



**ADVANCECON HOLDINGS BERHAD**

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

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## ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR FIRST QUARTER ENDED 31 MARCH 2021

(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31.3.2021 RM	Preceding Year Corresponding Quarter 31.3.2020 RM	Current Year Period 31.3.2021 RM	Preceding Year Corresponding Period 31.3.2020 RM
Revenue	A9	65,076,518	66,318,991	65,076,518	66,318,991
Cost of Sales		(58,589,333)	(56,855,897)	(58,589,333)	(56,855,897)
Gross Profit		6,487,185	9,463,094	6,487,185	9,463,094
Other Income		928,869	675,250	928,869	675,250
		7,416,054	10,138,344	7,416,054	10,138,344
Administrative Expenses		(3,556,315)	(4,364,687)	(3,556,315)	(4,364,687)
Other Expenses		(672,435)	(786,415)	(672,435)	(786,415)
Finance Costs		(1,568,836)	(1,729,288)	(1,568,836)	(1,729,288)
Share of Result Of An Equity Accounted Associate		-	(46,680)	-	(46,680)
<b>Profit Before Taxation</b>	B12	<b>1,618,468</b>	<b>3,211,274</b>	<b>1,618,468</b>	<b>3,211,274</b>
Income Tax Expense	B5	(924,323)	(1,545,376)	(924,323)	(1,545,376)
Deferred Tax	B5	386,830	517,768	386,830	517,768
<b>Profit After Taxation/ Total Comprehensive income for the Financial Period</b>		<b>1,080,975</b>	<b>2,183,666</b>	<b>1,080,975</b>	<b>2,183,666</b>
<b>Total Comprehensive Income attributable to:</b>					
- Owners of the Company		<b>1,080,975</b>	<b>2,183,666</b>	<b>1,080,975</b>	<b>2,183,666</b>
<b>Earnings per share (sen) attributable to owners of the parent:</b>					
- Basic <sup>(2)</sup>	B11	0.27	0.54	0.27	0.54
- Diluted <sup>(2)</sup>	B11	0.27	0.54	0.27	0.54

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 2020 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

	<b>(Unaudited)</b> As at Current Quarter <b>31.3.2021</b> RM	<b>(Audited)</b> As at Financial Year Ended <b>31.12.2020</b> RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	118,919,632	120,741,965
Investment properties	40,394,339	43,483,039
Other investments	2,994	2,994
Deferred tax assets	160,149	160,149
Finance lease receivables	2,872,872	1,790,560
	162,349,986	166,178,707
<b>Current assets</b>		
Contract assets	93,278,850	106,056,723
Finance lease receivables	646,677	2,114,930
Trade receivables	59,345,866	66,673,120
Other receivables, deposits and prepayments	12,856,763	9,379,213
Amount owing by an associate company	2,907,227	941,218
Short-term investments	4,172,475	1,390,666
Current tax assets	2,753,864	2,844,701
Deposits with licensed banks	55,424,336	50,053,145
Cash and bank balances	17,246,038	2,232,770
	248,632,096	241,686,486
<b>TOTAL ASSETS</b>	<b>410,982,082</b>	<b>407,865,193</b>

## ADVANCECON HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	<b>(Unaudited)</b>	<b>(Audited)</b>
	As at Current Quarter	As at Financial Year Ended
	<b>31.3.2021</b>	<b>31.12.2020</b>
	RM	RM
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	91,933,171	87,101,071
Treasury shares	(3,249,343)	(3,249,343)
Reserves	-	1,700,400
Retained profits	103,716,159	102,008,584
<b>TOTAL EQUITY</b>	<b>192,399,987</b>	<b>187,560,712</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	4,059,550	4,446,380
Long-term borrowings	24,553,550	24,693,873
Lease liabilities	27,775,392	32,213,598
	<b>56,388,492</b>	<b>61,353,851</b>
<b>Current liabilities</b>		
Contract liabilities	16,092,314	16,670,776
Trade payables	55,472,349	54,427,963
Other payables and accruals	14,057,710	11,260,510
Amount owing to an associate company	168,352	98,942
Amount owing to a director	-	192,290
Current tax liabilities	102,185	56,586
Short-term borrowings	54,189,920	51,467,468
Lease liabilities	20,290,429	20,897,158
Bank overdrafts	1,820,344	3,878,937
	<b>162,193,603</b>	<b>158,950,630</b>
<b>TOTAL LIABILITIES</b>	<b>218,582,095</b>	<b>220,304,481</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>410,982,082</b>	<b>407,865,193</b>
Net asset per share (RM)	0.46	0.46

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 2020 and the accompanying explanatory notes as attached to this interim financial statement.

## ADVANCECON HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FIRST QUARTER ENDED 31 MARCH 2021

	Share Capital	Treasury Shares	Non-Distributable Employee Share Option Reserve	Distributable Retained Profits	Total
	RM	RM	RM	RM	RM
<b>The Group (Audited)</b>					
Balance at 1.1.2020	86,584,921	(339,077)	1,815,100	103,864,476	191,925,420
Profit after taxation/Total comprehensive income for the financial year	-	-	-	2,101,045	2,101,045
Contribution by and distribution to owners of the Company:					
- Dividend	-	-	-	(3,956,937)	(3,956,937)
- Purchase of treasury shares	-	(2,910,266)	-	-	(2,910,266)
- Employees' share options exercised	516,150	-	(114,700)	-	401,450
<b>Balance at 31.12.2020 (Unaudited)</b>	<b>87,101,071</b>	<b>(3,249,343)</b>	<b>1,700,400</b>	<b>102,008,584</b>	<b>187,560,712</b>
Balance at 1.1.2021	87,101,071	(3,249,343)	1,700,400	102,008,584	187,560,712
Profit after taxation/ Total comprehensive income for the financial year	-	-	-	1,080,975	1,080,975
Contribution by and distribution to owners of the Company:					
- Employees' share options exercised	4,832,100	-	(1,073,800)	-	3,758,300
- Employees' share options lapsed	-	-	(626,600)	626,600	-
<b>Balance at 31.3.2021</b>	<b>91,933,171</b>	<b>(3,249,343)</b>	<b>-</b>	<b>103,716,159</b>	<b>192,399,987</b>

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 2020 and the accompanying explanatory notes as attached to this interim financial statements.

## ADVANCECON HOLDINGS BERHAD

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FIRST QUARTER ENDED 31 MARCH 2021

(The figures have not been audited)

	Cumulative Current Period Ended 31.3.2021 RM	Cumulative Comparative Period Ended 31.3.2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,618,468	3,211,274
Adjustments for:-		
Depreciation:		
- investment properties	147,996	143,303
- property, plant and equipment	6,408,057	6,466,373
Interest expense on lease liabilities	679,535	727,878
Interest expense	889,301	1,001,410
Share of result of an equity accounted associate	-	46,680
Property, plant and equipment written off	34	22,363
(Gain) / Loss on disposal of property, plant and equipment	(428,158)	68,678
Gain on disposal of investment properties	(96,176)	-
Dividend income from short-term investments	(2,427)	(17,710)
Interest income	(330,567)	(441,543)
Operating profit before working capital changes	8,886,063	11,228,706
Decrease / (Increase) in contract assets	12,777,873	(615,535)
Decrease in contract liabilities	(578,462)	(3,799,340)
Decrease in trade and other receivables	7,074,904	10,483,398
Decrease in trade and other payables	(835,800)	(4,307,995)
Increase in amount owing by an associate company	(1,962,808)	-
<b>Cash from operations</b>	<b>25,361,770</b>	<b>12,989,234</b>
Interest paid	(1,568,836)	(1,729,288)
Income tax paid	(787,887)	(1,693,494)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>23,005,047</b>	<b>9,566,452</b>

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FIRST QUARTER ENDED 31 MARCH 2021 (CONT'D)

(The figures have not been audited)

	Cumulative Current Period Ended 31.3.2021 RM	Cumulative Comparative Period Ended 31.3.2020 RM
<b>CASH FLOWS (FOR) / FROM INVESTING ACTIVITIES</b>		
Interest received	330,567	441,543
Dividend income from short-term investments	2,427	17,710
Increase in deposits pledged with licensed bank	(5,371,191)	(38,892)
Purchase of property, plant and equipment	(198,219)	(694,400)
Addition of investment properties	-	(8,380)
Proceeds from disposal of property, plant and equipment	539,885	190,999
Proceeds from disposal of investment properties	294,800	-
Repayment from finance lease receivables	385,941	445,030
Advance to an associate company	(3,201)	(58,854)
<b>NET CASH (FOR)/ FROM INVESTING ACTIVITIES</b>	<b>(4,018,991)</b>	<b>294,756</b>
<b>CASH FLOWS FROM / (FOR) FINANCING ACTIVITIES</b>		
Advances from an associate company	69,410	73,125
Proceeds from exercise of employees' share options	3,758,300	-
Purchase of treasury shares	-	(667,505)
Net drawdown / (repayment) of term loans	13,881	(312,835)
Net repayment of bankers' acceptances	(328,028)	(1,485,077)
Net drawdown / (repayment) of invoice financing	500,272	(914,858)
Net drawdown / (repayment) of bank factoring	2,396,004	(5,367,211)
Repayment of lease liabilities	(5,349,935)	(4,727,163)
Repayment to a director	(192,290)	-
<b>NET CASH FROM / (FOR) FINANCING ACTIVITIES</b>	<b>867,614</b>	<b>(13,401,524)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>19,853,670</b>	<b>(3,540,316)</b>
Cash and cash equivalents at beginning of the financial year	(255,501)	9,379,411
<b>CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL YEAR</b>	<b>19,598,169</b>	<b>5,839,095</b>

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FIRST QUARTER ENDED 31 MARCH 2021 (CONT'D)

(The figures have not been audited)

	<b>Cumulative Current Period Ended 31.3.2021 RM</b>	<b>Cumulative Comparative Period Ended 31.3.2020 RM</b>
<b>Cash and cash equivalent comprised of:</b>		
Deposits with licensed banks	55,424,336	39,668,390
Short-term investments	4,172,475	2,047,231
Cash and bank balances	17,246,038	7,834,878
Bank overdrafts	<u>(1,820,344)</u>	<u>(4,043,014)</u>
	75,022,505	45,507,485
Less: Deposits pledged to licensed banks	<u>(55,424,336)</u>	<u>(39,668,390)</u>
	<u>19,598,169</u>	<u>5,839,095</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 2020 and the accompanying explanatory notes as attached to this interim financial statement.



## ADVANCECON HOLDINGS BERHAD

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### A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2021

#### A1. Basis of Preparation

The interim financial report of the Advancecon Holdings Berhad and its subsidiaries (“Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting, International Accounting Standard (“IAS”) 34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) (“Listing Requirements”).

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2020, except for the adoption of the following Amendments to MFRS beginning 1 January 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standard(s) (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

#### A2. Changes In Accounting Policies

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial period:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Year</b>
• MFRS 17 Insurance Contracts & Amendments to MFRS 17 Insurance Contracts	2023
• Amendments to MFRS 3: Reference to the Conceptual Framework	2022
• Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	2023
• Amendments to MFRS 101: Disclosure of Accounting Policies	2023
• Amendments to MFRS 108: Definition of Accounting Estimates	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

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.

## **ADVANCECON HOLDINGS BERHAD**

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### **A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (CONT'D)**

#### **A3. Auditors' Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2020.

#### **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. Debt and Equity Securities**

There were no issuance, repurchase and repayment of debts and equity securities by the Group and the Company during the current quarter.

#### **A8. Dividends Paid**

As at the date of this report, there was no payment of dividend during the financial year ending 31 December 2021.

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### A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (CONT'D)

#### A9. Segmental Reporting

The Group's operating and reportable segments comprised of:

- Construction and Support Services under Earthworks and Civil Engineering Sector;
- Property Investment that deals with the holding of investment properties for capital gain and/or rental income; and
- Green Energy - involved in the development and/or operation of power generation from renewable energy, solar and other renewable energy projects.

	Construction and Support Services	Property Investment	Green Energy	Consolidation Adjustment	Total
The Group	RM	RM	RM	RM	RM
<b>Revenue</b>					
External revenue	63,507,546	149,270	1,419,702	-	65,076,518
Inter-segment revenue	12,426,799	3,000	-	(12,429,799)	-
Consolidated revenue	<u>75,934,345</u>	<u>152,270</u>	<u>1,419,702</u>		<u>65,076,518</u>
Represented by:-					
<u>Revenue recognised at a point in time</u>					
Sale of goods	1,502,606	-	-	-	1,502,606
Hiring of machinery	12,050,247	-	-	(11,811,799)	238,448
Day work revenue	675,828	-	-	-	675,828
Cabin Living Quarters Rental	3,648	-	-	-	3,648
<u>Revenue recognised over time</u>					
Contract revenue	61,087,016	-	-	-	61,087,016
Rental income from investment properties	-	152,270	-	(3,000)	149,270
Revenue-Green Energy	-	-	1,419,702	-	1,419,702
<u>Revenue from other sources</u>					
Management fee	615,000	-	-	(615,000)	-
	<u>75,934,345</u>	<u>152,270</u>	<u>1,419,702</u>		<u>65,076,518</u>
<b>Results</b>					
Segment results					2,854,311
Interest income					330,566
Dividend income from short-term investments					2,427
Finance Cost					(1,568,836)
<b>Consolidated profit before taxation</b>					<b>1,618,468</b>
Income tax expense					(924,323)
Deferred Tax					386,830
<b>Consolidated profit after taxation</b>					<b>1,080,975</b>

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### A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (CONT'D)

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

1. Advancecon Solar Sdn Bhd ("Adv Solar"), a wholly-owned subsidiary of Advancecon Holdings Berhad had announced on 2 April 2021 that Mydin Mohamed Holding Berhad mutually agreed to terminate the Memorandum Of Understanding ("MOU") with immediate effect.
2. Adv Solar had announced on 10 May 2021 that Rhong Khen Timbers Sdn Bhd and Latitude Tree Furniture Sdn Bhd had mutually agreed to terminate the MOU with immediate effect.
3. Adv Solar had announced on 17 May 2021 that YHI Manufacturing (Malaysia) Sdn Bhd had mutually agreed to terminate the MOU with immediate effect.

#### A11. Changes in the Composition of the Group

There was no change in the composition of the Group for the current period, except for the following:-

Inspirasi Hebat Sdn Bhd and SK-II Tipper Truck Services Sdn Bhd, wholly owned Subsidiary Companies of Advancecon Holdings Berhad, had the Final Meeting on 22 March 2021 and 3 May 2021 to conclude the winding up proceedings:

Pursuant to Section 459(5) of the Companies Act 2016, the Subsidiary Companies will be deemed dissolved on the expiration of three (3) months after lodgement of the Return by the Liquidator relating to the Final Meeting with the Companies Commission of Malaysia and Official Receiver.

#### 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.

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### A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (CONT'D)

#### A13. Capital Commitments

	<b>Unaudited As at 31.3.2021</b>
	RM
Approved and contracted for:-	
Purchase of property, plant and equipment	9,818,851
Purchase of investment properties	258,030
	<u>10,076,881</u>

#### A14. Contingent Liabilities

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

#### A15. Significant Related Party Transactions

	<b>Unaudited 3 Months Ended 31.3.2021</b>
	RM
<b>Transaction with Director</b>	
Paid and payable:-	
Rental of premise	<u>18,900</u>

## ADVANCECON HOLDINGS BERHAD

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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			3 Months Cumulative Period		
	31.3.2021 RM	31.3.2020 RM	Variance %	31.3.2021 RM	31.3.2020 RM	Variance %
Revenue	65,076,518	66,318,991	-1.9%	65,076,518	66,318,991	-1.9%
Profit Before Taxation	1,618,468	3,211,274	-49.6%	1,618,468	3,211,274	-49.6%
Profit After Taxation	1,080,975	2,183,666	-50.5%	1,080,975	2,183,666	-50.5%

For the current quarter under review, the Group recorded a 1.9% decrease in revenue as compared to preceding year corresponding quarter. The decrease was mainly attributable to lower progress billings from its on-going construction projects and support services.

Construction and support services segment contributed about 97.6% of the Group's revenue, and Green Energy segment contributed about 2.2% of the Group's revenue, at RM 63.5 million and RM 1.4 million respectively. As compared to the preceding year corresponding quarter, construction and support services contributed almost 100% of the Group's revenue, at RM 66.2 million, and in the absence of revenue from Green Energy. The balance of revenue was derived from property investment segment.

#### Construction and Support Services Segment

During the current quarter under review, the division recorded a profit before taxation ("PBT") of RM 1.58 million versus RM 3.46 million PBT during the preceding year corresponding quarter.

The decrease in PBT of the Group in the current financial period as compared to the preceding year corresponding period was mainly due to:

1. On-going construction projects with higher Gross Profit Margin in proceeding year corresponding quarter; and
2. Lower machine utilisation as client was pending for approval from authorities.

Nevertheless, the impact from the above was partly mitigated by the reduction in administrative expenses and finance costs.

In terms of profit after taxation ("PAT"), the division recorded a lower profit after taxation of RM 1.08 million versus RM 2.44 million for the preceding year corresponding quarter. The decrease in PAT was in line with lower PBT stated above.

#### Green Energy Segment

During the current quarter under review, the division recorded a PBT of RM 0.13 million versus RM 0.01 million loss before taxation during the preceding year corresponding quarter. The improvement in profit was contributed from the construction revenue for Solar Projects during the quarter.

#### Property Investment Segment

For the current quarter under review, this division recorded a lower loss before taxation ("LBT") of RM 0.09 million versus RM 0.25 million in the preceding year corresponding quarter. The LBT was after netting off the gain on disposal of investment properties of RM 0.10 million. Meanwhile, the management is actively looking to monetise the investment properties as soon as possible.

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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		
	31.3.2021 RM	31.12.2020 RM	Variance %
Revenue	65,076,518	73,068,492	-10.9
Profit Before Taxation	1,618,468	5,171,708	-68.7
Profit After Taxation	1,080,975	3,641,571	-70.3

During the current quarter under review, the Group recorded lower revenue was mainly due to lower progress billings from its on-going projects. The lower PAT was in line with the drop in revenue during the current quarter under review.

#### B3. Prospects

With the rollout of the domestic Covid-19 vaccine programme, Malaysia's economy is projected to grow between 6.0% to 7.5% in 2021. Nevertheless, the pace of recovery will be uneven across economic sectors. The construction industry is expected to expand by 13.9% in 2021 following the government's plans to pump-prime the economy.

Furthermore, Advancecon Holdings Berhad had been shortlisted as one of the successful bidders by The Energy Commission of Malaysia in a competitive bidding exercise for the development of Large Scale Solar Photovoltaic ("LSSPV") plants in Peninsular Malaysia for commercial operation in 2023 for a maximum export capacity of 26.00 MW. The LSSPV, on completion is expected to contribute positively to the Group's profit in 2023.

Although with some challenges following the re-imposition of the Movement Control Order ("MCO"), the implementation of containment measures which are mainly aimed at curbing social activities and allowing most economic sectors to operate would minimise the impact on economic activity. For now, The Group will focus on:-

- 1 Coordinated efforts to realise the remaining construction order book of RM 812 million within the contract period given;
- 2 Remain cautious and selectively bid for future projects as competition is increasingly intense; and
- 3 Taking prudent measures in terms of its operational and financial requirements to ensure it remains resilient.

Barring unforeseen circumstances, the Group expects to register positive performance in 2021.

#### B4. Profit Forecast

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

#### B5. Taxation

	Unaudited 3 Months Ended	
	31.3.2021 RM	31.3.2020 RM
Income tax	924,323	1,545,376
Deferred tax	(386,830)	(517,768)
	<u>537,493</u>	<u>1,027,608</u>

The Group's effective tax rate for the financial period is higher than statutory tax rate mainly due to the business losses of certain subsidiaries, certain expenses not deductible for tax purposes and provision of deferred tax.

## 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)

#### 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 <sup>(1)</sup> 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.	<b>Total Capital expenditures:-</b>	29,700	27,050	(13,597)	13,453	Within 54 <sup>(3)</sup> 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 <sup>(2)</sup>	(637)	13,453	Within 54 <sup>(3)</sup> months
ii.	Repayment of bank borrowings	12,500	12,455 <sup>(2)</sup>	(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>(43,247)</u>	<u>13,453</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.



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

#### B8. Group Borrowings and Debt Securities

	Unaudited As at 31.3.2021 RM	Audited As at 31.12.2020 RM
<b><u>Non-current</u></b>		
Term loans	24,553,550	24,693,873
Lease liabilities	27,775,392	32,213,598
<b><u>Current</u></b>		
Term loans	1,379,351	1,225,147
Lease liabilities	20,290,429	20,897,158
Bankers' acceptances	19,579,903	19,907,931
Invoice financing	10,741,687	10,241,415
Revolving credit	13,500,000	13,500,000
Bank overdrafts	1,820,344	3,878,937
Bank factoring	8,988,979	6,592,975
	128,629,635	133,151,034

#### B9. Material Litigation

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

#### B10. Dividends Declared

There was no dividend declared for the current financial period under review.

#### B11. Earnings Per Share

	Unaudited 3 Months Ended	
	31.3.2021	31.3.2020
Profit after tax attributable to the owners of the Company (RM)	1,080,975	2,183,666
<b><i>Basic earnings per share</i></b>		
Weighted average number of ordinary shares	404,436,423	401,699,226
Basic earnings per share (sen) <sup>(1)</sup>	0.27	0.54
<b><i>Diluted earnings per share</i></b>		
Weighted average number of ordinary shares	404,638,908	401,782,863
Diluted earnings per share (sen) <sup>(2)</sup>	0.27	0.54

#### 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 Quarter 31.3.2021	Cumulative Quarter 31.3.2021
	RM	RM
Auditors' remuneration	41,750	41,750
Depreciation:		
- property, plant and equipment	6,408,057	6,408,057
- investment properties	147,996	147,996
Directors' remuneration	912,655	912,655
Interest expenses	1,568,836	1,568,836
Property, plant and equipment written off	34	34
Staff costs	9,713,302	9,713,302
Gain on disposal of property, plant and equipment	(428,158)	(428,158)
Gain on disposal of investment properties	(96,176)	(96,176)
Interest income	(330,567)	(330,567)
Dividend income from short -term investments	(2,427)	(2,427)

**BY ORDER OF THE BOARD  
21 MAY 2021**