

MEDIA CLIPPING

Client :	Advancecon Holdings Berhad	Date :	17 June 2021
Media :	The Edge Markets (Online)	Section :	Business
Language :	English		

Advancecon diversifies into quarry business via RM30m acquisition



KUALA LUMPUR (June 17): Civil engineering and infrastructure construction group Advancecon Holdings Bhd is diversifying into the quarry business.

In a bourse filing, the group said it is acquiring 51% of Fook Hua Holdings Sdn Bhd's 100% stake in quarry operator and rock crusher Spring Energy Resources Bhd (SERB) for RM30.4 million.

It said it will pay RM15.22 million in cash and the balance via the issuance of 33 million new shares in Advancecon at 46 sen apiece.

SERB has been loss-making for four financial years since the year ended Dec 31, 2017 (FY17), said Advancecon.

The group said the deal is subject to a total profit guarantee of RM12 million for SERB in FY22 and FY23.



Advancecon said the purchase consideration of RM30.4 million represents a price-to-earnings (PE) ratio of 9.83 times, based on the yearly profit guarantee attributable to Advancecon of RM3.06 million.

Advancecon said the acquisition was aimed at mitigating the reliance on its existing business activities and expanding its earnings base, and allowed it to access SERB's quarry operation business as well as utilise the quarry products for its earthworks and road-based infrastructure construction activities.

"On top of internal usage, the enlarged Advancecon Group will be able to directly supply SERB Group's quarry products to Advancecon Group's subcontractors who work at the project sites, which is expected to reduce the risk of delay in delivery of materials," the group said.

Advancecon said the cash portion of the purchase consideration will be mainly funded through bank borrowings (RM12.18 million) and internally generated funds (RM3.04 million). The acquisition is expected to be completed by the third quarter of this year.

In a separate statement, Advancecon CEO Datuk Phum Ang Kia said the SERB stake buy provides the group various synergistic benefits such as ensuring supply of quarry products and machinery to current and future projects in the same vicinity as the quarry sites. Integrating and streamlining the quarry operations reduces overall operational costs.

"This addition also sharpens our competitive edge by expanding our assets and human capital resources, which would position us more favourably when tendering for large-scale projects and increasing our competitiveness.

"Furthermore, Advancecon would be able to leverage on Spring Energy's distribution network in Negeri Sembilan, Selangor, Pahang and Perak to expand the potential reach of our earthworks and civil engineering services segment," said Phum.

Shares in Advancecon closed 1.3% or half a sen lower at 38 sen, valuing the group at RM158.01 million.

MEDIA CLIPPING

Client :	Advancecon Holdings Berhad	Date :	17 June 2021
Media :	New Straits Times (Online)	Section :	Business
Language :	English		

Advancecon buys 51pct of quarry firm Spring Energy



KUALA LUMPUR: Advancecon Holdings Bhd is buying a 51 per cent stake in quarry operator Spring Energy Resources Bhd for RM30.4 million.

Established in 1997, Spring Energy is an integrated quarry operation management and service provider.

It does not own quarries.

Advancecon said Spring Energy undertook upstream activities of open excavation at quarries from which rock materials such as granite and limestone are extracted.

It also involves in downstream activities of production and sales of aggregates including sand, gravel and crushed rocks for the construction of roads, houses, highways, utility structures, bridges, railways and various other buildings.



As at June 1, Spring Energy is involved in six commercial quarry operations in Negri Sembilan, Selangor and Pahang, with varying lease periods of up to 2036.

"By acquiring Spring Energy, we are set to derive various synergistic benefits such as ensuring supply of quarry products and machinery to current and future projects in the same vicinity as the quarry sites.

"Integrating and streamlining the quarry operations reduces overall operational costs," said Advancecon group chief executive officer Datuk Phum Ang Kia.

Advancecon is buying the 51 per cent from Spring Energy's investment holding company Fook Hua Holdings Sdn Bhd.

This will be paid by RM15.2 million cash and the issuance of 33.0 million new Advancecon shares to Fook Hua at 46 sen per share.

This will increase Advancecon's number of issued shares to 448.8 million from 415.8 million currently.

Upon completion of the acquisition, Fook Hua will hold 7.4 per cent of Advancecon's expanded shareholding base.

Spring Energy will provide total net profit guarantee of RM12.0 million over the 24-month financial period across financial years ending 31 December 2022 and 2023. with RM6.1million per year attributable to Advancecon based on the 51 per cent stake.

The acquisition is expected to be completed by the third quarter of 2021.

MEDIA CLIPPING

Client :	Advancecon Holdings Berhad	Date :	17 June 2021
Media :	Bernama (Online)	Section :	Business
Language :	English		

Advancecon to buy 51 pct stake in Spring Energy Resources for RM30.4 mln



Advancecon Holdings Bhd

KUALA LUMPUR, June 17 -- Advancecon Holdings Bhd is acquiring 51 per cent majority stake in quarry operator, Spring Energy Resources Bhd, for RM30.4 million to expand the potential reach of its earthworks and civil engineering services.

The civil engineering services specialist said the stake would be acquired from Spring Energy Resources' investment holding company, Fook Hua Holdings Sdn Bhd.

"The purchase consideration would be satisfied by a cash consideration of RM15.2 million combined with the issuance of 33 million new Advancecon shares to Fook Hua at an issue price of 46 sen per share," it said in a statement today.

It said this would increase Advancecon's number of issued ordinary shares to 448.8 million shares from 415.8 million shares currently and upon completion of the acquisition, Fook Hua would hold 7.4 per cent of Advancecon's expanded shareholding base.

“The cash consideration portion would be financed via internally generated funds and bank borrowings,” it said.

Advancecon said the acquisition would also ensure a sufficient supply of quarry products and machinery to its current and future projects as well as expanding the potential reach of its earthworks and civil engineering services segment by leveraging Spring Energy Resources’ distribution network in Negeri Sembilan, Selangor, Pahang and Perak.

“Integrating and streamlining the quarry operations reduces overall operational costs.

“This addition also sharpens our competitive edge by expanding our assets and human capital resources, which would position us more favourably when tendering for large-scale projects and increasing our competitiveness,” group chief executive officer Datuk Phum Ang Kia said.

He said Spring Energy Resources would provide a total profit after tax guarantee of RM12 million over the 24-month financial period across financial years ending Dec 31, 2022 and 2023 with RM6.1 million per year attributable to Advancecon based on the equity interest to be acquired.

He added that the proposed acquisition is expected to be completed by the third quarter of the calendar year 2021 subject to Bursa Securities’ approval for the listing and quotation of the new shares to be issued to Fook Hua as well as shareholders’ approval at an upcoming extraordinary general meeting.

-- BERNAMA

MEDIA CLIPPING

Client :	Advancecon Holdings Berhad	Date :	17 June 2021
Media :	Bernama (Online)	Section :	Business
Language :	Malay		

Advancecon cadang beli 51 peratus kepentingan dalam Spring Energy Resources



Advancecon Holdings Bhd

KUALA LUMPUR, 17 Jun -- Advancecon Holdings Bhd bercadang membeli 51 peratus kepentingan majoriti dalam pengendali kuari, Spring Energy Resources Bhd, pada RM30.4 juta untuk memperluas capaian berpotensi kepada perkhidmatan kerja-kerja tanah dan kejuruteraan awam.

Syarikat yang mengkhusus dalam perkhidmatan kejuruteraan awam itu menjelaskan pegangan tersebut akan dibeli daripada syarikat pegangan pelaburan Spring Energy Resources, Fook Hua Holdings Sdn Bhd.

“Pembayaran akan dibuat menerusi bayaran tunai RM15.2 juta serta terbitan 33 juta saham baharu Advancecon kepada Fook Hua pada harga terbitan 46 sen sesaham,” menurutnya dalam kenyataan pada Khamis.

Ia menjelaskan langkah itu akan meningkatkan jumlah saham biasa yang diterbitkan Advancecon kepada 448.8 juta saham daripada 415.8 juta saham pada masa ini.

Apabila pembelian itu selesai, Fook Hua akan memegang 7.4 peratus daripada asas pegangan saham Advancecon yang ditingkatkan.

“Bahagian pembayaran tunai akan dibiayai menerusi dana dalaman dan pinjaman bank,” jelasnya.

Cadangan pembelian berkenaan dijangka diselesaikan pada suku ketiga tahun kalendar 2021 tertakluk kepada kelulusan Bursa Securities bagi penyenaraian dan sebut harga saham baharu yang akan diterbitkan untuk Fook Hua serta kelulusan pemegang saham semasa mesyuarat agung luar biasa akan datang.

Advancecon menjelaskan dengan pembelian itu, ia dapat memastikan bekalan produk kuari dan jentera mencukupi bagi projeknya yang sedang dilaksanakan dan akan datang.

Capaian berpotensi bagi segmen perkhidmatan kerja-kerja tanah dan kejuruteraan awam juga diperluas dengan memanfaatkan rangkaian pengedaran Spring Energy Resources di Negeri Sembilan, Selangor, Pahang dan Perak, jelasnya.

Ketua Pegawai Eksekutif Kumpulan, Datuk Phum Ang Kia berkata usaha menyepadukan dan memperkemas operasi kuari akan mengurangkan kos pengoperasian.

“Ia juga memperkukuh kelebihan saing kami menerusi peningkatan aset dan sumber modal insan, yang akan meletakkan kami pada kedudukan lebih baik apabilaterlibat dalam tender projek berskala besar di samping meningkatkan daya saing kami,” katanya.

Beliau berkata Spring Energy Resources akan memberikan jaminan jumlah keuntungan selepas cukai sebanyak RM12 juta bagi tempoh kewangan 24 bulansepanjang tahun kewangan berakhir 31 Dis, 2022 dan 2023 dengan RM6.1 juta setahun kepada Advancecon berasaskan kepentingan ekuiti yang akan dibeli.

-- BERNAMA

MEDIA CLIPPING

Client :	Advancecon Holdings Berhad	Date :	18 June 2021
Media :	Starbiz	Section :	Business
Language :	English		

Advancecon to buy 51% in Spring Energy for RM30.4mil

KUALA LUMPUR: Advancecon Holdings Bhd is acquiring 51% majority stake in quarry operator Spring Energy Resources Bhd for RM30.4mil to expand the potential reach of its earthworks and civil engineering services.

The civil engineering services specialist said the stake would be acquired from Spring Energy' investment holding company, Fook Hua Holdings Sdn Bhd.

"The purchase consideration would be satisfied by a cash consideration of RM15.2mil, combined with the issuance of 33 million new Advancecon shares to Fook Hua at an issue price of 46 sen per share," it

said in a statement.

It said this would increase Advancecon's number of issued ordinary shares to 448.8 million shares from 415.8 million shares currently and upon completion of the acquisition, Fook Hua would hold 7.4% of Advancecon's expanded shareholding base.

"The cash consideration portion would be financed via internally generated funds and bank borrowings," it said.

Advancecon said the acquisition would also ensure a sufficient supply of quarry products and machinery to its current and future projects.

It will also expand the potential reach of its earthworks and civil engineering services segment by leveraging Spring Energy' distribution network in Negri Sembilan, Selangor, Pahang and Perak.

"Integrating and streamlining the quarry operations reduces overall operational costs.

"This addition also sharpens our competitive edge by expanding our assets and human capital resources, which would position us more favourably when tendering for large-scale projects and increasing our competitiveness," group chief executive officer Datuk Phum Ang Kia said.

He said Spring Energy would provide a total profit after tax guarantee of RM12mil over the 24-month financial period across financial years ending Dec 31, 2022 and 2023, with RM6.1mil per year attributable to Advancecon based on the equity interest to be acquired.

He added that the proposed acquisition is expected to be completed by the third quarter of the calendar year 2021, subject to Bursa Securities' approval for the listing and quotation of the new shares to be issued to Fook Hua as well as shareholders' approval at an upcoming EGM. — Bernama

MEDIA CLIPPING

Client :	Advancecon Holdings Berhad	Date :	18 June 2021
Media :	The Edge CEO Morning Brief	Section :	Business
Language :	English		

Advancecon diversifies into quarry business via RM30m acquisition

KUALA LUMPUR (June 17): Civil engineering and infrastructure construction group Advancecon Holdings Bhd is diversifying into the quarry business. In a bourse filing, the group said it is acquiring 51% of Fook Hua Holdings Sdn Bhd's 100% stake in quarry operator and rock crusher Spring Energy Resources Bhd (SERB) for RM30.4 million. It will pay RM15.22 million in cash and the balance via the issuance of 33 million new shares in Advancecon at 46 sen apiece. SERB has been loss-making for four financial years since the year ended Dec 31, 2017 (FY17), said Advancecon. The deal is subject to a total profit guarantee of RM12 million for SERB in FY22 and FY23. Advancecon said the acquisition was aimed at mitigating the reliance on its existing business activities and expanding its earnings base. The purchase is expected to be completed by the third quarter of this year. — *by Arjuna Chandran Shankar/ theedgemarkets.com*

MEDIA CLIPPING

Client :	Advancecon Holdings Berhad	Date :	18 June 2021
Media :	Sunbiz	Section :	Business
Language :	English		

Advancecon acquires 51% stake in quarry operator for RM30.4m

PETALING JAYA: Advancecon Holdings Bhd has entered into a contractual agreement to acquire a 51% equity stake in quarry operator Spring Energy Resources Bhd for RM30.4 million.

Its group CEO, Datuk Phum Kia Ang, said the acquisition will result in synergistic benefits, such as the supply of quarry products and machinery to its current and future projects in the vicinity of the quarry sites as well as cost reduction from the integrating and streamlining of the quarry operations.

"This addition also sharpens our competitive edge by expanding our assets and human capital resources, which would position us more favourably when tendering

for large-scale projects and increasing our competitiveness," he said in a statement yesterday.

Furthermore, Phum said, Advancecon would be able to leverage on Spring Energy's distribution network in Negri Sembilan, Selangor, Pahang and Perak, expanding the potential reach of its earthworks and civil engineering services segment.

The group will acquire the 51% stake in the quarry operator from Spring Energy's investment holding company, Fook Hua Holdings Sdn Bhd, for RM30.4 million, of which RM15.2 million will be paid via a cash consideration and the remainder will be satisfied through the issuance of 33 million

new Advancecon shares to Fook Hua at an issue price of 46 sen per share.

The issued shares of the group are slated to rise to 448.8 million from 415.8 million, currently. As a result, Fook Hua will hold a 7.4% equity stake. The RM15.2 million of the cash consideration will be financed with internal funds and bank borrowings.

The quarry operator has provided a profit after tax guarantee of RM12 million over a 24-month period for the financial years ending Dec 31, 2022 and 2023, of which RM6.1 million per annum is attributed to Advancon's 51% stake. With the yearly profit guarantee, the purchase consideration translates to a 9.93 times price-to-earnings ratio.

MEDIA CLIPPING

Client :	Advancecon Holdings Berhad	Date :	18 June 2021
Media :	Sin Chew Daily	Section :	Business
Language :	Chinese		

“Advancecon Holdings acquires 51% stake in Spring Energy for RM30.4 million”

前進3040萬購Spring Energy 51%

（吉隆坡17日讯）前进控股(ADVCON,5281,主板建筑组)将透过发股和现金方式，以总值3040万令吉收购Spring Energy资源有限公司51%股份，进军采石业。

该公司在文告指出，将以1522万令吉现金，以及发售1518万令吉新股（每股售价46仙，共3300万股），给Spring Energy的大股东Fook Hua控股私人有限公司，以收购该公司51%股权。

此外，根据双方签署的买卖协议，卖家将提供两年共1200万令吉的盈利担保。

MEDIA CLIPPING

Client :	Advancecon Holdings Berhad	Date :	18 June 2021
Media :	Nanyang Siang Pau	Section :	Business
Language :	Chinese		

“Advancecon Holdings acquires 51% stake in quarry operator for RM30.4 million”

前进控股出价 3040 万 购采石场运营商 51%

(吉隆坡 17 日讯) 前进控股 (ADVCON, 5281, 主板建筑股) 出价 3040 万令吉, 买下采石场运营商 Spring Energy Resources 有限公司的 51% 股份。

前进控股周四发文告指出, 其中 1520 万令吉为现金支付, 剩余金额, 则透过

发行 3300 万新股, 予 Spring Energy 持股者 Fook Hua 控股来完成交易。

完成发行后, 前进控股的总股数, 将从 4 亿 1580 万股, 扩大至 4 亿 4880 万股。同时, Fook Hua 亦会持有前进控股 7.4% 股份。

前进控股也表示, 上述认购可为 2022 和 2023 财政年, 锁定盈利总计 1200 万令吉。

该入股活动预计在今年第 3 季完成, 取决于马交所和股东批准。

前进控股总执行长拿督潘红仔表示, 可透过收购 Spring Energy 创造各种协同效益, 例如在未来提供采石产品、机械予相关工程。

他续说, 前进控股也可透过整合采石场运营业务降

低运营成本。

“上述交易也可扩大我们的资产和人力资源, 增强前进控股竞争力, 未来竞标大型项目时, 我们会更具优势。”

同时, 该公司也可利用 Spring Energy 在森美兰、雪兰莪、彭亨、霹雳的分销网络, 扩大自身土方和土木工程业务的足迹。

周四两市, 前进控股跌 0.5 仙或 1.30%, 收报 38 仙, 近 30 万股易手。

MEDIA CLIPPING

Client :	Advancecon Holdings Berhad	Date :	18 June 2021
Media :	The Malaysian Reserve (Online)	Section :	Business
Language :	English		

CORP BRIEF: Serba Dinamik, Solution Group, GCAP, Advancecon and Genetec**Advancecon buys 51% stake in quarry operator**

ADVANCECON Holdings Bhd entered into a contractual agreement to acquire a 51% equity stake in quarry operator Spring Energy Resources Bhd for a total purchase consideration of RM30.4 million. As at June 1, 2021, Spring Energy is involved in six commercial quarry operations in Negri Sembilan, Selangor and Pahang, with varying lease periods up to 2036.