



ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2020

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ADVANCECON HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THIRD QUARTER ENDED 30 SEPT 2020

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Period	Preceding Year Corresponding Period
		30.9.2020 RM	30.9.2019 RM	30.9.2020 RM	30.9.2019 RM
Revenue	A9	72,836,784	71,136,240	177,267,175	223,735,923
Cost of Sales		(63,635,072)	(59,729,220)	(159,891,379)	(190,781,887)
Gross profit		9,201,712	11,407,020	17,375,796	32,954,036
Other Income		893,793	628,451	3,050,218	1,967,683
		10,095,505	12,035,471	20,426,014	34,921,719
Administrative Expenses		(4,159,292)	(5,957,349)	(11,837,392)	(16,014,202)
Other Expenses		(742,380)	(571,038)	(2,212,273)	(1,843,882)
Finance Costs		(1,553,933)	(1,729,616)	(4,778,789)	(5,302,285)
Share Of Result Of An Equity Accounted Associate		(47,908)	(2,534)	(123,000)	(24,727)
Profit Before Taxation	B12	3,591,992	3,774,934	1,474,560	11,736,623
Income Tax Expense	B5	(1,272,758)	(1,210,132)	(2,472,494)	(4,097,922)
Deferred Tax	B5	812,681	170,371	(542,589)	576,935
Profit / (Loss) After Taxation/Total Comprehensive income/ (loss) for the Financial Period		3,131,915	2,735,173	(1,540,523)	8,215,636
Total Comprehensive Income/(loss) attributable to:					
- Owners of the Company		3,131,915	2,735,173	(1,540,523)	8,215,636
Earnings per share (sen) attributable to owners of the parent:					
- Basic earnings/(loss) (2)	B11	0.79	0.68	(0.39)	2.05
- Diluted earnings/(loss) (2)	B11	0.78	0.68	(0.39)	2.04

Notes:

- (1) 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 2019 and the accompanying explanatory notes as attached to this interim financial statements.
- (2) Based on the weighted average number of ordinary shares in issue as detailed in Note B11.

**ADVANCECON HOLDINGS BERHAD**

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at Current Quarter 30.9.2020 RM	(Audited) As at Financial Year Ended 31.12.2019 RM
ASSETS		
Non-current assets		
Investment in an associate	44,182	167,182
Property, plant and equipment	126,516,686	140,344,831
Investment properties	40,792,503	38,661,602
Other investments	2,994	2,994
Deferred tax assets	160,149	160,149
Finance lease receivables	2,316,752	3,881,197
	<hr/>	<hr/>
	169,833,266	183,217,955
Current assets		
Contract assets	105,555,202	98,904,425
Finance lease receivables	2,048,819	1,869,686
Trade receivables	53,124,230	63,533,958
Other receivables, deposits and prepayments	10,506,147	10,155,442
Amount owing by an associate company	1,361,073	116,426
Short-term investments	1,384,102	2,029,521
Current tax assets	3,199,137	1,357,655
Deposits with licensed banks	48,309,927	39,629,498
Cash and bank balances	5,227,062	9,165,984
	<hr/>	<hr/>
	230,715,699	226,762,595
	<hr/>	<hr/>
TOTAL ASSETS	400,548,965	409,980,550

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	(Unaudited) As at Current Quarter 30.9.2020 RM	(Audited) As at Financial Year Ended 31.12.2019 RM
EQUITY AND LIABILITIES		
Equity		
Share capital	87,101,071	86,584,921
Treasury shares	(3,249,343)	(339,077)
Reserves	1,700,400	1,815,100
Retained profits	102,323,953	103,864,476
TOTAL EQUITY	187,876,081	191,925,420
Non-current liabilities		
Deferred tax liabilities	4,334,614	3,792,025
Long-term borrowings	25,140,156	25,493,245
Lease liabilities	36,350,864	35,443,821
	65,825,634	64,729,091
Current liabilities		
Contract liabilities	11,393,732	11,196,440
Trade payables	51,265,048	48,096,523
Other payables and accruals	8,418,539	26,257,346
Amount owing to an associate company	246,254	205,799
Short-term borrowings	52,250,760	47,523,210
Lease liabilities	21,443,674	18,230,627
Bank overdrafts	1,829,243	1,816,094
	146,847,250	153,326,039
TOTAL LIABILITIES	212,672,884	218,055,130
TOTAL EQUITY AND LIABILITIES	400,548,965	409,980,550
Net asset per share (RM)	0.46	0.48

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes as attached to this interim financial statement.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THIRD QUARTER ENDED 30 SEPT 2020

	Share Capital	Treasury Shares	Non-Distributable Employee Share Option Reserve	Distributable Retained Profits	Total
	RM	RM	RM	RM	RM
The Group (Audited)					
Balance at 1.1.2019	85,752,871	(339,077)	1,116,498	95,455,898	181,986,190
Profit after taxation/Total comprehensive income for the financial year	-	-	-	10,825,180	10,825,180
Contribution by and distribution to owners of the company:					
- Dividend	-	-	-	(2,416,602)	(2,416,602)
- Recognition of share option expenses	-	-	883,502	-	883,502
- Employees' share options exercised	832,050	-	(184,900)	-	647,150
Balance at 31.12.2019 (Unaudited)	86,584,921	(339,077)	1,815,100	103,864,476	191,925,420
Balance at 1.1.2020	86,584,921	(339,077)	1,815,100	103,864,476	191,925,420
Loss after taxation/ Total comprehensive loss for the financial period	-	-	-	(1,540,523)	(1,540,523)
Contribution by and distribution to owners of the company:					
- Purchase of treasury shares	-	(2,910,266)	-	-	(2,910,266)
- Employees' share options exercised	516,150	-	(114,700)	-	401,450
Balance at 30.9.2020	87,101,071	(3,249,343)	1,700,400	102,323,953	187,876,081

Notes:

(1) 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 2019 and the accompanying explanatory notes as attached to this interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THIRD QUARTER ENDED 30 SEPT 2020

(The figures have not been audited)

	Cumulative Current Period Ended 30.9.2020 RM	Cumulative Comparative Period Ended 30.9.2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,474,560	11,736,623
Adjustments for:-		
Depreciation:		
- investment properties	430,189	428,980
- property, plant and equipment	19,294,178	19,091,990
Interest expense on lease liabilities	1,967,945	817
Interest expense	2,810,844	5,301,468
Loss on deemed disposal due to effects of deconsolidation of subsidiaries under Member's Voluntary Winding Up	-	146,544
Share of result of an equity accounted associate	123,000	24,727
Share option expenses	-	883,502
Property, plant and equipment written off	22,751	86,964
Gain on disposal of property, plant and equipment	(253,691)	(26,979)
Dividend income from short-term investments	(54,580)	-
Interest income	(1,295,724)	(1,132,501)
Operating profit before working capital changes	24,519,472	36,542,135
Increase in contract assets	(6,650,777)	(27,609,646)
Increase/ (Decrease) in contract liabilities	197,292	(3,021,726)
Decrease in trade and other receivables	10,059,023	35,368,183
Decrease in trade and other payables	(1,723,775)	(4,709,303)
Increase in amount owing by associate company	(1,356,481)	(346,287)
Cash from operations	25,044,754	36,223,356
Interest paid	(4,778,789)	(5,301,468)
Income tax refund	-	1,353,067
Income tax paid	(4,313,976)	(6,388,078)
NET CASH FROM OPERATING ACTIVITIES	15,951,989	25,886,877

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THIRD QUARTER ENDED 30 SEPT 2020 (CONT'D)

(The figures have not been audited)

	Cumulative Current Period Ended 30.9.2020 RM	Cumulative Comparative Period Ended 30.9.2019 RM
CASH FLOWS FOR INVESTING ACTIVITIES		
Net cash flow from deconsolidation of subsidiaries under Member's Voluntary Winding Up	-	(99,223)
Investment in an associate	-	(224,970)
Advances to an associated company	-	(75,541)
Interest received	1,295,724	1,014,460
Dividend income from short-term investments	54,580	118,041
Increase in deposits pledged with licensed bank	(8,680,429)	(4,404,037)
Purchase of property, plant and equipment	(1,988,800)	(1,395,953)
Addition of investment properties	(2,561,090)	(11,499)
Proceeds from disposal of property, plant and equipment	981,601	423,702
Repayment from finance lease receivables	1,385,312	663,542
Repayment from an associate company	111,834	-
NET CASH FOR INVESTING ACTIVITIES	(9,401,268)	(3,991,478)
CASH FLOWS FOR FINANCING ACTIVITIES		
Advances from an associate company	40,455	39,011
Proceeds from exercise of employees' share options	401,450	282,800
Purchase of treasury shares	(2,910,266)	-
Dividend paid	-	(4,017,260)
Drawdown of term loans	-	19,197
Repayment of term loans	(401,889)	(8,153,510)
Net repayment of hire purchase obligations	-	(12,865,544)
Net drawdown of bankers' acceptances	322,870	111,470
Net repayment of invoice financing	(4,136,130)	(8,619,662)
Net drawdown of revolving credit	4,500,000	3,000,000
Net drawdown of bank factoring	4,089,609	5,123,575
Proceeds of lease liability	-	211,768
Repayment of lease liabilities	(13,054,310)	(12,599)
NET CASH FOR FINANCING ACTIVITIES	(11,148,211)	(24,880,754)
NET DECREASE IN CASH AND CASH EQUIVALENT	(4,597,490)	(2,985,355)
Cash and cash equivalents at beginning of the financial year	9,379,411	7,447,759
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL YEAR	4,781,921	4,462,404

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THIRD QUARTER ENDED 30 SEPT 2020 (CONT'D)

(The figures have not been audited)

	Cumulative Current Period Ended 30.9.2020 RM	Cumulative Comparative Period Ended 30.9.2019 RM
Cash and cash equivalent comprised of:		
Deposits with licensed banks	48,309,927	37,041,213
Short-term investments	1,384,102	2,012,453
Cash and bank balances	5,227,062	6,533,822
Bank overdrafts	<u>(1,829,243)</u>	<u>(4,083,871)</u>
	53,091,848	41,503,617
Less: Deposits pledged to licensed banks	<u>(48,309,927)</u>	<u>(37,041,213)</u>
	<u><u>4,781,921</u></u>	<u><u>4,462,404</u></u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 and the accompanying explanatory notes as attached to this interim financial statement.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2020

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”).

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 2019, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS beginning 1 January 2020:

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above accounting standard(s) and/or interpretation(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 period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Year
• MFRS 17 Insurance Contracts & Amendments to MFRS 17 Insurance Contracts	2023
• Amendments to MFRS 3: Reference to the Conceptual Framework	2022
• Amendments to MFRS 16: COVID-19-Related Rent Concessions	2021
• Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	2023
• Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	2022
• Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	2022
• Annual Improvements to MFRS Standards 2018 – 2020	2022
• Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	2021

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.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2020 (CONT'D)

A3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2019.

A4. Seasonal or Cyclical Factors

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

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

There were no unusual items for the financial period under review.

A6. Changes in Estimates

There were no material changes in estimates for the financial period under review.

A7. Changes in Estimates

Save for the issuance of shares under ESOS of 753,000 during the current quarter, there were no other issuance, repurchase and repayment of debts and equity securities by the Group and the Company during the nine months ended 30 Sept 2020.

A8. Dividends Paid

As at the date of this report, there was no payment of dividend during the financial year ending 31 December 2020.

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2020 (CONT'D)

A9. Segmental Reporting

The Group's operating and reportable segments comprised of:

- Construction and Support Services under Earthworks and Civil Engineering Sector; and
- Property Investment that deals with the holding of investment properties for capital gain and/or rental income.

	Construction and Support Services	Property Investment	Consolidation Adjustment	Total
The Group	RM	RM	RM	RM
Revenue				
External revenue	176,852,972	414,203	-	177,267,175
Inter-segment revenue	41,604,832	19,200	(41,624,032)	-
Consolidated revenue	<u>218,457,804</u>	<u>433,403</u>		<u>177,267,175</u>
Represented by:-				
<u>Revenue recognized at a point in time</u>				
Sale of goods	10,434,851	-	-	10,434,851
Hiring of machinery	40,965,031	-	(39,813,832)	1,151,199
Day work revenue	545,973	-	-	545,973
Cabin Living Quarters Rental	12,467	-	-	12,467
<u>Revenue recognised over time</u>				
Contract revenue	164,708,482	-	-	164,708,482
Rental income from investment properties	-	433,403	(19,200)	414,203
<u>Revenue from other sources</u>				
Management fee	1,791,000	-	(1,791,000)	-
	<u>218,457,804</u>	<u>433,403</u>		<u>177,267,175</u>
Results				
Segment results				5,026,045
Interest income				1,295,724
Dividend income from short-term investments				54,580
Finance Cost				(4,778,789)
Share of result of an equity accounted associate				(123,000)
Consolidated profit before taxation				1,474,560
Income tax expense				(2,472,494)
Deferred Tax				(542,589)
Consolidated (loss) after taxation				(1,540,523)

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A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2020 (CONT'D)

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

There were no significant events after the end of the interim financial period.

A11. Changes in the Composition of the Group

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

A13. Capital Commitments

Approved and contracted for:-

Purchase of property, plant and equipment

Purchase of investment properties

Unaudited
As at 30.9.2020
RM

3,440,000

2,064,240

5,504,240

A14. Contingent Liabilities

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

A15. Significant Related Party Transactions

Transaction with Director

Paid and payable:-

Rental of premise

Unaudited
9 Months Ended
30.9.2020
RM

56,700

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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 Individual Period			9 Months Cumulative Period		
	30.9.2020 RM	30.9.2019 RM	Variance %	30.9.2020 RM	30.9.2019 RM	Variance %
Revenue	72,836,784	71,136,240	2.4%	177,267,175	223,735,923	-20.8%
Profit Before Taxation	3,591,992	3,774,934	-4.8%	1,474,560	11,736,623	-87.4%
(Loss)/ Profit After Taxation	3,131,915	2,735,173	14.5%	(1,540,523)	8,215,636	-118.8%

For the current quarter under review, the Group recorded a 2.4% increase in revenue as compared to preceding year corresponding quarter as the Group's operations were normalised following the end of the Movement Control Order (MCO) (18 March 2020 to 3 May 2020) which at that time adversely affected site activities.

Overall, construction and support services contributed almost 100% of the Group's revenue for both the current quarter and preceding year corresponding quarter, at RM 72.7 million and RM 71.0 million respectively. The balance of revenue was derived from property investment.

Construction and Support Services

During the current quarter under review, the division recorded a profit before taxation (PBT) of RM 3.9 million versus RM 4.1 million profit before taxation during the preceding year corresponding quarter.

The decrease in PBT was mainly due lower profit recognition of three (3) for the current quarter versus four (4) completed projects during the preceding year corresponding quarter.

However, the decrease in PBT was partly mitigated by lower weighted average diesel cost per litre of RM 1.58 for the current quarter as compared to RM 2.08 during the preceding year corresponding period and reduction in both administrative expenses and finance cost.

The division recorded a better profit after taxation after (PAT) of RM 3.5 million versus RM 3.0 million for the preceding year corresponding quarter mainly as a result of the reversal of deferred tax.

Property Investment

For the current quarter under review, this division recorded a lower loss before taxation of RM 0.2 million versus RM 0.3 million in the preceding year corresponding quarter mainly due to higher rental income. The management is actively looking to monetise the investment properties in the nearest future.

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

B2. Comparison with Immediate Preceding Quarter Results

	3 Months Individual Period		
	30.9.2020	30.6.2020	Variance
	RM	RM	%
Revenue	72,836,784	38,111,400	91.1%
Profit / (Loss) Before Taxation	3,591,992	(5,328,706)	167.4%
Profit/ (Loss) After Taxation	3,131,915	(6,856,104)	145.7%

The Group had returned to profitability during the current quarter versus the immediate preceding quarter as site operations were back to normal after the end of the MCO. The increase in PAT was in tandem with the increase in revenue.

B3. Prospects

According to Bank Negara Malaysia, the country's Gross Domestic Product for third quarter improved to a -2.7% versus -17.1% in the second quarter. The construction sector however recorded a lower contraction at -12.4% in the latest quarter from -44.5% in the previous quarter, attributed to resumption of projects across all subsectors. Based on these sets of data, the economy may be heading towards recovery.

The Group foresees a challenging financial year and expectation of a steady recovery, hence is cautiously optimistic to deliver a positive financial result for financial year ending 31 December 2020. The Group's operations are not adversely affected by the current Conditional Movement Control Order. For now, The Group will focus on:

- 1 Coordinated efforts to realise the remaining construction order book of RM 714 million within the contract period given.
- 2 Stringent cost control measures to contain wastages if any and to cut back on discretionary expenditures.
- 3 Global crude oil price has been relatively stable around USD 40 per barrel. So long as there is no major spike in the price, the Group expects significant savings in operational costs.

B4. Profit Forecast

The Group did not issue any profit forecast or profit guarantee for the financial period under review.

B5. Taxation

	Unaudited	
	30.9.2020	30.9.2019
	RM	RM
Income tax	2,472,494	4,097,922
Deferred tax	542,589	(576,935)
	<u>3,015,083</u>	<u>3,520,987</u>

The Group's effective tax rate for the financial period is higher than statutory tax rate mainly due to the provision for corporate income tax for profitable subsidiary company and deferred tax.

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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 was no corporate proposal during the current quarter under review.

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 upon 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	27,050	(12,960)	14,090	Within 54 ⁽³⁾ months
	(a) Purchase of new construction machinery and equipment	15,100	12,960	(12,960)	-	Within 24 months
	(b) Construction of new workshop	14,600	14,090 ⁽²⁾	-	14,090	Within 54 ⁽³⁾ months
ii.	Repayment of bank borrowings	12,500	12,455 ⁽²⁾	(12,455)	-	Within 6 months
iii.	Working capital	10,700	13,395	(13,395)	-	Within 24 months
iv.	Estimated listing expenses	3,800	3,800	(3,800)	-	Upon Listing
		<u>56,700</u>	<u>56,700</u>	<u>(42,610)</u>	<u>14,090</u>	

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 to day-to-day working capital expenses for payment to suppliers.

(3) On 26 August 2020, the Board announced to extend the estimated of timeframe for construction of new workshop from within 36 months to within 54 months from date of IPO.

ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

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 30.9.2020 RM	Audited As at 31.12.2019 RM
<u>Non-current</u>		
Term Loans	25,140,156	25,493,245
Lease liabilities	36,350,864	35,443,821
<u>Current</u>		
Term Loans	1,070,913	1,119,713
Lease liabilities	21,443,675	18,230,627
Bankers' Acceptances	14,663,219	14,340,349
Invoice Financing	7,612,738	11,748,868
Revolving Credit	13,500,000	9,000,000
Bank Overdrafts	1,829,243	1,816,094
Bank factoring	15,403,889	11,314,280
	<u>137,014,697</u>	<u>128,506,997</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

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

B10. Dividends Declared

The Board of Directors has declared a first interim single tier dividend of RM 0.01 per ordinary share amounting to approximately RM 4.0 million in respect of financial year ending 31 December 2020, to be paid on 30 December 2020. The ex-date and entitlement date are 14 December 2020 and 16 December 2020 respectively.

B11. Earnings Per Share

	Unaudited	
	9 Months Ended	
	30.9.2020	30.9.2019
(Loss)/Profit after tax attributable to the owners of the Company (RM)	(1,540,523)	8,215,636
<i>Basic (loss)/earnings per share</i>		
Weighted average number of ordinary shares	<u>398,450,277</u>	<u>401,487,868</u>
Basic (loss)/earnings per share (sen) ⁽¹⁾	(0.39)	2.05
<i>Diluted (loss)/earnings per share</i>		
Weighted average number of ordinary shares	<u>399,178,695</u>	<u>402,834,584</u>
Diluted (loss)/earnings per share (sen) ⁽²⁾	(0.39)	2.04

Notes:

- (1) The basic earnings per share was computed based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares.
- (2) The dilutive portion of the ordinary shares deemed issued pursuant to the ESOS are accounted for in the diluted earnings per share calculation. The ESOS will have a dilutive effect only when the average target price of ordinary shares of the Company during the period exceeds the exercise price of options granted.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**B12. Notes to the Statement of Comprehensive Income**

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

	Unaudited	
	Individual	Cumulative
	Quarter	Quarter
	30.9.2020	30.9.2020
	RM	RM
Auditors' remuneration	41,750	125,250
Depreciation:		
- property, plant and equipment	6,411,079	19,294,178
- investment properties	143,443	430,189
Directors' remuneration	873,903	2,617,027
Interest expenses	1,553,933	4,778,789
Property, plant and equipment written off	2	22,751
Share of result of an equity accounted associate	47,908	123,000
Staff costs	10,588,885	30,649,470
Gain on disposal of property, plant and equipment	(106,599)	(253,691)
Interest income	(403,513)	(1,295,724)
Dividend income from short-term investments	(15,232)	(54,580)

BY ORDER OF THE BOARD**26 November 2020**