

Quarterly rpt on consolidated results for the financial period ended 31 Dec 2024

Amended Announcements
Please refer to the earlier announcement reference number: FRA-26022025-00109

ADVANCECON HOLDINGS BERHAD

Financial Year End	31 Dec 2024
Quarter	4 Qtr
Quarterly report for the financial period ended	31 Dec 2024
The figures	have not been audited

Attachments

[Advancecon - Financial Results Q4 2024.pdf](#)
588.8 kB

Remarks :
This amended announcement is made due to a typographical error in the Property, Plant and Equipment figure in the financial results. The correct amount is RM252,508,023 instead of RM252,058,023. All other financial figures remain unchanged.

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Dec 2024

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
		MYR'000	MYR'000	MYR'000	MYR'000
1	Revenue	100,517	96,664	383,222	449,765
2	Profit/(loss) before tax	-1,444	-43,661	-20,252	-42,939
3	Profit/(loss) for the period	-1,596	-43,117	-20,652	-45,875
4	Profit/(loss) attributable to ordinary equity holders of the parent	-2,812	-34,379	-21,950	-34,293
5	Basic earnings/(loss) per share (Subunit)	-0.49	-6.22	-3.82	-6.20
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT		AS AT PRECEDING FINANCIAL	

		QUARTER	YEAR END
7	Net assets per share attributable to ordinary equity holders of the parent	0.2800	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

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Announcement Info

Company Name	ADVANCECON HOLDINGS BERHAD
Stock Name	ADVCON
Date Announced	04 Mar 2025
Category	Financial Results
Reference Number	FRA-04032025-00001



ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DEC 2024

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ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FOURTH QUARTER ENDED 31 DEC 2024

		Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Period	Preceding Year Corresponding Period
	Note	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
Revenue	A9	100,516,653	96,664,224	383,222,280	449,765,331
Cost of Sales		(88,860,833)	(120,800,791)	(370,943,614)	(449,397,465)
Gross Profit / (Loss)		11,655,820	(24,136,567)	12,278,666	367,866
Other Income		3,136,935	2,439,652	13,575,695	15,672,120
		14,792,755	(21,696,915)	25,854,361	16,039,986
Net loss on impairment of financial instruments		(245,888)	(10,033,955)	(245,888)	(10,033,955)
Selling And Distribution Expenses		(141,662)	(600,798)	(564,500)	(2,017,292)
Administrative Expenses		(10,263,708)	(6,033,898)	(27,921,157)	(23,359,999)
Other Expenses		(1,928,447)	(2,766,343)	(7,858,285)	(11,459,780)
Finance Costs		(3,405,072)	(2,967,769)	(11,223,221)	(12,829,216)
Share of Result Of An Equity Accounted Associate		(252,256)	444,535	1,706,200	607,445
Share of Result Of An Equity Accounted Joint Ventures		-	(5,380)	-	114,029
Loss Before Taxation	B12	(1,444,278)	(43,660,523)	(20,252,490)	(42,938,782)
Income Tax Expense	B5	(90,233)	1,281,973	(699,276)	(2,249,333)
Deferred Tax	B5	(61,198)	(738,926)	300,070	(686,999)
Loss After Taxation / Total Comprehensive Expenses for the Financial Period		(1,595,709)	(43,117,476)	(20,651,696)	(45,875,114)
Total Comprehensive Income / (Expenses) attributable to:					
- Owners of the Company		(2,812,230)	(34,379,123)	(21,949,515)	(34,292,692)
- Non-controlling interests		1,216,521	(8,738,353)	1,297,819	(11,582,422)
Loss per share (sen)					
- Basic	B11	(0.49)	(6.22)	(3.82)	(6.20)
- Diluted	B11	(0.49)	(6.22)	(3.82)	(6.20)

(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

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(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2024

	(Unaudited) As at Current Quarter 31.12.2024 RM	(Audited) As at Financial Year Ended 31.12.2023 RM
ASSETS		
Non-current assets		
Investment in an associate	4,027,135	1,683,166
Investment in joint venture	363,341	594,791
Property, plant and equipment	252,508,023	238,109,738
Investment properties	33,785,007	34,345,680
Intangible assets	1,100,000	1,200,000
Finance lease receivables	-	345,077
Trade receivables	139,462	305,194
Other receivables	3,785,958	7,639,340
Inventories	-	80,657
	295,708,926	284,303,643
Current assets		
Inventories	8,378,468	11,068,242
Contract assets	86,747,418	100,204,271
Finance lease receivables	345,077	411,852
Trade receivables	56,310,450	55,385,503
Other receivables, deposits and prepayments	30,611,438	32,331,296
Amount owing by related parties	51,175	378,992
Amount owing by an associated company	2,393,345	3,598,218
Amount owing by joint venture	-	2,075,685
Short-term investments	252,919	244,015
Current tax assets	6,051,059	6,444,505
Deposits with licensed banks	37,170,252	55,251,425
Cash and bank balances	7,418,114	27,037,763
	235,729,715	294,431,767
NON- CURRENT ASSET HELD FOR SALE	-	1,652,191
TOTAL ASSETS	531,438,641	580,387,601

ADVANCECON HOLDINGS BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DEC 2024
(CONT'D)**

	(Unaudited) As at Current Quarter 31.12.2024 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	(3,376,278)	(3,249,343)
Reserves	3,483,470	-
Retained profits	26,983,104	48,665,774
	<u>160,819,907</u>	<u>179,146,042</u>
Non-controlling interests	(1,884,299)	(2,990,276)
TOTAL EQUITY	<u>158,935,608</u>	<u>176,155,766</u>
Non-current liabilities		
Deferred tax liabilities	4,702,903	5,004,303
Long-term borrowings	114,807,968	105,221,224
Lease liabilities	1,049,753	2,262,017
Amount due to related party	26,072,778	-
	<u>146,633,402</u>	<u>112,487,544</u>
Current liabilities		
Contract liabilities	10,007,593	19,493,564
Trade payables	72,536,488	99,559,705
Other payables and accruals	25,890,699	28,237,812
Amount due to an associated company	38,857	4,867,431
Amount due to related party	-	25,406,791
Amount due to joint venture	-	1,421,720
Current tax liabilities	14,838	391,619
Short-term borrowings	101,859,173	99,121,586
Lease liabilities	1,257,025	1,450,854
Bank overdrafts	14,264,958	11,793,209
	<u>225,869,631</u>	<u>291,744,291</u>
TOTAL LIABILITIES	<u>372,503,033</u>	<u>404,231,835</u>
TOTAL EQUITY AND LIABILITIES	<u>531,438,641</u>	<u>580,387,601</u>
Net asset per share attributable to owner of the Company (RM)	<u>0.28</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 FOURTH QUARTER ENDED 31 DEC 2024**

	Share Capital	Treasury Shares	Non-Distributable Employee Share Option Reserve	Distributable Retained Profits	Attributable to Owners of the Company	Non-controlling Interest	Total Equity
	RM	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) / Profit after taxation / Total comprehensive expenses for the financial period	-	-	-	(21,949,515)	(21,949,515)	1,297,819	(20,651,696)
Transactions with owners:							
Issuance of shares	-	-	-	75,000	75,000	-	75,000
Purchase of treasury shares	-	(126,935)	-	-	(126,935)	-	(126,935)
-Recognition of share option expenses	-	-	3,483,470	-	3,483,470	-	3,483,470
Changes in non-controlling interest	-	-	-	191,845	191,845	(191,842)	3
Balance at 31.12.2024	133,729,611	(3,376,278)	3,483,470	26,983,104	160,819,907	(1,884,299)	158,935,608

(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.)

ADVANCECON HOLDINGS BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR FOURTH QUARTER ENDED 31 DEC 2024**

	Cumulative Current Period Ended 31.12.2024 RM	Cumulative Comparative Period Ended 31.12.2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(20,252,490)	(42,938,782)
Adjustments for:		
Depreciation:		
- property, plant and equipment	37,677,263	41,717,438
- investment properties	560,673	579,036
Amortisation of intangible assets	100,000	100,000
Bad debts written off	-	3,825
Property, plant and equipment written off	35,338	142,952
Reversal of impairment losses on trade receivables		
- trade receivables	(1,359,422)	(267,803)
- other receivables	-	(98,620)
Impairment losses on :		
- trade receivables	492,138	597,704
- other receivables	99,673	9,791,991
Interest expense	11,223,221	12,829,216
Share option expenses	3,483,470	-
Share of net profit of an equity accounted associate	(1,706,200)	(607,445)
Share of net profit of an equity accounted joint venture	-	(114,029)
Gain arising on modification of lease liabilities	-	(6,217)
Gain on disposal of property, plant and equipment	(8,293,911)	(7,026,942)
Gain on disposal of non-current asset held for sale	-	(442,430)
Dividend income from short-term investments	(8,904)	(9,694)
Interest income	(1,001,154)	(1,829,621)
Fair value loss on receivables	-	320,817
Operating profit before working capital changes	21,049,695	12,741,396
Contract assets / liabilities	3,970,882	8,783,289
Decrease in inventories	2,770,431	1,976,626
Decrease in trade and other receivables	9,725,186	16,556,999
(Decrease) / Increase in trade and other payables	(20,922,876)	6,770,379
Amount owing due from associate companies	-	11,209,441
Amount owing due from joint venture	-	(1,127,641)
Cash from operations	16,593,318	56,910,489

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR FOURTH QUARTER ENDED 31 DEC 2024 (CONT'D)**

	Cumulative Current Period Ended 31.12.2024 RM	Cumulative Comparative Period Ended 31.12.2023 RM
Interest paid	(11,223,221)	(11,766,727)
Income tax refund	1,344,772	1,159,203
Income tax paid	(2,027,383)	(3,478,505)
NET CASH FROM OPERATING ACTIVITIES	4,687,486	42,824,460
CASH FLOWS FROM / (FOR) INVESTING ACTIVITIES		
Interest received	1,001,154	1,829,621
Additional investment in a subsidiary company	-	(4,796,205)
Investment in an associates	(562,769)	-
Dividend income from short-term investments	8,904	9,694
Decrease in deposits pledged with licensed bank	18,081,173	9,080,704
Purchase of property, plant and equipment	(21,859,968)	(89,640,981)
Proceeds from disposal of property, plant and equipment	6,418,303	12,518,076
Repayment from finance lease receivables	411,852	360,950
Proceeds from disposal of non-current asset held for sale	6,000,000	42,381,822
Distribution of cash from joint venture	231,450	-
Repayment / (Advance to) from related parties	993,804	(2,833,569)
(Advances to) / repayment an associate	(3,623,701)	262,528
Repayment from joint venture	653,965	38,257
NET CASH FROM/ (FOR) INVESTING ACTIVITIES	7,754,167	(30,789,103)
CASH FLOWS FOR FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	19,774,819
Share issue expenses	-	(184,800)
Purchase of treasury shares	(126,935)	-
Advances from an associate	-	4,867,431
Net (repayment) / drawdown of term loans	(19,475,999)	39,358,800
Net repayment of bankers' acceptances	(8,621,357)	(4,678,493)
Net drawdown / (repayment) of invoice financing, trust receipt and revolving credit	9,383,417	(16,188,132)
Net drawdown / (repayment) of bank factoring	2,354,590	(29,984,547)
Repayment of lease liabilities	(1,406,093)	(1,184,497)
Repayment of hire purchase	(16,631,770)	(21,126,417)
NET CASH FOR FINANCING ACTIVITIES	(34,524,147)	(9,345,836)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENT	(22,082,494)	2,689,521
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	(6,593,925)	15,488,569

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR FOURTH QUARTER ENDED 31 DEC 2024 (CONT'D)**

	Cumulative Current Period Ended 31.12.2024 RM	Cumulative Comparative Period Ended 31.12.2023 RM
Cash and cash equivalent comprised of:		
Deposits with licensed banks	37,170,252	55,251,425
Short-term investments	252,919	244,015
Cash and bank balances	7,418,114	27,037,763
Bank overdrafts	(14,264,958)	(11,793,209)
	30,576,327	70,739,994
Less: Deposits pledged to licensed banks	(37,170,252)	(55,251,425)
	(6,593,925)	15,488,569

(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.)

ADVANCECON HOLDINGS BERHAD

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DEC 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 FOURTH QUARTER ENDED 31 DEC 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

Save for a total of 462,000 shares buy back during the current quarter, there were no other issuance, repurchase and repayment of debts and equity securities by the Group and the Company. As at 20 February 2025, the Company has a total of 9,901,900 shares held as treasury shares.

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 FOURTH QUARTER ENDED 31 DEC 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	182,583,766	523,039	1,811,292	816,662	197,487,521	-	383,222,280
Inter-segment revenue	70,170,940	-	-	-	6,157,831	(76,328,771)	-
Consolidated revenue	252,754,706	523,039	1,811,292	816,662	203,645,352		383,222,280

Represented by:

Revenue recognised at a point in time

Construction and support services:

- sale of goods	25,541,542	-	-	-	-	(9,071,653)	16,469,889
- hiring of machinery	29,030,288	-	-	-	-	(22,766,882)	6,263,406
- day work revenue	4,375,320	-	-	-	-	-	4,375,320
Rental of centralised labour quarters	8,730	-	-	-	-	-	8,730

Quarry operations:

- sale of quarry products	-	-	-	-	96,515,961	(5,997,781)	90,518,180
- hiring of machinery	-	-	-	-	1,240,993	-	1,240,993
- transport income	-	-	-	-	3,767,439	-	3,767,439

Solar energy:

- operating revenue	-	-	1,811,292	-	-	-	1,811,292
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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DEC 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	157,703,072	-	-	-	-	(2,356,651)	155,346,421
Rental income from investment properties	-	523,039	-	-	-	-	523,039
Rental of centralised labour quarters	-	-	-	816,662	-	-	816,662
Quarry operations:							
- contract revenue	-	-	-	-	27,368,588	-	27,368,588
- sub-contract work	-	-	-	-	74,752,371	(160,050)	74,592,321
<u>Revenue from other sources</u>							
Dividend income	30,000,000	-	-	-	-	(30,000,000)	-
Management fee	6,095,754	-	-	-	-	(5,975,754)	120,000
	252,754,706	523,039	1,811,292	816,662	203,645,352		383,222,280
Results							
Segment results	12,404,215	(482,473)	(384,995)	(2,574,453)	9,987,587	(30,695,408)	(11,745,527)
Interest income							1,001,154
Dividend income from short-term investments							8,904
Finance Cost							(11,223,221)
Share of result of an equity accounted associate							1,706,200
Consolidated loss before taxation							(20,252,490)



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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DEC 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							(699,276)
Deferred Tax							300,070
Consolidated loss after taxation							(20,651,696)
(Loss) / Profit attributable to							
Owners of the Company							(21,949,515)
Non-Controlling Interest							1,297,819

ADVANCECON HOLDINGS BERHAD

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DEC 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

Approved and contracted for:
Purchase of property, plant and equipment

Unaudited
As at 31.12.2024
RM

7,137,462

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 31 Dec 2024

	Unaudited 12 Months Ended 31.12.2024 RM
Transaction with Director	
Rent office building	75,600
Transaction with companies in which the Directors of subsidiaries have financial interest:	
Rent of office buildings	216,000

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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED
31 DEC 2024 (CONT'D)****A16. Employees' Share Option Scheme ("ESOS")**

The Company has implemented an Employee Share Option Scheme (ESOS) scheme to attract and retain qualified and experienced employees. The scheme was approved by the shareholders at the Extraordinary General Meeting held on 18 December 2024 and came into effect on the same date. The ESOS will remain in force for five (5) years until 17 December 2029.

In compliance with Malaysian Financial Reporting Standard, MFRS 2 on Share-based Payment, a total ESOS expense amounting to RM3,410,750 was recognised in the statement of profit or loss for the current financial period. This expense represents the fair value of share options granted to eligible directors and employees, in line with applicable accounting standards.

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

B1. Review of Group Performance

	3 Months Ended			12 Months Ended		
	31.12.2024 RM	31.12.2023 RM	Variance %	31.12.2024 RM	31.12.2023 RM	Variance %
Revenue	100,516,653	96,664,224	4.0%	383,222,280	449,765,331	-14.8%
Loss Before Taxation	(1,444,278)	(43,660,523)	96.7%	(20,252,490)	(42,938,782)	52.8%
Loss After Taxation	(1,595,709)	(43,117,476)	96.3%	(20,651,696)	(45,875,114)	55.0%
Loss attributable to owners of the Company	(2,812,230)	(34,379,123)	91.8%	(21,949,515)	(34,292,692)	36.0%

For the current quarter under review, the Group recorded a 4.0% increase in revenue compared to the preceding year's corresponding quarter. The revenue was mainly contributed by the Construction and Support Services Segment (RM44.6 million or 44.4%), Quarry Segment (RM53.9 million or 53.7%) whilst the remaining revenue was derived from the Property Investment, Green Energy and Development Segments.

The Group reported a loss attributable to owners of RM2.8 million compared to a loss of RM34.4 million in the same quarter last year. The loss was mainly attributable to the expenses related to the Employee Share Option Scheme (ESOS), amounting to RM3.4 million. Excluding the ESOS expense, the Group would have recorded a profit of RM0.6 million.

Construction and Support Services Segment

The division recorded a loss before taxation ("LBT") of RM3.0 million for current financial quarter, a significant improvement compared to the LBT of RM26.4 million in the preceding year corresponding quarter. Excluding the ESOS expense of RM3.2 million, the division would have recorded a marginal profit of RM0.2 million, indicating a positive turnaround in operational performance.

Quarry Segment

The division recorded a profit before taxation ("PBT") of RM2.9 million, marking a significant improvement compared to the LBT of RM15.9 million in the preceding year corresponding quarter. The positive turnaround in performance was mainly driven by higher revenue from increased sales and improved operational efficiency.

Green Energy Segment

The division recorded LBT of RM0.2 million versus LBT of RM0.4 million in the preceding year corresponding quarter. Lower LBT mainly attributable to profit contributions from the LSS4 project, which commenced operations in early-November 2024.

Development Segment

The division recorded a higher LBT of RM0.3 million versus LBT of RM0.2 million in the preceding year corresponding quarter, mainly due to the staff costs, ESOS expense and administrative expenses.

Property Investment Segment

The division recorded lower LBT at RM0.1 million versus LBT of RM0.2 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		
	31.12.2024	30.9.2024	Variance
Revenue	100,516,653	95,814,235	4.9%
(Loss) / Profit before tax	(1,444,278)	450,916	-420.3%
(Loss) / Profit attributable to owners of the Company	(2,812,230)	4,499	-62607.9%

During the current quarter under review, the Group recorded a higher revenue of RM100.5 million versus RM95.8 million in the preceding quarter and a LBT of RM1.4 million for current financial quarter compared to PBT of RM0.5 million in the preceding quarter. Excluding the ESOS expense of RM3.4 million, the Group would have recorded a PBT of RM2.0 million in the current financial quarter.

Higher PBT (excluding ESOS expense) during the quarter under review was mainly contributed from the improved efficiency in the Construction & Support Services segment and the Quarry segment.

Overall, the Group reported a loss attributable to Owners of the Company amounting to RM2.8 million compared to profit of RM0.004 million in the preceding quarter. Excluding the ESOS expense of RM3.4 million, the Group would have recorded a profit of RM0.6 million in the current quarter.

B3. Prospects

Malaysia's GDP grew by 5.0% year-on-year in Q4 2024, surpassing estimates of 4.8% but moderating from 5.4% in Q3 2024. Growth was driven by strong investment inflows, easing inflation, and an improving labor market, which boosted domestic demand and reinforced the nation's economic expansion trajectory.

Bank Negara Malaysia has not raised the overnight policy rate and has maintained it at 3% since the last increase in May 2023. The rate remain unchanged throughout 2024, and provided higher certainty for businesses.

According to the Department of Statistics Malaysia, the value of work done in the construction industry reached RM41.1 billion in the 3Q2024, or 22.9% year-on-year growth (2Q2024: 20.2%), primarily driven by a 42.6% expansion in the special trade activities subsector. Growth has been gaining pace since 4Q2023 across almost all subsectors, except for civil engineering.

There will be more focus on public-private partnership ("PPP") projects as the government takes a disciplined approach to capital infrastructure spending through development expenditure. Under Budget 2025, it allocated a lower development expenditure of RM86 billion, compared with the RM96 billion allocated in 2024. However, total construction industry project spending could reach RM200 billion in 2025, according to Deputy Minister of Works. On top of the government's development expenditure, an estimated RM32 billion is expected to be implemented by government-linked companies and government-linked investment companies, while the private sector is expected to spend RM80 billion on projects in 2025.

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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)**

Major projects that are expected to be awarded over the next 2 to 3 years include the Penang LRT project, the contract value of which could be more than the estimated RM10.3 billion, the RM6.1 billion Northern Coastal Highway in Sarawak, the RM5.6 billion Sabah-Sarawak Link Road Phase 2 between Mulu and Long Seridan in Miri, the RM4.4 billion Pan Borneo Sabah Phase 1B and the RM4 billion Sungai Perak Raw Water Transfer project.

As at 31 December 2024, total outstanding order book stands at RM673 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.

The Group is optimistic to secure some of the government mega projects such as the Penang LRT project, flood mitigation projects in various states 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 has achieved commercial operation on 08 November 2024 and is now generating both revenue and profit for the 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.

Premised on the above, the Group is confident of achieving positive financial results going forward.

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 12 Months Ended 31.12.2024 RM	Audited 31.12.2023 RM
Income tax	699,276	2,249,333
Deferred tax	(300,070)	686,999
	<u>399,206</u>	<u>2,936,332</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.

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

B6. Status of Corporate Proposals

There are no corporate proposals announced but not completed as at date of this report.

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⁾	(24,060)	-	Within 90 ⁽⁵⁾ months
iv.	Estimated listing expenses	3,800	3,800	(3,800)	-	Upon Listing
		56,700	56,700	(56,700)	-	

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. Group Borrowings and Debt Securities

	Unaudited As at 31.12.2024 RM	Audited As at 31.12.2023 RM
<u>Non-current</u>		
Term loans	103,350,994	90,695,210
Hire Purchases	11,456,974	14,526,014
<u>Current</u>		
Term loans	22,959,084	28,072,829
Hire Purchases	17,060,634	12,325,952
Bankers' acceptances	16,701,800	25,323,157
Invoice financing	23,280,081	28,896,664
Revolving credit	15,000,000	-
Bank overdrafts	14,264,958	11,793,209
Bank factoring	6,857,574	4,502,984
	<u>230,932,099</u>	<u>216,136,019</u>

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B9. 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)**B9. 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.

The Court has vacated the trial dates that were previously fixed on 15 November 2024 and 17 February 2025 and directed that the trial will proceed on 18 February 2025 to 20 February 2025. The Court has further fixed six additional trial dates on 24 February 2025 to 26 February 2025 and 5 May 2025, 7 May 2025 and 8 May 2025.

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

B10. Dividends Declared

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

B11. Loss Per Share

	Unaudited	Audited
	12 Months Ended	
	31.12.2024	31.12.2023
Loss after tax attributable to the owners of the Company (RM)	(21,949,515)	(34,292,692)
Basic loss per share		
Weighted average number of ordinary shares	575,291,936	552,671,611
Basic loss per share (sen) ⁽¹⁾	(3.82)	(6.20)
Diluted earnings per share		
Weighted average number of ordinary shares	575,291,936	552,671,611
Diluted loss per share (sen) ⁽²⁾	(3.82)	(6.20)

Notes:

- (1) The basic loss per share was computed based on loss attributable to owners of the Company divided by the weighted average number of ordinary shares.
- (2) Diluted 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.

B12. Loss Before Taxation

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

	Unaudited	
	Individual	Cumulative
	Quarter	Quarter
	31.12.2024	31.12.2024
	RM	RM
Auditors' remuneration	158,899	365,564
Depreciation:		
- property, plant and equipment	9,962,076	37,677,263
- investment properties	140,148	560,673
Amortisation of intangible asset	25,000	100,000
Directors' remuneration	847,997	2,496,745
Royalties and tributes	3,771,934	12,553,192
Interest expenses	3,405,072	11,223,221
Staff costs	21,923,173	81,860,640
Share option expenses	3,410,750	3,410,750
Gain on disposal of property, plant and equipment	(2,049,373)	(8,293,911)
Interest income	(340,296)	(1,001,154)
Dividend income from short-term investments	(1,949)	(8,904)

BY ORDER OF THE BOARD

27 February 2025