation							<u>(19,415,158)</u>
Loss attributable to							
Owners of the Company							(19,141,784)
Non-Controlling Interest							<u>(273,374)</u>

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)**A10. Significant Events after the End of the Financial Period**

There was no material event subsequent to the end of the current quarter under review which have not been reflected in this interim financial report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A12. Fair Value of Financial Instruments

There were no gains or losses arising from fair value changes for all financial assets and liabilities for the current quarter under review.

A13. Capital Commitments

	Unaudited As at 30.6.2024 RM
Approved and contracted for:	
Purchase of property, plant and equipment	<u>7,308,402</u>

A14. Contingent Liabilities

There were no contingent liabilities at the Group level as at the date of this report.

A15. Significant Related Party Transactions

The Group had the following transactions with related parties during the financial period ended 30 June 2024

	Unaudited 6 Months Ended 30.6.2024 RM
Transaction with Director	
Rent office building	37,800
Transaction with companies in which the Directors of subsidiaries have financial interest:	
Rent of office buildings	108,000

ADVANCECON HOLDINGS BERHAD

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(Incorporated in Malaysia)

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

	3 Months Ended			6 Months Ended		
	30.6.2024 RM	30.6.2023 RM	Variance %	30.6.2024 RM	30.6.2023 RM	Variance %
Revenue	92,921,717	118,426,685	-21.5%	186,891,392	230,451,515	-18.9%
(Loss)/ Profit Before Taxation	(6,734,760)	1,545,782	-535.7%	(19,259,128)	363,023	-5405.2%
(Loss)/ Profit After Taxation	(6,744,876)	172,643	-4006.8%	(19,415,158)	(2,628,018)	-638.8%
(Loss)/ Profit attributable to owners of the Company	(4,619,174)	543,848	-949.4%	(19,141,784)	691,498	-2868.2%

For the current quarter under review, the Group recorded a 21.5% decrease in revenue compared to the preceding year's corresponding quarter as a result of fewer ongoing projects after the completion of several projects in the current quarter under review. The revenue was mainly contributed by the Construction and Support Services Segment (RM51.0 million or 54.9%), Quarry Segment (RM41.5 million or 44.6%) whilst the remaining revenue was derived from the Property Investment, Green Energy and Development Segments.

The Group reported a loss attributable to owners of RM4.6 million compared to a profit of RM0.5 million in the same quarter last year.

Construction and Support Services Segment

The division recorded a loss before taxation ("LBT") of RM2.1 million for current financial quarter compared to a profit before taxation ("PBT") of RM2.4 million in the preceding year corresponding quarter, mainly due to lower revenue as a result of fewer ongoing projects after the completion of several projects in the current quarter under review.

Quarry Segment

The division recorded a higher LBT of RM4.1 million versus LBT of RM0.8 million in the preceding year corresponding quarter, mainly due to lower revenue from slower demand and increased competition.

Green Energy Segment

The division recorded LBT of RM 0.27 million versus PBT of RM 0.06 million in the preceding year corresponding quarter, mainly due to the land lease for development of LSS4 project.

Development Segment

The division recorded LBT of RM 0.24 million versus PBT of RM 0.07 million in the preceding year corresponding quarter, mainly due to the staff costs and administrative expenses for CLQ project.

Property Investment Segment

The division recorded lower LBT at RM 0.14 million versus LBT of RM 0.21 million mainly due to higher rental income generated.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B2. Comparison with Preceding Quarter Results**

	3 Months Ended		
	30.6.2024	31.3.2024	Variance
Revenue	92,921,717	93,969,675	-1.1%
Loss before tax	(6,734,760)	(12,524,368)	46.2%
Loss attributable to owners of the Company	(4,619,174)	(14,522,610)	68.2%

During the current quarter under review, the Group recorded a lower revenue of RM 92.9 million versus RM94.0 million in the preceding quarter and a lower LBT of RM 6.8 million for current financial quarter compared to RM 12.5 million in the preceding quarter.

LBT during the quarter under review was mainly due to: -

- 1) lower revenue from fewer ongoing construction projects after the completion of several projects in the current quarter under review; and
- 2) lower revenue from slower demand and increased competition in the quarry segment.

Overall, the Group reported a lower loss attributable to Owners of the Company amounting to RM 4.6 million compared to RM 14.5 million in the preceding quarter.

B3. Prospects

Malaysia's economy has shown impressive growth in the second quarter of 2024, expanding by a robust 5.9%. This is a significant improvement from the already solid 4.2% growth recorded in the first quarter. With the strong performance in the first half, it is estimated that growth for the full year of 2024 could be closer to the upper end of the Government's official forecast range of 4% to 5%.

Bank Negara Malaysia has not raised the overnight policy rate (OPR) and has maintained it at 3% since the last increase in May 2023. The rate is expected to remain unchanged throughout 2024, and this is expected to provide higher certainty for businesses.

The construction industry in Malaysia for 2024 is expected to remain challenging with the weakening ringgit, rising of construction costs and shortage of skilled labour. Despite these challenging factors, the Group is cautiously optimistic in the near term as the Malaysian government has allocated a total of RM180 billion for government and private sector projects for 2024.

As at 30 June 2024, total outstanding order book stands at RM279 million. As announced on 30 July 2024, the Group secured an additional RM38 million contract increasing its order book to RM317 million. The Group is continuously and actively seeking for more opportunities to bid for new contracts to grow its order book whilst at the same time focusing on timely completion of all on-going projects. However, bearing in mind of the intense competitive condition and high building material cost, the Group tenders very selectively to replenish its order book.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B3. Prospects (Cont'd)**

The Group is optimistic to secure some of the government mega projects such as the Penang LRT project, Flood Mitigation projects in various states, Pan Borneo projects and also private sector projects with the aim to continuously deliver sustainable future profits.

On the other hand, the Group's green energy segment currently owns revenue generating rooftop solar assets of more than 1.2MWp, and also a 37.7MWp large scale solar farm in Kuala Langat, Selangor which is scheduled to be operational by end-September 2024 and thereafter will commence generating revenue and profit for Group. Coupled with continuous and more active business developments in the renewable sector, the Group is optimistic to grow this segment to contribute more positively and significantly to the Group's recurring income going forward.

In January 2024, the Group entered into a Joint Development Agreement with Perak Corporation Berhad to develop Silver Valley Technology Park on a 798.32 acre land in Kanthan, Perak, with an estimated Gross Development Value of RM1.0 billion, which is envisioned to be state-of-the-art industrial park. This joint development segment is also expected to contribute positively to the revenue and earnings of the Group in the mid- to long-term.

B4. Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current year to date under review.

B5. Taxation

	Unaudited 6 Months Ended	
	30.6.2024	30.6.2023
	RM	RM
Income tax	1,579,138	2,925,357
Deferred tax	(1,423,108)	65,684
	<u>(156,030)</u>	<u>2,991,041</u>

The Group's effective tax rate ("ETR") for the financial year is lower than statutory tax rate of 24.0% mainly due to losses recorded by certain subsidiaries.

B6. Status of Corporate Proposals

There is no corporate proposal announced as at date of this report.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)
B7. Utilisation of Proceeds Raised from Public Issue

The details are as set out below:

No	Details of utilisation	Allocation of IPO Proceeds upon listing ⁽¹⁾ RM'000	Allocation of IPO Proceeds after listing (revised) RM'000	Actual utilisation of IPO Proceeds RM'000	Unutilised IPO Proceeds RM'000	Estimated timeframe for utilisation (upon listing)
i.	Total Capital expenditures:	29,700	16,385	(16,385)	-	Within 90 ⁽⁴⁾ months
	(a) Purchase of new construction machinery and equipment	15,100	15,100	(15,100)	-	Within 24 months
	(b) Construction of new workshop	14,600	1,285 ⁽²⁾⁽⁵⁾	(1,285)	-	Within 90 ⁽⁴⁾ months
ii.	Repayment of bank borrowings	12,500	12,455 ⁽²⁾	(12,455)	-	Within 6 months
iii.	Working capital	10,700	24,060 ⁽²⁾⁽⁵⁾	(17,964)	6,096	Within 90 ⁽⁵⁾ months
iv.	Estimated listing expenses	3,800	3,800	(3,800)	-	Upon Listing
		56,700	56,700	(50,604)	6,096	

Notes:

(1) As per IPO Prospectus dated 19 June 2017.

(2) On 29 August 2018, the Board announced to re-allocate the utilisation of construction of new workshop and repayment of bank borrowings by RM 0.51 million and RM 0.05 million respectively to day-to-day working capital expenses for payment to suppliers.

(3) On 6 January 2022, the Board announced to further extend the estimate timeframe for the utilisation of the balance IPO proceeds from 54 months to 78 months from date of IPO, up till 10 January 2024.

(4) On 18 December 2023, the Board announced to further extend the estimate timeframe for the utilisation of the balance IPO proceeds from 78 months to 90 months from date of IPO, up till 10 January 2025

(5) On 03 April 2024, the Board announced to vary the Unutilised IPO Proceeds allocated for construction of new workshop of approximately RM12.81 million to working capital.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)
B8. Utilisation of Proceeds Raised from Private Placement

The details are as set out below:

Utilisation of Proceeds	Proposed utilisation	Actual utilisation of proceeds	Unutilised proceeds	Expected timeframe for utilisation
	RM'000	RM'000	RM'000	
Development of solar photovoltaic energy generating facility	19,665	(19,665)	-	Within 12 months from the receipt of placement funds
Estimated expenses for Private Placement	110	(110)	-	Upon completion of the Private Placement
TOTAL	19,775	(19,775)	-	

Notes:

On 6 April 2023, the Company successfully raised RM19.78 million from the Private Placement following the listing and quotation of 91,975,900 Placement Shares at an issue price of RM0.2150 per placement share on Main Market of Bursa Securities. The Private Placement had lapsed on 2 August 2023, which marks the completion of the Private Placement.

B9. Group Borrowings and Debt Securities

	Unaudited As at 30.6.2024 RM	Audited As at 31.12.2023 RM
<u>Non-current</u>		
Term loans	104,805,397	90,695,210
Hire Purchases	11,343,984	14,526,014
<u>Current</u>		
Term loans	26,307,099	28,072,829
Hire Purchases	10,639,594	12,325,952
Bankers' acceptances	19,778,794	25,323,157
Invoice financing	25,182,058	28,896,664
Revolving credit	13,000,000	-
Bank overdrafts	13,712,409	11,793,209
Bank factoring	7,038,395	4,502,984
	231,807,730	216,136,019

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B10. Material Litigation**

There is no pending material litigation involving the Group pending as at the date of this report, except for the following:

Spring Energy Sdn. Bhd. ("SESB" or "the Defendant") a wholly owned subsidiary of Spring Energy Resources Berhad had on 19 April 2021 received a Writ of Summon and Statement of Claim both dated 16 April 2021 filed by Zeti Ismrizan Binti Isa and 5 others ("Plaintiffs") under Shah Alam High Court Civil Suit No. BA-23NCVC-24/04/2021 (Suit 24).

Persatuan Penduduk Bukit Damar Dengkil and SESB 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 has raised a Third Party Claim against Persatuan Penduduk Bukit Damar Dengkil, Dato' Mohamad Hussin bin Semail and Muhammad Faizal bin M. Hairi (hereinafter referred as "the Third Parties") to indemnify SESB for any losses and/or damages suffered by SESB as a result of the Plaintiffs' claim as 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 at the hearing of the Strike Out Application, the High Court has allowed the Strike Out Application due to technical irregularity and the High Court had fixed the case management on 17 November 2021 for the main suit.

The Court had during the case management on 17 November 2021 directed the parties to file and serve 'Tabulated Summary of 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.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B10. Material Litigation (Cont'd)**

During the case management on 17 November 2021, SESB has also informed the Court that SESB will file an appeal against the High Court's decision in striking out SESB's claim against Dato' Mohamad Hussin bin Semail and Muhammad Faizal bin M. Hairi would file a leave application to add Persatuan Penduduk Bukit Damar Dengkil as Third Party to the Main Suit.

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 Persatuan Penduduk Bukit Damar Dengkil as Third Party and the Affidavit in Support ("Leave Application"). The Court had 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 and the Court has vacated the hearing on 10 March 2022 as the Parties reached a consensus for withdrawal with costs of RM500 to be paid by SESB. Further, SESB initiated a new proceeding against Dato' Mohamed Dahan Bin Abdul Latif, being sued in the capacity of the Chairman/Office bearer for Persatuan Penduduk Bukit Damar Dengkil for breach of contract and against Mohamad Hussin bin Semail and Muhammad Faizal bin M. Hairi under the tort of deceit and misrepresentation. The Writ of Summons and Statement of Claim were filed on 8 March 2022, under Suit No. BA-22NCVC-99-03/2022 ("Suit 99").

On 15 July 2022, High Court allowed the consolidation application by SESB with cost in the cause and Suit 24 will be transferred and consolidated with Suit 99 (the Suit against Third Parties) and will be heard by YA Dato' Dr Choo Kah Sing. Therefore, the trial dates that were initially fixed on 21 July 2022, 22 July 2022 and 25 July 2022 have been vacated and new directions in respect of this matter will be given.

The Third Parties have filed the striking out application and the Court has originally fixed the hearing date on 5 April 2023. The hearing date was later vacated by the High Court and rescheduled to 27 March 2024. The Court has on 27 March 2024 dismissed the striking out application filed by the Third parties with costs of RM3,000 to be paid by the Third parties. The Court has also fixed the trial dates for this matter on 11 to 22 November 2024.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11. Dividends Declared

There was no dividend declared during the current year under review.

B12. (Loss)/ Earning Per Share

	Unaudited	
	6 Months Ended	
	30.6.2024	30.6.2023
(Loss) /profit after tax attributable to the owners of the Company (RM)	(19,141,784)	691,498
Basic earnings per share		
Weighted average number of ordinary shares	575,350,600	552,671,611
Basic (loss)/ earnings per share (sen) ⁽¹⁾	(3.33)	0.13
Diluted earnings per share		
Weighted average number of ordinary shares	575,350,600	552,671,611
Diluted (loss)/ earnings per share (sen) ⁽²⁾	(3.33)	0.13

Notes:

- (1) The basic earnings / (loss) per share was computed based on earnings/(loss) attributable to owners of the Company divided by the weighted average number of ordinary shares.
- (2) Diluted earnings / (loss) per ordinary share for the current financial year is calculated by dividing the profit / (loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

B13. Profit Before Taxation

Profit before taxation was arrived at after charging/(crediting):

	Unaudited	
	Individual Quarter	Cumulative Quarter
	30.6.2024	30.6.2024
	RM	RM
Auditors' remuneration	64,673	135,246
Depreciation:		
- property, plant and equipment	9,233,002	18,532,053
- investment properties	140,148	280,379
Amortisation of intangible asset	25,000	50,000
Directors' remuneration	527,264	1,053,029
Royalties and tributes	4,415,949	5,346,392
Interest expenses	2,735,595	5,354,465
Staff costs	19,725,007	40,056,059
Gain on disposal of property, plant and equipment	(1,817,848)	(5,507,129)
Interest income	30,247	(377,096)
Dividend income from short-term investments	(2,246)	(4,704)

BY ORDER OF THE BOARD
28 AUGUST 2024