

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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ADVANCECON

ADVANCECON HOLDINGS BERHAD

(Company No. 426965-M)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED AUTHORITY TO ADVANCECON HOLDINGS BERHAD TO PURCHASE ITS OWN ORDINARY SHARES OF UP TO TEN PERCENT (10%) IN THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY AT ANY GIVEN POINT IN TIME ("PROPOSED SHARE BUY-BACK")

The above proposal will be tabled as Special Business at the Twenty-First (21st) Annual General Meeting ("AGM") of Advancecon Holdings Berhad ("Advancecon" or "the Company") to be held at Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 27 June 2018 at 10.00 a.m. The Notice of the Twenty-First (21st) AGM together with a Form of Proxy, are enclosed together with the Annual Report of the Company for the financial year ended 31 December 2017 which is dispatched together with this Circular.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and should be deposited at the Company's Share Registrar Office, Symphony Share Registrars Sdn Bhd, situated at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time set for holding this meeting. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Monday, 25 June 2018 at 10.00 a.m.

Date and time of Twenty-First (21st) AGM : Wednesday, 27 June 2018 at 10.00 a.m.

This Circular is dated 30 April 2018

DEFINITIONS

For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

“Act”	: The Companies Act, 2016 as amended from time to time and any re-enactment thereof
“Advancecon” or “the Company”	: Advancecon Holdings Berhad
“Advancecon Group” or “the Group”	: Advancecon and its subsidiary companies, collectively
“Advancecon Share(s)” or “Share(s)”	: Ordinary share(s) in Advancecon
“AGM”	: Annual General Meeting
“Board”	: The Board of Directors of Advancecon
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“CDS”	: Central Depository System
“Circular”	: Circular to Shareholders in relation to Proposed Share Buy-Back Authority dated 30 April 2018
“Code”	: The Malaysia Code on Take-overs and Mergers, 2016 as amended from time to time
“Director”	: Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of Advancecon or any other company which is a subsidiary of Advancecon or a holding of Advancecon
“EPS”	: Earnings per Share
“LPD”	: 30 March 2018, being the latest practicable date prior to the printing of this Circular
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time

DEFINITIONS (CONT'D)

“Market Day(s)”	: Any day on which Bursa Securities is open for trading in securities
“NA”	: Net assets attributable to ordinary equity holders of Advancecon
“Proposed Share Buy-Back”	: Proposed authority to Advancecon Holdings Berhad to purchase its own Ordinary Shares of up to Ten Percent (10%) in the entire issued and paid-up share capital of the Company at any given point in time
“Purchased Advancecon Shares”	: Advancecon Shares purchased pursuant to the Proposed Share Buy-Back
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“SC”	: Securities Commission
“Substantial Shareholder(s)”	: A person who has interest or interests in one or more voting shares in the Company and the nominal amount of that share, or aggregate of the nominal amount of those shares, is not less than five percent (5%) of the aggregate of the nominal amount of all the voting shares in the Company
“Treasury Share(s)”	: The Shares purchased by the Company which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act
“2017 Annual Report”	: Annual Report of Advancecon issued for the financial year ended 31 December 2017

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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ADVANCECON

ADVANCECON HOLDINGS BERHAD

(Company No. 426965-M)

(Incorporated in Malaysia)

Registered Office

Suite 10.03, Level 10
The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

30 April 2018

Board of Directors

Yeoh Chong Keat (Chairman/ Independent Non-Executive Director)
Dato' Phum Ang Kia (Executive Director)
Lim Swee Chai (Executive Director)
Ir. Yeo An Thai (Executive Director)
Tung Kai Hung (Executive Director)
Mohd Zaky bin Othman (Independent Non-Executive Director)
Fathi Ridzuan bin Ahmad Fauzi (Independent Non-Executive Director)

To : The Shareholders of Advancecon Holdings Berhad

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK

1. INTRODUCTION

On 18 April 2018, the Board of Advancecon announced that the Company proposed to seek the approval of its shareholders a mandate for the Company to purchase up to 10% of the issued share capital of Advancecon. The Proposed Share Buy Back is subject to compliance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by any relevant authorities at the time of purchase.

The purpose of this Circular is to provide you with the relevant information of the Proposed Share Buy-Back and to seek your approval on the Ordinary Resolution pertaining to the Proposed Share Buy-Back to be tabled at the Twenty-First (21st) AGM, which will be held at Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 27 June 2018 at 10.00 a.m.. The Notice of the AGM together with the Form of Proxy are set out in the 2017 Annual Report, which are sent to you together with this Circular.

SHAREHOLDERS OF ADVANCECON ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AT THE TWENTY-FIRST (21st) AGM

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

The Board is proposing to seek the approval from the shareholders of the Company to purchase from time to time up to ten percent (10%) of its own issued and paid-up share capital.

For illustrative purposes, as at LPD, the issued share capital of Advancecon stood at 402,079,000 Ordinary Shares. Assuming no further Advancecon are issued, the maximum number of shares that can be purchased pursuant to the Proposed Share Buy-Back is 40,207,900 Advancecon Shares.

The Proposed Share Buy-Back, once approved by the shareholders, shall take effect from the passing of the Ordinary Resolution pertaining thereto at the Twenty-First (21st) AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

The Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own Shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

2.1 Maximum Amount of Funds to be Allocated and the Source of Funds

The Listing Requirements stipulate that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits of the listed company. Therefore, the maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the amount stated in the retained profits of the Company. Based on the latest audited financial statements of the Company for the financial year ended 31 December 2017, the retained profits of Advancecon are as follows:

	Retained Profits (RM)
Audited financial statement as at 31 December 2017	8,111,638

The Proposed Share Buy-Back will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of Advancecon Shares to be purchased and other relevant factors.

The actual number of Advancecon Shares to be purchased, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company. In the event that the Proposed Share Buy-Back is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

2.2 Treatment of Purchased Advancecon Shares

The Advancecon Shares purchased by the Company may be dealt with by the Board in accordance with Section 127(4) of the Act, in the following manner:

- a) To cancel the Advancecon Shares so purchased; or
- b) To retain the Advancecon Shares so purchased as Treasury Shares for distribution as dividends to the Shareholders and/or for re-sale on Bursa Securities in accordance with the Listing Requirements and/or cancellation subsequently; or
- c) To retain part of Purchased Shares as Treasury Shares and cancel the remainder.

The decision whether to retain the Purchased Advancecon Shares as Treasury Shares, or to cancel the Purchased Advancecon Shares or a combination of both, will be made by the Board at the appropriate time. An immediate announcement will be made to Bursa Securities on any purchase of Shares as well as any resale or cancellation of the Purchased Advancecon Shares.

If such Purchased Advancecon Shares are held as Treasury Shares, the rights attached to them in relation to voting, dividends and participation in rights, allotments and/or other distributions are suspended and the Purchased Advancecon Shares shall not be taken into account in calculating the number or percentage of shares or a class of shares in the Company for any purpose including determination of Substantial Shareholders, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at meetings of the shareholders.

As at the date of this Circular, the Board has yet to make any decision with regard to the treatment of the Shares to be so purchased and will take into consideration the effects of such treatment on the Group in arriving at its decision.

2.3 Purchase /Resale Price

Pursuant to the Listing Requirements, Advancecon may only purchase Advancecon Shares at a price which is not more than fifteen percent (15%) above the weighted average share price for the five (5) Market Days immediately preceding the date of the purchase(s). Advancecon may only resell the Purchased Advancecon Shares held as Treasury Shares at a price which is:

- a) a price which is not less than the weighted average Market Price for the Shares for the five (5) Market Days immediately before the resale; or
- b) a discounted price of not more than five percent (5%) to the weighted average market price for the Shares for the five (5) Market Days immediately before the resale provided that -:
 - (i) the resale takes place no earlier than thirty (30) days from the date of the purchase; and
 - (ii) the resale price is not less than the cost of purchase of the Shares being resold.

The Proposed Share Buy-Back and/or resale of the Purchased Advancecon Shares shall only be affected on the market of Bursa Securities via its Automated Trading System and shall exclude any direct business transactions as defined in accordance with the Listing Requirements. Advancecon shall ensure that all dealing(s) in its own Shares/Purchased Advancecon Shares are made through stock broker(s) appointed by Advancecon.

2.4 Potential Advantages and Disadvantages of the Proposed Share Buy-Back

The potential advantages of the Proposed Share Buy-Back are as follows:

- a) The Proposed Share Buy-Back would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- b) The Proposed Share Buy-Back will also provide the Company with opportunities for potential gains if the Purchased Advancecon Shares which are retained as Treasury Shares are resold at prices higher than their cost of purchase.
- c) In any event, the Treasury Shares may also be distributed as share dividends to the shareholders as a reward.
- d) The Proposed Share Buy-Back may also stabilise the supply and demand of Advancecon Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of Advancecon Shares price is important to maintain investors' confidence and may also assist in facilitating future fund raising via the equity market.

The potential disadvantages of the Proposed Share Buy-Back are as follows:

- a) The Proposed Share Buy-Back if implemented is expected to temporarily reduce the immediate financial resources of Advancecon Group.
- b) The Proposed Share Buy-Back may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposit in interest bearing instruments.
- c) The Proposed Share Buy-Back may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares.

Nevertheless, the Proposed Share Buy-Back is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the above exercise.

2.5 Implications Relating to the Code

Pursuant to the Code, a person and any parties acting in concert with him/her/them will be required to make a mandatory offer for the remaining Advancecon Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond thirty three percent (33.0%) or if his/her/their shareholdings is between thirty three percent (33.0%) and fifty percent (50.0%) and increases by another two percent (2.0%) in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concern complying with the conditions stipulated in the Code.

The Company intends to implement the Proposed Share Buy-Back in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Share Buy-Back.

Based on the shareholdings of the Substantial Shareholders of the Company as at LPD and assuming the Proposed Share Buy-Back is carried out in full, none of the Substantial Shareholder together with any person acting in concert with them will trigger a mandatory general offer under the Code.

2.6 Public Shareholding Spread

The Proposed Share Buy-Back is subject to the compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities ("Prevailing Law") at the time of the purchase. As at 30 March 2018, the public shareholding spread of the Company was approximately 48.72%. Assuming the Proposed Share Buy-Back is carried out in full, and the number of Advancecon Shares held by the Substantial Shareholders, Directors and persons connected to the Substantial Shareholders and/or Directors remain unchanged and all the Advancecon Shares so purchased are cancelled, the public shareholding spread of

the Company would reduce to approximately 43.02%. The Board will endeavor to ensure that the Proposed Share Buy-Back will be in accordance with the Prevailing Law at the time of the purchase including compliance with the twenty-five percent (25%) public shareholding spread as required by the Listing Requirements.

2.7 Purchase, Resale and Cancellation of Shares Made in Previous Twelve (12) Months

Given that this is the first time Advancecon is seeking authority from its shareholders for the Proposed Share Buy-Back, Advancecon has not purchased any of its own Shares, retained its Shares as Treasury Shares or resale its Treasury Shares or cancelled its Shares in the preceding twelve (12) months.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The implementation of the Proposed Share Buy-Back is envisaged to benefit the Company and its shareholders as follows:

- a) the Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the Advancecon Shares traded on Bursa Securities and thereby support its fundamental value.
- b) the EPS of Advancecon Shares and the return on equity of the Company is expected to improve as a result of a reduced share capital base.
- c) the Purchased Advancecon Shares retained as Treasury Shares provide the Board with an option to resell the treasury shares at a higher price and generate capital gains for the Company.
- d) the Purchased Advancecon Shares retained as Treasury Shares can be distributed as share dividends to the shareholders as a reward.
- e) the financial resources of the Company will increase if the Purchased Advancecon Shares held as Treasury Shares are resold at prices higher than the purchase price.

4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back on share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:

4.1 Share Capital

The effect of the Proposed Share Buy-Back on the issued and paid-up share capital of the Company will depend on whether the Purchased Advancecon Shares are cancelled or retained as Treasury Shares. The Proposed Share Buy-Back will result in a reduction of the issued and paid-up share capital of the Company if the Purchased Advancecon Shares are cancelled.

Based on the Company's issued and paid-up share capital as at LPD, the effect of the Proposed Share Buy-Back, assuming that the Purchased Advancecon Shares will be cancelled, are as follows:

	No. of Shares
Issued and paid-up share capital as at LPD	402,079,000
Less :- Maximum number of Ordinary Shares which may be purchased and cancelled pursuant to the Proposed Share Buy-Back (assuming all Purchased Advancecon Shares are fully cancelled)	(40,207,900)
Resultant number of Advancecon Shares	361,871,100

The effects of the Proposed Share Buy-Back on the issued and paid-up share capital of the Company will however, depend on whether the Purchased Shares are cancelled or retained as Treasury Shares. The above illustration assumes that the Purchased Advancecon Shares are cancelled.

There will be no impact on the issued and paid-up share capital of the Company if the Purchased Advancecon Shares are retained as Treasury Shares, resold or distributed as share dividends to shareholders.

4.2 NA

The effects of the Proposed Share Buy-Back on the consolidated NA of the Group will depend on the purchase price and number of Purchased Advancecon Shares, the effective funding cost to Advancecon to finance the Purchased Advancecon Shares or any loss in interest income to Advancecon.

The Proposed Share Buy-Back will reduce the consolidated NA per share at the time of purchase if the purchase price exceeds the consolidated NA per share and conversely will increase the consolidated NA per share at the time of purchase if the purchase price is less than the consolidated NA per share.

Should the Purchased Advancecon Shares be resold, the consolidated NA will increase if the Company realises a capital gain from the resale, and vice-versa. However, the quantum of the increase in NA will depend on the selling prices of the Purchased Advancecon Shares and the number of Purchased Advancecon Shares resold.

4.3 Working Capital, Cash Flow and Gearing

The share purchased will result in an outflow of cash and thereby reduce working capital of the Group, the quantum of which is dependent on the purchase prices and number of the Purchased Shares as well as the funding cost, if any. However, the working capital and cash flow of the Company will increase upon reselling of the Purchased Advancecon Shares which are retained as Treasury Shares. Again, the quantum of the increase in working capital and cash flow will depend on the actual selling price of Treasury Shares and the number of Treasury Shares resold.

4.4 Dividends

Assuming the Proposed Share Buy-Back is implemented in full, dividends would be paid on the remaining issued and paid-up share capital of Advancecon. The Proposed Share Buy-Back may have any impact on the Company's dividend policy as it would reduce the cash available which may otherwise be used for dividend payments.

The level of future dividend to be declared or recommended (if any) will be determined by the Board after taking in consideration the performance, cashflow position of Advancecon Group and the prevailing economic conditions.

Nonetheless, the Treasury Shares purchased may be distributed as dividends to shareholders of the Company, if the Company so decides.

4. EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONT'D)

4.5 Directors' and Substantial Shareholders' Shareholdings

The effect of the Proposed Share Buy-Back on the shareholdings of the Directors and the Substantial Shareholders of Advancecon based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the LPD assuming the Proposed Share Buy-Back is undertaken in full by Advancecon, are as follows:

(a) Directors of Advancecon

No.	Director	As at the LPD ^(a)				After the Proposed Share Buy-Back ^(b)			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Yeoh Chong Keat	25,000	0.006	-	-	25,000	0.007	-	-
2.	Dato' Phum Ang Kia	96,563,750	24.016	-	-	96,563,750	26.685	-	-
3.	Lim Swee Chai	52,488,250	13.054	-	-	52,488,250	14.505	-	-
4.	Ir. Yeo An Thai	14,875,250	3.700	-	-	14,875,250	4.111	-	-
5.	Tung Kai Hung	12,875,250	3.202	-	-	12,875,250	3.558	-	-
6.	Mohd Zaky bin Othman	-	-	-	-	-	-	-	-
7.	Fathi Ridzuan bin Ahmad Fauzi	25,000	0.006	-	-	25,000	0.007	-	-

Notes:

(a) Based on the existing issued and paid-up share capital of 402,079,000 Shares.

(b) Based on the issued and paid-up share capital of 361,871,100 Shares assuming that the Proposed Share Buy-Back is carried out in full and all that shares so purchased are held as Treasury Shares.

(b) Substantial Shareholders of Advancecon

No.	Substantial Shareholders	As at the LPD ^(a)				After the Proposed Renewal of Share Buy-Back Authority ^(b)			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Dato' Phum Ang Kia	96,563,750	24.016	-	-	96,563,750	26.685	-	-
2.	Lim Swee Chai	52,488,250	13.054	-	-	52,488,250	14.505	-	-
3.	Pham Soon Kok	29,350,250	7.300	-	-	29,350,250	8.111	-	-

Notes:

(a) Based on the existing issued and paid-up share capital of 402,079,000 Shares.

(b) Based on the issued and paid-up share capital of 361,871,100 Shares assuming that the Proposed Share Buy-Back is carried out in full and all that shares so purchased are held as Treasury Shares.

5. APPROVAL REQUIRED

The Proposed Share Buy-Back is subject to the approval of the shareholders of the Company being obtained at the Twenty-First (21st) AGM to be convened.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Share Buy-Back, none of the Directors and Substantial Shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of Shares or resale of Treasury Shares, if any in the future.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Advancecon Shares traded on Bursa Securities for the past twelve (12) months from April 2017 to March 2018 are as follows:

	Highest RM	Lowest RM
2017		
July	1.20	0.74
August	1.15	0.93
September	1.13	1.01
October	1.19	1.03
November	1.18	0.90
December	0.92	0.81
2018		
January	0.94	0.82
February	0.81	0.61
March	0.69	0.66

The last transacted price of Advancecon Shares on 30 March 2018 being the LPD, was RM0.65.

(Source : finance.yahoo.com)

8. DIRECTORS' RECOMMENDATION

The Board after having considered all aspects of the Proposed Share Buy-Back is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interests of the Company and accordingly recommended that the shareholders of Advancecon vote in favour of the Ordinary Resolution for the Proposed Share Buy-Back to be tabled at the Twenty-First (21st) AGM.

9. TWENTY-FIRST (21st) ANNUAL GENERAL MEETING

The Ordinary Resolution to vote on the Proposed Share Buy-Back is set out in the Notice of AGM contained in 2017 Annual Report of the Company. The Twenty-First (21st) Annual General Meeting of the Company to be held at Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 27 June 2018 at 10.00 a.m., together with a Form of Proxy, are enclosed together with the 2017 Annual Report of the Company for the purpose of considering and, if thought fit, passing the Ordinary Resolution pertaining to the Proposed Share Buy-Back.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the 2017 Annual Report in accordance with the instructions printed therein as soon as possible so as to arrive at the Company's Share Registrar office, Symphony Share Registrars Sdn Bhd, situated at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not later than forty-eight (48) hours before the time set for the AGM.

The completion and return of Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

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

Yeoh Chong Keat
Chairman/ Independent Non-Executive Director

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of Advancecon who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

2. MATERIAL CONTRACTS

There is no material contract, not being contract entered into in the ordinary course of business, which has been entered into by our Group within the past two (2) years immediately preceding the date of this Circular.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

The Board has confirmed that as at the LPD, neither Advancecon nor its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board has no knowledge of any proceeding pending or threatened against Advancecon Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Advancecon Group.

4. CONTINGENT LIABILITIES

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

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by the shareholders of Advancecon at the Registered Office of Advancecon at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur during normal office hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the AGM:

- a) The Memorandum and Articles of Association of Advancecon; and
- b) The audited financial statements of Advancecon Group for the past two (2) financial years ended 31 December 2016 and 2017 respectively