

# Quarterly rpt on consolidated results for the financial period ended 30 Jun 2017

## ADVANCECON HOLDINGS BERHAD

Financial Year End 31 Dec 2017  
 Quarter 2 Qtr  
 Quarterly report for the financial period ended 30 Jun 2017  
 The figures have not been audited

### Attachments

Advancecon-Quarterly Report Q2 2017 - Bursa.pdf  
 259.7 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2017

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	82,187	0	141,337	0
2	Profit/(loss) before tax	10,313	0	19,526	0
3	Profit/(loss) for the period	7,495	0	14,347	0
4	Profit/(loss) attributable to ordinary equity holders of the parent	7,495	0	14,347	0
5	Basic earnings/(loss) per share (Subunit)	2.40	0.00	4.60	0.00
6	Proposed/Declared dividend per share (Subunit)	1.00	0.00	1.00	0.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)		0.3800		0.3400

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.  
Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

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**Announcement Info**

<b>Company Name</b>	ADVANCECON HOLDINGS BERHAD
<b>Stock Name</b>	ADVCON
<b>Date Announced</b>	28 Aug 2017
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-26082017-00001



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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017**

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR SECOND QUARTER ENDED 30 JUNE 2017  
(The figures have not been audited)

	Notes	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 JUNE 2017 RM	PRECEDING YEAR CORRESPONDING QUARTER <sup>(2)</sup> 30 JUNE 2016 RM	CURRENT YEAR TO DATE 30 JUNE 2017 RM	PRECEDING YEAR CORRESPONDING PERIOD <sup>(2)</sup> 30 JUNE 2016 RM
Revenue	A9	82,186,897	N/A	141,336,725	N/A
Cost of Sales		(64,743,804)	N/A	(108,784,957)	N/A
Gross Profit		17,443,093	N/A	32,551,768	N/A
Other Income		863,524	N/A	1,727,954	N/A
		18,306,617	N/A	34,279,722	N/A
Administrative Expenses		(5,863,484)	N/A	(10,579,228)	N/A
Other Operating Expenses		(736,353)	N/A	(1,433,497)	N/A
Finance Costs		(1,393,602)	N/A	(2,741,095)	N/A
<b>Profit Before Taxation</b>	B13	<b>10,313,178</b>	<b>N/A</b>	<b>19,525,902</b>	<b>N/A</b>
Income Tax Expense	B5	(2,818,251)	N/A	(5,178,747)	N/A
<b>Profit After Taxation/Total Comprehensive income for</b>		<b>7,494,927</b>	<b>N/A</b>	<b>14,347,155</b>	<b>N/A</b>
<b>Total Comprehensive Income attributable to:-</b>					
Owners of the Company		<b>7,494,927</b>	<b>N/A</b>	<b>14,347,155</b>	<b>N/A</b>
<b>Attributable to equity holders of the Company:</b>					
Basic earnings per share (sen) <sup>(3)</sup>	B11	2.40	N/A	4.60	N/A
Diluted earnings per share (sen)		N/A	N/A	N/A	N/A

**Notes:**

- (1) The Unaudited Consolidated Statement Of Profit Or Loss And Other Comprehensive Income should be read in conjunction with the Accountant's Report as disclosed in the Prospectus of the Group dated 19 June 2017 and the accompanying explanatory notes attached to the interim financial statements.
  - (2) No comparative figures for the preceding year's quarter and preceding year-to-date are available as these are the second interim financial statements on the consolidated results being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
  - (3) Based on the weighted average number of ordinary shares in issue as detailed in Note B11.
- NA Not applicable

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED AS AT CURRENT QUARTER 30 JUNE 2017 RM</b>	<b>AUDITED AS AT FINANCIAL YEAR ENDED 31 DECEMBER 2016 RM</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	127,127,659	105,089,439
Investment properties	31,545,640	31,074,673
	<u>158,673,299</u>	<u>136,164,112</u>
<b>CURRENT ASSETS</b>		
Amount owing by contract customers	6,903,927	3,527,631
Trade receivables	101,288,546	119,485,397
Other receivables, deposits and prepayments	10,528,052	10,802,671
Current tax assets	1,360,591	1,457,016
Deposits with licensed banks	21,522,927	20,830,529
Cash and bank balances	7,420,754	3,620,597
	<u>149,024,797</u>	<u>159,723,841</u>
<b>TOTAL ASSETS</b>	<b><u>307,698,096</u></b>	<b><u>295,887,953</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	31,207,900	31,207,900
Retained profits	88,759,884	74,412,729
<b>TOTAL EQUITY</b>	<b><u>119,967,784</u></b>	<b><u>105,620,629</u></b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	4,734,467	4,734,467
Long-term borrowings	45,191,847	42,710,092
	<u>49,926,314</u>	<u>47,444,559</u>
<b>CURRENT LIABILITIES</b>		
Amount owing to contract customers	8,748,697	20,358,291
Trade payables	48,035,257	41,034,633
Other payables and accruals	44,178,530	27,241,843
Dividend payables	-	9,500,000
Current tax liabilities	4,577,799	2,047,127
Short-term borrowings	26,427,685	33,012,003
Bank overdrafts	5,836,030	9,628,868
	<u>137,803,998</u>	<u>142,822,765</u>
<b>TOTAL LIABILITIES</b>	<b><u>187,730,312</u></b>	<b><u>190,267,324</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>307,698,096</u></b>	<b><u>295,887,953</u></b>
Net asset per share (RM) <sup>(2)</sup>	<u>0.38</u>	<u>0.34</u>

**Notes:**

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountant's Report as disclosed in the Prospectus of the Group dated 19 June 2017 and the accompanying explanatory notes attached to the interim financial statements.
- (2) Based on the weighted average number of ordinary shares in issue as detailed in Note B11.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR SECOND QUARTER ENDED 30 JUNE 2017

	SHARE CAPITAL RM	RETAINED PROFITS RM	TOTAL RM
<b>The Group</b>			
<b>(Audited)</b>			
Balance at 1.1.2016	1,248,316	92,424,991	93,673,307
Profit after taxation/Total comprehensive income for the financial year	-	26,447,322	26,447,322
Contribution by and distribution to owners of the company:			
- Issuance of shares	29,959,584	(29,959,584)	-
- Dividends	-	(14,500,000)	(14,500,000)
<b>Balance at 31.12.2016</b>	<b>31,207,900</b>	<b>74,412,729</b>	<b>105,620,629</b>
<b>(Unaudited)</b>			
Balance at 1.1.2017	31,207,900	74,412,729	105,620,629
Profit after taxation/Total comprehensive income for the financial year		14,347,155	14,347,155
<b>Balance at 30.6.2017</b>	<b>31,207,900</b>	<b>88,759,884</b>	<b>119,967,784</b>

**Note:**

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

**ADVANCECON HOLDINGS BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR SECOND QUARTER ENDED 30 JUNE 2017**

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*(The figures have not been audited)*

	<b>CUMULATIVE CURRENT PERIOD ENDED 30 JUNE 2017 RM</b>	<b>CUMULATIVE COMPARATIVE PERIOD PERIOD <sup>(2)</sup> 30 JUNE 2016 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	19,525,902	N/A
<u>Adjustments for:-</u>		
Depreciation:		
- investment properties	224,713	N/A
- property, plant and equipment	9,101,119	N/A
Interest expense	2,741,095	N/A
Property, plant and equipment written off	3,863	N/A
Gain on disposal of property, plant and equipment	(501,458)	N/A
Gain on disposal of investment property	(153,823)	N/A
Interest income		
-deposit with licensed banks	(401,856)	N/A
Operating profit before working capital changes	30,539,555	N/A
(Increase) in amount owing by contract customers	(3,376,296)	N/A
(Decrease) in amount owing to contract customers	(11,609,594)	N/A
Decrease in trade and other receivables	19,506,470	N/A
Increase in trade and other payables	23,937,311	N/A
<b>Cash from operations</b>	<b>58,997,446</b>	<b>N/A</b>
Interest paid	(2,741,095)	N/A
Tax paid	(2,551,650)	N/A
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>53,704,701</b>	<b>N/A</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	401,856	N/A
(Increase) in deposits pledged with licensed bank	(692,398)	N/A
Purchase of property, plant and equipment	(32,732,646)	N/A
Purchase of investment properties	(1,691,857)	N/A
Proceeds from disposal of property, plant and equipment	2,090,902	N/A
Partial sale proceeds received from disposal of investment properties	115,000	N/A
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(32,509,143)</b>	<b>N/A</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividend paid	(9,500,000)	N/A
Drawdown of term loan	1,888,575	N/A
Repayment of hire purchase obligations	(1,727,489)	N/A
Net drawdown in bank factoring	3,598,055	N/A
Net (repayment) in bankers' acceptances	(34,086)	N/A
Net (repayment) in invoice financing	(155,053)	N/A
Net (repayment) in revolving credit	(6,000,000)	N/A
Repayment of term loans	(1,672,565)	N/A
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(13,602,563)</b>	<b>N/A</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT</b>	<b>7,592,995</b>	<b>N/A</b>
Cash and cash equivalents at beginning of the financial year	(6,008,271)	N/A
<b>CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL YEAR</b>	<b>1,584,724</b>	<b>N/A</b>

**ADVANCECON HOLDINGS BERHAD**  
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**Cash and cash equivalent comprised of:**

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	<b>RM</b>	<b>RM</b>
Deposits with licensed banks	21,522,927	N/A
Cash and bank balances	7,420,754	N/A
Bank overdrafts	(5,836,030)	N/A
	<u>23,107,651</u>	<u>N/A</u>
Less: Deposits pledged to licensed banks	(21,522,927)	N/A
	<u>1,584,724</u>	<u>N/A</u>

**Notes:**

- (1) The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Group dated 19 June 2017 and the accompanying explanatory notes attached to the interim financial statements.
- (2) No comparative figures for the preceding year's quarter and preceding year-to-date are available as these are the second interim financial statements on the consolidated results being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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**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").

These are the second interim financial report on the Company's consolidated results for the second quarter ended 30 June 2017 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding period.

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

**A2. Changes In Accounting Policies**

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

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

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

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

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

**A3. Auditors' Report**

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

**A4. Seasonal or Cyclical Factors**

The business operations of the Group 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 or repayment of debt and equity securities, share buy-backs, shares cancellations, shares held as treasury shares or resale of treasury shares for the financial period under review.

**A8. Dividends Paid**

A total of RM 9.50 million dividends was declared for financial year ended 31 December 2016 and had subsequently paid to the shareholders on:

- (i) A total of RM 4.50 million on 10 January 2017; and  
(ii) A total of RM 5.00 million on 28 February 2017.

**ADVANCECON HOLDINGS BERHAD**  
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**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017 (CONT'D)**

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**A9. Segmental Reporting**

The Group's operating and reportable segments comprised of:

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

The Group	Construction and Support Services	Property Investment	Consolidation Adjustment	Total
	RM	RM	RM	RM
<b>Revenue</b>				
External revenue	141,187,663	149,062	-	141,336,725
Inter-segment revenue	35,579,000	-	(35,579,000)	-
Consolidated revenue	<u>176,766,663</u>	<u>149,062</u>	<u>(35,579,000)</u>	<u>141,336,725</u>
<b>Results</b>				
Segment results	31,830,356	34,785	(10,000,000)	21,865,141
Interest income				<u>401,856</u>
Finance costs				<u>22,266,997</u>
<b>Consolidated profit before taxation</b>				<u>19,525,902</u>
Income tax expense				<u>(5,178,747)</u>
<b>Consolidated profit after taxation</b>				<u>14,347,155</u>

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

On 25 July 2017, Advancecon Holdings Berhad had accepted an offer to purchase a 5-storey office located at 20, Jalan Pekaka 8/3, Seksyen 8, Kota Damansara, 47810 Kota Damansara, Selangor from Perbadanan Kemajuan Negeri Selangor for a purchase consideration of RM 5,200,000. The Group intends to expand its corporate headquarter as the main reason for the purchase.

Save as disclosed above and in B6 "Status of Corporate Proposals", there were no significant events after the financial period under review.

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

There were no changes in the composition of the Group for the 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**

	Unaudited As at 30 June 2017 RM
Approved and contracted for:-	
Purchase of property, plant and equipment	17,315,424
Purchase of investment properties	<u>3,019,592</u>
	<u>20,335,016</u>

ADVANCECON HOLDINGS BERHAD  
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A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017  
(CONT'D)

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A14. Operating Lease Commitment

The future minimum lease payments under the non-cancellable operating lease was:

	<b>Unaudited As at 30 June 2017 RM</b>
Not later than 1 year	1,260,000
Later than 1 year and not later than 5 years	<u>1,050,000</u>
	<u><u>2,310,000</u></u>

A15. Contingent Liabilities

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

A16. Significant Related Party Transactions

	<b>Unaudited 6 Months Ended 30 June 2017 RM</b>
(i) <b>Transaction with Director</b>	
Paid and payable:-	
Rental of premise	<u>38,500</u>

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**ADVANCECON HOLDINGS BERHAD**  
(Company Number : 426965 - M)

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

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**B1. Review of Group Performance**

For the current quarter under review, the Group recorded revenue of RM 82.19 million and profit before tax of RM 10.31 million. For the current financial period-to-date, the Group registered revenue of RM 141.34 million and profit before tax of RM 19.53 million.

The Group's revenue mainly derived from Construction and Support Services which contributed RM 82.07 million or 99.9% and RM 141.19 million or 99.9% for current quarter and financial period-to-date respectively. The balance revenue was derived from Property Investment.

No comparative figures for the preceding year's quarter and preceding year-to-date are available as these are the second interim financial statements on the consolidated results being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

**B2. Comparison with Immediate Preceding Quarter Results**

The Group's revenue of RM 82.19 million for the current quarter under review was 38.95% higher than the RM 59.15 million recorded in the previous quarter. The Group's profit before tax of RM 10.31 million was 11.9% more than the RM 9.21 million achieved in the previous quarter. The increase in both revenue and profit before tax were mainly due to higher revenue recognition on projects near completion.

**B3. Prospects for the Current Financial Year**

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

**B4. Profit Forecast**

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

**B5. Taxation**

	<b>Unaudited 6 Months Ended</b>	
	<b>30 June 2017 RM</b>	<b>30 June 2016 <sup>(1)</sup> RM</b>
Income tax	5,178,747	N/A
Deferred tax	-	N/A
	<b>5,178,747</b>	<b>N/A</b>
Effective tax rate <sup>(2)</sup>	27%	N/A

Notes:

- (1) No comparative figures for the preceding year's quarter and preceding year-to-date are available as these are the second interim financial statements on the consolidated results being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (2) The Group's effective tax rate for the current quarter was higher than the statutory tax rate of 24% mainly due to adjustment for non-deductible expenses.
- N/A Not applicable

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

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**B6. Status of Corporate Proposals**

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

**(a) Public Issue**

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

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

**(b) Offer for Sale**

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

**(c) Listing on Bursa Securities**

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

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

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**B7. Utilisation of Proceeds Raised from Public Issue**

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

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

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

**B8. Group Borrowings and Debt Securities**

	Unaudited	
	As at 30 June 2017	As at 31 December 2016
	RM	RM
<b>Non-current</b>		
Term Loans	23,492,268	23,461,002
Hire Purchase Payables	21,699,579	19,249,090
<b>Current</b>		
Term Loans	4,150,487	3,965,743
Hire Purchase Payables	11,067,175	15,245,153
Bankers' Acceptances	3,314,000	3,348,086
Bank Factoring	3,598,055	-
Invoice Financing	4,297,968	4,453,021
Revolving Credit	-	6,000,000
Bank Overdrafts	5,836,030	9,628,868
	<b>77,455,562</b>	<b>85,350,963</b>

**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 1.00 sen per ordinary share amounting to approximately RM 4.02 million in respect of financial year ending 31 December 2017, to be paid on 16 October 2017. The entitlement date for the dividend payment is 18 September 2017.

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

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**B11. Earnings Per Share**

The basic earnings per share was computed as follow:

	<b>Unaudited 6 Months Ended</b>	
	<b>30 June 2017</b>	<b>30 June 2016 <sup>(1)</sup></b>
Profit after tax attributable to the owners of the Company (RM)	14,347,155	N/A
Weighted average number of ordinary shares	312,079,000	N/A
Basic earnings per share (sen) <sup>(2)</sup>	4.60	N/A
Diluted earnings per share (sen)	N/A	N/A

Notes:

(1) No comparative figures for the preceding year's quarter and preceding year-to-date are available as these are the second interim financial statements on the consolidated results being announced by the Company in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

(2) 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.

N/A Not applicable

**B12. Realised and Unrealised Profits or Losses**

	<b>As at 30 June 2017 RM</b>	<b>As at 31 December 2016 RM</b>
Total retained profits		
- Realised	86,612,514	72,265,359
- Unrealised	2,147,370	2,147,370
	88,759,884	74,412,729

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**ADVANCECON HOLDINGS BERHAD**  
(Company Number : 426965 - M)

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

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**B13. Notes to the Statement of Comprehensive Income**

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

	Unaudited	
	Individual Quarter 30 June 2017 RM	Cumulative Quarter 30 June 2017 RM
Auditors' remuneration:		
- statutory audit		
- current financial year	25,090	50,180
Depreciation :		
-property, plant and equipment	4,867,724	9,101,119
-investment properties	111,714	224,713
Direct operating expenses on investment properties:-		
- income generating investment properties	24,196	34,012
- non-income generating investment properties	29,408	64,235
Directors' remuneration:		
- fees	53,166	106,500
- non-fee emoluments	670,500	1,341,000
Interest expenses:		
- bankers' acceptances	37,269	71,444
- bank overdrafts	170,091	285,544
- hire purchase	492,664	992,593
- term loans	339,162	630,274
- bank factoring	26,493	88,542
- revolving credit	80,393	160,851
- invoice financing	140,099	242,027
- others	107,431	269,820
Property, plant and equipment written off	3,863	3,863
Rental of machinery	2,209,079	3,120,208
Rental of site equipment	114,122	239,184
Rental of motor vehicles	-	6,650
Rental of workshop	28,000	49,000
Rental of land	7,500	15,000
Rental of premises:		
- a director	22,000	38,500
- third party	3,900	7,800
Staff cost:		
- salaries, bonuses,allowances and wages	10,341,112	17,360,042
- defined contribution plan	617,974	1,180,651
- other benefits	409,742	803,678
Loss on disposal of property, plant and equipment	7,464	10,706
Gain on disposal of property, plant and equipment	(512,164)	(512,164)
Gain on disposal of investment properties	-	(153,823)
Interest income		
- deposits with licensed banks	(251,284)	(401,856)
Rental income	(16,981)	(33,962)

**BY ORDER OF THE BOARD**  
**28 AUGUST 2017**