

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2017

ADVANCECON HOLDINGS BERHAD

Financial Year End 31 Dec 2017

Quarter 1 Qtr

Quarterly report for the financial period ended 31 Mar 2017

The figures have not been audited

Attachments

AHGrp-Quarterly Report Q1 2017.pdf
296.3 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2017

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	59,150	0	59,150	0
2 Profit/(loss) before tax	9,213	0	9,213	0
3 Profit/(loss) for the period	6,852	0	6,852	0
4 Profit/(loss) attributable to ordinary equity holders of the parent	6,852	0	6,852	0
5 Basic earnings/(loss) per share (Subunit)	2.20	0.00	2.20	0.00
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 (\$\$)		0.3600		0.3400

Remarks :

No comparative figures for the preceding year and preceding quarter are presented as this is the first interim financial report on the consolidated results for the period ended 31 March 2017 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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	19 Jun 2017
Category	Financial Results
Reference Number	FRA-19062017-00007

ADVANCECON

ADVANCECON HOLDINGS BERHAD
(Company Number : 426965 - M)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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Interim Financial Report on Consolidated Statement Of Profit Or Loss And Other Comprehensive Income for the First Quarter (3 months) Ended 31 March 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER RM	PRECEDING YEAR CORRESPONDING QUARTER ⁽²⁾ RM	CURRENT YEAR TO DATE RM	PRECEDING YEAR CORRESPONDING PERIOD ⁽²⁾ RM
Revenue	59,149,828	N/A	59,149,828	N/A
Cost of Sales	(44,041,153)	N/A	(44,041,153)	N/A
Gross Profit	15,108,675	N/A	15,108,675	N/A
Other Income	864,430	N/A	864,430	N/A
Administrative Expenses	15,973,105	N/A	15,973,105	N/A
Other Operating Expenses	(4,715,744)	N/A	(4,715,744)	N/A
Finance Costs	(697,144)	N/A	(697,144)	N/A
Profit Before Taxation	(1,347,493)	N/A	(1,347,493)	N/A
Income Tax Expense	9,212,724	N/A	9,212,724	N/A
Profit After Taxation/Total Comprehensive income for the Financial Period	(2,360,496)	N/A	(2,360,496)	N/A
Profit After Taxation attributable to:-				
Owners of the Company	6,852,228	N/A	6,852,228	N/A
Total Comprehensive Income attributable to:-				
Owners of the Company	6,852,228	N/A	6,852,228	N/A
Weighted average no. of ordinary shares ('000)	312,079,000	N/A	312,079,000	N/A
Attributable to equity holders of the Company:				
Basic earnings per share (sen) ⁽³⁾	2.20	N/A	2.20	N/A
Fully diluted earnings per share (sen) ⁽³⁾	N/A	N/A	N/A	N/A

Notes:

- (1) The Unaudited Consolidated Statement Of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Accountant's Report as disclosed in the Prospectus of the Group dated 19 June 2017 and the accompanying explanatory notes attached to the interim financial statements.
- (2) No comparative figures for the preceding year and preceding quarter are presented as this is the first interim financial report on the consolidated results for the period ended 31 March 2017 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (3) Based on the Company's issued share capital of 312,079,000 ordinary shares in the Company (" Shares ") as at 31 March 2017.

NA Not applicable

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited AS AT CURRENT QUARTER 31.03.2017 RM	Audited AS AT FINANCIAL YEAR ENDED 31.12.2016 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	106,365,485	105,089,439
Investment properties	31,258,411	31,074,673
Deferred tax assets	-	-
	137,623,896	136,164,112
CURRENT ASSETS		
Amount owing by contract customers	6,655,662	3,527,631
Trade receivables	85,827,949	119,485,397
Other receivables, deposits and prepayments	7,682,703	10,802,671
Current tax assets	1,269,673	1,457,016
Deposits with licensed banks	19,686,443	20,830,529
Cash and bank balances	24,663,569	3,620,597
	145,785,999	159,723,841
TOTAL ASSETS	283,409,895	295,887,953
EQUITY AND LIABILITIES		
EQUITY		
Share capital	31,207,900	31,207,900
Retained profits	81,264,957	74,412,729
TOTAL EQUITY	112,472,857	105,620,629
NON-CURRENT LIABILITIES		
Deferred tax liabilities	4,734,467	4,734,467
Long-term borrowings	42,994,934	42,710,092
	47,729,401	47,444,559
CURRENT LIABILITIES		
Amount owing to contract customers	23,679,250	20,358,291
Trade payables	32,749,863	41,034,633
Other payables and accruals	25,747,229	27,241,843
Dividend payables	-	9,500,000
Current tax liabilities	3,143,793	2,047,127
Short-term borrowings	30,916,169	33,012,003
Bank overdrafts	6,971,333	9,628,868
	123,207,637	142,822,765
TOTAL LIABILITIES	170,937,038	190,267,324
TOTAL EQUITY AND LIABILITIES	283,409,895	295,887,953
Net asset per share (RM)	0.36	0.34

Note:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountant's Report as disclosed in the Prospectus of the Group dated 19 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

NA Not applicable

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM	Retained Profits RM	Total RM
The Group (Audited)			
Balance at 1.1.2016	1,248,316	92,424,991	93,673,307
Profit after taxation/Total comprehensive income for the financial year	-	26,447,322	26,447,322
Contribution by and distribution to owners of the company:			
- Issuance of shares	29,959,584	(29,959,584)	-
- Dividends	-	(14,500,000)	(14,500,000)
Balance at 31.12.2016	31,207,900	74,412,729	105,620,629
(Unaudited)			
Balance at 1.1.2017	31,207,900	74,412,729	105,620,629
Profit after taxation/Total comprehensive income for the financial year		6,852,228	6,852,228
Balance at 31.3.2017	31,207,900	81,264,957	112,472,857

Note:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Accountant's Report as disclosed in the Prospectus of the Group dated 19 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	CUMULATIVE PERIOD CURRENT PERIOD ENDED 31.3.2017 RM	CUMULATIVE PERIOD COMPARATIVE PERIOD ENDED 31.3.2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,212,724	N/A
Adjustments for:-		
Depreciation:		
- investment properties	112,999	N/A
- property, plant and equipment	4,233,395	N/A
Interest expense	1,347,493	N/A
Property, plant and equipment written off	-	N/A
Loss on disposal of property, plant and equipment	3,242	N/A
Gain on disposal of investment property	(153,823)	N/A
Interest income		
-deposit with licensed banks	(150,572)	N/A
Operating profit before working capital changes	14,605,458	N/A
Increase in amount owing by contract customers	(3,128,031)	N/A
Increase/ (Decrease) in amount owing to contract customers	3,320,959	N/A
Decrease in trade and other receivables	37,812,415	N/A
Decrease in trade and other payables	(9,779,383)	N/A
CASH FROM OPERATIONS	42,831,418	N/A
Interest paid	(1,347,493)	N/A
Tax paid	(1,076,487)	N/A
NET CASH FROM OPERATING ACTIVITIES	40,407,438	N/A
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	150,572	N/A
Decrease / (Increase) in deposits pledged with licensed bank	1,144,086	N/A
Purchase of property, plant and equipment	(5,513,248)	N/A
Purchase of investment properties	(1,292,915)	N/A
Proceeds from disposal of property, plant and equipment	566	N/A
Partial sale proceeds received from disposal of investment properties	115,000	N/A
NET CASH FOR INVESTING ACTIVITIES	(5,395,939)	N/A
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(9,500,000)	N/A
Drawdown of term loan	1,192,760	N/A
Repayment of hire purchase obligations	(2,846,295)	N/A
Net repayment in bank factoring	-	N/A
Net drawdown in bankers' acceptances	281,262	N/A
Net drawdown/ (repayment) in invoice financing	232,174	N/A
Net drawdown in revolving credit	-	N/A
Repayment of term loans	(670,893)	N/A
NET CASH FOR FINANCING ACTIVITIES	(11,310,992)	N/A
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	23,700,507	N/A
Cash and cash equivalents at beginning of the financial year	(6,008,271)	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	17,692,236	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	CUMULATIVE PERIOD CURRENT PERIOD ENDED 31.3.2017 RM	CUMULATIVE PERIOD COMPARATIVE PERIOD ENDED 31.3.2016 RM
Cash and cash equivalents at the end of the financial period comprises:		
Deposits with licensed banks	19,686,443	N/A
Cash and bank balances	24,663,569	N/A
Bank overdrafts	(6,971,333)	N/A
	<hr/>	<hr/>
	37,378,679	N/A
Less: Deposits pledged to licensed banks	(19,686,443)	N/A
	<hr/>	<hr/>
	17,692,236	N/A

Notes:

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Group dated 19 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

No comparative figures for the preceding year and preceding quarter are presented as this is the first interim financial report on the consolidated results for the period ended 31 March 2017 being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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ADVANCECON HOLDINGS BERHAD

(Company Number : 426965 - M)

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017

A1. Basis of Preparation

The interim financial report of the Group are 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").

This is the first interim financial report on the Company's consolidated results for the first quarter ended 31 March 2017 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

This interim financial report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 19 June 2017 .

A2. Changes In Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2016 as disclosed in the Accountants' Report in the Prospectus of the Company dated 19 June 2017, except as follows:

- (i) Adoption of the following Amendments to MFRSs, which are relevant and effective for annual periods beginning on or after 1 January 2017:

Amendments to MFRS 12	Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014 – 2016 Cycle)
Amendments to MFRS 107	Statements of Cash Flows – Disclosure Initiative
Amendments to MFRS 112	Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above pronouncements did not have any material financial impact to the Group.

The Group has not early adopted any new or revised standards, amendments or IC Interpretations which are applicable to the Group that have been issued by the MASB but are not yet effective for the Group's current financial year ending 31 December 2017.

A3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2016.

A4. Seasonal or Cyclical Factors

The business operations of the Group during the 3 months financial period ended 31 March 2017 have not been materially affected by any seasonal or cyclical factors.

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

There were no unusual items for the 3 months financial period ended 31 March 2017.

ADVANCECON HOLDINGS BERHAD

(Company Number : 426965 - M)

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (CONT'D)**A6. Changes in Estimates**

There were no material changes in estimates for the 3 months financial period ended 31 March 2017.

A7. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the 3 months financial period ended 31 March 2017.

A8. Dividends Paid

The RM9.50 million dividends declared for financial year ended 31.12.2016 have been subsequently paid to the shareholders as follows:

- (i) RM4,500,000 was paid on 10 January 2017; and
- (ii) RM5,000,000 was paid on 28 February 2017.

A9. Segmental Reporting

The Group's operating and reportable segments are business units operating in :

- (a) Construction and Support Services – involved in Earthworks and Civil Engineering Services; and
- (b) Property Investments – involved in sales of investment properties for capital gain and rental of investment properties.

The segmental analysis for the 3 months financial period ended 31 March 2017 is as follows:-

The Group 31 March 2017	Construction and Support Services RM	Property Investment RM	Consolidation Adjustment RM	Total RM
Revenue				
External revenue	59,120,578	29,250	-	59,149,828
Inter-segment revenue	11,419,520	-	(11,419,520)	-
Consolidated revenue	70,540,098	29,250	(11,419,520)	59,149,828
Results				
Segment results	10,286,510	123,135	-	10,409,645
Interest income				150,572
Finance costs				(1,347,493)
Consolidated profit before taxation				9,212,724
Income tax expense				(2,360,496)
Consolidated profit after taxation				6,852,228

ADVANCECON HOLDINGS BERHAD

(Company Number : 426965 - M)

PART A: EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2017 (CONT'D)

A10. Significant Events after the End of the Interim Financial Period

Save as disclosed in B6 "Status of Corporate Proposals", there were no significant events after 31 March 2017.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the 3 months financial period ended 31 March 2017.

A12. Fair Value of Financial Instruments

There were no gain or losses arising from fair value changes for all financial assets and liabilities for the 3 months financial period ended 31 March 2017.

A13. Capital commitments

Approved and contracted for:-
Purchase of property, plant and equipment
Purchase of investment properties

Unaudited As at 31 March 2017 RM
2,502,018
3,418,535
<u>5,920,553</u>

A14. Operating Lease Commitment

The future minimum lease payments under the non-cancellable operating leases are as follows:-

Not later than 1 year
Later than 1 year and not later than 5 years

Unaudited As at 31 March 2017 RM
1,260,000
1,365,000
<u>2,625,000</u>

A15. Contingent Liabilities

There are no contingent liabilities at the Group level.

A16. Significant Related Party Transactions

(i) **Transaction with Director**
Paid and payable:-
Rental of premise

Unaudited 3 Months Ended 31 March 2017 RM
<u>16,500</u>

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

B1. Review of Group Performance

The Group recorded revenue of approximately RM59.15 million and profit before tax of approximately RM9.21 million for the current financial quarter ended 31 March 2017. The Group's revenue was mainly derived from the Construction and Support Services which accounted for approximately RM59.12 million or 99% of the total revenue. The balance revenue was derived from our Property Investment segment.

No comparative figures for the preceding quarter and preceding year are presented as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2017 being announced by the Company in compliance with the Listing Requirements.

B2. Comparison with Immediate Preceding Quarter Results

No comparative figures for the preceding quarter and preceding year are presented as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2017 being announced by the Company in compliance with the Listing Requirements.

B3. Prospects for the Current Financial Year

The outlook of the construction industry remains encouraging as it continues being driven by government-led initiatives and spending, in particular projects such as highways and other public infrastructures. The construction industry in Malaysia will remain a major contributor to our revenue in the current financial year. Barring unforeseen circumstances, the Board expects the financial performance for the current year to be satisfactory.

B4. Profit Forecast

The Company did not issue any profit forecast or guarantee during the current financial quarter under review and the financial period to date.

B5. Taxation

Taxation comprises:-

	Unaudited 3 Months Ended	
	31 March 2017 RM	31 March 2016 ⁽¹⁾ RM
Income tax	2,360,496	N/A
Deferred tax	-	N/A
	2,360,496	N/A
Effective tax rate ⁽²⁾	26%	N/A

Notes:

- (1) No comparative figures for the preceding quarter and preceding year are presented as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2017 being announced by the Company in compliance with the Listing Requirements.
- (2) The Group's effective tax rate for the current quarter is higher than the statutory tax rate of 24% mainly due to adjustment for non-deductible expenses.
- (3) Tax expense is recognised based on management's best estimate.

N/A- Not applicable

ADVANCECON HOLDINGS BERHAD

(Company Number : 426965 - M)

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

B6. Status of Corporate Proposals

In conjunction with and as an integral part of the listing and quotation of the Company's entire issued and paid-up share capital on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), the following listing scheme are undertaken by the Company:

(a) Public Issue

The Company is undertaking a public issue of 90,000,000 new shares ("Issue Shares") at the issue price of RM0.63 per share in the following manner:

- (i) 30,000,000 Issue Shares for application by the Malaysian Public;
- (ii) 5,000,000 Issue Shares for application by the Company's eligible Directors and employees who have contributed to the success of the Group
- (iii) 37,000,000 Issue Shares for application by way of private placement to institutional and identified investors; and
- (iv) 18,000,000 Issue Shares for application by way of private placement to identified Bumiputera investors approved by the Ministry of International Trade and Industry of Malaysia.

(b) Offer for Sale

Concurrent with the Public Issue, the existing shareholders of the Company will offer for sale 33,000,000 ordinary shares at the IPO Price of RM0.63 per share.

(c) Listing on Bursa Securities

The listing of and quotation for the Company's entire enlarged issued share capital on the Main Market of Bursa Securities is expected to be completed on 10 July 2017.

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ADVANCECON HOLDINGS BERHAD

(Company Number : 426965 - M)

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 gross proceeds from the Public Issue amounting to RM56.70 million is intended to be utilised in the following manner:

No.	Details of utilisation	Estimated timeframe for utilisation upon Listing	Amount	Actual Utilisation	Percentage Utilised
			RM'000	RM'000	%
i.	Total Capital expenditures:-	Within 24 months	29,700	-	-
	(a) Purchase of new construction machinery and equipment	Within 12 months	15,100	-	-
	(b) Construction of new workshop	Within 24 months	14,600	-	-
ii.	Repayment of bank borrowings	Within 6 months	12,500	-	-
iii.	Working capital	Within 24 months	10,700	-	-
iv.	Estimated listing expenses	Upon Listing	3,800	-	-
			56,700	-	-

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 19 June 2017.

B8. Group Borrowings and Debt Securities

The details of the borrowings of the Group are as follows:-

	Unaudited	
	As at 31 March 2017	As at 31 March 2016 ⁽¹⁾
	RM	RM
Non-current:		
Term Loans	23,904,245	N/A
Hire Purchase Payables	19,090,689	N/A
Current:		
Term Loans	4,044,366	N/A
Hire Purchase Payables	12,557,260	N/A
Bankers' Acceptances	3,629,348	N/A
Invoice Financing	4,685,195	N/A
Revolving Credit	6,000,000	N/A
Bank Overdrafts	6,971,333	N/A
	80,882,436	N/A

All the Group's borrowings are dominated in Ringgit Malaysia.

ADVANCECON HOLDINGS BERHAD

(Company Number : 426965 - M)

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

B8. Group Borrowings and Debt Securities (Continued)

Notes:

- (1) No comparative figures for the preceding quarter and preceding year are presented as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2017 being announced by the Company in compliance with the Listing Requirements.

N/A- Not applicable

B9. Material Litigation

As at the date of this report, the Group was not engaged in any material litigation.

B10. Dividends Declared

No dividend has been declared or recommended for payment by the Company during the 3 months financial period ended 31 March 2017.

B11. Earnings Per Share

The basic and diluted earnings per share for the current quarter is computed as follows:

	Unaudited 3 Months Ended	
	31 March 2017	31 March 2016 ⁽³⁾
Profit after tax attributable to the owners of the Company (RM)	6,852,228	N/A
Weighted average number of ordinary shares	312,079,000	N/A
Basic earnings per share (sen) ⁽¹⁾	2.20	N/A
Diluted earnings per share (sen) ⁽²⁾	N/A	N/A

Notes:

- (1) The basic earnings per share is computed based on the profit attributable to the equity shareholders of the company divided by the total number of ordinary shares in issue for the period under review.
- (2) Diluted earnings per share is equivalent to the basic earnings per share as the Group does not have convertible securities as at 31 March 2017.
- (3) No comparative figures for the preceding quarter and preceding year are presented as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2017 being announced by the Company in compliance with the Listing Requirements.

N/A- Not applicable

ADVANCECON HOLDINGS BERHAD

(Company Number : 426965 - M)

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

B12. Realised and Unrealised Profits or Losses

The breakdown of the Group's retained profits as at 31 March 2017 into realised and unrealised profits or losses pursuant to Bursa Malaysia's directive, is as follows:-

	As at 31 March 2017 RM	As at 31 March 2016 ⁽¹⁾ RM
Total retained profits of the Company and its subsidiaries:		
- Realised	79,117,587	N/A
- Unrealised	2,147,370	N/A
	81,264,957	N/A
Total Group retained profits as per consolidated accounts	81,264,957	N/A

Notes:

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in Bursa Malaysia's directive and should not be applied for any other purposes.

- (1) No comparative figures for the preceding quarter and preceding year are presented as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2017 being announced by the Company in compliance with the Listing Requirements.

N/A- Not applicable

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ADVANCECON HOLDINGS BERHAD

(Company Number : 426965 - M)

B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B13. Notes to the Statement of Comprehensive Income**

Profit / Loss before taxation is arrived at after charging / (crediting):-

	Unaudited 3 Months Ended	
	31 March 2017 RM	31 March 2016 ⁽¹⁾ RM
Auditors' remuneration:		
- statutory audit		
- current financial year	25,090	N/A
Depreciation :		
-property, plant and equipment	4,233,395	N/A
-investment properties	112,999	N/A
Direct operating expenses on investment properties:-		
- income generating investment properties	9,816	N/A
- non-income generating investment properties	34,827	N/A
Directors' remuneration:		
- fees	53,334	N/A
- non-fee emoluments	670,500	N/A
Interest expenses:		
- bankers' acceptances	34,175	N/A
- bank overdrafts	115,453	N/A
- hire purchase	499,929	N/A
- term loans	291,112	N/A
- bank factoring	62,049	N/A
- revolving credit	80,458	N/A
- invoice financing	101,928	N/A
- others	162,389	N/A
Rental of machinery	911,129	N/A
Rental of site equipment	125,062	N/A
Rental of motor vehicles	6,650	N/A
Rental of workshop	21,000	N/A
Rental of land	7,500	N/A
Rental of premises:		
- a director	16,500	N/A
- third party	3,900	N/A
Staff cost:		
- salaries, bonuses, allowances and wages	7,018,930	N/A
- defined contribution plan	562,677	N/A
- other benefits	393,936	N/A
Loss on disposal of property, plant and equipment	3,242	N/A
Gain on disposal of investment property	(153,823)	N/A
Interest income		
- deposits with licensed banks	(150,572)	N/A
Rental income	(16,981)	N/A

Notes:

- (1) No comparative figures for the preceding quarter and preceding year are presented as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2017 being announced by the Company in compliance with the Listing Requirements.

N/A- Not applicable

BY ORDER OF THE BOARD
19 JUNE 2017

ADVANCECON HOLDINGS BERHAD

(Company No. 426965-M)

(Incorporated In Malaysia)

WE, THE UNDERSIGNED, BEING THE DIRECTORS OF THE COMPANY FOR THE TIME BEING ENTITLED TO RECEIVE NOTICE OF DIRECTORS' MEETING, DO HEREBY RESOLVE PURSUANT TO THE COMPANY'S ARTICLES OF ASSOCIATION

INITIAL PUBLIC OFFERING ("IPO") OF 123,000,000 ORDINARY SHARES OF RM0.10 EACH IN ADVANCECON HOLDINGS BERHAD ("ADVANCECON") ("SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED AND PAID-UP SHARE CAPITAL OF ADVANCECON OF RM40,207,900 COMPRISING 402,079,000 SHARES ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") AND ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES ("PROPOSED LISTING") COMPRISING OF:-

(I) A PUBLIC ISSUE OF 90,000,000 NEW SHARES ("ISSUE SHARES") ALLOCATED IN THE FOLLOWING MANNER:-

- 30,000,000 ISSUE SHARES FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 5,000,000 ISSUE SHARES FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
- 37,000,000 ISSUE SHARES FOR APPLICATION BY WAY OF PRIVATE PLACEMENT TO INSTITUTIONAL AND IDENTIFIED INVESTORS; AND
- 18,000,000 ISSUE SHARES FOR APPLICATION BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY OF MALAYSIA ("MITI");

AND

(II) AN OFFER FOR SALE OF 33,000,000 EXISTING SHARES ("OFFER SHARES") FOR APPLICATION BY WAY OF PRIVATE PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MITI

AT AN IPO PRICE OF RM0.63 PER ISSUE SHARE/OFFER SHARE, PAYABLE IN FULL UPON APPLICATION.

ADVANCECON HOLDINGS BERHAD (Company No. 426965-M)

Directors' Circular Resolution pertaining to

- Initial Public Offering in Conjunction with the Listing of Advancecon Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad

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1. The Directors having read and understood the contents of the draft Prospectus for the Proposed Listing ("**Draft Prospectus**"), hereby approve and authorise RHB Investment Bank Berhad to submit the Draft Prospectus and make the necessary application to the following parties AND THAT the Directors individually and collectively accept full responsibility for the accuracy of such information contained in the Draft Prospectus and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there is no false or misleading statement or other facts which if omitted, would make any statement in the Draft Prospectus false or misleading :-
 - (i) Bursa Malaysia Securities Berhad- Listing Application for the Proposed Listing;
 - (ii) Securities Commission Malaysia ("SC") for the Proposed Listing under Section 212 of the Capital Markets and Services Act, 2007 ("CMSA") as well as the approval-in-principle for the registration of the Prospectus under Section 233 of the CMSA;
 - (iii) Equity Compliance Unit of the SC, for the resulting equity structure of Advancecon pursuant to the Proposed Listing; and
 - (iv) MITI for the allocation of at least 12.5% of the enlarged issued and paid-up share capital to Bumiputera Investors upon the Proposed Listing.


2. The Directors hereby appoint and authorise on behalf of the Board, both Dato' Phum Ang Kia and Lim Swee Chai, the Directors of the Company to make and/or confirm accordingly any amendments that may be required to be made to the Draft Prospectus and do all acts, deeds and things that are necessary for the purpose of the submission of the Draft Prospectus including but not limited to :-
 - (i) attending any meetings whatsoever including the due diligence verification meeting on the submission;
 - (ii) giving any confirmations whatsoever for and on behalf of the Company;
 - (iii) approving and authorising the submission and release of any related announcements to Securities Commission and/or Bursa Securities;
 - (iv) signing of all relevant documents related to the submission of the Draft Prospectus;
 - (v) approving and authorising the printing and/or advertisement of any documents related thereto; and
 - (vi) signing any follow-up questionnaires.

Dated: 06 SEP 2016

BOARD OF DIRECTORS



DATO' PHUM ANG KIA



LIM SWEE CHAI

ADVANCECON HOLDINGS BERHAD (Company No. 426965-M)

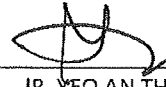
Directors' Circular Resolution pertaining to

- Initial Public Offering in Conjunction with the Listing of Advancecon Holdings Berhad on the Main Market of Bursa Malaysia Securities Berhad

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YEOH CHONG KEAT




IR. YEO AN THAI



TUNG KAI HUNG



MOHD ZAKY BIN OTHMAN



FATHI RIDZUAN BIN AHMAD FAUZI