

**CIRCULAR DATED 14 APRIL 2022**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

This circular (this "**Circular**") is issued by VCPlus Limited (the "**Company**"). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

*Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.*

A printed copy of this Circular, the notice of extraordinary general meeting ("**EGM**") and the accompanying proxy form will NOT be sent to Shareholders. If you have sold or transferred all your ordinary shares in the Company ("**Shares**") held through the Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of EGM and the Proxy Form to the purchaser or transferee as the same may be accessed via SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.vcplus.sg/investor-relations/>. If you have sold or transferred all your Shares represented by physical share certificate(s) which are not deposited with CDP, you should inform the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular, the Notice of EGM and the Proxy Form can be accessed via SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.vcplus.sg/investor-relations/>.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**"). The Sponsor has not drawn on any specific technical expertise in its review of this Circular.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

Due to the current COVID-19 situation in Singapore, Shareholders will not be able to attend the EGM in person.

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) observing the proceedings of the EGM via a "live" webcast (the "**LIVE WEBCAST**") or listening to these proceedings through a "live" audio feed (the "**AUDIO ONLY MEANS**");
- (b) submitting questions relating to the resolution to be tabled at the EGM in advance of the EGM;
- (c) submitting text-based questions during the LIVE WEBCAST of the EGM;
- (d) appointing a proxy or proxies to attend and vote on their behalf at the EGM; and
- (e) participating in the live voting during the LIVE WEBCAST of the EGM.

Please refer to Section 19 of this Circular, the Notice of EGM dated 14 April 2022 and the accompanying Proxy Form, which has also been uploaded on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.vcplus.sg/investor-relations/> on the same day for further information, including the steps to be taken by Shareholders to participate at the EGM.



VCPLUS LIMITED

**VCPLUS LIMITED**

(Formerly known as Anchor Resources Limited)  
(Company Registration Number 201531549N)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**  
in relation to

**THE PROPOSED DISPOSAL OF THE COMPANY'S WHOLLY-OWNED SUBSIDIARY, GGTM SDN. BHD.**

**Independent Financial Adviser in respect of the Proposed Disposal**



**ZICO Capital Pte. Ltd.**

(Company Registration Number: 201613589E)  
(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form	:	27 April 2022 at 10.30 a.m.
Last date and time to register online for the EGM	:	26 April 2022 at 10.30 a.m.
Date and time of the EGM	:	29 April 2022 at 10.30 a.m. (or as soon as practicable following the conclusion or adjournment of the Company's annual general meeting to be held on the same day at 10 a.m.)
Place of the EGM	:	The EGM will be held by way of electronic means

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## CORPORATE INFORMATION

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<b>BOARD OF DIRECTORS</b>	:	Mr. Chua Ser Miang (Non-Executive Chairman and Lead Independent Director) Mr. Lim Chiau Woei (Managing Director) Mr. Lim Beng Chew (Executive Director) Mr. Gavin Mark McIntyre (Independent Director) Ms. Lee Kim Lian, Juliana (Independent Director)
<b>COMPANY SECRETARY</b>	:	Ms. Yang Lin
<b>REGISTERED OFFICE</b>	:	138 Robinson Road #26-03 Oxley Tower Singapore 068906
<b>LEGAL ADVISER TO THE COMPANY</b> as to Singapore law and in relation to the Proposed Disposal	:	<b>Virtus Law LLP</b> 1 Raffles Place #18-61 Tower 2 Singapore 048616
<b>LEGAL ADVISER TO THE COMPANY</b> as to Malaysia law and in relation to the Proposed Disposal	:	<b>Zaid Ibrahim &amp; Co.</b> Level 19 Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur
<b>INDEPENDENT FINANCIAL ADVISER IN RESPECT OF THE PROPOSED DISPOSAL AS AN IPT</b>	:	<b>ZICO Capital Pte. Ltd.</b> 77 Robinson Road #06-03 Robinson 77 Singapore 068896

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## DEFINITIONS

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The following definitions apply throughout in this Circular except where the context otherwise requires or otherwise stated:

- "AASB"** : Angka Alamjaya Sdn. Bhd.
- "AASB Group"** : Collectively, AASB and its subsidiary
- "Aggregate Consideration"** : The consideration for the Sale Shares being RM2,022,000
- "associate"** : (a) In relation to any individual, including a Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more,
- or such other definition as the Catalist Rules may from time to time prescribe, and "associates" shall be construed accordingly
- "AUDIO ONLY MEANS"** : A "live" audio feed through which Shareholders may listen to the proceedings of the EGM
- "Audit Committee"** : The audit committee of the Board, as at the Latest Practicable Date
- "Board"** : The board of Directors of the Company as at the Latest Practicable Date
- "Business Valuation"** : The valuation conducted by the Business Valuer to assess and determine the Market Value of the Sale Shares as at 31 December 2021
- "Business Valuation Report"** : The independent business valuation report dated 14 April 2022 prepared by the Business Valuer
- "Business Valuer"** : Mazars LLP, the independent business valuer appointed by the Company
- "Catalist"** : The sponsor-supervised listing platform of the SGX-ST
- "Catalist Rules"** : Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
- "CDP"** : The Central Depository (Pte) Limited
- "Circular"** : This circular to Shareholders dated 14 April 2022

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## DEFINITIONS

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"Companies Act"	:	The Companies Act 1967 of Singapore, as amended, modified, or supplemented from time to time
"Company"	:	VCPlus Limited (formerly known as Anchor Resources Limited)
"Completion"	:	Completion of the Proposed Disposal
"Completion Date"	:	In respect of the SPA, means the date on which all of the Conditions have been fulfilled or waived
"Conditions"	:	The conditions to Completion set out Clause 3.1 in the SPA
"Confirmation Email"	:	The email instructions on how to access the LIVE WEBCAST and AUDIO ONLY MEANS to observe the proceedings of the EGM which authenticated Shareholders will receive
"Constitution"	:	The constitution of the Company as may be amended, modified or supplemented from time to time
"Controlling Shareholder"	:	A person who:  (a) holds directly or indirectly 15% or more of the total voting rights in the Company. Notwithstanding, the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or  (b) in fact exercises control over the Company
"CPF"	:	Central Provident Fund
"Director"	:	A director of the Company (whether executive or non-executive), and "Directors" shall be construed accordingly
"Disposal Circular"	:	The circular to Shareholders dated 11 December 2020 in relation to, <i>inter alia</i> , the disposal of 100% of the entire issued share capital of AASB
"Disposal Group"	:	Collectively, the Target and STSB
"Diversification Circular"	:	The circular to Shareholders dated 7 April 2021 in relation to, <i>inter alia</i> , the diversification of the existing business of the Group
"EGM"	:	The extraordinary general meeting of the Company, to be convened for the purposes of considering and, if thought fit, passing with or without modifications, the Resolution set out in the Notice of EGM
"Encumbrance"	:	Includes any mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, rent-charge, title retention, claim, equity, option, pre-emption right (other than those which appear in a company's articles of association or constitutive document), right to acquire, security agreement and security interest or other right of whatever nature, and "Encumbrances" shall be construed accordingly
"FinTech Business"	:	The business of provision of custodian services for digital assets and the provision of advisory, consultancy and/or management services relating to financial technology regulation and licencing as well as adoption of FinTech strategies and technology
"FY2019"	:	The financial year ended 31 December 2019

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## DEFINITIONS

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"FY2020"	:	The financial year ended 31 December 2020
"FY2021"	:	The financial year ended 31 December 2021
"Granite Dimension Stone Business"	:	The business of exploration, mining, production and processing of granite dimension stone, marble aggregates and related products for sale as well as interior fit-out
"Group"	:	Collectively, the Company and its subsidiaries
"IFA"	:	ZICO Capital Pte. Ltd., the independent financial adviser to the Recommending Directors in relation to the Proposed Disposal as an IPT
"IFA Letter"	:	The letter dated 14 April 2022 from the IFA to the Recommending Directors in relation to the Proposed Disposal as an IPT as set out in Appendix A to this Circular
"Independent Qualified Person"	:	Wrightech Engineering
"Independent Shareholders"	:	The Shareholders who are deemed independent under the Catalist Rules in respect of the Proposed Disposal
"Independent Valuation Summary Letter"	:	The independent valuation summary letter dated 14 April 2022 from the Business Valuer in relation to the Proposed Disposal as set out in Appendix B to this Circular
"Indicative Valuation"	:	The preliminary valuation conducted by the Business Valuer as at the date of the SPA to assess and determine the Market Value of the Sale Shares as at 31 December 2021
"Interested Person"	:	Interested person as defined under Chapter 9 of the Catalist Rules
"IPT" or "Interested Person Transaction"	:	Interested person transaction as defined under Chapter 9 of the Catalist Rules
"IVSC"	:	The International Valuation Standards Council
"JORC Code"	:	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
"Land Valuation Report"	:	The independent property valuation report on the land and building prepared by the Land Valuer as set out in Appendix E to this Circular
"Land Valuer"	:	Henry Butcher Malaysia (Terengganu) Sdn. Bhd.
"Latest Practicable Date"	:	The latest practicable date prior to the date of this Circular, being 1 April 2022
"LIVE WEBCAST"	:	A "live" webcast by which shareholders may observe the proceedings of the EGM
"Longstop Date"	:	Four (4) months after the date of the SPA or such other time and date as the Parties may from time to time agree
"LPS"	:	Loss per share



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## DEFINITIONS

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"Market Value"	:	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion, as defined by the IVSC
"Mining Announcements"	:	The Company's announcement on 13 January 2022 in relation to, <i>inter alia</i> , the entry into a supplemental agreement with PMINT and the Company's announcement on 3 November 2021 in relation to, <i>inter alia</i> , the reduction of mining concession area collectively
"Mining Adjustments Expenses"	:	Adjustments of mining concession related expenses
"NAV"	:	Net asset value
"Net Proceeds"	:	The net proceeds of the Proposed Disposal of approximately RM1,552,000, taking into account tax expenses, legal fees and other transaction costs of approximately RM470,000 incurred in connection with the Proposed Disposal
"Notice of EGM"	:	The notice of the EGM as set out on pages N-1 to N-4 of this Circular
"NTA"	:	Net tangible assets
"NTL"	:	Net tangible liabilities
"Parties"	:	The Company and the Purchaser collectively, and "Party" shall mean any one of them
"Period Under Review"	:	The financial years ended 31 December 2019, 2020 and 2021
"PMINT"	:	Perbadanan Memajukan Iktisad Negeri Terengganu (Terengganu State Economic Development Corporation)
"Proposed Disposal"	:	The sale of the Sale Shares in the Target, constituting the entire issued and paid-up share capital of the Target, to the Purchaser pursuant to the terms and subject to the conditions set out in the SPA
"Proxy Form"	:	The proxy form in respect of the EGM as set out on pages P-1 to P-4 of this Circular
"Purchaser"	:	Mr. Lim Chiau Woei
"Qualified Person's Report"	:	The independent qualified person's report as at 31 December 2021 prepared by the Independent Qualified Person which will be relied upon by the Company to provide its annual update and summary of reserves and resources in the Bukit Machang mine as set out in Appendix C to this Circular
"Recommending Directors"	:	Directors who are considered independent for the purposes of the Proposed Disposal, namely Mr. Chua Ser Miang, Mr. Lim Beng Chew, Mr. Gavin Mark McIntyre and Ms. Lee Kim Lian, Juliana
"Registration Deadline"	:	10.30 a.m. on 26 April 2022
"Resolution"	:	The ordinary resolution to approve the Proposed Disposal as an Interested Person Transaction as set out in the Notice of EGM
"RNAV"	:	The Revalued Net Asset Value

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## DEFINITIONS

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"Sale Shares"	:	2,999,076 ordinary shares in the Target, constituting the entire issued and paid-up share capital of the Target
"SFA"	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
"SGXNET"	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"Shareholders"	:	Persons (not being Depositors) who are registered as the holders of the Shares in the register of members of the Company and Depositors, who have Shares entered against their names in the Depository Register, except that where the registered holder is CDP, the term " <b>Shareholders</b> ", where the context admits, mean the Depositors whose securities accounts are credited with Shares
"Shares"	:	The ordinary shares in the capital of the Company
"SPA"	:	The sale and purchase agreement entered into between the Company and the Purchaser on 14 March 2022 for the Proposed Disposal
"SRS"	:	Supplementary Retirement Scheme
"STSB"	:	Stonetrade Sdn. Bhd.
"Subsidiaries"	:	ARS Consolidated Sdn. Bhd., ARG Consolidated Sdn. Bhd. and AAKG Mining Sdn. Bhd. collectively, and " <b>Subsidiary</b> " shall mean any one of them
"Substantial Shareholder"	:	A person (including a corporation) who has an interest or interests in one or more voting Shares in the Company, and the votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
"Surviving Provisions"	:	Clauses 1, 6A, and 9 to 16 of the SPA
"Target"	:	GGTM Sdn. Bhd.
"Unaudited FY2021"	:	The latest unaudited consolidated financial results of the Group for FY2021
"VALMIN Code"	:	The Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 Edition, prepared by the VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, with the participation of the Minerals Council of Australia and other key stakeholder representatives
"VALMIN Report"	:	The independent valuation report prepared by the Independent Qualified Person that meets the standards of the VALMIN Code, to estimate a value that can be applied to the Bukit Machang mine as at 31 December 2021 as set out in Appendix D to this Circular

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## DEFINITIONS

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### Currency, Units and Others

"%"	:	Percentage or per centum
"RM"	:	Malaysian Ringgit, the lawful currency of Malaysia
"S\$"	:	Singapore dollars, the lawful currency of Singapore

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The terms "**subsidiary**" and "**related corporations**" shall have the meaning ascribed to them in the Companies Act.

The terms "**entity at risk**", "**interested person**", "**interested person transaction**" and "**transaction**" shall have the meaning ascribed to it in Rule 904 of the Catalist Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing one gender shall, where applicable, include all other and neuter genders. References to natural persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and used in this Circular shall, where applicable, have the meanings assigned to it under the Companies Act, the SFA, the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and potential investors of the Company should not place undue reliance on such forward-looking statements and neither the Company nor the Purchaser undertakes any obligation to update publicly or revise any forward-looking statements.

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## LETTER TO SHAREHOLDERS

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### VCPLUS LIMITED

(Formerly known as Anchor Resources Limited)  
(Company Registration Number 201531549N)  
(Incorporated in the Republic of Singapore)

#### Directors

Mr. Chua Ser Miang (Non-Executive Chairman and Lead Independent Director)  
Mr. Lim Chiau Woei (Managing Director)  
Mr. Lim Beng Chew (Executive Director)  
Mr. Gavin Mark McIntyre (Independent Director)  
Ms. Lee Kim Lian, Juliana (Independent Director)

#### Registered Office

138 Robinson Road  
#26-03 Oxley Tower  
Singapore 068906

14 April 2022

#### To: The Shareholders of VCPlus Limited

Dear Shareholder

#### THE PROPOSED DISPOSAL OF THE COMPANY'S WHOLLY-OWNED SUBSIDIARY, GGTM SDN. BHD.

##### 1. INTRODUCTION

- 1.1. On 14 March 2022, the Company announced that it had, on 14 March 2022, entered into a sale and purchase agreement (the "**SPA**") with Lim Chiau Woei (the "**Purchaser**") for the sale of 2,999,076 ordinary shares (the "**Sale Shares**") in GGTM Sdn. Bhd. (the "**Target**"), constituting the entire issued and paid-up share capital of the Target, to the Purchaser (the "**Proposed Disposal**").
- 1.2. Upon completion of the Proposed Disposal ("**Completion**"), the Target shall cease to be a subsidiary of the Company and the Group will exit from the business of exploration, mining, production and processing of granite dimension stone, marble aggregates and related products for sale as well as interior fit-out (the "**Granite Dimension Stone Business**").
- 1.3. The Proposed Disposal constitutes a "discloseable transaction" under Chapter 10 of Section B: Rules of Catalist of the Listing Manual (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Hence, the approval of the Shareholders is not required in relation to Chapter 10 of the Catalist Rules.
- 1.4. Further, the Proposed Disposal constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules as the Purchaser is the Managing Director of the Board and a Substantial Shareholder of the Company. Hence, the Purchaser is deemed as an "interested person" ("**Interested Person**") and the Proposed Disposal is deemed as an "interested person transaction" ("**IPT**" or "**Interested Person Transaction**") under Chapter 9 of the Catalist Rules, and will therefore be subject to the approval of the Shareholders who are deemed independent under the Catalist Rules in respect of the Proposed Disposal (the "**Independent Shareholders**") at the EGM. More information on the Proposed Disposal as an IPT is set out in Section 8 of this Circular. The pro forma financial effects of the Proposed Disposal are set out in Section 12 of this Circular.
- 1.5. **Extraordinary general meeting**  
  
The Directors are convening the EGM to be held on Friday, 29 April 2022 at 10.30 a.m. (or as soon as practicable following the conclusion or adjournment of the Company's annual general meeting to be held on the same day at 10 a.m.) by way of electronic means, to seek the approval of the Shareholders for the Proposed Disposal.
- 1.6. **Circular to Shareholders**  
  
The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the Proposed Disposal. The Notice of EGM is set out on pages N-1 to N-4 of this Circular.

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## LETTER TO SHAREHOLDERS

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### 1.7. SGX-ST assumes no responsibility

The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

## 2. INFORMATION ON THE TARGET AND THE PURCHASER

### 2.1. The Target

The Target was incorporated in Malaysia on 7 April 2010 and has an issued and paid-up share capital of RM22,505,326 comprising 2,999,076 shares. The principal activities of the Target are the Granite Dimension Stone Business. The Target is a wholly-owned subsidiary of the Company, and its directors are the Purchaser, Peter Ling Sie Wuong and Tengku Muhammad Ashman Bin Tengku Baharuddin.

The Target holds concession rights to the Bukit Machang mine. In addition, the Target holds the entire issued and paid-up share capital of Stonetrade Sdn. Bhd. ("**STSB**"), a company which is incorporated in Malaysia and is the sole subsidiary of the Target. The Target and STSB shall collectively be known as the "**Disposal Group**".

#### Key financial performance of the Disposal Group

Below is a summary of the key financial results of the Disposal Group for the financial year ended 31 December 2019 ("**FY2019**"), the financial year ended 31 December 2020 ("**FY2020**") and the financial year ended 31 December 2021 ("**FY2021**") (collectively the "**Period Under Review**"):

(RM'000)	Audited FY2019 (Restated)	Audited FY2020 (Restated)	Audited FY2021
Revenue	246	134	24
Other income	12	217	2,577
General expenses	(5,223)	(2,552)	(3,632)
Loss before tax	(4,965)	(2,201)	(1,031)

The following restatements were made to the audited financial statements of the Disposal Group in FY2019 and FY2020:

#### Prior year adjustments of mining concession related expenses ("**Mining Expenses Adjustments**")

In 2021, the Disposal Group had a reassessment of its mining concession agreements and arrangements, and determined that the following prior year adjustments were required for certain mining concession related expenses, to reflect the substance of these transactions:

- (a) FY2019: Restatement of other operating expenses amounting to RM0.1 million, which arose from the recognition of additional mining concession related expenses.
- (b) FY2020: Restatement of other operating expenses amounting to RM0.2 million, which arose from the recognition of additional mining concession related expenses.

There were no further restatements of similar nature in FY2021.

#### *Revenue*

Revenue was mainly derived from the exploration, mining, production and sale of dimension stone granites from the Bukit Chetai mine. Revenue decreased 45.5%, from RM0.2 million in FY2019 to RM0.1 million in FY2020, and further decreased 82.1% to RM23,982 in FY2021 mainly due to the halt in production activities since November 2019 due to travel restrictions imposed on the contractors as a result of the COVID-19 pandemic. No revenue was generated during the Period Under Review from the Bukit Machang mine, which is a greenfield mining asset.

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## LETTER TO SHAREHOLDERS

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### *Other income*

Other Income increased from RM12,042 in FY2019 to RM0.2 million in FY2020, mainly due to government subsidies arising from the COVID-19 pandemic and an insurance claim on motor vehicle accident.

Other income increased from RM0.2 million in FY2020 to RM2.6 million in FY2021, mainly due to the reversal of excess project costs-related provision, pursuant to a settlement agreement with a contractor in respect of certain claims and disputes arising from a previous project, as well as management fees earned from Angka Alamjaya Sdn. Bhd. ("**AASB**"), a former subsidiary of the Company. In December 2020, the Company disposed of AASB and its subsidiary (the "**AASB Group**") to an Interested Person, but the Disposal Group continued to provide mine management services to AASB Group for a 12-month period thereafter.

### *General expenses*

In FY2019 and FY2020, general expenses comprised mainly depreciation and amortisation expenses of property, plant and equipment and right-of-use assets, amortisation of mine properties, employee benefits expenses and other operating expenses such as impairment loss on trade and other receivables, directors' fees, rental of land and warehouse and interest on lease liabilities.

In FY2021, general expenses comprised mainly depreciation and amortisation expenses of property, plant and equipment and right-of-use assets, amortisation of mine properties, employee benefits expenses and other operating expenses such as mine properties, inventories and property, plant and equipment written off, directors' fees, and loss on disposal of property, plant and equipment and right-of-use assets.

General expenses decreased 51.1% from RM5.2 million in FY2019 to RM2.6 million in FY2020, mainly due to the halt in production activities since November 2019 due to travel restrictions imposed on the contractors pursuant to the COVID-19 pandemic, and a reduction in professional fees.

General expenses increased 42.3% from RM2.6 million in FY2020 to RM3.6 million in FY2021 mainly due to the write-off of mine properties, fixed assets and inventories following the return of the concession rights in respect of the Bukit Chetai mine to PMINT.

### *Loss before tax*

Overall, the Disposal Group recorded loss before tax of RM5.0 million, RM2.2 million and RM1.0 million for FY2019, FY2020 and FY2021, respectively, mainly due to the limited mining and production activities of the Disposal Group.

### **Key financial position of the Disposal Group**

Below is a summary of the financial position of the Disposal Group as at 31 December 2019, 31 December 2020 and 31 December 2021:

<b>(RM'000)</b>	<b>Audited As at 31 December 2019 (Restated)</b>	<b>Audited As at 31 December 2020 (Restated)</b>	<b>Audited As at 31 December 2021</b>
Current assets	5,467	5,512	1,985
Non-current assets	5,179	4,501	1,937
Current liabilities	6,934	8,671	2,022
Non-current liabilities	656	488	78
Net asset value (" <b>NAV</b> ")	3,056	854	1,822

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The restatements to the statements of financial position of the Disposal Group as at 31 December 2019 and 31 December 2020 also arose from the Mining Expenses Adjustments, which resulted in adjustments to the Disposal Group's NAV.

### *As at 31 December 2019*

The audited NAV was RM3.1 million as at 31 December 2019. There was no revaluation of assets as at 31 December 2019.

Total assets comprised mainly trade and other receivables of RM3.4 million (31.8% of total assets), property, plant and equipment of RM2.7 million, cash and bank balances of RM1.7 million, mine properties of RM1.4 million and right-of-use assets of RM1.1 million. Property, plant and equipment comprised mainly plant and equipment, and land.

Total liabilities comprised mainly trade and other payables of RM6.7 million (88.0% of total liabilities).

### *As at 31 December 2020*

The audited NAV was RM0.8 million as at 31 December 2020. There was no revaluation of assets as at 31 December 2020.

Total assets comprised mainly trade and other receivables of RM3.8 million (38.2% of total assets), property, plant and equipment of RM2.3 million, cash and bank balances of RM1.4 million, mine properties of RM1.3 million and right-of-use assets of RM0.9 million. Property, plant and equipment comprised mainly plant and equipment, and land.

Total liabilities comprised mainly trade and other payables of RM8.4 million (91.8% of total liabilities).

### *As at 31 December 2021*

The audited NAV was RM1.8 million as at 31 December 2021.

Total assets comprised mainly property, plant and equipment of RM1.7 million (43.4% of total assets), cash and bank balances of RM1.3 million, trade and other receivables of RM0.5 million, mine properties of RM0.1 million and right-of-use assets of RM0.1 million. Property, plant and equipment comprised mainly plant and machinery of RM1.2 million and land and building of RM0.5 million. The Target and PMINT had on 13 January 2022 entered into a supplemental agreement to amend certain provisions of the Work Contract Concession Agreement dated 16 September 2015, to give effect to the proposed reduction of concession area which will result in the Target returning the mining concession rights in respect of the Bukit Chetai mine to PMINT. The decrease in property, plant and equipment, mine properties and right-of-use assets was mainly due to the write-off of these assets upon the return of the concession rights in respect of the Bukit Chetai mine to PMINT.

An independent property valuation report on the land and building prepared by the Land Valuer (the "**Land Valuation Report**") estimated the market value of the land and building as at 31 December 2021 to be RM460,000. Please refer to Appendix E to this Circular for the Land Valuation Report.

Based on the independent valuation report prepared by the Independent Qualified Person that meets the standards of the VALMIN Code, to estimate a value that can be applied to the Bukit Machang mine as at 31 December 2021 as set out in Appendix D to this Circular (the "**VALMIN Report**"), the market value of the mine properties as at 31 December 2021 ranges from RM328,621 to RM349,562 with a midpoint of RM339,092. The net book value of the mine properties was RM116,060 as at 31 December 2021.

The market value of the Sale Shares as at 31 December 2021, being the 100% equity interest in the Target, was assessed and determined by Mazars LLP, the independent business valuer appointed by the Company (the "**Business Valuer**") and set out in the independent business valuation report dated 14 April 2022 prepared by the Business Valuer (the "**Business Valuation Report**"). As the Business Valuer adopted the Revalued Net Asset Value ("**RNAV**") approach, the market value of the Target's assets was considered in the valuation.

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Total liabilities comprised mainly trade and other payables of RM1.9 million (92.2% of total liabilities).

### 2.2. The Purchaser

The Purchaser is the Managing Director of the Board who focuses on managing the Granite Dimension Stone Business, as well as a Substantial Shareholder of the Company. He was appointed to the Group's Board on 12 August 2015 and was re-elected as Director on 29 April 2021. He is also a director of the Target.

As at the Latest Practicable Date, the Purchaser holds 272,263,319 Shares representing approximately 5.98% of the existing issued share capital of the Company.

As the Purchaser is a Director of the Company, the Proposed Disposal constitutes an IPT under Chapter 9 of the Catalist Rules.

### 3. RATIONALE FOR THE PROPOSED DISPOSAL

#### 3.1. Exit from loss-making business segment

The Company had previously disposed of the entire issued share capital of AASB, a subsidiary carrying out the business of exploration, mining and production of gold for sale in Malaysia and overseas, to Luminor Pacific Fund 2 Ltd, Gan Huai Shi and Koh Ah Luan as detailed in the Company's announcements dated 29 April 2020 and 28 December 2020 and the Disposal Circular. In addition, the Target had reduced its mining concession area and returned the mining concession rights to the Bukit Chetai granite quarry site to PMINT as detailed in the Mining Announcements, resulting in the Company's only mining asset being the greenfield Bukit Machang mine.

The Proposed Disposal allows the Group to now exit from the Granite Dimension Stone Business entirely, as it is a loss-making business segment. The Disposal Group has recorded loss before tax amounting to RM1,031,007 in FY2021 and the Granite Dimension Stone Business has been halted since November 2019 due to the COVID-19 pandemic. Following the return of the Bukit Chetai granite quarry site to PMINT, the Company's only mining asset is the greenfield Bukit Machang mine which requires significant capital investment to commence production. In addition, in view of the challenging sentiments in the mining sector, there is no certainty that such investment in the Bukit Machang mine will generate positive return on investment and when this return will crystallise.

#### 3.2. Focus on other viable business

The Proposed Disposal is in line with the Company's diversification into the provision of custodian services for digital assets and the provision of advisory, consultancy and/or management services relating to financial technology regulation and licencing as well as adoption of FinTech strategies and technology (the "**FinTech Business**") as set out in the Diversification Circular.

The Proposed Disposal allows the Company to eliminate its ongoing operational costs in relation to the Granite Dimension Stone Business and exit from its investment in the Target, so that all of its resources can be deployed to focus on growing and developing its portfolio within the FinTech Business. In recognition that technology in the financial industry and blockchain have entered into an era of accelerated growth, both on a domestic and international scale, the Board is of the view that the exit from the Granite Dimension Stone Business and the focus on the FinTech Business will help the business of the Company and Group scale and grow, maximising Shareholder value.

#### 3.3. Preferred method of disposal

The Purchaser is the Managing Director of the Board and one of the founder Shareholders of the Group. He was instrumental in establishing the Granite Dimension Stone Business and hence, is well positioned to take over the Target and its business with least disruption to operational, financial and human resource needs of the Target.

Further, given the aggregate losses of the Disposal Group in FY2019, FY2020 and FY2021, the challenging conditions surrounding the Granite Dimension Stone Business and uncertainties in



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securing the necessary approvals from PMINT for any divestment of the Sale Shares to any other third parties other than the Purchaser, it is difficult for the Company to find a third party purchaser for the Disposal Group.

The Company had previously, through its legal adviser as to Malaysia Law, Zaid Ibrahim & Co., reached out to PMINT and obtained confirmation that PMINT's prior consent and approval is required if the transfer of the Sale Shares is made to a third party (whether a local or foreign third party purchaser) other than the Purchaser. As such, the Company did not solicit third party offers for the Disposal Group, after considering the following:

- (a) COVID-19 restrictions have negatively impacted the interests of international buyers and brought about challenging conditions surrounding the Granite Dimension Stone Business;
- (b) the possible risk that the mining concession for the Bukit Machang mine could be returned to PMINT if offered to third party purchasers other than the Purchaser; and
- (c) the Purchaser is willing and able to satisfy the Company's requirement for a cash consideration at fair market value, and ensure an expeditious completion to the Proposed Disposal.

For the above reasons, the Board is of the view that the sale of the Sale Shares to the Purchaser on the terms of the SPA is the preferred method of disposal. The Purchaser did not participate in the deliberation of the Board in respect of the Proposed Disposal and abstained from voting on the resolution of the Board approving the Proposed Disposal.

#### 4. CONSIDERATION

- 4.1. The consideration for the Sale Shares shall be RM2,022,000 (the "**Aggregate Consideration**"), which shall be satisfied by the Purchaser in cash on Completion.
- 4.2. The Aggregate Consideration was arrived at on an arm's length and a "willing buyer willing seller" basis and taking into consideration: (a) the audited net tangible assets of the Disposal Group for FY2021 of RM1,822,441; and (b) the preliminary valuation conducted by the Business Valuer as at the date of the SPA to assess and determine the Market Value of the Sale Shares as at 31 December 2021 (the "**Indicative Valuation**").
- 4.3. Payment by the Purchaser to the Company of the Aggregate Consideration shall be effected by crediting the account specified in the Payment Account Details (as defined in the SPA) by way of telegraphic transfer on or before the due date for payment.

#### 5. MATERIAL TERMS OF THE SPA

##### 5.1. Sale and purchase of shares

The sale and purchase of the Sale Shares shall be free from all Encumbrances and with all rights as from the Completion Date attaching thereto including the right to all dividends hereafter paid, declared or made in respect thereof.

The Sale Shares will also be sold by the Company to the Purchaser on an "as is where is" basis without the benefit of any representations or warranties (save as provided herein) and that the Purchaser has actual knowledge at all times of the business and prospects of the Target, the risks (whether past, present or future) associated with the business of the Target and all other relevant information associated with the foregoing. The Purchaser acknowledges that he has been involved in the business of the Target from its very inception and is aware of all information in respect of the Target.

##### 5.2. Conditions

Completion is conditional upon the conditions set out Clause 3.1 in the SPA (the "**Conditions**") being satisfied or waived (as the case may be) on or before four (4) months after the SPA or such other time

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and date as the Parties may from time to time agree (the "**Longstop Date**"), including without limitation:

- (a) approval of the Board of Directors and Independent Shareholders of the Company having been obtained for, amongst others, the Proposed Disposal by the Company as an IPT under Chapter 9 of the Catalist Rules;
- (b) if required, the approval of the SGX-ST for the transactions contemplated under the SPA having been obtained and not having been withdrawn, suspended, amended or revoked as at the Completion Date, and, where such approval is subject to any conditions, to the extent that such conditions are required to be fulfilled on or before Completion Date, they are so fulfilled; and
- (c) an opinion from the IFA stating that the terms of the Proposed Disposal, being an IPT, is on normal commercial terms and is not prejudicial to the interests of the Company and minority shareholders of the Company.

### 5.3. Longstop Date

If all of the Conditions have not been fulfilled or waived on or before the Longstop Date, the SPA (other than the Surviving Provisions) shall lapse and no Party shall have any claim against any other Party under it, save for any claim arising from antecedent breaches of the SPA.

### 5.4. Striking off of the Subsidiaries

As part of the SPA, the Parties have also agreed that three (3) companies in Malaysia which are wholly owned by the Company, being ARS Consolidated Sdn. Bhd., ARG Consolidated Sdn. Bhd. and AAKG Mining Sdn. Bhd. (collectively the "**Subsidiaries**" and each a "**Subsidiary**") shall be struck off the register of companies in Malaysia.

The Subsidiaries are alike the Target in the Granite Dimension Stone Business. As such, in order to make a clean exit from the Granite Dimension Stone Business, and since the Subsidiaries (a) are dormant, are not carrying on any business and are not in operation, and (b) have no current or contingent assets or liabilities of any nature whatsoever, including any outstanding tax liabilities, the Parties have agreed to strike off the Subsidiaries from the register of companies in Malaysia.

The Purchaser has agreed to be fully and solely responsible for the striking off of the Subsidiaries at his cost and expense and to use all best endeavours to complete and to procure the completion of the striking off of the Subsidiaries as soon as reasonably practicable and within six (6) months from the date of the SPA. The Purchaser has also agreed that the striking off of the Subsidiaries is not conditional on Completion and is a separate obligation to be performed by the Purchaser regardless of Completion.

## 6. USE OF PROCEEDS

Under the Proposed Disposal, it is estimated that the Company will receive net proceeds of approximately RM1,552,000, taking into account tax expenses, legal fees and other transaction costs of approximately RM470,000 incurred in connection with the Proposed Disposal (the "**Net Proceeds**").

The Company intends to use the Net Proceeds for general working capital requirements of the Group. Pending the deployment for the uses identified above, the Net Proceeds may be deposited with banks and/or financial institutions or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

## 7. CATALIST RULE 1006 FIGURES FOR THE PROPOSED DISPOSAL

- 7.1. Based on the latest unaudited consolidated financial results of the Group for FY2021 ("**Unaudited FY2021**") and the latest audited financial results of the Target for FY2021, the relative figures of the Proposed Disposal computed on the bases set out in Catalist Rule 1006 are set out below:

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Rule 1006	Bases of calculation	Relative figure for the Proposed Disposal
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	9.56% <sup>(1)</sup>
(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits/losses	13.17% <sup>(2)</sup>
(c)	Aggregate value of the consideration received compared with the Company's market capitalisation based on the total number of issued Shares, excluding treasury Shares	0.82% <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>(4)</sup>
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount	Not applicable <sup>(5)</sup>

### Notes:

- (1) The audited net asset value of the Target as at 31 December 2021 was approximately RM1,822,000, which represents approximately 9.56% of the Group's unaudited net asset value of approximately RM19,058,000 as at 31 December 2021.
- (2) The audited net losses attributable to the Target in FY2021 was approximately RM1,031,000 which represents approximately 13.17% of the Group's unaudited net losses of approximately RM7,829,000 as at 31 December 2021.
- (3) The Aggregate Consideration of RM2,022,000 which represents approximately 0.82% of the Company's market capitalisation of approximately S\$80,081,000 on 11 March 2022, being the last full market day preceding the date of the SPA on which Shares were last traded on the SGX-ST, based on an exchange rate of S\$32.42 : RM100. The Company's market capitalisation was determined by multiplying the number of Shares in issue (4,550,082,101 Shares) by the weighted average price of such Shares transacted on 11 March 2022 (S\$0.0176).
- (4) The Proposed Disposal is a disposal of assets for cash consideration.
- (5) The Company's only mining asset is the greenfield Bukit Machang mine. Based on the independent qualified person's report as at 31 December 2021 prepared by the Independent Qualified Person as set out in Appendix C to this Circular (the "**Qualified Person's Report**"), the Bukit Machang mine is classified as an Exploration Target according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "**JORC Code**") as it has not been investigated with any boreholes drilled. As such, there has been insufficient exploration to estimate the mineral resources and reserves at the Bukit Machang mine.

### 7.2. Net gain on disposal

Based on the latest audited financial results of the Disposal Group for FY2021, the consolidated net assets value and net losses of the Disposal Group were approximately RM1,822,000 and RM(1,031,000) respectively.

The Company expects to recognise a net gain on disposal of approximately RM200,000 from the Proposed Disposal.

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## LETTER TO SHAREHOLDERS

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### 7.3. Approvals for Proposed Disposal

As the relative figures of Catalist Rule 1006 do not exceed 50.0% and the Proposed Disposal will result in a net gain on disposal not exceeding 10.0% of the consolidated net loss of the Company, no Shareholders' approval is required in relation to Chapter 10 of the Catalist Rules. However, in consideration of the Granite Dimension Stone Business having been a core business segment of the Company and as discussed further in Section 8 of this Circular, the approval of the Independent Shareholders at the EGM will be sought for the Proposed Disposal.

## 8. THE PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION

### 8.1. IPT

The Purchaser is a Director of the Company, and hence is an Interested Person under Chapter 9 of the Catalist Rules. Pursuant to Catalist Rule 906, an issuer must obtain shareholders' approval for an IPT of a value equal to, or more than 5.0% of the Group's latest audited net tangible assets ("**NTA**") value.

### 8.2. Value of the IPT

Having considered Rule 909 of the Catalist Rules, which considers the value of the transaction to be the amount at risk to the Group, the Company has considered the value of the IPT to be the following:

The Aggregate Consideration of RM2,022,000 which represents 35.58% of the audited net tangible liabilities ("**NTL**") of the Group for FY2020 amounting to approximately RM5,683,000.

The value of the IPT exceeds 5.0% of the Group's latest audited NTL, the computation which involves negative numbers. Giving regard to Catalist Rule 906(3) and having considered the substance of the transaction under Catalist Rule 902 in consultation with the Sponsor, the Company will be seeking Independent Shareholders' approval for the Proposed Disposal.

## 9. INDEPENDENT VALUATION OF THE TARGET

- 9.1. For the purposes of the Proposed Disposal, the Company has appointed the Business Valuer to assess and determine the Market Value of the Sale Shares as at 31 December 2021 (the "**Business Valuation**").
- 9.2. The Business Valuation was performed on Market Value basis. "**Market Value**" is defined by the International Valuation Standards Council ("**IVSC**") as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".
- 9.3. After considering all three generally accepted valuation approaches, namely the Income Approach, the Market Approach and the Cost Approach, the Business Valuer has not relied on the Income Approach and the Market Approach, and has relied on the RNAV method for the purpose of the Business Valuation. The RNAV method is a common Cost Approach valuation method which provides an indication of the value of the subject company by the total market value of assets less the liabilities.
- 9.4. Based on the Business Valuation Report, as at 31 December 2021, the Market Value of the Sale Shares is estimated to be approximately RM2,022,000.
- 9.5. The independent valuation summary letter dated 14 April 2022 from the Business Valuer in relation to the Proposed Disposal (the "**Independent Valuation Summary Letter**") is reproduced and appended in its entirety as Appendix B to this Circular.

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## LETTER TO SHAREHOLDERS

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### 10. IFA OPINION

10.1. The Directors are convening the EGM to seek the approval of the Independent Shareholders for the Proposed Disposal. Pursuant to Rule 921(4)(a) of the Catalist Rules, the Company is required to and has appointed the IFA to advise the Recommending Directors, on whether the Proposed Disposal as an IPT is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

10.2. The IFA's opinion is extracted from section 5.0 of the letter dated 14 April 2022 from the IFA to the Recommending Directors in relation to the Proposed Disposal as an IPT (the "**IFA Letter**") and set out in *italics* as follows and capitalised terms used within these reproduced statements bear the meanings defined for them in the IFA Letter:

*"In arriving at our opinion in respect of the Proposed Disposal as an IPT, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:*

- (a) the rationale for the Proposed Disposal, namely to facilitate the Company's exit of a loss-making business segment, to allow the Company to focus on other viable business, and the Proposed Disposal to the Purchaser being the preferred method of disposal;*
- (b) the deteriorating financial performance of the Target;*
- (c) the Consideration, which is equivalent to the market value of the Sale Shares, as determined by the Business Valuer and set out in the Business Valuation Report;*
- (d) the financial effects of the Proposed Disposal; and*
- (e) other relevant considerations as set out in Section 4.5 of this IFA Letter.*

***Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the Proposed Disposal as an IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders."***

10.3. The IFA Letter is reproduced and appended in its entirety as Appendix A to this Circular and Shareholders are advised to read the IFA Letter in its entirety carefully.

### 11. AUDIT COMMITTEE'S STATEMENT

11.1. The members of the Audit Committee of the Company are:

- (a) Mr. Gavin Mark McIntyre;
- (b) Ms. Lee Kim Lian, Juliana; and
- (c) Mr. Chua Ser Miang

11.2. Having considered, *inter alia*, the rationale for the Proposed Disposal, the terms of the SPA, the financial effects of the Proposed Disposal, the Independent Valuation Summary Letter, the Business Valuation Report, the Qualified Person's Report, the VALMIN Report, the Land Valuation Report as well as the opinion of the IFA in the IFA Letter, the Audit Committee is of the view that the Proposed Disposal, as an IPT, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

11.3. The Audit Committee further recommends any individual Shareholder who may require specific advice to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser and strongly advises Shareholders to read this Circular in its entirety carefully.

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### 12. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

12.1. The *pro forma* financial effects of the Proposed Disposal on the Company's share capital and the Group's NTA per share and loss per share ("**LPS**") as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the Proposed Disposal.

The *pro forma* financial effects have been prepared based on the latest audited consolidated financial results of the Group for FY2021, on the following bases and assumptions:

- (a) the Proposed Disposal had been completed on 31 December 2021 for the purpose of illustrating the financial effects on the NTA;
- (b) the Proposed Disposal had been completed on 1 January 2021 for the purpose of illustrating the financial effects on the LPS; and
- (c) the issued and paid-up share capital of the Company comprising 4,550,082,101 Shares.

#### 12.2. NTA per share

Assuming that the Proposed Disposal was completed on 31 December 2021, the *pro forma* financial effects on the Group's NTA per share would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA <sup>(1)</sup> of the Company (RM'000)	7,768	7,498
Number of issued Shares in the capital of the Company	4,550,082,101	4,550,082,101
NTA per share (RM sen)	0.17	0.16

**Note:**

- (1) NTA means total assets less the sum of total liabilities, intangible assets and goodwill.

#### 12.3. LPS

Assuming that the Proposed Disposal was completed on 1 January 2021, the *pro forma* financial effects on the Group's LPS would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
(Loss) after income tax (RM'000)	(7,638)	(6,877)
Weighted average number of ordinary Shares	4,078,501,821	4,078,501,821
LPS (RM sen)	(0.19)	(0.17)

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### 13. TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS FOR THE FINANCIAL YEAR

As at the date of this Circular and since the current financial year beginning 1 January 2022, save for the Proposed Disposal there are no discloseable IPTs entered into by the Group with the Purchaser or any other Interested Persons.

### 14. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Disposal and accordingly, no service contracts in relation thereto will be entered into by the Company.

### 15. ABSTENTION FROM RECOMMENDATION AND VOTING

The Purchaser has, in his capacity as a Director of the Company, abstained from making any recommendation to the Shareholders on the Proposed Disposal.

Further, pursuant to Catalist Rule 919, the Purchaser and his associates shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the Resolution to approve the Proposed Disposal as an Interested Person Transaction.

### 16. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are as follows:

#### Interests of Directors and Substantial Shareholders as at the Latest Practicable Date

	Number of Shares			Total Percentage Interest (%) <sup>(1)</sup>
	Direct Interest	Deemed Interest	Total Interest	
<b>Directors</b>				
Mr. Chua Ser Miang	-	-	-	-
Mr. Lim Chiau Woei	272,263,319	-	272,263,319	5.98
Mr. Lim Beng Chew	1,234,452,015	-	1,234,452,015	27.13
Mr. Gavin Mark McIntyre	-	-	-	-
Ms. Lee Kim Lian, Juliana	-	-	-	-
<b>Substantial Shareholders (other than Directors)</b>				
Tang Yao Zhi (Chen Yaozhi)	617,226,008	-	617,226,008	13.57
Tan Soo Kia	365,472,206	-	365,472,206	8.03

**Note:**

(1) The percentage of shareholdings is computed based on the issued and paid-up share capital of the Company comprising

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4,550,082,101 Shares.

Save as disclosed in this Circular, none of the Directors or Controlling Shareholders or their respective associates have any interest, direct or indirect, in the Proposed Disposal other than in their capacity as Director or Shareholder.

### 17. DIRECTORS' RECOMMENDATIONS

The Recommending Directors are of the opinion that, having considered and reviewed, *inter alia*, the rationale for the Proposed Disposal, the terms of the SPA, the financial effects of the Proposed Disposal, the Independent Valuation Summary Letter, the Business Valuation Report, the Qualified Person's Report, the VALMIN Report, the Land Valuation Report, the opinion of the IFA in the IFA Letter, as well as the views of the Audit Committee as set out in Section 11 of this Circular, the Proposed Disposal is in the best interests of the Company and the Shareholders. Accordingly, the Recommending Directors recommend that Shareholders vote in favour of the Resolution as set out in the Notice of EGM.

### 18. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held by way of electronic means on Friday, 29 April 2022 at 10.30 a.m. (or as soon as practicable following the conclusion or adjournment of the Company's annual general meeting to be held on the same day at 10 a.m.) for the purpose of considering and, if thought fit, passing the Resolution as set out in the Notice of EGM.

In line with the provisions of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, no printed copies of this Circular (including the Notice of EGM and the Proxy Form) will be despatched to Shareholders. A copy of this Circular (including the Notice of EGM and the Proxy Form) have been uploaded on SGXNET at <https://www.sgx.com/securities/company-announcements> and may also be accessed at the Company's website at <https://www.vcplus.sg/investor-relations/>.

### 19. ACTIONS TO BE TAKEN BY SHAREHOLDERS

#### 19.1. No attendance at EGM

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person.

#### 19.2. Alternative arrangements

Shareholders will be able to participate at the EGM by:

- (a) observing the proceedings of the EGM via a "live" webcast (the "**LIVE WEBCAST**") or listening to these proceedings through a "live" audio feed (the "**AUDIO ONLY MEANS**");
- (b) submitting questions relating to the Resolution to be tabled at the EGM in advance of the EGM;
- (c) submitting text-based questions during the LIVE WEBCAST of the EGM;
- (d) appointing a proxy or proxies to attend and vote on their behalf at the EGM; and
- (e) participating in the live voting during the LIVE WEBCAST of the EGM.

To do so, Shareholders will need to complete the following steps:



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(1) Registration for the EGM

A Shareholder who wishes to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must register by **10.30 a.m. on 26 April 2022** (being not less than seventy-two (72) hours before the time appointed for holding the EGM) (the "**Registration Deadline**"), at the URL <https://conveneagm.com/sg/VCPlus2022>, for the Company to authenticate his/her/its status as Shareholder.

**Please note that Shareholders may access the URL for registration from 9.00 p.m. on 14 April 2022 onwards.**

Following successful authentication of his/her/its status as Shareholders of the Company, authenticated Shareholders will receive email instructions (the "**Confirmation Email**") on how to access the LIVE WEBCAST and AUDIO ONLY MEANS to observe the proceedings of the EGM, by **12 p.m. on 28 April 2022**. Shareholders who have registered by the Registration Deadline but do not receive the Confirmation Email by **12 p.m. on 28 April 2022** may contact (65) 6856 7330 or email [support@conveneagm.com](mailto:support@conveneagm.com).

(2) Submission of questions

Shareholders who have registered and have been authenticated as Shareholders of the Company will be able to ask questions relating to the Resolution to be tabled for approval at the EGM during the EGM by submitting text-based questions by clicking the "Ask a Question" feature and then clicking "Type your Question" to input queries in the questions text box. The Company will endeavour to respond to such queries during the EGM as far as reasonably practicable.

Shareholders are also encouraged to submit questions relating to the Resolution to be tabled for approval at the EGM in advance of the EGM. To do so, all questions must be submitted by 10.30 a.m. on 23 April 2022, by post to the office of the Company at 223 Mountbatten Road, #03-10 Singapore 398008, attention to VCPlus EGM, or by email to [enquiry@vcplus.sg](mailto:enquiry@vcplus.sg), or via the online process through the registration website which is accessible at the URL <https://conveneagm.com/sg/VCPlus2022>. After the cut-off time for the submission of questions, any subsequent clarifications sought or follow-up questions will be addressed at the EGM.

Shareholders will need to identify themselves when posing questions by email or by post by providing the following details:

- (i) the Shareholder's full name as it appears on his/her/its CDP/CPF/SRS share records;
- (ii) the Shareholder's NRIC/Passport/UEN number;
- (iii) the Shareholder's contact number and email address; and
- (iv) the manner in which the Shareholder holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will endeavour to address all substantial and relevant questions submitted in advance of the EGM by publishing the responses to such questions on SGXNET and the Company's website at <https://www.vcplus.sg/investor-relations/>, by 10.30 a.m. on 25 April 2022 (being not less than forty-eight (48) hours prior to the closing date and time for the lodgement of the Proxy Forms).

Minutes of the EGM will be published on SGXNET and the Company's website at <https://www.vcplus.sg/investor-relations/>, and the minutes would include the responses to the substantial and relevant questions addressed at the EGM.

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## LETTER TO SHAREHOLDERS

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(3) Voting

As part of the Company's efforts to minimise the risk of community spread of COVID-19, a Shareholder will not be able to attend the EGM in person. If a Shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it may cast his/her/its votes remotely in real time the LIVE WEBCAST.

As an alternative to the aforesaid real-time electronic voting, Shareholders may appoint a proxy or proxies to vote on his/her/its behalf at the EGM. The proxy or proxies may cast his/her/its votes remotely in real time via the LIVE WEBCAST.

A Shareholder entitled to attend and vote at the EGM (who is not a relevant intermediary as defined in Section 181 of the Companies Act) is entitled to appoint one or two proxies to attend and vote in his/her/its stead. Where a Shareholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

A Shareholder who is a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote instead of the Shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than one proxy, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/Passport Number and proportion of shareholding (number of Shares and percentage) in relation to which each proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. The appointments shall be invalid unless the Shareholder specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

Shareholders may also vote at the EGM by appointing the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing a proxy, a Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

In addition, CPF/SRS investors who have used their CPF/SRS monies to buy Shares in the Company:

- (i) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have questions regarding their appointment as proxies; or
- (ii) may appoint a proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks/SRS Operators no later than **10.30 a.m. on 20 April 2022** (being seven (7) working days before the EGM).

The proxy form for the EGM is made available with this Notice of EGM on SGXNET at <https://www.sgx.com/securities/company-announcements> on the same day and can be accessed at the Company's website at <https://www.vcplus.sg/investor-relations/>.

- (4) A proxy need not be a Shareholder. The Chairman of the EGM, as proxy, need not be a Shareholder.
- (5) The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
  - (i) if sent by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, attention to VCPlus EGM; or

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## LETTER TO SHAREHOLDERS

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- (ii) if submitted electronically, (i) be received by the Company's Share Registrar, B.A.C.S. Private Limited at [main@zicoholdings.com](mailto:main@zicoholdings.com), or via the online process through the pre-registration website which is accessible at <https://conveneagm.com/sq/VCPlus2022>,

in either case, by **10.30 a.m. on 27 April 2022** (being not less than forty-eight (48) hours before the time appointed for holding the EGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

- (6) The instrument appointing a proxy or proxies must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.
- (7) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (such as in the case where the appointor submits more than one instrument appointing a proxy or proxies).

### 20. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### 21. CONSENTS

- 21.1. The IFA has given and has not withdrawn its written consent to the issue of this Circular and the inclusion herein of its name, the IFA Letter and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.
- 21.2. The Business Valuer has given and has not withdrawn its consent to the issue of this Circular and the inclusion herein of its name, the Independent Valuation Summary Letter and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.
- 21.3. The Independent Qualified Person has given and has not withdrawn its consent to the issue of this Circular and the inclusion herein of its name, the Qualified Person's Report and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.
- 21.4. The Independent Qualified Person has given and has not withdrawn its consent to the issue of this Circular and the inclusion herein of its name, the VALMIN Report and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

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## LETTER TO SHAREHOLDERS

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- 21.5. The Land Valuer has given and has not withdrawn its consent to the issue of this Circular and the inclusion herein of its name, the Land Valuation Report and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.
- 21.6. Virtus Law LLP has given and has not withdrawn its consent to the issue of this Circular and the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.
- 21.7. Zaid Ibrahim & Co. has given and has not withdrawn its consent to the issue of this Circular and the inclusion herein of its name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

### 22. DOCUMENTS AVAILABLE FOR INSPECTION

- 22.1. Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, a copy of the following documents will be available for inspection by the Shareholders at the registered office of the Company at 138 Robinson Road, #26-03 Oxley Tower, Singapore 068906 during normal office hours for three (3) months from the date of this Circular:
- (a) the Constitution;
  - (b) the SPA;
  - (c) the Independent Valuation Summary Letter;
  - (d) the Business Valuation Report;
  - (e) the IFA Letter;
  - (f) the Qualified Person's Report;
  - (g) the VALMIN Report; and
  - (h) the Land Valuation Report.
- 22.2. Shareholders who wish to inspect the aforementioned documents should contact the Company at enquiry@vcplus.sg or (65) 62437067 to make an appointment in advance. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

Yours faithfully  
for and on behalf of  
the Board of Directors of  
**VCPLUS LIMITED**

Mr. Chua Ser Miang  
Non-Executive Chairman and Lead Independent Director

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## APPENDIX A – IFA LETTER

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14 April 2022

To: The Recommending Directors (defined herein) who are deemed independent in relation to the Proposed Disposal:

Mr. Chua Ser Miang	Non-Executive Chairman and Lead Independent Director
Mr. Lim Beng Chew	Executive Director
Mr. Gavin Mark McIntyre	Independent Director
Ms. Lee Kim Lian, Juliana	Independent Director

Dear Sir / Mdm,

### THE PROPOSED DISPOSAL OF THE COMPANY'S WHOLLY-OWNED SUBSIDIARY, GGTM SDN. BHD. AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders (“Shareholders”) of VCPlus Limited (formerly known as Anchor Resources Limited) (“VCPlus” or the “Company”) dated 14 April 2022. For the purposes of this letter, the Latest Practicable Date is 1 April 2022 as defined in the Circular.*

#### 1.0 INTRODUCTION

On 14 March 2022 (“**Announcement Date**”), the Company announced that it had on the same date, entered into a sale and purchase agreement (“**SPA**”) with Lim Chiau Woei (“**Purchaser**”) for the sale of 2,999,076 ordinary shares (“**Sale Shares**”) in GGTM Sdn. Bhd. (“**Target**”), constituting the entire issued and paid-up share capital of the Target, to the Purchaser (“**Proposed Disposal**”).

The consideration for the Sale Shares shall be RM2,022,000 (“**Consideration**”), which shall be satisfied by the Purchaser in cash on Completion.

Upon completion of the Proposed Disposal (“**Completion**”), the Target shall cease to be a subsidiary of the Company and the Group will exit from the business of exploration, mining, production and processing of granite dimension stone, marble aggregates and related products for sale as well as interior fit-out (“**Granite Dimension Stone Business**”).

The Purchaser is the Managing Director of the Board and a Substantial Shareholder of the Company. He was appointed to the Group's Board on 12 August 2015 and was re-elected as Director on 29 April 2021. Accordingly, the Purchaser is an ‘interested person’ as defined under Chapter 9 of the Catalist Rules, and the Proposed Disposal constitutes an ‘interested person transaction’ under Chapter 9 of the Catalist Rules (“**IPT**”).

The aggregate amount at risk to the Company in connection with the Proposed Disposal, being the Consideration, represents 35.58% of the Group's latest audited net tangible liabilities of approximately RM5,683,000 as at 31 December 2020. The value of the IPT exceeds 5.0% of the Group's latest audited net tangible liabilities, and such computation involved negative numbers. Having considered Rule 906(3) of the Catalist Rules and the substance of the transaction under Rule 902 of the Catalist Rules in consultation with its Sponsor, the Company will be seeking Independent Shareholders' approval for the Proposed Disposal.

The Directors are convening the extraordinary general meeting (“**EGM**”) to seek the approval of the Shareholders for the Proposed Disposal, and pursuant to Rule 921(4)(a) of the Catalist Rules, the Company is required to obtain an opinion from an independent financial advisor on whether the Proposed Disposal as an IPT is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

ZICO Capital Pte. Ltd. (“**ZICO Capital**”) has been appointed by the Company as the Independent Financial Adviser (“**IFA**”) to advise the directors of the Company who are considered independent for the purposes of the Proposed Disposal, Mr. Chua Ser Miang, Mr. Lim Beng Chew, Mr. Gavin Mark McIntyre and Ms. Lee Kim Lian, Juliana (collectively, the “**Recommending Directors**”) as to whether the Proposed Disposal as an IPT is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

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## APPENDIX A – IFA LETTER

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This IFA letter (“**IFA Letter**”) has been prepared pursuant to Chapter 9 of the Catalist Rules and is addressed to the Recommending Directors. This IFA Letter sets out *inter alia*, our evaluation and opinion on the Proposed Disposal as an IPT. This IFA Letter forms part of the Circular which provides, *inter alia*, details of the Proposed Disposal and the recommendation of the Recommending Directors. Certain figures and computations as enumerated or set out in this IFA Letter are based on approximations and their accuracy is subject to rounding.

### 2.0 TERMS OF REFERENCE

ZICO Capital has been appointed as the IFA to opine on whether the Proposed Disposal as an IPT is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

We are not and were not involved or responsible, in any aspect, in the negotiations pertaining to the Proposed Disposal, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Disposal. We do not, by this IFA Letter, warrant the merits of the Proposed Disposal other than to express an opinion on whether the Proposed Disposal as an IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial risks and/or merits (if any) of the Proposed Disposal as an IPT, or to compare their relative merits *vis-à-vis* alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comments. Such evaluations or comments shall remain the sole responsibility of the Directors and/or the management of the Company (“**Management**”) although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

In the course of our evaluation of the Proposed Disposal, we have held discussions with the Directors, the Management and/or their professional advisers (where applicable) and have examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us as well as information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Directors, the Management and/or the professional advisers (where applicable). Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and exercised judgement on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the Proposed Disposal as an IPT have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are true, complete and accurate in all material aspects. The Directors have confirmed to us that, to the best of their knowledge and belief, there is no other information or fact, the omission of which would cause any statement in the Circular in respect of the Group, the Proposed Disposal to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

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## APPENDIX A – IFA LETTER

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Save as disclosed, we would like to highlight that all information relating to the Company and its subsidiaries (collectively, the “**Group**”) which we have relied upon in arriving at our opinion has been obtained from publicly available information and/or from the Directors and the Management and the professional advisers (where applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company or the Group at any time or as at the Latest Practicable Date.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Disposal. Such review or comments, if any, remain the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter. We have not obtained from the Company and/or the Group, any projection of the future performance including financial performance of the Company and/or the Group, and we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view as to the prices at which the Shares may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after the completion of the Proposed Disposal.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, property, plant and equipment and mine properties) of the Group.

However, in connection with the Proposed Disposal, Mazars LLP (“**Business Valuer**”), had carried out an independent valuation to assess and determine the market value of the Sale Shares as at 31 December 2021 and prepared an independent Business Valuation Report dated 14 April 2022 (“**Business Valuation Report**”). In addition, Wrightech Engineering, as the Independent Qualified Person (as defined in the Catalist Rules), had prepared an independent valuation report that meets the standards of the VALMIN Code, to estimate a value that can be applied to the Bukit Machang mine as at 31 December 2021 (“**VALMIN Report**”). Wrightech Engineering also prepared a separate Qualified Person’s Report as at 31 December 2021, which will be relied upon by the Company to provide its annual update and summary of reserves and resources in the Bukit Machang mine.

The executive summary of the Business Valuation Report by the Business Valuer (“**Independent Valuation Summary Letter**”), the Qualified Person’s Report, and the VALMIN Report (“**Technical Reports**”) are attached as Appendix B, Appendix C and Appendix D to the Circular, respectively. In addition to *inter alia*, the Technical Reports, a copy of the Business Valuation Report is available as a document for inspection.

We are not experts in the evaluation and appraisal of the asset and business concerned and have placed sole reliance on the independent valuations and appraisals by each of the Business Valuer and Wrightech Engineering and have not made any independent verification of the content thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuation and appraisal as contained in the Technical Reports or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements.

Our opinion as set out in this IFA Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing, as well as information and representations provided to us, as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent developments after the Latest Practicable Date that may affect our opinion contained therein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Disposal, which may be released by the Company after the Latest Practicable Date.

In rendering our advice and providing our opinion, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or any specific group of Shareholders. As different Shareholders would have different investment profiles and objectives, we would advise the Recommending Directors to recommend that

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## APPENDIX A – IFA LETTER

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any individual Shareholder or group of Shareholders who may require advice in the context of his or their specific investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter and the extract of our opinion in the Circular).

We have prepared this IFA Letter as required under Rule 921(4)(a) of the Catalist Rules as well as for the use of the Recommending Directors in connection with their advice to the minority Shareholders in relation to the Proposed Disposal as an IPT. The recommendation made by the Recommending Directors to the minority Shareholders in respect of the Proposed Disposal shall remain their sole responsibility.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes, other than for the purposes of the Proposed Disposal as an IPT and the EGM, at any time and in any manner without the prior written consent of ZICO Capital in each specific case.

**Our opinion in relation to the Proposed Disposal as an IPT should be considered in the context of the entirety of this IFA Letter and the Circular.**

### 3.0 THE PROPOSED DISPOSAL AND ITS SALIENT TERMS

#### 3.1 The Target

The Target was incorporated in Malaysia on 7 April 2010 and has an issued and paid-up share capital of RM22,505,326 comprising 2,999,076 shares. The principal activities of the Target are the Granite Dimension Stone Business. The Target is a wholly-owned subsidiary of the Company, and its directors are Lim Chiau Woei (the Purchaser), Peter Ling Sie Wuong and Tengku Muhammad Ashman Bin Tengku Baharuddin.

The Target holds concession rights to the Bukit Machang mine. In addition, the Target holds the entire issued and paid-up share capital of Stonetrade Sdn. Bhd. ("**STSB**"), a company which is incorporated in Malaysia and is the sole subsidiary of the Target. The Target and STSB shall collectively be known as the "**Disposal Group**".

Please refer to Section 2.1 of the Circular and Section 4.2 of this IFA Letter for the selected financial information of the Disposal Group.

Upon Completion, the Disposal Group shall cease to be a subsidiary of the Company and the Group will exit from the Granite Dimension Stone Business.

#### 3.2 The Purchaser

The Purchaser is the Managing Director of the Board and a Substantial Shareholder of the Company. He was appointed to the Group's Board on 12 August 2015 and was re-elected as Director on 29 April 2021. He is also a director of the Target.

As at the Latest Practicable Date, the Purchaser holds 272,263,319 shares, representing approximately 5.98% of the existing issued share capital of the Company.

As the Purchaser is a Director of the Company, he is an 'interested person' as defined under Chapter 9 of the Catalist Rules, and the Proposed Disposal constitutes an IPT.



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## APPENDIX A – IFA LETTER

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### 3.3 Consideration

The Consideration is RM2,022,000, which shall be satisfied by the Purchaser in cash on Completion. The Consideration was arrived at on an arm's length and a "willing buyer willing seller" basis and taking into consideration: (a) the audited net tangible assets of the Disposal Group for FY2021 of RM1,822,441; and (b) the preliminary valuation conducted by the Business Valuer.

### 3.4 Conditions

Completion of the Proposed Disposal is conditional upon the satisfaction or waiver (as the case may be) of the conditions set out in the SPA on or before four (4) months after the SPA or such other time and date as the Parties may from time to time agree, including those set out in Section 5.2 of the Circular.

### 3.5 Striking off of the Subsidiaries

As part of the SPA, the Parties have also agreed that three (3) companies in Malaysia which are wholly owned by the Company, being ARS Consolidated Sdn. Bhd., ARG Consolidated Sdn. Bhd. and AAKG Mining Sdn. Bhd. (collectively the "**Relevant Subsidiaries**" and each a "**Relevant Subsidiary**") shall be struck off the register of companies in Malaysia.

The Relevant Subsidiaries are alike the Target in the Granite Dimension Stone Business. As such, in order to make a clean exit from the Granite Dimension Stone Business, and since the Relevant Subsidiaries (a) are dormant, are not carrying on any business and are not in operation, and (b) have no current or contingent assets or liabilities of any nature whatsoever, including any outstanding tax liabilities, the Parties have agreed to strike off the Relevant Subsidiaries from the register of companies in Malaysia.

The Purchaser has agreed to be fully and solely responsible for the striking off of the Relevant Subsidiaries at his cost and expense and to use all best endeavours to complete and to procure the completion of the striking off of the Relevant Subsidiaries as soon as reasonably practicable and within six (6) months from the date of the SPA. The Purchaser has also agreed that the striking off of the Relevant Subsidiaries is not conditional on Completion and is a separate obligation to be performed by the Purchaser regardless of Completion.

## 4.0 EVALUATION OF THE PROPOSED DISPOSAL

The following are factors which we consider to be pertinent and to have a significant bearing on our evaluation of the Proposed Disposal as an IPT:

- (a) the rationale for the Proposed Disposal;
- (b) the financial performance and position of the Disposal Group;
- (c) the Consideration;
- (d) the financial effects of the Proposed Disposal; and
- (e) other relevant considerations.

### 4.1 Rationale for the Proposed Disposal

The Company had set out the following rationale for the Proposed Disposal in Section 3 of the Circular.

*To exit a loss-making business segment*

The Company intends to exit the loss-making Granite Dimension Stone Business entirely. The Disposal Group has recorded loss before tax amounting to RM1,031,007 in FY2021 and the Granite Dimension Stone Business has been halted since November 2019 due to the COVID-19 pandemic.

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## APPENDIX A – IFA LETTER

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Pursuant to the return of the Bukit Chetai granite quarry site to Perbadanan Memajukan Iktisad Negeri Terengganu (Terengganu State Economic Development Corporation) (“**PMINT**”), the Company’s only mining asset is the greenfield Bukit Machang mine which requires significant capital investment to commence production. In addition, in view of the challenging sentiments in the mining sector, the Company is of the view there is no certainty that such investment in the Bukit Machang mine will generate positive return on investment and when this return will crystallise.

### *To focus on other viable business*

The Proposed Disposal is in line with the Company’s diversification into the provision of custodian services for digital assets and the provision of advisory, consultancy and/or management services relating to financial technology regulation and licencing as well as adoption of FinTech strategies and technology (the “**FinTech Business**”).

The Proposed Disposal allows the Company to eliminate its ongoing operational costs in relation to the Granite Dimension Stone Business and exit from its investment in the Target, so that all of its resources can be deployed to focus on growing and developing its portfolio within the FinTech Business. The Board is of the view that the exit from the Granite Dimension Stone Business and the focus on the FinTech Business will help the business of the Company and Group scale and grow, maximising Shareholder value.

### *A preferred method of disposal*

The Purchaser is the Managing Director of the Board and one of the founder Shareholders of the Group. He was instrumental in establishing the Granite Dimension Stone Business and hence, is well positioned to take over the Target and its business with least disruption to operational, financial and human resource needs of the Target.

The Company had previously, through its legal adviser as to Malaysian Law, Zaid Ibrahim & Co., reached out to PMINT and obtained confirmation that PMINT’s prior consent and approval is required if the transfer of the Sale Shares is made to a third party (whether a local or foreign third party purchaser) other than the Purchaser. As such, the Company did not solicit third party offers for the Disposal Group, after considering the following:

- (i) COVID-19 restrictions have negatively impacted the interests of international buyers and brought about challenging conditions surrounding the Granite Dimension Stone Business;
- (ii) the possible risk that the mining concession for the Bukit Machang mine could be returned to PMINT if offered to third party purchasers other than the Purchaser; and
- (iii) the Purchaser is willing and able to satisfy the Company’s requirement for a cash consideration at a fair valuation, and ensure an expeditious completion to the Proposed Disposal.

For the above reasons, the Board is of the view that the sale of the Sale Shares to the Purchaser on the terms of the SPA is the preferred method of disposal. The Purchaser did not participate in the deliberation of the Board in respect of the Proposed Disposal and abstained from voting on the resolution of the Board approving the Proposed Disposal.

## **4.2 Salient financial information of the Disposal Group**

The financial statements of the Disposal Group for the financial years ended 31 December (“**FY**”) 2019, 2020 and 2021 (“**Period Under Review**”) were audited by BDO PLT. The relevant commentaries are extracted from Section 2 of the Circular and set out in the sections below.

### **4.2.1 Key financial performance of the Disposal Group**

Below is a summary of the key financial results of the Disposal Group for the Period Under Review:

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(RM'000)	Audited FY2019 (Restated)	Audited FY2020 (Restated)	Audited FY2021
Revenue	246	134	24
Other income	12	217	2,577
General expenses	(5,223)	(2,552)	(3,632)
Loss before tax	(4,965)	(2,201)	(1,031)

The following restatements were made to the audited financial statements of the Disposal Group in FY2019 and FY2020:

### Prior year adjustments of mining concession related expenses (“Mining Expenses Adjustments”)

In 2021, the Disposal Group had a reassessment of its mining concession agreements and arrangements, and determined that the following prior year adjustments were required for certain mining concession related expenses, to reflect the substance of these transactions:

- (i) FY2019: Restatement of other operating expenses amounting to RM0.1 million, which arose from the recognition of additional mining concession related expenses.
- (ii) FY2020: Restatement of other operating expenses amounting to RM0.2 million, which arose from the recognition of additional mining concession related expenses.

The Company has confirmed that there were no further restatements of similar nature in FY2021.

### *Revenue*

Revenue was mainly derived from the exploration, mining, production and sale of dimension stone granites from the Bukit Chetai mine. Revenue decreased 45.5%, from RM0.2 million in FY2019 to RM0.1 million in FY2020, and further decreased 82.1% to RM23,982 in FY2021 mainly due to the halt in production activities since November 2019 due to travel restrictions imposed on the contractors as a result of the COVID-19 pandemic. No revenue was generated during the Period Under Review from the Bukit Machang mine, which is a greenfield mining asset.

### *Other income*

Other Income increased from RM12,042 in FY2019 to RM0.2 million in FY2020, mainly due to government subsidies arising from the COVID-19 pandemic and an insurance claim on motor vehicle accident.

Other income increased from RM0.2 million in FY2020 to RM2.6 million in FY2021, mainly due to the reversal of excess project costs-related provision, pursuant to a settlement agreement with a contractor in respect of certain claims and disputes arising from a previous project, as well as management fees earned from Angka Alamjaya Sdn. Bhd. (“AASB”), a former subsidiary of the Company. In December 2020, the Company disposed of AASB and its subsidiary (“AASB Group”) to an Interested Person, but the Disposal Group continued to provide mine management services to AASB Group for a 12-month period thereafter.

### *General expenses*

In FY2019 and FY2020, general expenses comprised mainly depreciation and amortisation expenses of property, plant and equipment and right-of-use assets, amortization of mine properties, employee benefits expenses and other operating expenses such as impairment loss on trade and other receivables, directors fee, rental of land and warehouse and interest on lease liabilities.

In FY2021, general expenses comprised mainly depreciation and amortisation expenses of property, plant and equipment and right-of-use assets, amortization of mine properties, employee benefits expenses and other operating expenses such as mine properties, inventories and property, plant and equipment written off, directors fee, and loss on disposal of property, plant and equipment and right-of-use assets.

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General expenses decreased 51.1% from RM5.2 million in FY2019 to RM2.6 million in FY2020, mainly due to the halt in production activities since November 2019 due to travel restrictions imposed on the contractors pursuant to the COVID-19 pandemic, and a reduction in professional fees.

General expenses increased 42.3% from RM2.6 million in FY2020 to RM3.6 million in FY2021 mainly due to the write-off of mine properties, fixed assets and inventories following the return of the concession rights in respect of the Bukit Chetai mine to PMINT.

### *Loss before tax*

Overall, the Disposal Group recorded loss before tax of RM5.0 million, RM2.2 million and RM1.0 million for FY2019, FY2020 and FY2021, respectively, mainly due to the limited mining and production activities of the Disposal Group.

#### 4.2.2 Key financial position of the Disposal Group

Below is a summary of the financial position of the Disposal Group as at 31 December 2019, 31 December 2020 and 31 December 2021:

<b>(RM'000)</b>	<b>Audited As at 31 December 2019 (Restated)</b>	<b>Audited As at 31 December 2020 (Restated)</b>	<b>Audited As at 31 December 2021</b>
Current assets	5,467	5,512	1,985
Non-current assets	5,179	4,501	1,937
Current liabilities	6,934	8,671	2,022
Non-current liabilities	656	488	78
Net asset value (" <b>NAV</b> ")	3,056	854	1,822

The restatements to the statements of financial position of the Disposal Group as at 31 December 2019 and 31 December 2020 also arose from the Mining Expenses Adjustments, which resulted in adjustments to the Disposal Group's NAV.

The Company has confirmed that the Disposal Group does not have any intangible assets and accordingly, the NTA of the Disposal Group is the same as its NAV.

### *As at 31 December 2019*

The audited NAV was RM3.1 million as at 31 December 2019. The Company confirmed that there was no revaluation of assets as at 31 December 2019.

Total assets comprised mainly trade and other receivables of RM3.4 million (31.8% of total assets), property, plant and equipment of RM2.7 million, cash and bank balances of RM1.7 million, mine properties of RM1.4 million and right-of-use assets of RM1.1 million. Property, plant and equipment comprised mainly plant and equipment, and land.

Total liabilities comprised mainly trade and other payables of RM6.7 million (88.0% of total liabilities).

### *As at 31 December 2020*

The audited NAV was RM0.8 million as at 31 December 2020. The Company confirmed that there was no revaluation of assets as at 31 December 2020.

Total assets comprised mainly trade and other receivables of RM3.8 million (38.2% of total assets), property, plant and equipment of RM2.3 million, cash and bank balances of RM1.4 million, mine properties of RM1.3 million and right-of-use assets of RM0.9 million. Property, plant and equipment comprised mainly plant and equipment, and land.

Total liabilities comprised mainly trade and other payables of RM8.4 million (91.8% of total liabilities).

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As at 31 December 2021

The audited NAV was RM1.8 million as at 31 December 2021.

Total assets comprised mainly property, plant and equipment of RM1.7 million (43.4% of total assets), cash and bank balances of RM1.3 million, trade and other receivables of RM0.5 million, mine properties of RM0.1 million and right-of-use assets of RM0.1 million. Property, plant and equipment comprised mainly plant and machinery of RM1.2 million and land and building of RM0.5 million. The Target and PMINT had on 13 January 2022 entered into a supplemental agreement to amend certain provisions of the Work Contract Concession Agreement dated 16 September 2015, to give effect to the proposed reduction of concession area which will result in the Target returning the mining concession rights in respect of the Bukit Chetai mine to PMINT. The decrease in property, plant and equipment, mine properties and right-of-use assets was mainly due to the write-off of these assets upon the return of the concession rights in respect of the Bukit Chetai mine to PMINT.

An independent property valuation report on the land and building prepared by Henry Butcher Malaysia (Terengganu) Sdn. Bhd. ("**Land Valuation Report**") estimated the market value of the land and building as at 31 December 2021 to be RM460,000. Please refer to Appendix E to the Circular for the Land Valuation Report.

Based on the VALMIN Report, the market value of the mine properties as at 31 December 2021 ranges from RM328,621 to RM349,562 with a midpoint of RM339,092. Please refer to Appendix D to the Circular for the VALMIN Report. The net book value of the mine properties was RM116,060 as at 31 December 2021.

The market value of the Sale Shares as at 31 December 2021, being the 100% equity interest in the Target, was assessed and determined by the Business Valuer and set out in the Business Valuation Report. As the Business Valuer adopted the Revalued Net Asset Value ("**RNAV**") approach, the market value of the Target's assets was considered in the valuation.

Further details on the independent valuations on the abovementioned assets are set out in Section 4.3 of this IFA Letter.

Total liabilities comprised mainly trade and other payables of RM1.9 million (92.2% of total liabilities).

We also considered whether there are any factors which have not been otherwise disclosed in the financial statements of the Disposal Group that are likely to impact its NAV or Net Tangible Asset Value ("**NTA**") as at 31 December 2021. In this regard, the Directors and the Management have confirmed to us that, as at the Latest Practicable Date and to the best of their knowledge and belief and save as disclosed in the Circular and this IFA Letter:

- (i) there are no material changes to the Disposal Group's business operations since 1 January 2022 and up to the Latest Practicable Date, which would result in material impact on the overall financial performance of the Target;
- (ii) there is no material difference between the realisable value of the Disposal Group's assets, taking into account the Technical Reports and their respective book values as at 31 December 2021, which would result in a material impact on the NAV or the NTA of the Target;
- (iii) there are no liabilities which values would be materially different from those recorded in the audited statement of financial position of the Disposal Group as at 31 December 2021;
- (iv) there are no contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV or NTA of the Disposal Group as at Latest Practicable Date;
- (v) there are no litigation, claims or proceedings pending or threatened against the Disposal Group or any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Disposal Group as at Latest Practicable Date;
- (vi) there are no intangible assets which ought to be disclosed in the statement of financial position of the Disposal Group as at 31 December 2021 in accordance with the generally accepted

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accounting principles in Malaysia and which have not been disclosed and where such intangible assets would have had a material impact on the overall financial position of the Disposal Group; and

- (vii) there are no material acquisitions or disposals of assets by the Disposal Group since 1 January 2022 and up to the Latest Practicable Date, and the Disposal Group does not have any plans for any impending material acquisitions or disposals of assets, conversion of the use of its material assets or material change in the nature of the business of the Disposal Group.

### 4.3 Assessment of Consideration

#### 4.3.1 Independent valuations of the Target

In connection with the Proposed Disposal, the Business Valuer has been engaged by the Company to undertake an independent valuation to assess and determine the market value of 100% equity interest in the Target and prepare the Business Valuation Report as at 31 December 2021 (“**Valuation Date**”).

The Company also appointed the Independent Qualified Person to prepare the VALMIN Report, to estimate a value that can be applied to the Bukit Machang mine as at 31 December 2021. A separate Qualified Person’s Report was also prepared as at 31 December 2021, which will be relied upon by the Company to provide its annual update and summary of reserves and resources in the Bukit Machang mine.

The Consideration is equivalent to the market value of the Sale Shares as set out in the Business Valuation Report.

The Independent Valuation Summary Letter, the Qualified Person’s Report, and the VALMIN Report are attached as Appendix B, Appendix C and Appendix D to the Circular respectively, and the full Business Valuation Report is available as a document for inspection as disclosed in Section 22.1 of the Circular.

The salient information of the Business Valuation Report and the VALMIN Report is summarised in Sections 4.3.2 and 4.3.3 below.

#### 4.3.2 Salient information on the Business Valuation Report

In determining the market value of 100% equity interest in the Target, the Business Valuer had based its efforts on the following premise of value, which is defined by the International Valuation Standards Council (“**IVSC**”):

*Market Value – ‘the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’*

##### *Valuation approach*

The Business Valuer had determined the market value of 100% equity interest in the Target using the RNAV method, which is a common Cost Approach valuation method. The Cost Approach provides an indication of the value of the Target by the total market value of assets less the liabilities.

The Business Valuer had also considered two other generally accepted valuation approaches, as elaborated below.

1. **Income Approach** - this provides an indication of value by the income generating potential of the subject asset. The premise of the Income Approach is that no investor would pay more for an asset than the present value of the income expected to be generated by the asset. The value of an asset is thus arrived at from the present value, at the valuation date, of the future income generated over the asset’s expected useful life.

However, the Business Valuer has determined that the Income Approach is not relevant for the valuation of the market value of 100% equity interest in the Target, as the Target currently only has

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mining rights for the Bukit Machang mine, which is a greenfield mine/ exploration target with no operations.

2. **Market Approach** – this provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. The premise of the Market Approach is that a prudent investor would pay no more for an asset than the price to purchase similar assets in the marketplace. The process essentially involves comparison of the subject asset with other similar assets. Considerations such as location and time of sale are to be analysed for comparable assets, and adjustments to the prices observed are to be made to indicate a market value for the subject assets.

However, the Business Valuer has determined that the Market Approach is not relevant for the valuation of the market value of 100% equity interest in the Target, as there are no listed company that is directly comparable to the Target in terms of business activity, size, scale of operations and risk profile. Furthermore, there are no reliable estimates of the mineral resources in the Bukit Machang mine which makes identifying a similar granite quarry under similar circumstance very difficult.

### *RNAV of the Target*

The Business Valuer had considered the audited statement of financial position of the Target as at 31 December 2021, which reflected the net book value of the assets and liabilities of the Target. The following adjustments to certain assets and liabilities of the Target were carried out by the Business Valuer, in determining the market value and RNAV of the Target.

(RM)	Book value as at 31 December 2021	Revaluation adjustments	Market value as at 31 December 2021	Note
Property, plant and equipment	1,701,481	(23,753)	1,677,728	1
Mine property	116,060	223,033	339,092	2
Investment in subsidiary	100,000	(38,970)	61,030	3
	<b>Net book value as at 31 December 2021</b>	<b>Total revaluation adjustments</b>	<b>RNAV as at 31 December 2021</b>	<b>Note</b>
<b>Target</b>	1,861,411	160,310	2,021,720	4

#### Notes:

1. The Business Valuer computed the market value of the property, plant and equipment using the Depreciation Replacement Cost method (“DRC”). Under the DRC method, the Business Valuer first estimated the Replacement Cost New (“RCN”) of the plant and machinery and thereafter, deducted for the loss of value caused by physical deterioration, functional obsolescence and economic obsolescence. In developing the RCN, the Valuer relied on the *Malaysia Producer Price Index – Manufacture of General Purpose Machinery and Special Purpose Machinery* respectively, released by the Department of Statistics Malaysia, which is used as a proxy to estimate the change in price level between the original purchase date and the Valuation Date for the General Purpose and Special Purpose Machinery as classified per Management representation.

As the Management had represented that the plant and machinery of the Target have no residual value at the end of their useful lives, the Business Valuer has applied 0% residual value to estimate the market value of the plant and machinery. The Management had further represented that all the plant and machinery are in working condition and have been maintained in their existing condition, and that there is no loss in the usefulness of the plant and machinery, no loss in value due to factors external to the plant and machinery, such as the COVID-19 pandemic and changes of regulations in Malaysia. As such, the Business Valuer has assumed that there is no economic and functional obsolescence to the plant and machinery.

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The Business Valuer had also relied on the Land Valuation Report, which estimated the market value of the land and building as at 31 December 2021 to be RM460,000. The Business Valuer had taken this to represent the market value of the land and building, with no further adjustment.

2. To determine the market value of the mine property, the Business Valuer relied on the VALMIN Report, which indicated that the market value ranges from RM328,621 to RM349,562 with a midpoint of RM339,092. The Business Valuer had taken the midpoint to represent the market value of the mine property. Please refer to section 4.3.3 of this letter for salient details of the VALMIN Report.
3. This relates to the Target's equity investment in its sole subsidiary, STSB. As STSB is a dormant company, the Business Valuer had estimated the market value of the Target's investment in STSB to approximately equate its net book value as at the Valuation Date.
4. Taking into account the adjustments above, the Business Valuer had assessed the RNAV of the Target to be RM2,021,720 as at the Valuation Date.

In conclusion, the Business Valuer was of the opinion that as at the Valuation Date, the market value of the 100% equity interest in the Target is estimated to be approximately RM2,022,000. Please refer to Appendix B to the Circular for the Independent Valuation Summary Letter.

### 4.3.3 Salient information on the VALMIN Report

According to the Independent Qualified Person, the VALMIN Report is prepared in compliance with the VALMIN Code and comprised a technical assessment and valuation, and the mineral resources and reserves estimate of the Bukit Machang mine. The Bukit Machang mine is categorized as an Exploration Target in accordance with JORC Code (2012) Edition, as of 31 December 2021.

#### *Valuation approach*

The Independent Qualified Person had determined that the valuation of the Bukit Machang mine would be most appropriately derived using the Cost-based Approach, which is based on the notion of cost contribution to value where the costs incurred on the mineral asset are the basis of analysis.

The Independent Qualified Person had also considered the following generally accepted valuation approaches, as elaborated below:

1. **Income-based Approach** – based on the notion of cash-flow generation. The anticipated benefits of the potential income or cash flow of a mineral asset is analysed.

The Independent Qualified Person determined that the Income-based Approach is inappropriate as the Bukit Machang mine has no financial operating data available for analysis and there would be no future financial benefits from the Bukit Machang quarry as the Company has confirmed its intention to dispose of the Bukit Machang mine, therefore excluding any future benefits of revenue.

2. **Market-based Approach** – based primarily on the notion of substitution. The mineral asset being valued is compared with the transaction value of similar mineral assets under similar time and circumstance on an open market.

The Independent Qualified Person determined that the chances of identifying a similar granite quarry under similar time and circumstance in an open market is slim. Furthermore, the research for reliable acquisition details of other quarries in the vicinity, which experienced similar disposal situations in the last five years, is highly unlikely.

#### *Valuation of the Bukit Machang mine*

The Cost-based Approach in the valuation of the Bukit Machang mine draws on the capital expenditure including granite beneficiation equipment and operating expenses for the site's care and maintenance as the basis of analysis. Operating expenses include tributes, fees and other binding financial commitments.

Under the Cost-based Approach, the Independent Qualified Person determined that the Multiple of Exploration Expenditure ("**MEE**") Method would be utilised.



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The MEE method is a commonly used technical valuation method applied to determine the value of projects where there are no established mineral resources but where “significant” or at least “material” exploration activities have been undertaken. In this valuation technique, a Prospectivity Enhancement Multiplier (“PEM”) is applied to past direct expenditure on exploration target projects. The PEM used is assessed based on the results of the exploration to date and the prospectivity potential of the exploration target.

	RM Low Range	RM High Range
Estimated spending on the Bukit Machang mine <sup>1</sup>	10,471	31,412
Expenses incurred by Target to maintain the Bukit Machang mine’s lease <sup>2</sup>	318,150	318,150
Expenditure range allocated to the Bukit Machang mine <sup>3</sup>	328,621	349,562
Midpoint		339,092

Notes:

1. The material activities described in the Preliminary Technical and Feasibility Study Reports related to the Bukit Chetai granite quarry site and the Bukit Machang mine. The Independent Qualified Person has assessed that the estimated costs of activities in relation to the Bukit Machang mine constituted only approximately 5.0% to 15.0% of the total costs of RM209,414. Accordingly, the spending on the Bukit Machang mine is estimated to be between approximately RM10,471 and RM31,412.
2. The Independent Qualified Person assessed that the expenses incurred by the Target to maintain the Bukit Machang mine’s lease are estimated to be approximately RM318,150. These expenses are mainly the concession fees for the Bukit Machang mine, such as lot rental based on number of hectares allocated and quit rent.
3. The Independent Qualified Person assessed and applied a neutral PEM of 1x to the expenditure range allocated to the Bukit Machang mine.

In conclusion, the Independent Qualified Person determined that as at the Valuation Date, the assessed technical value of the Bukit Machang mine ranges from RM328,621 to RM349,562, with a midpoint of RM339,092. Please refer to Appendix D to the Circular for the VALMIN Report.

#### 4.4 Financial effects of the Proposed Disposal

Details of the *pro forma* financial effects of the Proposed Disposal are set out in Section 12 of the Circular and are based on the Group’s audited consolidated financial information for FY2021 and certain assumptions. The *pro forma* financial effects are for illustrative purposes only and are not indicative of the actual financial position and results of the Group following the Proposed Disposal.

In summary, we note the following:

(a) Loss

Assuming that the Proposed Disposal was completed on 1 January 2021, the Group’s loss after income tax for FY2021 will reduce from RM7.6 million to RM6.9 million, due to the loss-making position of the Disposal Group for FY2021. Furthermore, the Group expects to record a net gain on disposal of approximately RM200,000 from the Proposed Disposal.

(b) Net tangible assets

Assuming that the Proposed Disposal was completed on 31 December 2021, the net tangible assets (total assets less the sum of total liabilities, intangible assets and goodwill) of the Group as at 31 December 2021 will reduce from RM7.8 million to RM7.5 million.

#### 4.5 Other relevant considerations

##### 4.5.1 Acquisition of the Target by the Company

On 27 June 2016, the Company announced, *inter alia*, that it had on 21 June 2016 entered into a conditional sale and purchase agreement with Lim Chiau Woei (the Purchaser in respect of this

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Proposed Disposal), Koh Ah Luan and Luminor Pacific Fund 1 Ltd. for the proposed acquisition of all the issued and fully-paid shares of the Target (“**Earlier Acquisition**”). The consideration for the Earlier Acquisition was S\$103,265,000 (“**Acquisition Consideration**”), which was agreed to be 95% of the market value of the entire equity interest in the Target of S\$108,700,000, as set out in the business valuation report by Jones Lang LaSalle Corporate Appraisal and Advisory Limited dated 12 May 2017.

The Acquisition Consideration was fully satisfied by the allotment and issuance of an aggregate of 712,172,414 new shares in the capital of the Company, based on an issue price of S\$0.145 per share.

We note the following salient information on the Target on or around the time of the Earlier Acquisition, which was extracted from the Company’s circular to Shareholders dated 30 June 2017 in relation to *inter alia*, the Earlier Acquisition:

- (a) the Target owned an exclusive dimension stone granite concession of approximately 300ha in Hulu Terengganu in the State of Terengganu, Malaysia, granted by PMINT, for a 14-year period expiring on 26 October 2029;
- (b) the said concession covered two mining properties, namely the Bukit Chetai mine and the Bukit Machang mine; and
- (c) the Target recorded sale of dimension stone granite blocks, slabs and tiles of approximately RM0.08 million in FY2016 and RM1.64 million from 1 January 2017 to 18 June 2017, and intended to increase its monthly production of dimension stone granite blocks from approximately 500m<sup>3</sup> in FY2017 to 9,000m<sup>3</sup> by FY2025 and thereafter.

Since the Earlier Acquisition, it was noted that the business and operating profile of the Target has changed significantly. As set out in the Circular, the Target (i) currently holds concession rights to the Bukit Machang mine only; (ii) recorded declining revenues from RM0.2 million in FY2019 to RM23,982 in FY2021; (iii) recorded consecutive loss before tax of RM5.0 million, RM2.2 million and RM1.0 million in FY2019, FY2020 and FY2021 respectively; (iv) had reduced its mining concession area and returned the mining concession rights to the Bukit Chetai mine to PMINT, resulting in the Company’s only mining asset being the greenfield Bukit Machang mine, which requires significant capital investment to commence production; and (v) had halted the Granite Dimension Stone Business since November 2019 due to the COVID-19 pandemic.

### 4.5.2 No alternative buyers

Given the aggregate losses of the Disposal Group in FY2019, FY2020 and FY2021, the challenging conditions surrounding the Granite Dimension Stone Business and uncertainties in securing the necessary approvals from PMINT for any divestment of the Sale Shares to any third parties other than the Purchaser, it is difficult for the Company to find a third party purchaser for the Disposal Group.

The Company had previously, through its legal advisers as to Malaysian Law, Zaid Ibrahim & Co., reached out to PMINT and obtained confirmation that PMINT’s prior consent and approval is required if the transfer of the Sale Shares is made to a third party (whether a local or foreign third party purchaser) other than the Purchaser. As such, the Company did not solicit third party offers for the Disposal Group, after considering the following:

- (iv) COVID-19 restrictions have negatively impacted the interests of international buyers and brought about challenging conditions surrounding the Granite Dimension Stone Business;
- (v) the possible risk that the mining concession for the Bukit Machang mine could be returned to PMINT if offered to third party purchasers other than the Purchaser; and
- (vi) the Purchaser is willing and able to satisfy the Company’s requirement for a cash consideration at a fair valuation, and ensure an expeditious completion to the Proposed Disposal.

### 4.5.3 Abstention from recommendation and voting

As set out in Section 15 of the Circular, the Purchaser and his associates shall abstain from exercising their voting rights in respect of all existing issued shares owned by them and shall not accept

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appointments as proxies unless specific instructions as to voting are given, in respect of the resolution to approve the Proposed Disposal.

The Purchaser has, in his capacity as a Director of the Company, abstained from making any recommendation to the Shareholders on the Proposed Disposal.

### 5.0 OUR OPINION

In arriving at our opinion in respect of the Proposed Disposal as an IPT, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (a) the rationale for the Proposed Disposal, namely to facilitate the Company's exit of a loss-making business segment, to allow the Company to focus on other viable business, and the Proposed Disposal to the Purchaser being the preferred method of disposal;
- (b) the deteriorating financial performance of the Target;
- (c) the Consideration, which is equivalent to the market value of the Sale Shares, as determined by the Business Valuer and set out in the Business Valuation Report;
- (d) the financial effects of the Proposed Disposal; and
- (e) other relevant considerations as set out in Section 4.5 of this IFA Letter.

**Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the Proposed Disposal as an IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.**

Our opinion, as disclosed in this IFA Letter, is based on publicly available information and information provided by the Directors, Management and/or the professional advisers (where applicable), and does not reflect any projections of future financial performance of the Company and/or the Group after the completion of the Proposed Disposal. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Disposal as an IPT.

Our opinion in this IFA Letter is required under Rule 921(4)(a) of the Catalist Rules and is also addressed to the Recommending Directors for their benefit and for the purpose of their consideration of the Proposed Disposal as an IPT. The recommendation to be made by them to the minority Shareholders shall remain their responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes, other than for the purposes of the Proposed Disposal as an IPT and the EGM, at any time and in any manner without the prior written consent of ZICO Capital in each specific case.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**ZICO Capital Pte. Ltd.**

Alex Tan  
Chief Executive Officer

Karen Soh-Tham  
Managing Director



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14 April 2022

**The Board of Directors**  
**VCPlus Limited**  
138 Robinson Road  
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Singapore 068906

## INDEPENDENT VALUATION SUMMARY LETTER

### IN RELATION TO PROPOSED DISPOSAL OF GGTM SDN BHD TO MR LIM CHIAU WOEI, A DIRECTOR OF VCPLUS LIMITED RESULTING IN AN INTERESTED PERSON TRANSACTION (“IPT”) UNDER CHAPTER 9 OF THE CATALIST RULES (“PROPOSED DISPOSAL”)

Dear Sirs/Madames,

#### 1. Introduction

Mazars LLP (“Mazars”) have been engaged by VCPlus Limited (“VCPlus” or the “Client”) to perform an independent business valuation exercise to estimate the Market Value of the 100% equity interest in GGTM Sdn Bhd (“GGTM”) in relation to the Proposed Disposal. The valuation exercise was performed as of 31 December 2021 (the “Valuation Date”).

This letter is addressed strictly to VCPlus and has been prepared solely for the purpose of disclosure as an appendix in the Client’s Circular to be issued in relation to the Proposed Disposal. All capitalised terms used in this letter shall have the same meanings as ascribed to them in the Circular. This is a summary of the information contained in our independent business valuation report dated 14 April 2022 (the “**Valuation Report**”). Accordingly, this letter should be read in conjunction with the full text of the Valuation Report.

Our Valuation Report was prepared in accordance with the requirements of International Valuation Standards (“IVS”).

#### 2. Terms of Reference

This letter and the Valuation Report do not constitute any opinion or an advice concerning the merits of any potential acquisition or investment and the fairness of the contemplated terms thereof. The decision to proceed with any acquisition, investment or divestment or otherwise based on the information contained in this letter and the Valuation Report belongs entirely to the Client. We assume no responsibility or liability for any loss suffered by any party as a result of their reliance on information contained in this letter and the Valuation Report.

Our valuation analysis is based on financial statements, management accounts and other inputs provided by the management of VCPlus and/or GGTM (the “Management”). We have not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information. The accuracy of such information is the sole responsibility of the Management. Our conclusion of value is conditional upon the completeness, accuracy and fair presentation of the information from the Management.

Public information and industry and statistical information have been obtained from sources we believe to be reliable. However, we make no representation as to the accuracy or completeness of such

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## APPENDIX B – INDEPENDENT VALUATION SUMMARY LETTER

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information and have performed no procedures to corroborate the information. We assume no responsibility for the accuracy and the reasonableness of such information.

### 3. Valuation Approach and Methodology

This valuation exercise was performed on Market Value basis. Market Value is defined by the International Valuation Standards Council (“IVSC”) as *“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

We have considered all three generally accepted valuation approaches, namely the Income Approach, the Market Approach and the Cost Approach.

We did not rely on the Income Approach as GGTM currently has the right for the Bukit Machang Granite quarry site (“BMG”) only which is a greenfield mine/exploration target with no operations.

We did not rely on the Market Approach as there are no listed company that is directly comparable to GGTM in terms of business activity, size, scale of operations and risk profile. Furthermore, there are no reliable estimates of the mineral resources in BMG which makes identifying a similar granite quarry under similar circumstance very difficult.

We have relied on the Revalued Net Asset Value (“RNAV”) to estimate the Market Value of the 100% equity interest in GGTM. The RNAV method is a common Cost Approach valuation method which provides an indication of the value of the subject company by the total market value of assets less the liabilities.

### 4. Reliance on Information

In conducting our Valuation, we have held discussions with the Management and we have read information provided by them and other publicly available information, upon which our valuation analyses is based. Further, we have relied upon representations of VCPlus that all material information available to them with respect to GGTM that is relevant for the purpose of our Valuation, has been disclosed to us.

In undertaking the Valuation, we considered, inter alia, the following:

- a) Audited financial statements of GGTM as at 31 December 2021.
- b) Audited financial statements of Stonetrade Sdn Bhd as at 31 December 2021.
- c) Plant & Machinery listing as at 31 December 2021.
- d) Land valuation report by Henry Butcher Malaysia (Terengganu) Sdn. Bhd as at 31 December 2021.
- e) Mineral Asset Valuation Report by Wrightech Engineering as at 31 December 2021.
- f) Qualified Person’s Report by Wrightech Engineering as at 31 December 2021.
- g) Discussions with Management.

We have relied upon, and have not independently verified the accuracy, completeness and adequacy of all such information provided or otherwise made available to us or relied upon by us as described above, whether written or verbal, and no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

## **5. Critical Assumptions**

Our conclusions are primarily dependent on the following assumptions:

- GGTM has clear title of ownership over all the plant and machinery.
- All GGTM's plant and machinery exist and the reported quantity for each item is accurate.
- All GGTM's plant and machinery are in working condition and have been maintained in their existing condition.
- There is no loss in the usefulness of the plant and machinery and there is no loss in value due to factors external to the plant and machinery, such as COVID-19 and changes or regulations in Malaysia.
- We have relied on the land valuation report by Henry Butcher Malaysia (Terengganu) Sdn. Bhd for the market value of the freehold land situated at Kampung Cheting as at 31 December 2021.
- We have relied on the Mineral Asset Valuation Report by Wrightech Engineering for the market value of the mining assets as at 31 December 2021.
- We have relied on the Qualified Person's Report by Wrightech Engineering as at 31 December 2021.
- There are no material undisclosed or contingent liabilities that have not been brought to our attention during the course of the engagement.

## **6. Key Risks and Limitations**

We note the following key risks and limitations in our Valuation:

- We did not perform a site visit nor a stock count of GGTM's plant and machinery.
- We did not perform any non-destructive tests, load tests or running tests to determine the actual working condition of the plant and machinery.
- We did not perform the valuation of the mining assets and relied on the Mineral Asset Valuation Report prepared by Wrightech Engineering.
- We did not perform the valuation of the land and relied on the land valuation report prepared by Henry Butcher Malaysia (Terengganu) Sdn. Bhd.
- We have not performed any technical or operational due diligence on GGTM.
- We are not expressing an opinion on the commercial merits or structure of the Proposed Disposal and neither are we required to nor have we conducted a comprehensive review of the business, operational or financial condition of GGTM. Hence, this letter does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Disposal.
- In arriving at our Valuation conclusion, we have not had regard to any general or specific investment objectives, financial situation or individual circumstances of any investor or potential investor and, accordingly, it may not be relied upon as such by any person.
- Our results depend on the representation made by the Management. However, when events and circumstances do not occur as expected, there may be differences between predicted and actual results, and those differences may be material.

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## APPENDIX B – INDEPENDENT VALUATION SUMMARY LETTER

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- Our Valuation conclusion is based upon the information available as at the Valuation Date. Economic conditions, market factors and changes in the performance of Target Company may result in our conclusions becoming outdated.
- By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement.

### 7. Conclusion of Value

Based on the methodology and analysis as detailed in the Valuation Report, as of Valuation Date, the Market Value of the 100% share capital of GGTM is estimated to be approximately **MYR 2,022 thousand**.

Our conclusion of value was estimated after certain market value adjustments to the audited net asset value of GGTM as of Valuation Date. As detailed in the Valuation Report, the market value adjustments were made to the Plant & Machinery, Mining Assets and Investment in Subsidiary balances.

Our conclusion is based upon prevailing market, economic, industry, monetary and other conditions and information made available to us as of the date of the Valuation Report. Such conditions may change significantly over a relatively short period of time and we assume no responsibility and are not required to update, revise or reaffirm our conclusion to reflect events or developments subsequent to the issue of our final Valuation Report.

Yours sincerely

**Mazars LLP**  
**(Lai Keng Wei, CVA)**



**WRIGHTTECH ENGINEERING**

Section 7

COMPLIANCE DRIVEN

Shah Alam, Selangor, Malaysia

kevin.wrightech@gmail.com

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E-30-05, Block E, I-R/i-C,

40000,

**QUALIFIED PERSON'S REPORT  
AND  
ANNUAL STATEMENT of MINERAL RESOURCES AND RESERVES,  
YEAR ENDED 31 DECEMBER 2021**

**BUKIT MACHANG GRANITE QUARRY,  
HULU TERENGGANU, TERENGGANU, MALAYSIA**

**PREPARED FOR:**

**VCPlus Limited.  
138 Robinson Road, #26-03 Oxley Tower,  
Singapore 068906**

**PREPARED BY:**

**WRIGHTTECH ENGINEERING  
(SA0517243-X)**

**Kev J. Wright C Eng, C Env, FIMMM, CIM, FIQ**

**14 April 2022  
Shah Alam, Malaysia**



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## APPENDIX C – QUALIFIED PERSON'S REPORT

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### Introduction:

This Qualified Persons Report (QPR) has been prepared by Wrightech Engineering (Wrightech), at the request of Mr. Clarence Chong Heng Loong, CEO VCPlus Limited (VCPL). This QPR includes the Annual Statement of Mineral Resources and Reserves (MR&R) estimate as of 31 December 2021 for the GGTM Sdn. Bhd. (GGTM) Bukit Machang Granite (BMG) Quarry, located at Hulu Terengganu, in the State of Terengganu, Malaysia.

### Objectives:

This QPR for the BMG Quarry assesses an Exploration Target as of 31 December 2021 consisting of a pink granite formation known as Rosa Tenggo (RT), which was previously documented by Rockhound Limited (RH), 12A, Times Media Centre, 133 Wanchai Road, Hong Kong as *RH Project 056* in their *Qualified Person's Report Bukit Chetai and Bukit Machang Granite Quarries dated March 2017*.

The form and content of this QPR was prepared to meet GGTM's annual reporting requirements for a QPR 2021 and also comply with the Singapore Exchange Securities Limited ("SGX") annual reporting Catalist Rule 1204 (23) and in the form set out under Appendix 7D of the Catalist Rules.

Wrightech believes this QPR presents 'enough information for a proper understanding of the performance of the issuer and its principal subsidiaries' and in keeping with SGX Rule 704(35)(a) and paragraph 6, Practice Note 4C, presented in the MR&R estimate summary as of 31 December 2021.

### Methodology:

As many of the assumptions for the BMG quarry as an Exploration Target been disclosed in a previous QPR by RH in March 2017, in this QPR Wrightech, from time to time as relevant and appropriate, refer to RH's QPR.

RH clearly stated in their 2017 QPR as it related to the Exploration Target estimate for the BMG RT granite formation, that "*These estimates are presented for information as Bukit Machang has not been investigated with any boreholes drilled. They cannot be used in a Mineral Resource statement and according to the JORC code would be defined as Exploration Targets.*" Likewise, Wrightech has not received or investigated any data that might have been available to RH or otherwise.

Wrightech has applied to the extent practical the relevant criteria found in **JORC Code, 2012 Edition, Reporting Exploration Targets -Clause 17**.

The BMG exploration assets potential value are reported here in terms of target size in cubic metres (m<sup>3</sup>) and type (weathered and fresh granite). And as such this QPR complies with the following requirements JORC Code (2012) Edition.

An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of quantity and quality, relates to mineralisation for which there has been insufficient exploration to estimate a MR&R.

The information relating to the BMG Exploration Target in this QPR has been expressed such that it has not misrepresented or misconstrued as an estimate of a MR&R. In regard to the potential quantity and quality of the target, these have both been expressed as ranges and includes:

- Details of the basis for the target's potential quantity and quality, including the preliminary level of exploration activity already completed and
- The potential quantity and grade of the BMG expressed in this QPR as an Exploration Target, conceptual in nature around which there has been insufficient exploration to estimate a MR&R and it is uncertain if further exploration will result in the estimation of a MR&R.

The BMG (RT) granite Exploration Target presented in this QPR, Wrightech's Competent Person - Kevin J. Wright, C Eng, C Env, FIMMM takes the responsibility for the form and context in which the Exploration Target appears.

The statement of quantity and quality of the BMG (RT) granite Exploration Target presented in this QPR is based on actual very preliminary results from surface geological and land surveys and the information relating to ranges of quantity and quality are estimated approximations. A description of the process used to determine the quantity and quality ranges used to describe the Exploration Target, and a summary of the relevant exploration data available and the nature of the results are presented in the section below **Resource Estimation Procedure and Parameters**:

## APPENDIX C – QUALIFIED PERSON'S REPORT

The Public Report, as in this QPR comments on any site visits made by Competent Persons and the outcome of those visits. Mr. Wright Competent Person the author of this QPR briefly visited the BMG Quarry on 16 January 2020 and again for a full day on 4 February 2022 for the purposes of this QPR. The outcome the second visit is included in the following appropriate sections.

The following provides the due diligence support for BMG Exploration Target Estimate, as at 31 December 2021.

### Background

GGTM has the rights to explore, develop and extract granite from the BMG formation as the operator but has held back on quarrying the granite since its 2017 acquisition due to a combination of unfavourable financial and market challenges. The original intension was to extract the granite and depending on quality process it into dimension stone and/or aggregate. BMG pink (RT) granite was quarried in the past by others in a small scale dimension stone operation. Evidence of that was observed by Wrightech's CP Kevin J. Wright during his site visit on 4 February 2022.

### Quarrying History

The BMG site was originally covered in primary forest which was logged in the 1980's and 90's. The RH 2017 QPR commented that in 1989 a seismic survey was undertaken in the area including the BMG location at the request of the Mineral Research Institute with the requirement to evaluate rock quality and estimate overburden which they recorded at about 24m in addition to 5m of weathered and fractured rock above the fresh quality granite. In RH's opinion, the results were of limited value in identifying the nature of the underlying granite mass bedrock.

No further follow work or extraction was recorded until 2008 when quarry operations were initiated on a small scale at BMG with the opening up of a single quarry face to pink dimension stone through to 2013 after which operations ceased.

### Land Titles and Agreements

The land lease and sub-lease terms and secured duration are whereby the Company has the right to conduct quarry operations. In addition, the Company's Mining Licence (ML) provides for an Operations Mining Scheme (OMS) renewed on an annual basis.

All minerals in or on any land in Malaysia vest solely in the respective state authorities (section 3, State Mineral Enactment). The property in minerals can only pass to a person or company that has won a concession and has paid the relevant fee (Section 97, State Mineral Enactment). The owner of land where there are mineral resources does not have an automatic right over the mineral resource. The owner can apply for a proprietary mining licence before mining (Section 81, State Mineral Enactment).

The beneficial owner of the land in which the BMG is found is Lembaga Tabung Amanah Warisan Negeri Terengganu (LTAWNT), a State entity established by the Terengganu State Government on the 12 November 1990 under the Terengganu Heritage Trust Fund Enactment, 1990. It is an investment arm of the Terengganu State Government which is authorised to venture into various business activities including mining.

The lease period on the land at BMG is 30 years from 1 February 2009 to 31 January 2039. The Lease numbers are H.S. (D) 1122 for 128.53 ha and H.S (D) 1123 for 67.60 ha totaling 196.10 ha, shown below in Table 1: Asset Details.

The requirement of the lease is that the land is to be used for "granite block quarry/mining industry only." However, BMG has not applied for a Proprietary Mining Licence (PML) which is typically valid for a mining period of 10 years and which can be renewed one year ahead of the expiry date.

**Table 1: Asset Details**

Asset Name/State	Issuer's Interest	Development Status	Licence Expiry Date	Licence Area	Type of Mineral	Remarks
Lots 60416 & 60417 Bukit Machang, Terengganu	100%	Industry-Quarry	31 Jan 2039	196.10 ha	Granite	previous temporary lot PT 7812 & PT 7813

Below, in Figure 1: BMG Lot Boundaries, the outline of the two lots are presented.

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## APPENDIX C – QUALIFIED PERSON'S REPORT

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Figure 1: BMG Lot Boundaries

Through an agreement dated 27 October 2014 LTAWNT appointed Perbadanan Memajukan Iktisad Negeri Terengganu (PMINT) “to carry out work in relation to quarrying operations, mining, production and sale of granite products and dimension granite” at BMG and another quarry. The agreement allocates a period of 15 years from the date of the Agreement (“Period of the Agreement”) and ending on 26 October 2029 to conduct the work. However, PMINT can extend the Period at its sole discretion subject to new conditions and whether PMINT has met with the Covenants and Conditions of the Agreement.

On 16 September 2015 PMINT in turn entered into a concession agreement with GGTM, “a company that has experience and expertise to carry out business related to quarry operation and mining”, whereby they would conduct exploration and production of dimension stone. In accordance with the terms of this agreement GGTM are only able to operate the mine once they have submitted an Operational Mining Scheme (OMS) to the Director of Mines (DM) for approval. An OMS was not prepared for the BMG quarry.

***Location, Access and Infrastructure:***

The location coordinates presented in the RH 2017 QPR of N 05° 00' 32" and E 103° 05' 28" when plotted on Google Earth appears to be the centroid of the two lots and sits in lot 60416, presented above as a white star above in Figure 1: BMG Lot Boundaries, which presents the location of the two lots that contain the BMG formation.

The BMG formation is located close the N-S running East Coast Highway-E8 about 50 km SW of Kuala Terengganu, below in Figure 2 : Aerial View of BMG Locations, in the Hulu Terengganu District, Terengganu State, Peninsular Malaysia. Kuala Terengganu is in the Northeast corner of the figure.

## APPENDIX C – QUALIFIED PERSON'S REPORT

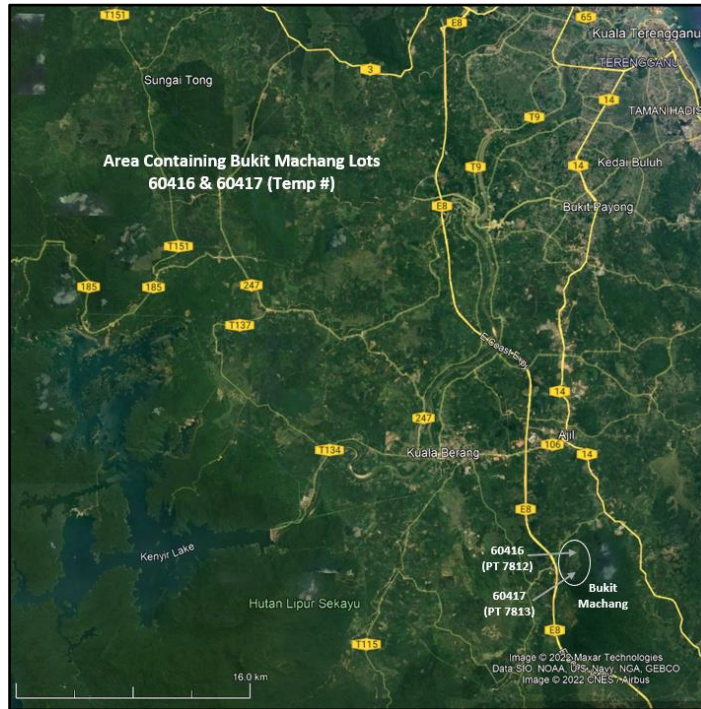


Figure 2: Aerial View of BMG Location



Figure 3: Aerial View of BMG Relative to other Quarry Locations

Figure 3: Aerial View of BMG Relative to other Quarry Locations shows at about 3 to 4 Km further Northeast of the BMG property along the T117 main road there are three named quarries, Diman, Jerlan and Bukit Jong extracting granite for aggregate production for concrete. The shot in Figure 4 of the Jerlan and Diman quarry sites was taken by Kevin J. Wright on his visit to BMG on 4 February 2022.

**APPENDIX C – QUALIFIED PERSON'S REPORT**



Figure 4: Looking SE View of Jerlan (operating) and Diman (dormant) Quarries from T117 main road



Figure 5: Pink Crusher Run lorry-spill at entrance to Diman Quarry

Figure 5 above on the left shows crusher run and the larger hand specimen of the same pink granite on the right shows fractures unfavourable for dimension stone found on the ground at the entrance to the Diman Quarry, presumably form lorry-spill when it was operating.

The turn-off from asphalt main road-249 climbs for about 400m on a narrow asphalt road maintained by a Telecom Malaysia (TM) to the nearest lot boundary then continues another steeper 1.2 km or so to the dirt access track, the blue star in Figure 3 to the granite formations that have been exposed from cutting the track. Since the overgrowth has returned there is no clear indication of access view from below. The TM paved road narrows past the dirt BMG access splits the Northern from the Southern site lots as it continues on to a small telecommunications relay station. The faint trace of the TM road can be seen in Figure 3 winding up from the nearest boundary to the blue star track turn-off.

**Climate:**

For BMG’s location in Hulu Terengganu District, the annual rainy season falls within the months of October through January. On average, November is the wettest month with 610 mm, and June the driest month with 109 mm of rain. The average annual rainfall is 1,000 mm. In the months of November and December heavy rains and thunderstorms often results in widespread flooding impacting road travel transportation in the district. Below in Figure 6: Monthly Rainfall Averages in the Hulu Terengganu District shows typical 12 month rainfall events.

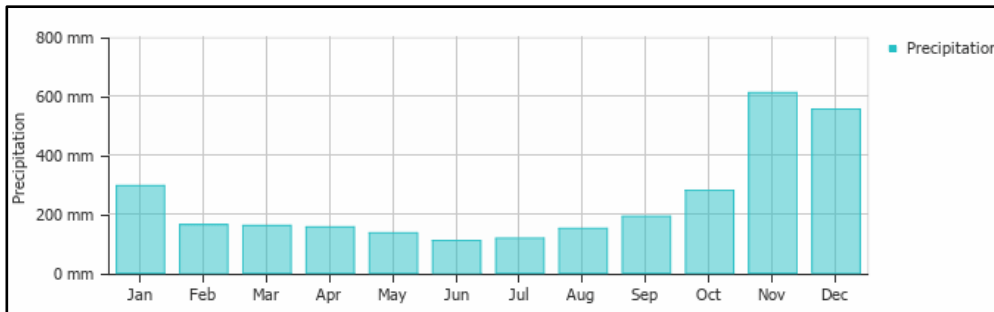


Figure 6: Monthly Rainfall Averages in the Hulu Terengganu District

**Environment and Social Management:**

There is an obligation for GGTM to regularly monitor potential environmental impacts and should they occur initiate mitigation measures identified in their Environmental Management Plan.

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## APPENDIX C – QUALIFIED PERSON'S REPORT

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An Environmental Impact Assessment (EIA) is also required and in accordance with the statutory requirements the Project may not commence until approval of the Director General of the Department of Environment (DOE) has been obtained.

However, in the case of the BMG quarry, an EIA was not prepared the assumption being that quarrying operations were not being planned for the near future.

The three other granite quarries Diman, Bukit Jong and Bukit Jerlan 4 km to Northeast off the T117 main road have likely made quarry activities routine for the local residents as well as provided employment and/or business opportunities.

### **Granite Dimension Stone & Aggregate:**

After clearing the overlying vegetation, topsoil and overburden clay cover, a platform is created to work granite blocks for dimension stone using a diamond steel wire or circular saw blade. Explosives are not used. The separated blocks are lifted onto a lorry and hauled to the dimension stone cutting and shaping facility.

In the case of aggregate, depending on the extent of weathering and fracturing caused during the granitic formation, the rocks break up during digging from the quarry slope for loading on dumper trucks. Large blocks are separated by the excavator for further reduction with a crawler mounted hydraulic rock breaker. Crushing and sizing follows for the stone products required by the market.

In Nature of the Granite Resource section of the RH 2017 QPR, it states that they included the RT granite discussion because the Company holds the license to BMG quarry and there is an inventory of RT blocks and tiles from the previous operation. Some RT blocks were transported to the Bukit Chetai (BC) where GGTM planned to cut tiles for market trials. The pictures taken by Kevin J. Wright; Competent Person at the BC tile works are shown below of granite initially from the BMG quarry in Figure 7: BMG RT Granite slabbed for tiles at the BC tile works.

The extraction developed at BC granite for market entry would reflect on GGTM's decision to consider development of the BMG quarry for pink RT granite. According to the RH 2017 QPR, GGTM refurbished some of the used block and tile processing equipment at BC acquired through the concession. The refurbished equipment at the BC quarry tile works being used to trial process some BMG quarry pink RT granite stock left over from the previous operator, was presumably to evaluate the market's demand for this colour granite.



Figure 7: BMG RT Granite slabbed for tiles at the BC tile works

### **Fees and Taxes**

The fees payable under the State Mineral Enactment include:

- An annual holding fee in respect of a prospecting and exploration licence.
- Annual rent in respect of a mining lease.
- Royalties on any mineral extracted and intended for sale, or to be utilised for any commercial or industrial purpose.

The amount of annual holding fee or rent is calculated by multiplying the area or land subject to the licence or lease in that year to the respective rates prescribed by the state authorities.

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## APPENDIX C – QUALIFIED PERSON'S REPORT

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The amount of royalties for any mineral can be determined as a percentage of the market value of the mineral extracted or an amount payable on the basis of any specified volume or weight of the extracted minerals. The state authority can set any royalty for a commutation fee by notification in the *Gazette*.

Depending on the scale of the operations, the lessee of a mining lease is also required under the State Mineral Enactment to pay a certain amount into a fund for rehabilitating the mining lands. Wrightech understands that GGTM is not bound by this mining land rehabilitation provision.

In addition to holding fees and rents, companies engaging in mining activities must pay all direct and indirect taxes under Malaysian tax legislation, including:

- Income/corporate tax.
- Real property gains tax.
- Sales and services tax (if applicable).

The rate of income/corporate tax imposed on a resident company is 24%. For a residence company with a paid-up capital of RM 2.5 million or less and with a gross income of not more than RM 50 million, the first RM 600,000 of chargeable income is taxable at the rate of 17%, and at the rate of 24% on the RM amount in excess of RM 600,000.

Real property gains tax in Malaysia ranges from 10% to 30% on the gains derived from the disposal of real property or on the sale of shares in a real property company (depending on the year of disposal of the property).

The standard rates for sales tax and service tax in Malaysia are 10% and 6% respectively.

### **Financial Obligations of the Sub-lease**

A Supplemental Agreement was signed between PMINT and GGTM on 13 January 2022 with the following financial obligations on GGTM during the terms of the sub-lease that identifies minimum monthly tribute, yearly rental payments to be made by GGTM at prescribed times as well as invoiced monthly sales payments required by LTAWNT and PMINT.

- A BMG site rental of RM 19,614 per year.
- Below Table 2: Monthly tribute payment to LTAWNT and PMINT according to the monthly sales invoices as follows:

**Table 2: GGTM Payment to LTAWNT & PMINT based on Monthly Sales Invoices**

	Block and Dimension Stone Products	Aggregate, Crusher Run and Quarry Dust Products
LTAWNT	12%	6%
PMINT	3%	6%
<b>Total</b>	<b>15%</b>	<b>12%</b>

- The monthly tribute is subject to a minimum tribute of RM10,000 per month; except for the monsoon season (Nov, Dec, Jan). Minimum tribute starts 6 months after PMINT obtains PML and EIA approval.

### **Exploration Target**

Wrightech reviewed Rockhound Limited's March 2017 Qualified Person's Report (RH 2017 QPR), which in addition to the QPR's Appendix containing the JORC Code (2012) Edition Table 1 Section 1 Sampling Technique and Data as well as Section 2 Reporting of Exploration Results. There is only scant reference in the RH Table 1 Sections 1 and 2 that applies to the BMG formation. Wrightech has selected some of the relevant discussion and criteria from the RH 2017 QPR that fulfills the requirement of this Exploration Target Estimate for BMG.

### **Interpretive Geology:**

Rockhound states in its 2017 QPR that Competent Persons as defined by JORC Code (2012) Edition, Mr. Fowler and Mr. Kot, visited the BC and BMG properties on three occasions, the first in October 2015, the second in April 2016 and the last in October 2016. Wrightech assumes the Ground Investigation (GI) they refer to in the RH 2017 QPR is a typical geological surface survey including mapping on foot using hand held GPS, survey tape and geologist's compass such as a "Brunton". This assumption provides some confidence to the data gathered by RH in estimating the volume of the BMG formation.

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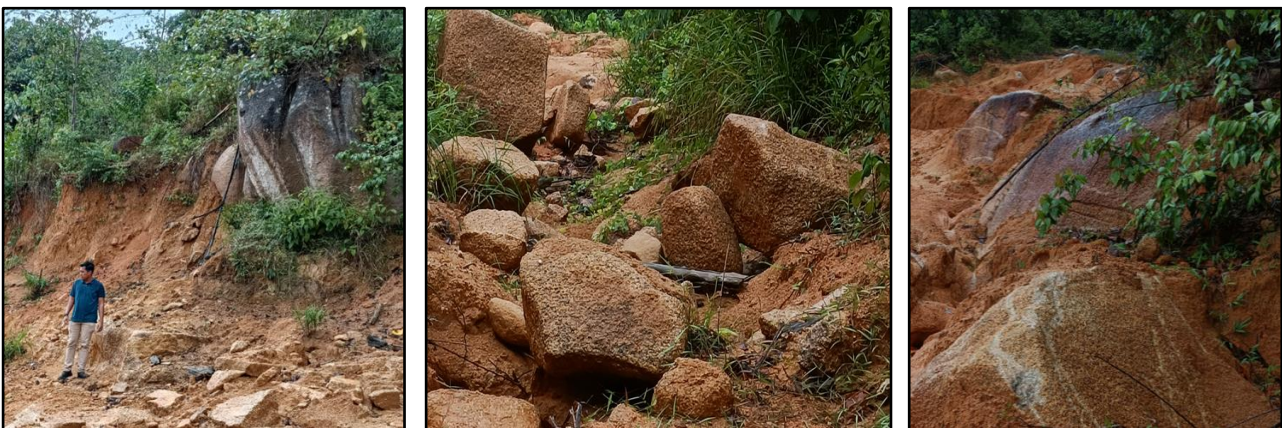
## APPENDIX C – QUALIFIED PERSON'S REPORT

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From the RH 2017 QPR section Geology of BMG, the following relevant and significant observations have been identified:

- From their research, the RH concludes that there are no published geological maps of BMG. But that local geology maps show BMG to be underlain by granitoid rocks. They reference that the BMG site is within Sheet49-Bukit Besi-of the New Series L 7010 Geological mapping sheets of Peninsular Malaysia.
- RH states that the most likely reason the land was cleared was for logging in the 80's and 90's thus with the vegetation removed the nature of the bedrock became apparent. Wrightech assumes they examined the granite outcrops they encountered, again providing confidence in the data gathered by RH.
- However, RH observed that due to thick vegetation cover, they were unable to clearly interpret the geology structure. Based on the preceding observation, Wrightech assumes they are not referring to "the bedrock that became apparent."
- RH also noted that significant chemical weathering had taken place of the bedrock resulting in thick overburden development, and the granite outcrop that is exposed is severely weathered with exfoliation.
- As part of RH's site inspections on the BMG in 2017, insufficient exposure due to vegetation cover prevented geology mapping of sufficient detail. However, pink granite colouration was identified at exposed outcrops and/or boulders by RH.
- RH state that no GI such as trenching and drilling was conducted on the BMG.
- RH did not investigated the geology in any detail when RH CPs visited the old quarry workings early in 2017. RH did however, observed that the massive nature of the rock exposed looked similar to BC. Discarded dimension stone blocks showed massive coarse grained granite verifying their suitability.
- On the northern tenement boundary, RH observed the rock exposed in the quarries was more jointed, perhaps from blasting, and thus more suited for aggregate production. Some discarded dimension blocks were also seen.

Wrightech's CP, Kevin J. Wright was unable to reach the northern tenement boundary, but took the pictures shown below in Figure 8: Possible Location of Boulder "Float" Quarry that may have been the "quarry" were large loose boulders were pried out as mentioned by RH. A true "quarry face" per se was not identified during the trip on 4 February 2022 by Kevin J. Wright, perhaps because not enough dirt track access was covered on foot. However, based on RH's 2017 QPR indications of the single quarry face location, Kevin J. Wright should have been in its approximate vicinity.



*Figure 8: Possible Location of Boulder "Float" Quarry*

At a different location at a lower elevation down the access track than the 3 photos shown in Figure 9, was evidence of rock quarrying by drilling.



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Figure 9: Semi-drill holes on this pink (RT) is from granite block cutting

In RH's opinion the pink colour of the RT is most likely due to the higher content of potassium rich (K)-feldspar. Wrightech's CP Kevin J. Wright also identified the pink feldspar with an example picture shown below in Figure 10: Pink (RT) granite hand specimen at the BMG quarry.



Figure 10: Pink (RT) granite hand specimen at the BMG quarry.

In evaluating BMG's (RT) granite quality; as a percentage of the surface area on average of a tile made from this RT rock, Wrightech suggests that competitive quality pink granites may have a higher percentage of K-feldspar per square unit of surface. For example, the specimen in Figure 10 has as much white colour as it has pink, in addition to some gray/black, which are diluting the overall effect of pink.

### **Topographic Survey**

The RH 2017 QPR noted that the survey plan provided to them (in AutoCAD DWG format) it did not truly reflect the actual landform and it was assumed that the plan either predated logging in the 1980's-90's or did not take into account the tree canopy as it was found that there were differences of up to 10m, with ground levels mostly lower. Wrightech believes they were referring to the BC quarry landform however, they also mentioned the same surveyor, Tunas Ukur Consultants, out of Kuala Terengganu worked both GGTM granite properties. This error was mitigated at BC because borehole collars and core samples provided more precise elevations for overburden, weathered and fresh rock.

In Wrightech's opinion as RH maintained that the site has thick cover of overburden and weathered rock to estimated depths of over 20m, at BMG the impact on volume estimations could be significant should the surface contour elevations be 10m out in the vertical plane. This sheds considerable uncertainty on the volume calculation estimates of the BMG formation.

### **Resource Estimation Procedure and Parameters:**

In the RH 2017 QPR in the section Granite Resource and Reserves Classification, Procedure and Parameters RH explains the purpose of the estimation, so as applied to the BMG formation it is to establish whether sufficient granite within the formation satisfies the criteria as an Exploration Target.

RH assumed that the limited exposure to the granite outcropping would appear to be homogenous and massive over the quarry area, the entire mass of material that would be excavated from the landform. The target estimation is a matter of comparing the estimated potential final excavated landform with the existing estimated landform. For the estimation RH made consideration of;

- the difference in landform between what is shown on the provided survey plan and the actual landform
- the irregular shape of the boundary even though the whole area has been licensed for extraction should some areas be realistically excluded in volume estimation
- the trend and thickness of the granite outcrop observed and how much total volume can be estimated,

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- and finally
- the quantity of overburden and weathered rock

The volume estimate of the final landform assumes that the quarry is extracted in full based on the agreement with local authorities that the site can be reduced to datum (0mPD). The following Figure 11: Schematic of final landform at BMG facing Southeast taken from RH 2017 QPR presents what the final mined out quarry would look like after mining down to 100mPD. (mPD is a HK survey term meaning metres above the Principal Datum of 0m)

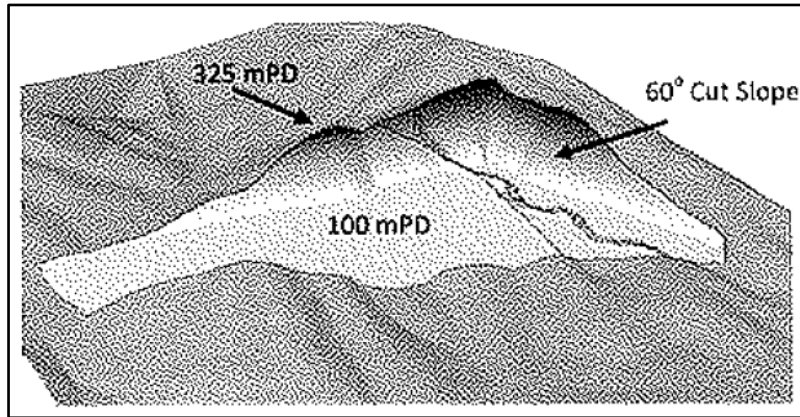


Figure 11: Schematic of final landform at BMG facing Southeast

- In Volume Estimation, RH states that the resources quantities for BMG were determined from the geological profile established from GI and comparing it with the ground profile provided in Auto CAD DWG format.

In this context Wrightech assumes that GI refers to typical geological surface survey and mapping on foot using hand held GPS, survey tape and geologist's compass such as a "Brunton", since no trenching or drilling was conducted.

- RH conducted the numerical calculation of the granite volume using ESRI Arcgis 3D Analyst extension.
- The absence of drillhole information led RH to a number of assumptions being made to estimate the volume of the granite formation the Exploration Target.
- The Exploration Target Estimate below in Table 3: BMG Exploration Target Estimate as at 31 December 2021 presenting two Zones, A and B is taken from RH 2017 QPR.
- A 60° back slope was assumed for the granite formation.
- A vertical cut was made along the boundary between A and B Zones where A Zone is to the north of a small track leading to the TM communications tower and B Zone is to the south, mentioned earlier in this QPR under Location, Access and Infrastructure.
- Assumed the overburden to be 15m deep and the bedrock to be 5m below the overburden.

Wrightech is unclear how these values were derived if no drilling or trenching was conducted unless taken from the Mineral Research Institute 1989 a seismic survey, which RH noted was not of much value for the underlying bedrock.

- A 60° cut was made along the remaining sides of the granite formation.
- The RH states that BMG estimates are presented for information as they have not been investigated by borehole drilling. It also states that the estimate cannot be used in a Mineral Resource statement and according to JORC Code (2012) Edition would be defined as an Exploration Target.

Wrightech has not augmented any of the existing geological information that would impact the current Exploration Target status and agrees with the RH 2017 QPR qualifying statement.

### **Resource Statement**

The Exploration Target Estimate Summary as at 31 December 2021 is as follows:

Table 3: BMG Exploration Target Estimate at 31 December 2021

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Exploration Target Estimate (million m <sup>3</sup> ) -31 January 2017				
Zone	Ground Elevation (mPD)	Overburden	Weathered Rock	Fresh Rock
Area A	100	16.55	5.44	137.11
	200	11.51	3.75	51.11
Area B	100	11.60	3.79	96.27
	200	8.10	8.10	47.11
<b>Total</b>	<b>600</b>	<b>47.76</b>	<b>21.08</b>	<b>331.60</b>

The combined Weathered and Fresh rock in Area A at mPD 200 is 197.41 million m<sup>3</sup> and Area B at mPD 200 is 155.27 million m<sup>3</sup> making the total at mPD 200 of 352.68 million m<sup>3</sup>.

The exploration target estimate of Fresh Rock is substantial at 331.60 million m<sup>3</sup>. In the event that the BMG formation would in future be considered for further exploration that included borehole drilling, together with the Fresh Rock's suitability for dimension stone quality, the Weathered Rock cap quantity of 47.76 million m<sup>3</sup> might well be assessed for its quality as a source of screened aggregate.

The previous Exploration Target Estimate Summary as at 31 December 2020 is the same as the current status since no extraction was undertaken in year 2021.

The change is thus referred to as "insignificant" and thus it can be reported there is No Material Change in the year to 31 December 2021.

### **Granite Quality Testing:**

- RH described in their QPR section, Nature of the Granite Resource, meaning quality and physical characteristics, they note that no tests were conducted as part of the RH 2017 QPR on BMG apart from three for flexural strength, which used tiles cut from blocks previously and left in stock. However, RH represented in their QPR a table, reproduced below in Table 4, the \*ASTM C615-03 Standard Specifications for Granite Dimension Stone analysis conducted by Jabatan Minerals Dan Geosains (JMG) on samples in 2009.

**Table 4: Test Results on Rock from Bukit Machang in 2009**

Physical Property	Requirement	Pink Granite	*Test Method
Absorption by Weight, max (%)	0.40	0.16	C97
Density, min (kg/m <sup>3</sup> )	2.56	2.62	C97
Compressive strength, min (MPa)	131	178	C170
Modulus of Rupture, min (MPa)	10.34	12	C99
Abrasion Resistance, min Hardness	25	49	C241/C1353
**Flexural Strength, min (MPa)	8.27	12 (12.0 to 12.4)	C880

\*\*Three Flexural tests were conducted by Rockhound in 2017

Whilst all the granites meet all the specification requirements for dimension stone, the GGTM BC quarry green rock (TG), fine grained but not a granite, at that time showed superior physical properties.

Wrightech surmises that this may have contributed to the decision to put BMG production on hold.

### **Competent Persons Opinion:**

Physical properties, other than radioactivity that were conducted on the BMG showed that RT granite met all the specifications requirements of dimension stone.

Wrightech suggests therefore that the presence of marketable product at the BMG quarry in itself is indicative of a potential exploration target.

### **Statement of Capability:**

Wrightech's Principal Advisor-Kevin J. Wright has:

Prepared Valuation, Assessment, Scoping, and Independent Qualified Person Reports, ("Technical Reports-TR") on or for mining company mineral resources and assets, sometimes from Pre/Feasibility Studies (P/FS) and in other cases incorporating performance indicators of existing or projected operations. The reports facilitated executive management's understanding of their assets' value, scope for enhancement, potential to create surplus cash and shareholder returns.

In the case of listing, provided material for the prospectus, offering memorandum or introductory document relating to a company's mineral resources and reserves include a TR on the assets of the listing applicant. For existing operations, the TR allowed for informed "go/no-go" business plan decisions to proceed and invest in

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a value-added expansion/increased activity as well as insight into project structuring options, fund management, and investment strategy.

***Statement of Independence:***

Kevin J. Wright, and Wrightech owner and partner and their associates

- (i) are independent of VCPlus Limited, its directors and substantial shareholders
- (ii) do not have any interest, direct or indirect, in VCPlus Limited or its subsidiaries; and
- (iii) will not receive benefits other than the remuneration paid to Wrightech in connection with the current QPR and statement therein.

***Responsibility:***

Wrightech has reviewed the exploration target estimate and in this QPR tabulated the annual resource statement the respective quantity (m<sup>3</sup>) and quality (physical properties) according to the JORC Code (2012) Edition.

In preparing this annual resource statement, Wrightech has not undertaken an audit of the data but has taken into account all the relevant information provided by GGTM, including the Rockhound 2017 QPR and as such has relied on the data, reports and information made available. Wrightech has nevertheless made such reasonable enquiries, conducted a site visit and exercised its judgement on the reasonable use of such information and has found no reason to doubt the accuracy or reliability of the data, reports and information provided by GGTM.

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# APPENDIX

**JORC Code, 2012 Edition – Table 1**

**Bukit Machang Granite Quarry**

**Section 1 Sampling Techniques and Data**

**Hulu Terengganu, Terengganu State Malaysia**

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li>• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>• Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>• In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>• Kevin J. Wright, Competent Person, Wrightech Engineering, Malaysia from discussions and a desktop study has not found any evidence of soil or rock sampling or sampling results data from the Bukit Machang (BM) granite outcrop. The Qualified Persons Report (RH Project 056) prepared in March 2017 by Rockhound Limited of Hong Kong states that no ground investigation such as trenching and drilling was conducted on the Machang Granite.</li> <li>• RH do mention that when samples were taken at Bukit Chetai Quarry, they were collected in plastic bags with labels inside. Wrightech assumes the same practice was used for BM surface grab samples</li> <li>• On quality and physical characteristics, the RH 2017 QPR states that no tests were carried out as part of the 2017 Rockhound QPR on BM granites apart from three for flexural strength, which used tiles cut previously and left in stock.</li> <li>• Rockhound represented in their QPR the ASTM C615-03 Standard Specifications for Granite Dimension Stone analysis carried out by Jabatan Minerals Dan Geosains (JMG) on samples in 2009 shows that the Pink Rosa Tenggo (“RT”) granite also meets all the specification requirements of dimension stone.</li> <li>• The RH 2017 QPR also noted that significant chemical weathering had taken place of the bedrock resulting in thick overburden development, and the granite outcrop that is exposed is severely weathered with exfoliation.</li> <li>• In 1989 a seismic survey in the area, including the BM location requested by the Mineral Research Institute to evaluate rock quality &amp; estimate overburden, they recorded around 24m in addition to 5m weathered &amp; fractured rock above the fresh granite. They also state that results were of limited value in identifying the nature of underlying granite mass bedrock.</li> </ul>

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<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>• The RN 2017 QPR states that no drillhole samples were taken at BM granite formation which insinuates that that the samples used by JMG for quality and ASTM C615-03 physical characteristics in 2009 were on or near surface rock samples. However the thick overburden observed contradicts the high quality and physical characteristics of the samples taken had the overburden not been penetrated.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>• Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>• Method of sampling was surface float and chip sampling the coverage of which was not representative due to the thick cover of secondary regrowth jungle vegetation. It appears sampling was not systematic or on a grid type pattern.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• Grab and float samples were likely taken and were correlated to the granite geology. No core drilling was carried out and certainly no geotechnical logging was done. Mention was made of highly weathered exposed outcrops with exfoliation.</li> <li>• No costean or channel sampling was carried out.</li> <li>• Photographs were taken to present examples of outcrops.</li> <li>• No ground investigation such as trenching and drilling was conducted on the Machang Granite.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• Wrightech is unaware of the quality and appropriateness of the sample preparation technique as it has not been documented on the information reviewed.</li> <li>• Representivity of sampling was not possible due to the thick vegetation coverage over the area of interest.</li> </ul>
<i>Quality of assay data and</i>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> </ul>	<ul style="list-style-type: none"> <li>• ASTM C615-03 Standard Specifications for Granite Dimension Stone analysis carried out by Jabatan Minerals Dan Geosains (JMG) on samples in 2009.</li> </ul>

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<i>laboratory tests</i>	<ul style="list-style-type: none"> <li>• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>• No records were identified by Wrightech of the type of quality control procedures adopted in the ASTM C615-03 test work or for whether acceptable levels of accuracy and precision were established.</li> <li>• Sample Tests by Soils &amp; Materials Laboratory (M) SDN. BHD. was visited by RH CPs. It is ISO accredited to do ASTM test. Petrographic Examination was subcontracted to A Registered Professional Geologist from Geology Dept. University of Malaysia.</li> <li>• The laboratory processed Bukit Chetai (BC) samples and Wrightech assumes the three grabs from BM were also tested there. However, the laboratory for the 2009 ASTM work was not identified for inclusion in this table.</li> <li>• RH 2017 QPR states that it did not consider it necessary to repeat tests as the results returned were as expected and easily met requirements for dimension stone.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• No sample verification, assaying or mineralogical identification for the granite type was identified by Wrightech, nor documentation of primary data, entry procedures, verification, storage protocols.</li> <li>• No adjustments made to surface grab sample data.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent qualified surveyors from Kuala Terengganu-Tunas Consultants Ukur were engaged to conduct the survey work to check ground surveys as directed by RH.</li> <li>• Ground survey plans were provided for BM in AutoCAD dwg format. The surveys may have predated timber logging of the rain forest (thought to have taken place in the 1980's or 1990's)</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Data collection reflected the random method of sampling, namely float and outcrop sampling where dense undergrowth permitted.</li> <li>• The data distribution is sufficient to establish that an Exploration target exists.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a</li> </ul>	<ul style="list-style-type: none"> <li>• Any surface sampling done was random float grab and outcrop chip, inappropriate for orientation.</li> <li>• No drillhole sampling was undertake to obtain samples.</li> </ul>

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	sampling bias, this should be assessed and reported if material.	
<i>Sample security</i>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Wrightech is unaware of sample security or if it was necessary for this very preliminary scouting exploration exercise.</li> <li>Samples sent for testing were taken from the site &amp; delivered by GGTM to the Laboratory in Kuala Lumpur.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews of sampling techniques and data were made at this preliminary stage that Wrightech has been made aware of.</li> <li>In RH 2017 QPR, it states that for BC sampling, the techniques &amp; data are standard. The geologist at site representing GGTM randomly checked the sample bags. Wrightech assumes the same oversight took place for BM sampling.</li> </ul>

### Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

**Bukit Machang Granite Quarry  
Hulu Terengganu, Terengganu State Malaysia**

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>All minerals in or on any land in Malaysia vest solely in the respective state authorities, with BM, its Terengganu State. The property in minerals passes a company that has won a concession and has paid the relevant fee. The landowner where minerals lie does not right over minerals but can apply for proprietary mining licence before mining.</li> <li>The landowner on which BM sits is Lembaga Tabung Amanah Warisan Negeri Terengganu (LTAWNT), investment arm of Terengganu State authorised to venture into mining.</li> <li>Lease period on BM land is 30 years, 1 February 2009 to 31 January 2039. Lease #s H.S.(D) 1122-128.53 ha &amp; H.S (D) 1123- 67.60 ha.</li> <li>Requirement of lease to be used for “granite block quarry/miming industry only”. BM has not applied for Proprietary Mining Licence (PML) typically valid for 10 years &amp; renewed one year ahead of expiry date.</li> <li>Agreement on 27 October 2014 LTAWNT appointed Perbadanan Memajukan Iktisad Negeri Terengganu (PMINT) “...to quarrying operations, mining, production &amp; sale of granite products &amp; dimension granite” at BM. Allocates 15 years ending on 26 October 2029 to carry out work. PMINT can extend at its discretion subject to new conditions &amp; whether PMINT has met Covenants &amp; Conditions of Agreement.</li> <li>On 16 September 2015 PMINT in turn entered into a concession</li> </ul>



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Criteria	JORC Code explanation	Commentary
		agreement with GGTM, to carry out exploration & production of dimension stone. GGTM can only operate mine once they submit Operational Mining Scheme (OMS) to Director of Mines (DM) for approval. An OMS was not prepared for the BM quarry.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>RH 2017 QPR concludes there are no published geological maps of BM. Local geology maps show BM is underlain by granitoid rocks. They reference that BM site is within Sheet49-Bukit Besi-of the New Series L 7010 Geological mapping sheets of Peninsular Malaysia.</li> <li>RH 2017 QPR states the land was cleared for logging in 80's &amp; 90's thus the nature of bedrock became apparent. Wrightech assumes they examined the granite outcrops on their 3 x field visits, but cannot be verified at time of writing.</li> <li>Due to thick vegetation cover, RH were unable to clearly interpret the geology structure.</li> <li>RH noted significant chemical weathering of bedrock resulting in thick overburden development, and granite outcrop is exposed is severely weathered with exfoliation.</li> <li>RH site inspections of BM granite in 2017, insufficient exposure due to vegetation cover prevented geology mapping of any detail. Pink granite colouration was identified at exposed outcrops and/or boulders.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>RH 2017 QPR states the geology has not been investigated in any detail and when the QPs visited the old quarry workings early in 2017 they observed that the massive nature of the rock exposed looked similar to Bukit Chetai. Discarded dimension stone blocks showed massive coarse grained granite verifying their suitability.</li> <li>The RH 2017 QPR states that on the northern tenement boundary, the rock exposed in the quarries was more jointed, perhaps from blasting, and suitable for aggregate. Some discarded dimension blocks were also seen.</li> <li>The opinion held was that the pink colour of the RT is most likely due to the higher content of potassium rich (K)- feldspar.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>✓ easting and northing of the drill hole collar</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>No ground investigation such as trenching and drilling was conducted on the Machang Granite.</li> </ul>

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>✓ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>✓ dip and azimuth of the hole</li> <li>✓ down hole length and interception depth</li> <li>✓ hole length.</li> </ul> <ul style="list-style-type: none"> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• No ground investigation such as trenching and drilling was conducted on the Machang Granite.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• No ground investigation such as trenching and drilling was conducted on the Machang Granite.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>• No diagrams in the RH 2017 QPR in Section 3 were presented for the BM granite formation.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>• High and low grade is in appropriate for reposting on a granite formation. However, weathered and fresh rock estimates were made by RH in 2017 QPR.</li> <li>• In 1989 a seismic survey was undertaken to evaluate rock quality and estimate overburden &amp; recorded 24m in addition to 5m of weathered and fractured rock above the fresh quality granite. However, the results were of limited value in identifying the nature of the underlying granite</li> </ul>

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Criteria	JORC Code explanation	Commentary
		mass bedrock.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>In 2008 quarry operations was initiated on a small scale (“bulk sample” opportunity) at BM with the opening up of a single quarry face to pink dimension stone through to 2013 after which operations ceased. No quality assessment was available from this small scale quarry production for Wrightech to assess.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>No future work has been shared/considered by GGTM or VCPlus Limited though there seems to reasonable be potential considering the estimated size of the exploration target granite formation.</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

Bukit Machang Granite Quarry

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

**No Estimation and Reporting of Mineral Resources**  
Some Criteria is considered to be worthy of Reporting in Table1

Criteria	JORC Code explanation	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>No database was created as a Mineral Resource Estimation is not being contemplated.</li> <li>Sample data results were submitted in excel form to consultant Arup, experienced in volume calculations, modelling techniques &amp; familiar with relevant computer software. RH 2017 QPR states that their personnel have worked with Arup many times.</li> </ul>
<i>Site visits</i>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Rockhound states in its 2017 QPR that a Competent Persons as defined by JORC Code (2012) Edition, Mr. Fowler and Mr. Kot, visited the BC and BM properties on three occasions, the first in October 2015, the second in April 2016 and the last in October 2016.. In addition Wrightech’s CP Krvin J. Wright visited BM location site briefly On 16 January 2020 on 5 February 2022.</li> </ul>
<i>Geological interpretation</i>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of ) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource</li> </ul>	<ul style="list-style-type: none"> <li>Geological interpretation is of a preliminary nature only and meant to demonstrate an Exploration Target opportunity</li> </ul>

## APPENDIX C – QUALIFIED PERSON'S REPORT

Criteria	JORC Code explanation	Commentary
	<p>estimation.</p> <ul style="list-style-type: none"> <li>• The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>• The factors affecting continuity both of grade and geology.</li> </ul>	
<i>Dimensions</i>	<ul style="list-style-type: none"> <li>• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</li> </ul>	<ul style="list-style-type: none"> <li>• No Mineral Resources is being estimated. The surface geomorphological review both desk top and in the field were used as input for a volumetric estimate of the BM granite formation.</li> </ul>
<i>Estimation and modelling techniques</i>	<ul style="list-style-type: none"> <li>• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</li> <li>• The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</li> <li>• The assumptions made regarding recovery of by-products.</li> <li>• Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</li> <li>• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</li> <li>• Any assumptions behind modelling of selective mining units.</li> <li>• Any assumptions about correlation between variables.</li> <li>• Description of how the geological interpretation was used to control the resource estimates.</li> <li>• Discussion of basis for using or not using grade cutting or capping.</li> <li>• The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<ul style="list-style-type: none"> <li>• No Mineral Resources is being estimated.</li> </ul>
<i>Moisture</i>	<ul style="list-style-type: none"> <li>• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>• Wrightech has no knowledge of moisture content measurements being made on surface grab and float samples.</li> <li>• Moisture is not relevant to granite dimension stone or aggregate products.</li> </ul>

## APPENDIX C – QUALIFIED PERSON'S REPORT

Criteria	JORC Code explanation	Commentary
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>The JORC criteria for cut-off grade is inappropriate for a dimension stone granite formation.</li> <li>The relevant standard for granite is ASTM C615 which identifies individual tests to determine necessary physical &amp; mechanical properties.</li> <li>Rather, strength, block size, absence of discontinuities, colour, texture, workability, ability to take a polish, resistance to physical and chemical weathering.</li> <li>From hand specimens taken, only some of the physical properties were tested &amp; measured.</li> </ul>
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Assumptions made in the RH 2017 QPR are for open pit quarrying which considering the granite outcrops at the surface is appropriate.</li> <li>Common forms of dimension stone extraction is diamond wire saws cut the granite into dimension stone blocks. Circular saws are used for wider areas on quarry working platforms to cut the rock into strips.</li> <li>Actual block size and yield is determined as the Quarry opens up.</li> </ul>
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>For dimension stone operations, "Metallurgical factors or assumptions" relates to processing of granite blocks into slabs and tiles. The process techniques used are common throughout the industry. A purpose built processing facility on site using standard plant &amp; equipment.</li> <li>In the case of BM sawing the granite into dimension stone blocks for tile manufacture or if of lower quality, aggregate for the construction industry.</li> <li>No amenability test work has been carried out for viable granite products.</li> </ul>
<i>Environmental factors or assumptions</i>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where</li> </ul>	<ul style="list-style-type: none"> <li>The granite may have low radioactivity which needs to be tested. Other than that, the rock is generally nonreactive predominantly made up of silica. Dust for the processing is a potential hazard that will be mitigated. Cast off waste from dimension stone tile manufacturing can be crushed and sized for construction aggregate.</li> <li>An EIA will need to be approved by the Jabatan Alam Sekitar (DOE) before approval is given to proceed with quarrying and working the</li> </ul>

## APPENDIX C – QUALIFIED PERSON'S REPORT

Criteria	JORC Code explanation	Commentary
	these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	dimension stone.
<i>Bulk density</i>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>Density as well as other physical properties was measured by the Jabatan Minerals Dan Geosains (JMG) on samples in 2009.</li> <li>The result was 2.62 kg/m<sup>3</sup> Vs a requirement of 2.56 kg/m<sup>3</sup>.</li> </ul>
<i>Classification</i>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the preliminary nature of the geological surface survey and sampling the BM granite formation has been classified as an exploration target.</li> <li>RH2017 QPR states that RH has taken appropriate account of all the relevant factors &amp; is confident that the results appropriately reflects the view of Paul Fowler as Competent Person.</li> <li>Wrightech finds no reasons not to support their sentiment.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>No mineral resource has been estimated for the BM granite exploration target. However, Rockhound and Wrightech Competent Persons have visited the site a combined five time from 2015 through 2022.</li> <li>Both groups have independently prepared a QPR, RH in 2017 and Wrightech in 2022. Their opinions lie within those two documents.</li> <li>The RH2017 QPR was subject od a Peer Review by a person with many years of geological experience in mining &amp; exploration, is a competent person &amp; familiar with the JORC code &amp; Resource assessment.</li> </ul>
<i>Discussion of relative accuracy/ confidence</i>	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative</li> </ul>	<ul style="list-style-type: none"> <li>The JORC Code used for the exploration target category for BM granite formation provides an mandatory system for classification od Exploration Results for Mineral Resources and Ore Reserves according to the level of confidence in geological knowledge and technical and economic considerations in public reports.</li> <li>In Singapore JORC Code is one of the standards recognised by the Stock Exchange when public companies report statements on their</li> </ul>

## APPENDIX C – QUALIFIED PERSON'S REPORT

Criteria	JORC Code explanation	Commentary
	<p>accuracy and confidence of the estimate.</p> <ul style="list-style-type: none"> <li>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</li> <li>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</li> </ul>	<p>Mineral Resources or Ore Reserves.</p> <ul style="list-style-type: none"> <li>Statements of the preliminary nature of RH 2017 QPR's estimated exploration volume (m<sup>3</sup>) was highlighted in the same document as the estimate.</li> <li>The exploration estimate was prepared for a global target.</li> <li>No production data was identified from the earlier operations of the BM quarry from which to compare.</li> </ul>

***Wrightech sees no merit in completing Section 4 Estimation and Reporting Ore Reserves for a project that is in the preliminary stages of an exploration target and Section 3 Estimation and Reporting Mineral Resources to the extent practical has been populated.***

### Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Bukit Machang Granite Quarry



**WRIGHTTECH ENGINEERING**

Section 7

COMPLIANCE DRIVEN

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40000,

**INDEPENDENT VALUATION REPORT**

**BUKIT MACHANG GRANITE QUARRY,  
HULU TERENGGANU, TERENGGANU, MALAYSIA**

**AS AT YEAR ENDED 31 DECEMBER 2021**

**PREPARED FOR:**

**VCPlus Limited.  
138 Robinson Road, #26-03 Oxley Tower,  
Singapore 068906**

**PREPARED BY:**

**WRIGHTTECH ENGINEERING  
(SA0517243-X)**

**Kev J. Wright C Eng, C Env, FIMMM, CIM, FIQ**

**14 April 2022  
Shah Alam, Malaysia**



### **Introduction:**

This Independent Valuation Report (IVR) has been prepared by Wrightech Engineering (Wrightech), at the request of Mr. Clarence Chong Heng Loong, CEO VCPlus Limited (VCPL) for the GGTM Sdn. Bhd. (GGTM) Bukit Machang Granite Quarry (BMG), located at Hulu Terengganu, in the State of Terengganu, Malaysia. This IVR in compliance with VALMIN Code (2015), is comprised of a Technical Assessment and Valuation of the Mineral Assets, the Mineral Resources and Reserves (MR&R) estimate, categorized as an Exploration Target in accordance with JORC Code (2012) Edition, as of 31 December 2021.

### **Declaration:**

Wrightech's Competent Person, Mr. Kevin J. Wright, is Fellow of the Institute of Materials, Minerals and Mining (IMMM), employed as an independent mining consultant, reviewed the available documentation related to the Valuation of the BMG. This IVR is based on and fairly reflects information compiled and conclusions derived by Mr. Wright who has sufficient experience that is relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration, the style of mineralisation and the types of deposit under consideration and to the activity being undertaken to qualify as Practitioners as defined in the 2015 edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets", and as Competent Persons as defined in the JORC Code (2012) Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"

### **Responsibility:**

This IVR assesses a BMG as a mineral rock categorized as an Exploration Target under JORC Code (2012) Edition, as of 31 December 2021 consisting of a pink granite formation, Rosa Tenggo (RT), which was previously documented by Rockhound Limited (RH), 12A, Times Media Centre, 133 Wanchai Road, Hong Kong in their *Preliminary Feasibility Study-Bukit Chetai and Bukit Machang Granite Quarries dated December 2016 (RH Project 059)*, and their *Qualified Person's Report-Bukit Chetai and Bukit Machang Granite Quarries dated March 2017 (RH Project 056)*.

Kevin J. Wright has reviewed the reports identified above and made such reasonable enquiries, conducted a site visit and exercised his judgement on the reasonable use of such information and has found no reason to doubt the accuracy or reliability of the data, reports and information provided as documents or verbally by GGTM.

### **Statement of Independence:**

Kevin J. Wright, and Wrightech owner and partner and their associates

- are independent of VCPlus Limited, its directors and substantial shareholders
- do not have any interest, direct or indirect, in VCPlus Limited or its subsidiaries; and
- will not receive benefits other than the remuneration paid to Wrightech in connection with the current IVR and statement therein.

### **Qualifications and Organisations:**

Mr. Kevin J. Wright, Mining Engineer, Associateship of Camborne School of Mines, University of Exeter, England.

Fellow of the Institute of Materials, Minerals and Mining, UK (FIMMM) (Reg# 461659),

Chartered Engineer (CEng), Engineering Council, UK, (Reg# 321765)

Chartered Environmentalist (C Env), Environmentalist Society, UK (Reg# 9330)

Fellow of the Institute of Quarrying (FIQ), (Reg# 130707)

Member of the Canadian Institute of Mining, Metallurgy and Petroleum (MCIM) (Reg# 705065)

Registered Consultant, Department of Environment Malaysia (JAS) (Reg#761330651)

Member of Malaysian Chamber of Mines (Reg# 6271)

Member of the Board of Engineers Malaysia (Reg# G20624A)

Member of the Society for Engineering Geology and Rock Mechanics Malaysia (Reg# SEGRM 1054)

Quarry Managers Certificate (Malaysia) (Reg# 129/2019)

### **Objectives:**

This IVR is to estimate a value in Malaysian Ringgit (RM) that can be applied to the RT granite found at the BMG quarry site. The form and content of this IVR will meet GGTM's annual reporting requirements and comply with the Singapore Exchange Securities Limited ("SGX") Catalist Rule 1204 (2), and in the form set out under paragraph 5 of the Practice Note 4C of the Catalist Rules.

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## APPENDIX D – VALMIN REPORT

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**Note:** For brevity and simplicity, this report neither includes a Table of Contents nor a List of Figures and Tables.

### Executive Summary

#### **Valuation Approach Selected:**

It was impractical to use two Valuation Approaches, the Competent Person, Kevin J. Wright believes he has clearly and unambiguously outlines the reasons below for not doing so. Mr. Kevin J. Wright believes he has made use of a Valuation Method that is suitable for the BMG Mineral Assets under consideration.

The Valuation Method used took into consideration each of the following factors:

- The nature of the valuation which is VCPL's disposal of GGTM;
- The development status of the BMG which is a granite formation categorized as an Exploration Target under JORC Code (2012) Edition interpretation; and
- The extent and reliability of available information from GGTM, RH 2017 and Wrightech 2022 QPRs.

The Valuation Approaches available are a:

Technical Valuation, an assessment of a Mineral Asset's future net economic benefit, and a Market Valuation, dependent on a transaction value against similar granite quarries under similar time period, and circumstance on an open market. The Market Valuation has three Valuation Approaches as the basis of analysis approved by the VALMIN Code (2015):

- *Market-based* would be in the form of similar time period financial data, say quarry operators within 5 km of BMG, with acquisition within the last 5 years (open for interpretation),
- *Income-based* considers and anticipates benefits of potential income or cash flow from operating the BMG quarry,
- *Cost-based* would take into account the Capital expenditure and Operating expenses for the BMG site's care and maintenance including tributes, fees and other binding financial commitments.

Reasons that the following two Valuation Methods from the above options were not used are:

The Income-based approach is inappropriate since BMG has no financial operating data to analyse, and it is VCPL's intention to dispose GGTM, therefore excluding any future benefits of revenue.

For the Market-based approach, the criteria to identify a similar granite quarry under similar time and circumstance on an open market is a challenge with a slim chance of being met. The research for reliable acquisition details of other quarries in the vicinity, which experienced similar disposal situations in the last five years is highly unlikely.

By elimination of two out of three VALMIN approved Valuation Approaches, the one considered in this IVR is the Cost-based approach.

#### **Cost-based Valuation Approach**

##### **Liabilities, Commitments and Financial Exposure:**

The following relevant and material liabilities, commitments and financial exposures were analysed:

- Creditors and Security deposits. Wrightech has not reviewed any document to support any liabilities or commitments and understands from GGTM that no Joint Venture agreements are in place.
- No requirement for an Environmental Impact Assessment (EIA) to be conducted. Wrightech was neither made aware of GGTM potentially being liable for environmental rehabilitation by way of the concession with Perbadanan Memajukan Iktisad Negeri Terengganu ("PMINT") nor for negative impacts caused by the previous operator of the BMG quarry.
- In the case of material agreements and contracts the following was assumed:
  - ✓ Development plans, and sales contracts were not drawn up for BMG since GGTM's intention was first to market the trial granite products at their other granite quarry Bukit Chetai (BC).
  - ✓ The Operating Mining Scheme (OMS) and other permits/license obligations were not required.
  - ✓ The access requirements are in place through lease payments made by GGTM.
  - ✓ Financial obligations on GGTM are specified in a Supplemental Agreement (SA) between PMINT and GGTM, that identifies monthly tributes, and invoiced monthly sales payments to Lembaga Tabung Amanah Warisan Negeri Terengganu ("LTAWNT") and PMINT.

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## APPENDIX D – VALMIN REPORT

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- ✓ The derivation of the values of the BMG site annual rental is based on the total payment prescribed in the Concession Agreement dated 16 September 2015, by GGTM to PMINT for the combined area for the BC and BMG quarries, the allocation made to BMG based on proportioned lease areas.

Wrightech has not reviewed any documentation pertaining to the nature and basis of any consideration or benefit payable to a vendor, promoter or provider of seed capital, and of any conditions involved.

### **Fixed Assets:**

For the purposes and intension of this IVR, none of the value of the fixed assets identified in Table 5, Fixed Asset Register-GGTM Sdn. Bhd. of this IVR, nor an allocation thereof, can justifiably be allocated to the BMG Exploration Target's Capital expenditure as it was essentially never used despite possibly being an original option.

### **Multiple of Exploration Expenditure (MEE) Method:**

The MME method is a commonly used Technical Valuation method applied by mining project valuers to determine the value of projects where there are no established mineral resources but where "significant" or at least "material" exploration activities have been undertaken. In this valuation technique a Prospectivity Enhancement Multiplier (PEM) is applied to past direct expenditure on Exploration Target projects and is assessed based on the results of the exploration to date and the prospectivity potential of the Exploration Target. In the case of BMG, the exploration to date considers the activities identified in the Technical Valuation of this IVR.

Wrightech finds that enough information has been made available on exploration expenditures and land commitments related to the BMG for an acceptable estimate of exploration costs to be adopted. The material activities conducted were the Mineral Research Institute, 1998 Seismic survey and the 2009 Jabatan Minerals Dan Geosains' ASTM C615-03 Standard Specifications for Granite Dimension Stone, neither of which were funded by GGTM. In 2016 RH conducted 3 Flexural Strength tests, the costs of which are assumed to be included in their Preliminary Feasibility Study (PFS).

Three studies on GGTM granite quarries were conducted by RH that include the BMG structure however, in a less prominent assessment than that of the BC quarry.

➤ Preliminary Technical Report in January 2016	RM 33,951 (Wrightech Est.)
➤ Preliminary Feasibility Study in December 2016 invoiced at	RM130,195
➤ Qualified Persons Report in March 2017 invoiced at	RM45,268

As noted in the Technical Valuation Section of this IVR, RH geologists Mr. Paul Fowler and Mr. Dominic Kot, both Competent Persons undertook limited field exploration on the BMG target, conducted the analysis of their findings and estimated the volume of the Exploration Target which they included in preparing the reports mentioned above.

Their exploration field work was downloaded for a computer generated volume estimate for the BMG. In addition their reports discussed granite quarrying and beneficiation methods for final dimension stone products and market possibilities mentioning BMG's RT as a raw material source. RH's reports contributed to turning BMG from a forested hillside into an Exploration Target for potential production of pink dimension stone granite.

The primary objective of the Preliminary Technical and Feasibility Study Reports was BC, while BMG was included because it was on GGTM's books. Allocation of expenses from the studies can only be justified for BMG if the focus of the reports is not only in proportion to the work blend between BC and BMG, but also takes into consideration the original intent of the reports. A proportionate allocation of the expenses associated with the RH studies funded by GGTM, for the assessment of their potential granite resource assets can reasonably be benefitted by BMG.

Wrightech estimates that spending on the BMG to date has been in the order of 5% to 15% of the total of RM 209,414 spent in 2016 and 2017 period, providing an estimated range of RM10,471 to RM 31,412.

In addition, the expenses incurred by GGTM to maintain the BMG lease, RM 318,150, presented in Table7: BMG Rental Expense of this IVR, is included in the MEE.

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## APPENDIX D – VALMIN REPORT

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### **Valuation Range:**

Based on the information above Wrightech estimate expenditure allocated to BMG for exploration related activities and land payments are of the order of RM 328,621 to RM 349,562.

Using the MEE method, and without further knowledge, Wrightech has applied a neutral PEM of 1x to this expenditure, generating an assessed technical value range for BMG of RM 328,621 to RM 349,562, with a midpoint of RM 339,092.

The range of values (low/most likely/high), have been assumed to reflect any uncertainties in the data and the interaction of the various assumptions made the Kevin J. Wright, Competent Person.

### **Risks and Opportunities:**

The primary risk identified in this IVR is the quantity ( $m^3$ ) estimated by RH for the Exploration Target which may be overstated. Since the BMG is leased by GGTM by concession from PMINT and is owned by LTAWNT, the risk is not borne by GGTM.

Other than the BMG quantity risk, no other material risks have been identified.

Despite the above risk, an opportunity exists for a significant RT quarrying operation even if the quantity heavily discounted. The quality for both dimension stone and aggregate are favourable. The removal of over 20m of overburden and weathered rock will naturally need to be taken into account in the business plan.

## **The IVR Methodology:**

### **Work Programme:**

The work programme executed by Wrightech for the BMG valuation is as follows:

- Desktop review of the technical aspects pertaining to the BMG rock formation.
- A BMG site visit to assess the location, accessibility, infrastructure, granite outcrop, earth works, quarry face, and facilities.
- Review of existing mineral Exploration Target estimates and their compliance with the JORC Code (2012) and appropriateness for valuation purposes.
- Review of technical study documents' appropriateness of key parameters for the valuation method applied; and where warranted, Wrightech provides alternative inputs.
- Provision of the Draft IVR submitted to VCPL as required by the VALMIN Code (2015) that does not disclose any values, such that VCPL's comments merely reflect the technical aspects associated with the BMG rock formation.
- Finalisation of the IVR (inclusive of values) including feedback from VCPL on factual accuracy, material errors or omissions.

As many of the assumptions and facts for the BMG quarry as an Exploration Target (reliance on others) have been disclosed in a previous QPR by RH, Hong Kong in March 2017, in this IVR Wrightech, from time to time as relevant and appropriate, refers to the RH's QPR. In addition, Wrightech will refer to its own QPR dated 9 February 2022 which contains material facts and data that apply to the valuation of the BMG rock formation.

### **Basis of Value:**

This IVR, a Public Report is obliged to disclose the basis of value, a statement of the fundamental measurement assumptions of the valuation. The VALMIN Code primarily uses the terms Technical Value and Market Value.

*Technical Value* is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, in this case Competent Person, Kevin J. Wright, excluding any premium or discount to account for market considerations.

*Market Value* is the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset, in this case of BMG pink RT granite, should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion. A Public Report, such as this IVR takes such factors into account, stating the results of the principal Valuation Method(s) used and disclosing the amount of and reasons for the difference, if any between the Market Value and Technical Value.

This IVR addresses the nature of the Value determined and the Valuation Date. As the Values of Mineral Assets can fluctuate over time, but in the case of granite unlikely, the Competent Person, Kevin J. Wright's opinion expressed and the Valuation provided is consistent with circumstances as of the Valuation Date. In the case of BMG, the assets belong to the landowner, LTAWNT, making Valuation Date irrelevant.

## APPENDIX D – VALMIN REPORT

### Valuation Approaches

The selection of the Valuation Approach and underlying Valuation Method used is the responsibility of the Competent Person, Kevin J. Wright and was not influenced by the Commissioning Entity, VCPlus Limited or other parties. Three widely accepted Valuation Approaches are:

- Market-based, which is based primarily on the notion of substitution. In this Valuation Approach the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market.
- Income-based, which is based on the notion of cashflow generation. In this Valuation Approach the anticipated benefits of the potential income or cash flow of a Mineral Asset are analysed.
- Cost-based, which is based on the notion of cost contribution to Value. In this Valuation Approach the costs incurred on the Mineral Asset are the basis of analysis.

Below in Table 1: Applicability of Valuation Approach, outlines for the minerals sector the VALMIN general guide to the applicability under which circumstances each of the Valuation Approach should be applied.

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

*Table 1: Applicability of Valuation Approach*

### Background

GGTM has the rights to explore, develop and extract granite from the BMG formation as the operator but has held back on quarrying the granite since its 2017 acquisition due to a combination of unfavourable financial and market challenges. The original intension was to extract the granite and depending on quality, process it into dimension stone and/or aggregate. BMG pink, RT granite was quarried in the past by others in a small scale dimension stone operation. Evidence of that was observed by Wrightech's CP Kevin J. Wright during his site visit on 4 February 2022, however he was unable to reach the actual location of quarry for safety reasons.

#### **Location, Access and Infrastructure:**

The BMG formation is located close to the N-S running East Coast Highway-E8 about 50 km SW of Kuala Terengganu, presented below in Figure 1: Aerial View of Bukit Machang Locations, in the Hulu Terengganu District, Terengganu State, Peninsular Malaysia. The state capital, Kuala Terengganu is in the Northeast corner of the figure.



*Figure 1: Aerial View of Bukit Machang Location*

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Figure 2: Aerial View of BMG Relative to other Quarry Locations shows at about 3 to 4 Km further Northeast of the BMG property along the T117 main road three quarries, Diman, Jerlan and Bukit Jong extracting what appears to be a less massive formations more suited for aggregate production for concrete and hardscaping. The more fractured nature of these rocks maybe the result of extraction by blasting. The close proximity to the East coast Highway E8, is also made apparent in Figure 2.

The turn-off from asphalt main road-249 climbs for about 400m on a narrow asphalt road maintained by a Telecom Malaysia (TM) to the nearest lot boundary then continues another steeper 1.2 km or so to the dirt access track, the blue star in Figure 2, to the BMG formations that have been exposed from cutting the track. The TM paved road narrows beyond the dirt BMG access and splits the Northern from the Southern site lots as it continues on to a small TM telecommunications relay station. The faint trace of the TM road can be seen in Figure 2 winding up from the nearest boundary to the blue star BMG track turn-off.



Figure 2: Aerial View of BMG Relative to other Quarry Locations

### **Quarrying History:**

The BMG site was originally covered in primary forest which was logged in the 1980's and 90's. The RH 2017 QPR commented that in 1989 a seismic survey was undertaken in the area including the BMG location at the request of the Mineral Research Institute with the requirement to evaluate rock quality and estimate overburden which they recorded at about 24m in addition to 5m of weathered and fractured rock above the fresh quality granite. In RH's opinion, the results were of limited value in identifying the nature of the underlying granite mass bedrock.

No further follow-up work or extraction was recorded until 2008 when quarry operations were initiated on a small scale at BMG with the opening up of a single quarry face to RT dimension stone through to 2013 after which operations ceased.

### **Technical Valuation**

#### **Mineral Resource Category:**

RH clearly stated in their 2016 PFS Report as it related to the Exploration Target estimate for the BMG formation, that "These estimates are presented for information as Bukit Machang has not been investigated with any boreholes drilled. They cannot be used in a Mineral Resource statement and according to the JORC

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code would be defined as *Exploration Targets*.” Likewise, Wrightech has not received or investigated any data that might have been available to RH or otherwise.

The BMG exploration potential is reported in the Wrightech 2022 QPR in terms of target size in cubic metres (m<sup>3</sup>) and type (weathered and fresh granites), and as such its QPR complies with the requirements JORC Code (2012) Edition.

The information relating to the BMG Exploration Target in this IVR is taken from Wrightech’s 2022 QPR. In regard to the potential quantity and quality of the target, these have both been expressed as ranges and includes:

- Details of the basis for the target’s potential quantity and quality, including the preliminary level of exploration activity already completed, and
- The potential quantity and quality of the BMG expressed in this IVR as an Exploration Target, conceptual in nature around which there has been insufficient exploration to estimate a MR&R and it is uncertain if further exploration will result in the estimation of a MR&R.

Mr. Kevin J. Wright, Competent Person and author of this IVR briefly visited the BMG Quarry on briefly on 16 January 2020 and again for a full day on 4 February 2022, to fulfill the JORC requirements of the VALMIN Code (2015) for the purposes of this IVR. The outcome of the second visit is included in the following appropriate sections.

### ***Exploration Target:***

Wrightech reviewed Rockhound Limited’s March 2017 Qualified Person’s Report (RH 2017 QPR), which in addition to the QPR’s Appendix contains the JORC Code (2012) Edition Table 1 Section 1 Sampling Technique and Data as well as Section 2 Reporting of Exploration Results. There is only scant reference in the RH Table 1 Sections 1 and 2 that applies to the BMG formation. Wrightech selected some of the relevant discussion and criteria from the RH 2017 QPR that fulfill the requirements of the Exploration Target Estimate for BMG in Wrightech’s 2022 QPR.

### ***Interpretive Geology:***

Rockhound states in its RH 2017 QPR that Competent Persons as defined by JORC Code (2012) Edition, Mr. Fowler and Mr. Kot, visited the BC and BMG quarries on three occasions, the first in October 2015, the second in April 2016 and the last in October 2016. Wrightech assumes the Ground Investigation (GI) they refer to in the RH 2017 QPR is a typical geological surface survey including mapping on foot using hand held GPS, survey tape and geologist’s compass such as a “Brunton”. This assumption provides some confidence in the data gathered by RH in estimating the volume of the BMG formation.

From the RH 2017 QPR Geology of BMG section, the following relevant and significant observations have been identified:

- From their research, RH concludes that there are no published geological maps of the BMG area. But that local geology maps show BMG to be underlain by granitoid rocks. They reference that the BMG site is within Sheet 49-Bukit Besi-of the New Series L 7010 Geological mapping sheets of Peninsular Malaysia.
- RH states that the most likely reason the land was cleared was for logging in the 1980’s and 90’s thus with the vegetation removed, the nature of the bedrock became apparent. Wrightech assumes they examined the granite outcrops they encountered, again providing some confidence in the data gathered by RH.
- However, RH observed that due to thick vegetation cover, they were unable to clearly interpret the geology structure. Based on the preceding observation, Wrightech assumes they are not referring to “the bedrock that became apparent.”
- RH also noted that significant chemical weathering had taken place of the bedrock resulting in thick overburden development, and the granite outcrop that is exposed is severely weathered with exfoliation.
- As part of RH’s site inspections on the BMG in 2017, insufficient exposure due to vegetation cover prevented geology mapping of sufficient detail. However, pink granite colouration was identified at exposed outcrops and/or boulders by RH. On his 4 February 2022 site visit, Kevin J. Wright observed an abundance of RT granite exposed by the cuts in the quarry access track.
- RH state that no GI such as trenching and drilling was conducted on the BMG formation.
- RH did not investigated the geology in any detail when RH CPs visited the old quarry workings early in 2017. RH did however, observed that the massive nature of the rock exposed looked similar to BC. Discarded dimension stone blocks located near the entrance to the site showed massive coarse grained granite verifying their suitability for dimension stone.

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- On the northern tenement boundary, RH observed the rock exposed in the quarries was more jointed, perhaps from blasting, and thus more suited for aggregate production. Some discarded dimension blocks were also seen.
- RH noted that the geology at both the BC and BMG consists of massive granite intersected by green microgabbro dykes. If this is the case, then there may possibly be a future opportunity for exploitation of Terengganu Green (TG). Kevin J. Wright did not encounter any TG on his 4 February 2022 BMG site visit.

Wrightech's CP, Kevin J. Wright was unable to reach the northern tenement boundary, but took the pictures shown below in Figure 3: Possible Location of Boulder "Float" Quarry that may have been the "quarry" were large loose boulders were pried out as mentioned by RH. A true "quarry face" per se was not identified during the trip on 4 February 2022 by Kevin J. Wright, quite likely because not enough dirt track access was covered on foot due to safety concerns at the time. However, based on RH's 2017 QPR indications of the single quarry face location, Kevin J. Wright should have been in its approximate vicinity, within 300m, identified by the red circled X in Figure 5: Survey Plan of BMG below.



Figure 3: Possible Location of Boulder "Float" Quarry

Lower down in elevation, on the same BMG dirt access track than the 3 float boulder photos shown in Figure 3, was evidence of rock quarrying by drilling, shown below in Figure 4: Semi-drill holes in RT from granite block cutting.



Figure 4: Semi-drill holes in RT from granite block cutting

### **Topographic Survey**

Below, the Figure 5: Survey Plan of BMG shows that the overall site has a well-developed drainage system. Stream flow appears to be minimal outside the rainy season as the only catchment area within the site is small. The dense vegetation cover also results in a reduced run-off.

The "Access to Site" marker identified in the Survey Plan below was not the route taken by Mr. Kevin J. Wright on 4 February 2022, likely because it was closed off.

The RH 2017 QPR noted that it the survey plan provided to them (in AutoCAD DWG format), unlikely the version in Figure 5 below, that it did not truly reflect the actual landform and it was assumed that the plan either predated logging in the 1980's-90's or did not take into account the tree canopy as it was found that there were differences of up to 10m, with ground levels mostly lower.



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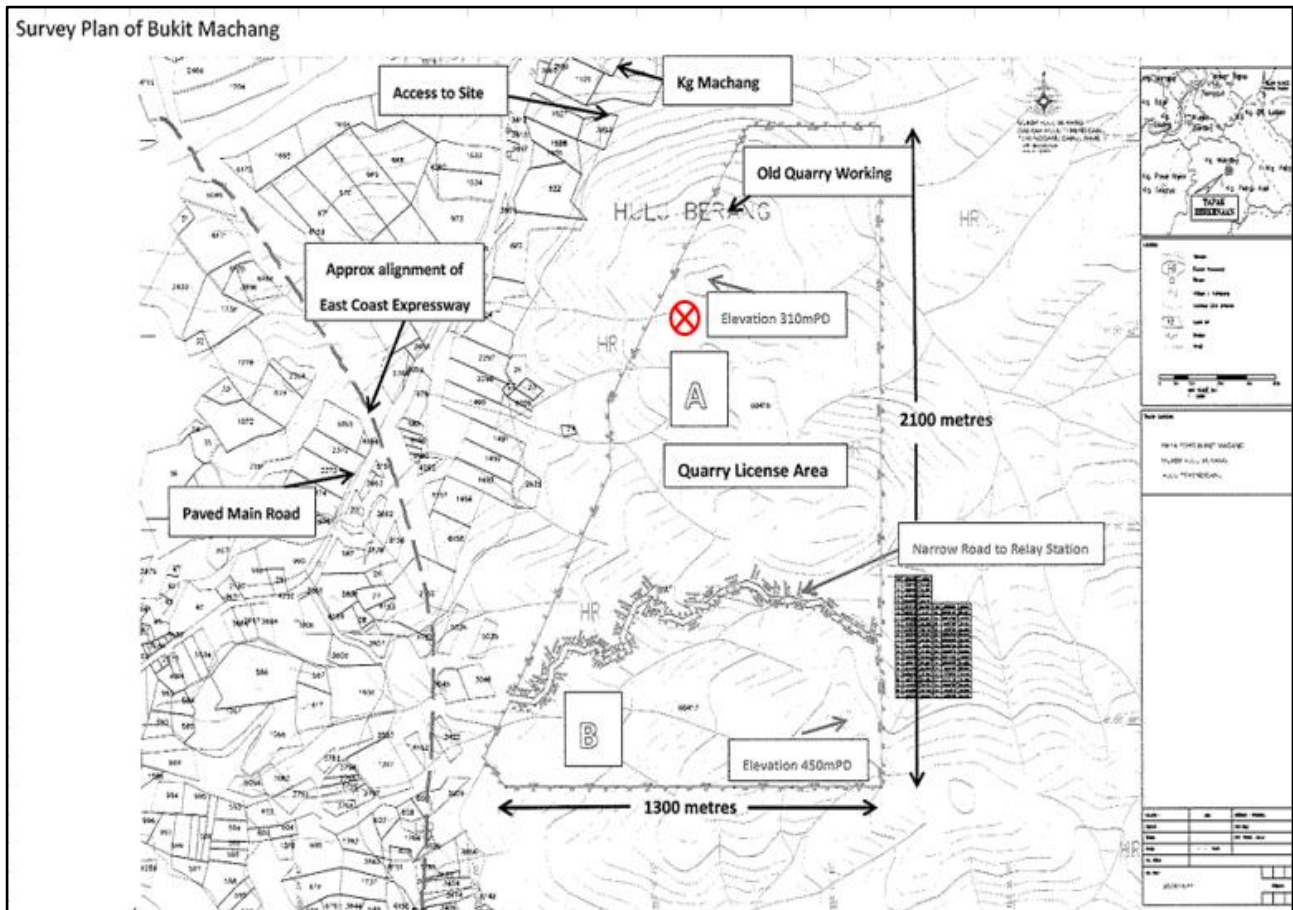


Figure 5: Survey Plan of BMG

Wrightech believes RH were referring to the BC quarry landform however, they also mentioned the same surveyor, Tunas Ukur Consultants, out of Kuala Terengganu worked both GGTM granite properties. This error was mitigated at BC because borehole collars and core samples provided more precise elevations for overburden, weathered and fresh rock.

### **Resource Estimation Procedure and Parameters:**

In the RH 2017 QPR, Granite Resource and Reserves Classification, RH explains the purpose of the estimation as applied to the BMG formation, was to establish whether sufficient granite within the formation satisfied the criteria as an Exploration Target.

Despite the limited exposure their geologists had to the granite outcrops, RH made the assumption that the granite “would appear to be homogenous and massive over the quarry area, which being the entire mass of material that would be excavated from the landform.” The granite target estimation, RH states was a matter of comparing the estimated potential final excavated landform with the existing estimated landform. For the estimation RH made consideration of;

- The difference in landform between what was shown on the provided survey plan and the *actual landform*, the latter suggesting that a survey was conducted by Tunas Ukur Consultants.
- The irregular shape of the boundary, even though the whole area had been licensed for extraction, provide for some areas to be realistically excluded in volume estimation.
- The trend (direction) and thickness of the granite outcrop observed and how much total volume could be estimated, and finally,
- The quantity of overburden and weathered rock.

The volume estimate of the final landform assumed that the quarry would be extracted in full based on the agreement with local authorities that the site can be reduced to datum (0mPD). The following Figure 6: Schematic of final landform at BMG facing Southeast taken from RH 2017 QPR, presents what the final mined out quarry would look like after mining down to 100mPD. (mPD is a HK survey term meaning metres above the Principal Datum of 0m)

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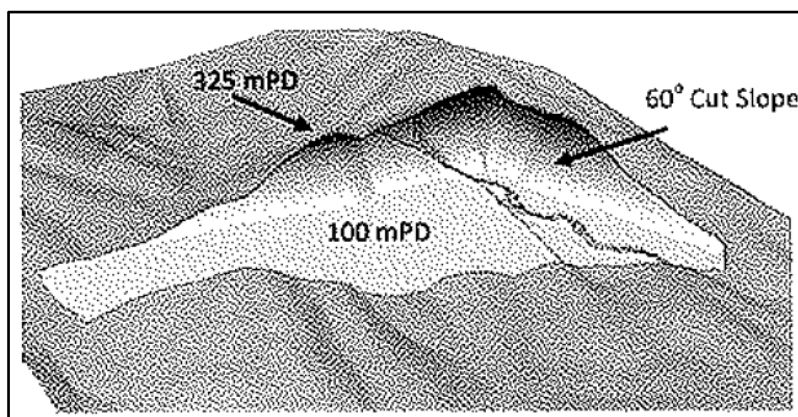


Figure 6: Schematic of final landform at BMG facing Southeast

In Volume Estimation, RH states that the volume was calculated in the same way that was generated for BC resource quantities as follows:

- RH conducted the numerical calculation of the granite volume using ESRI Arcgis 3D Analyst extension.
- The BMG volumes were determined from the geological profile established from GI and comparing it with the ground profile provided in Auto CAD DWG format.

In this context Wrightech assumes that GI refers to typical geological surface survey and mapping on foot using hand held GPS, survey tape and geologist's compass such as a "Brunton," since no trenching or drilling was conducted.

The resource levels were determined from the geologic profile which could not be based on borehole data as there was not any, so RH made the following assumptions to estimate a volume of the BMG formation:

- A 60° back slope for the granite formation with a base level of excavation of 0mPD (ie datum).
- A vertical cut was made along the boundary between A and B Zones where A Zone is to the north of a small track leading to the TM communications tower and B Zone is to the south, mentioned earlier in this IVR under Location, Access and Infrastructure.
- A 60° cut was made along the remaining sides of the granite formation.
- Assumed the base of the overburden to be 15m from surface, and
- The bedrock elevation at 5m below the overburden, or 20m below ground level.

From these assumptions, a 3D rockhead profile was generated by Surfer, followed by conversion of this profile and survey topographic data to form ArcGIS Triangular Irregular Network (TIN), or "wireframe" surface file by 3D Analyst tool. The volume of fresh rock, weathered rock and overburden to be excavated were estimated in ArcGIS through the "Surface Difference" function by calculating the volumetric difference between the two TIN surfaces.

In Wrightech's opinion, as RH maintained that the site had thick cover of overburden and weathered rock estimated at 20m from surface to bedrock elevation, at BMG the impact on volumetric estimations could be significant should the surface contour elevations be 10m out in the vertical plane. This sheds considerable uncertainty on the volume calculation estimated by RH of the BMG formation.

In addition, Wrightech is unclear how these values were derived if no drilling or trenching was conducted unless taken from the Mineral Research Institute 1989 a seismic survey, which RH noted was not of much value for the underlying bedrock.

### **Resource Statement**

RH states that the BMG resource estimates are presented for information as they have not been investigated by borehole drilling. It also states that the estimate cannot be used in a Mineral Resource statement and according to JORC Code (2012) Edition would be defined as an Exploration Target.

The Exploration Target Estimate below in Table 2: BMG Exploration Target Estimate as at 31 December 2021 is taken from the RH 2017 QPR, and presents two Zones, A and B.

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Wrightech has not augmented any of the existing geological information that would impact the current BMG Exploration Target status and agrees with the RH 2017 QPR qualifying statement reproduced herein.

Exploration Target Estimate (million m <sup>3</sup> ) -31 January 2017				
Zone	Ground Elevation (mPD)	Overburden	Weathered Rock	Fresh Rock
Area A	100	16.55	5.44	137.11
	200	11.51	3.75	51.11
Area B	100	11.60	3.79	96.27
	200	8.10	8.10	47.11
<b>Total</b>	<b>600</b>	<b>47.76</b>	<b>21.08</b>	<b>331.60</b>

Table 2: Bukit Machang Exploration Target Estimate as at 31 January 2017

The estimated combined Weathered and Fresh rock in Area A at mPD 200 is 197.41 million m<sup>3</sup> and Area B at mPD 200 is 155.27 million m<sup>3</sup> making the total estimate at mPD 200 of 352.68 million m<sup>3</sup>.

The Exploration Target Estimate of Fresh Rock is substantial at 331.60 million m<sup>3</sup>. In the event that the BMG formation would in future be considered for further exploration that included borehole drilling, together with the Fresh Rock's suitability for dimension stone quality, the Weathered Rock cap quantity of 47.76 million m<sup>3</sup> might well be assessed for its quality as a source of screened aggregate.

### Granite Quality Testing:

- RH describe in their QPR section, Nature of the Granite Resource, "nature" meaning quality and physical characteristics, they note that no tests were conducted as part of the RH 2017 QPR on BMG apart from three for flexural strength, which used tiles cut from blocks previously and left in stock. However, RH represented in their QPR, reproduced below in Table 3, the \*ASTM C615-03 Standard Specifications for Granite Dimension Stone analysis conducted by Jabatan Minerals Dan Geosains (JMG) on samples in 2009.

Physical Property	Requirement	Pink Granite	*Test Method
Absorption by Weight, max (%)	0.40	0.16	C97
Density, min (kg/m <sup>3</sup> )	2.56	2.62	C97
Compressive strength, min (MPa)	131	178	C170
Modulus of Rupture, min (MPa)	10.34	12	C99
Abrasion Resistance, min Hardness	25	49	C241/C1353
Flexural Strength, min (MPa)	8.27	12 (*12.0 to 12.4)	C880

Table 3: Test Results on Rock from Bukit Machang in 2009

\*Three Flexural tests were conducted by Rockhound in 2017

Whilst all the granites meet all the specification requirements for dimension stone, the GGTM BC quarry green rock (TG), fine grained but not a granite, at that time showed superior physical properties. Wrightech surmises that this may have contributed to the decision to put BMG production on hold.

### Granite Dimension Stone

Under Nature of the Granite Resource of the RH 2017 QPR, RH states that there was an inventory of RT blocks and tiles from the previous operation and that some RT blocks were transported to the BC where GGTM planned to cut tiles for market trials.

The pictures taken by Kevin J. Wright; Competent Person at the BC tile works on 4 February 2022 are shown below of granite initially from the BMG in Figure 7: BMG RT Granite slabbed for tiles at the BC tile works.

The extraction developed BC granite for market entry reflected on GGTM's decision to consider development of the BMG quarry for pink RT granite. According to the RH 2017 QPR, GGTM planned to refurbished some of the used block and tile processing equipment acquired through the PMINT concession at the BC tile works. The idea being to use the refurbished equipment at the BC quarry tile works to trial process some BMG RT granite stock left over from the previous operator, presumably to evaluate the market's demand for this colour granite.

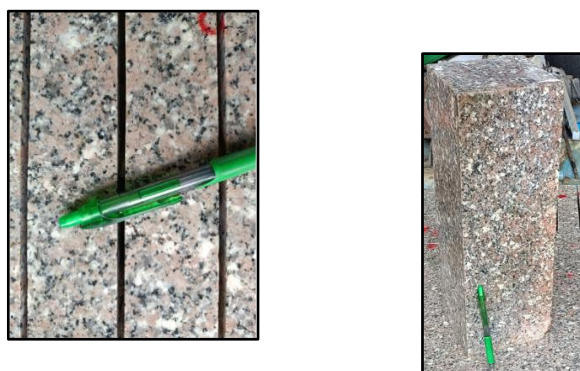


Figure 7: BMG RT Granite slabbed for tiles at the BC tile works

## Technical Valuation:

### Quality and Physical Properties:

- For the evaluation and the related estimation of the Quality Factor, the stone's colour, grain and texture, and the presence of defects and their distribution in the rock mass are the main properties to determine the market grade of a dimension stone block, and therefore its market value.
- Physical properties, other than radioactivity that were conducted on the BMG granites, showed that RT granite met all the specification requirements of dimension stone. Wrightech suggests therefore that the presence of a marketable product at the BMG quarry in itself is indicative of a potential Exploration Target.
- The BC quarry tile works being used to trial process some BMG quarry RT granite was presumably to evaluate the market's demand for pink colour granite. The samples seen by Competent Person, Kevin J. Wright appear to have the qualities for dimension stone such as colour, grain and texture.
- Quality and market grade are usually evaluated according to the producer's marketing and sales strategy for operating quarry, and by visual comparison with similar materials already in the market for Exploration Target projects.
- GGTM report on the VCPlus Limited website that the BC granite is composed of 55% Feldspar (pink), 25% quartz (white), 10% biotite (black), and 10% matrix minerals.
- In RH's opinion the pink colour of the RT is most likely due to the higher content of potassium rich (K)-feldspar. Mr. Kevin J. Wright agrees and demonstrates pink feldspar with an example picture shown below in Figure 8: Pink (RT) granite hand specimen picked up from the BMG quarry dirt access track.



Figure 8: Pink (RT) granite hand specimen.

- In evaluating BMG's (RT) granite quality; as a percentage of the surface area on average for a dimension stone made from this RT rock, Wrightech suggests that more competitive quality pink granites may have a higher percentage (55%) of K-feldspar per square unit of surface area. For example, the specimen in Figure 8 appears to have as much white colour, quartz, matrix material that may contain feldspar(white) and calcite (white) as it has pink feldspar, in addition to biotite (black/gray), the colours which are diluting the overall effect of pink.
- The evaluation of the RT as aggregate is simpler. Its pinkish colour may lend itself to be a pleasant change for car park, hardscaping and landscaping compared to the common range of light and dark greys.

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- For the construction industry, it passes the physical test requirements of compressive, abrasion and rupture criteria.

### **Quantity Review:**

- The RH 2017 QPR noted that the survey plan provided to them (in AutoCAD DWG format) it did not truly reflect the actual landform and it was assumed that the plan either predated logging in the 1980's-90's or did not take into account the tree canopy as it was found that there were differences of up to 10m, with ground levels mostly lower.
- RH also stated that the granite formation site has overburden and weathered rock to estimated depths of over 20m, at BMG the impact on volume estimations could be significant should the surface contour elevations be 10m out in the vertical plane. This brings considerable uncertainty on the volume calculation estimates of the BMG formation.
- It is not evident in the RH 2017 QPR how the overburden and weathered rock values were derived if no drilling or trenching was conducted unless taken from the Mineral Research Institute 1989 a seismic survey, which RH noted was not of much value for the underlying bedrock. Another option might have been to apply the BC drilling results to the BM volume estimate as a guideline, but this is as unlikely as it is non-compliant if it was not mentioned in the RH 2017 QPR.
- However, the estimated combined volume of Weathered and Fresh rock in Areas A and B at mPD 200 is 352.68 million m<sup>3</sup> and considered substantial. The Fresh rock quality product has an estimated quantity of 331.6 million m<sup>3</sup> which accounts for 94% of the total granite volume.
- Using BC production metrics for the years 2017 over 5 months and 2018 over 8 months of granite extraction, the monthly average extracted from the quarry operations, excluding overburden was 429m<sup>3</sup>/m.
- There is no data available on BC before 2017, nor after 2018 as only processing mined blocks from those 2 years of quarrying was conducted, likely due to poor market demand for dimension stone from the BC quarry.
- Assuming the demand was sufficient for RT from BMG quarry to operate 12 months a year at 429m<sup>3</sup>/m, the estimated annual production would be 5,148 m<sup>3</sup> per annum.
- When discounted by an arbitrary 50% then a further 50% of that considered unsuitable for dimension stone, the estimated total volume of RT at BMG quarry becomes 331.6 million m<sup>3</sup> X 0.25 or 82.9 million m<sup>3</sup>. At 5,148 m<sup>3</sup> extracted per annum, the potential life of the granite formation resource "goes on forever".

### **Extraction Capacity:**

The granite quarrying industry in Malaysia for the construction and hardscaping aggregates and to a lesser extent dimension stone is significant. The Institute of Quarrying Malaysian has quite a significant membership following and provides courses for Quarry Manager Certificate qualification, soon to be compulsory for all quarry managers.

To put the discounted volume estimate of BMG into perspective, an internet search for granite production in Malaysia revealed in 2009 that 86 million tonnes and in 2010 that 1,637 million tonnes were extracted (primarily for construction aggregate), for an average of 861.5 million tpa. Using the average density of granite listed as 2.7 g/cm<sup>3</sup> gives 0.37 m<sup>3</sup>/tonne of granite. Applying this factor, the average granite production in m<sup>3</sup> in Malaysia in the years 2009 and 2010 was 318.8 million m<sup>3</sup>.

### **Extraction Method:**

After clearing the overlying vegetation, topsoil and overburden clay cover, a platform is created to work granite blocks for dimension stone using a diamond wire rope or circular saw blade, below in Figure 9: Diamond Wire Rope Cutter operates on the rails by pulling and rotating the endless diamond coated wire rope through the granite. The use of the wire rope makes block size production from the quarry face flexible.



Figure 9: Diamond Wire Rope Cutter



Figure 10: Double Blade Cutter

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Above in Figure 10 Double Blade Stone Cutter, the block size cut from the quarry face is limited by the diameter of the saw blade by traversing the working platform on rails.

The uses of stone saws excludes the use of drilling and blasting as with the conventional quarrying for aggregates. The separated blocks are lifted onto a lorry and hauled to the dimension stone cutting and shaping facility for beneficiation.

In the case of aggregate, depending on the extent of weathering and fracturing caused during the granitic formation, the rock is somewhat broken up during excavating from the quarry slopes for loading onto dumper trucks. Large “oversize” blocks are separated by the excavator for further reduction using a mobile hydraulic rock-breaker. Crushing and sizing follows the requirements for the stone products by the customer and market. When the granite is no longer “free digging” it has to be drilled and blasted, before be hauled by dump trucks to be crushed and screened to client and market specifications.

### **Product Beneficiation:**

The objective of dimension stone production is primarily its quality, its appearance, and also the rock’s homogeneity, which is the lack or absence of fractures to facilitate sawing the quarry extracted blocks for manufacturing of the final product to the dimension ranges required by the customer and market.



*Block Slab Cutter*

*Bridge Block Cutter*

*Road Curb Multistrip Cutter*

*Stone Polisher*

*Figures 11:*

The granite beneficiation equipment, in the Figures 11 above, typically includes, but is not limited to block slab cutters, bridge block cutters, road curb multistrip cutters, in addition to polishing machines for finishing the product ready for crating, and transportation for sale to the client and market.

## **Financial Obligations**

### **Land Titles and Agreements**

The land lease and sub-lease terms and secured duration are whereby GGTM has the right to conduct quarry operations. In addition, the GGTM’s Mining Licence (ML) provides for an Operations Mining Scheme (OMS) renewed on an annual basis.

All minerals in or on any land in Malaysia vest solely in the respective state authorities (section 3, State Mineral Enactment). The property in minerals can only pass to a person or company that has won a concession and has paid the relevant fee (Section 97, State Mineral Enactment). The owner of land where there are mineral resources does not have an automatic right over the mineral resource. The owner can apply for a proprietary mining licence before mining (Section 81, State Mineral Enactment).

The beneficial owner of the land in which the BMG is found is LTAWNT, a State entity established by the Terengganu State Government on the 12 November 1990 under the Terengganu Heritage Trust Fund Enactment, 1990. It is an investment arm of the Terengganu State Government which is authorised to venture into various business activities including mining.

The lease period on the land at BMG is 30 years from 1 February 2009 to 31 January 2039. The Lease registration numbers are H.S.(D) 1122 for 128.53 ha and H.S (D) 1123 for 67.60 ha totaling 196.10 ha, shown below in Table 4: Asset Details.

The requirement of the lease is that the land is to be used for “granite block quarry/mining industry only.” However, BMG has not applied for a Proprietary Mining Licence (PML) which is typically valid for a mining period of 10 years and which can be renewed one year ahead of the expiry date.

Asset Name/State	Issuer’s Interest	Development Status	Licence Expiry Date	Licence Area	Type of Mineral	Remarks

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Lots 60416 & 60417 Bukit Machang, Terengganu	100%	Industry-Quarry	31 Jan 2039	196.10 ha	Granite	previous temporary lot PT 7812 & PT 7813
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*Table 4: \*Asset Details*

*\* Asset belongs to LTAWNT, not GGTM which has a concession agreement from PMINT to quarry their assets*

The location coordinates presented in the RH 2017 QPR of N 05° 00' 32" and E 103° 05' 28" when plotted on Google Earth appears to be the centroid of the two lots and sits in lot 60416, presented as a white star below in Figure 12: BMG Lot Boundaries, which presents the location of the two lots that contain the BMG granite formation.



*Figure 12: BMG Lot Boundaries*

Through an agreement dated 27 October 2014, LTAWNT appointed PMINT “to carry out work in relation to quarrying operations, mining, production and sale of granite products and dimension granite” at BMG and another quarry. The agreement allocates a period of 15 years from the date of the Agreement (“Period of the Agreement”) and ending on 26 October 2029 to conduct the work. However, PMINT can extend the Period at its sole discretion subject to new conditions and whether PMINT has met with the Covenants and Conditions of the Agreement.

On 16 September 2015 PMINT in turn entered into a Concession Agreement with GGTM, “a company that has experience and expertise to carry out business related to quarry operation and mining”, whereby they would conduct exploration and production of dimension stone. In accordance with the terms of this agreement GGTM are only able to operate the mine once an Operational Mining Scheme (OMS) has been submitted to the Director of Mines (DM) for approval. An OMS was not prepared for the BMG quarry.

### **Fixed Assets:**

During the BMG site visit on 4 February 2022, Kevin J. Wright visited a different location storing GGTM’s Plant and Machinery and checked them off against the list shown below in Table 5: Fixed Asset Register-GGTM Sdn. Bhd. Table 5 presents the acquisition date of the assets, asset description/quantity, purchase cost, accrued depreciation and net book value for each fixed asset. GGTM has a photographic record of the plant and machinery listed in Table 5, that can be made available by GGTM upon request.

The mobile equipment and stationary granite beneficiation machinery was under the cover of a large, roofed workshop and staffed by two resident security guards 24 hours a day. The equipment and machinery, without a proper inspection, appeared superficially to be in good condition. Wrightech cannot comment on the operations ready state of the equipment, which in any case would need to be energized to determine.

The monetary value in RM shown on Table 5: Fixed Asset Register-GGTM Sdn. Bhd. of the plant and machinery has not been examined by Wrightech for reasonable value. Furthermore, the plant and machinery value has no bearing on the BMG rock formation’s value, however it is considered material when applying the Cost-based Valuation Approach, which recognises value of Capital expenditure.

For the purposes and intension of this IVR, none of the value of the fixed assets identified in Table 5: Fixed Asset Register-GGTM Sdn. Bhd., nor an allocation thereof, can justifiably be allocated to the BMG Exploration Target’s Capital expenditure despite the probable intent of GGTM to use some of the plant and machinery for

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trial beneficiation of block samples from BMG leading to eventual commercial production of RT granite dimension stone.

FIXED ASSETS REGISTER					Period 1/1/2022	GGTM Sdn Bhd (897620-W)			
Acquisition Date	Assets Class- Plant & Machinery				Cost	Acc Depn	Net Book Value		
	Fixed Assets Description				Closing Bal.	Closing Bal.	C/F		
6/20/16	2 Units Diamond wire saw Machine & accessories & Stamping Machine				394,420	220,218	174,202		
9/1/16	Sumitomo SH350HD-3B Excavator BJR1226				284,000	151,467	132,533		
8/1/16	2 units - QHW-800 Infrared Fully Automatic Bridge Cutter Machine				205,198	111,149	94,049		
12/21/16	2QYK3600mm Double Blade Stone Cutter 1unit & Segment				196,329	110,683	85,646		
5/14/18	BRIDGE MULTIBLADE CUTTER Q-2200 45KW(SIEMENS) QTY:2SETS				193,930	71,107	122,822		
9/1/16	Caterpillar 966C Shovel WUD4770				138,000	73,600	64,400		
6/30/17	Derrick Crane 2units USD27,270				118,314	54,227	64,087		
8/2/16	1 unit - LMQ-2200B Big Blank Material Leveling Machine				114,940	62,259	52,681		
5/3/18	DIAMOND WIRE SAW MACHINE 37KW-8P QTY:2				109,561	40,172	69,389		
8/2/16	1 unit - QZD-160 efficiency multi-blade Stone Cutting machine				102,915	55,745	47,169		
8/2/16	1 unit - XTJ-60 Automatic profile-modelling lineation cutting machine				96,280	52,152	44,128		
8/2/16	1 unit - DTJ100 Bar Stone Multi-Disc Cutter				67,955	36,809	31,146		
5/8/17	1 unit Quarry Dumper Truck				63,000	29,400	33,600		
8/2/16	1 unit - 3TQ100 3 Disc Stone Bottom Butter				56,442	30,573	25,869		
9/1/16	Isuzu V10 Local Dump Truck				40,000	21,333	18,667		
8/2/16	1 unit - HBJA-30 Special-shaped Edge Cutting Machine				33,854	18,338	15,516		
8/2/16	3 units - MS-5 Manual Arm Stone Grinding Machine				25,138	13,617	11,522		
<b>Total Plant &amp; Machinery Assets</b>					<b>2,240,274</b>	<b>1,152,848</b>	<b>1,087,426</b>		

*Table 5: Fixed Asset Register-GGTM Sdn. Bhd.*

### **Fees and Taxes:**

The fees payable under the State Mineral Enactment include:

- An annual holding fee in respect of a prospecting and exploration licence.
- Annual rent in respect of a mining lease.
- Tribute on any mineral extracted and intended for sale, or to be utilised for any commercial or industrial purpose.

The amount of annual holding fee or rent is calculated by multiplying the area or land subject to the licence or lease in that year to the respective rates prescribed by the state authorities.

The amount of tribute for any mineral can be determined as a percentage of the market value of the mineral extracted or an amount payable on the basis of any specified volume or weigh of the extracted minerals. The state authority can set any tribute for a commutation fee by notification in the *Gazette*.

Depending on the scale of the operations, the lessee of a mining lease is also required under the State Mineral Enactment to pay a certain amount into a fund for rehabilitating the mining lands. Wrightech understands that GGTM is not bound by this mining land rehabilitation provision.

In addition to holding fees and rents, companies engaging in mining activities must pay all direct and indirect taxes under Malaysian tax legislation, including:

- Income/corporate tax.
- Real property gains tax.
- Sales and services tax (if applicable).

The rate of income/corporate tax imposed on a resident company is 24%. For a resident company with a paid-up capital of RM 2.5 million or less and with a gross income of not more than RM 50 million, the first RM



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## APPENDIX D – VALMIN REPORT

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600,000 of chargeable income is taxable at the rate of 17%, and at the rate of 24% on the RM amount in excess of RM 600,000.

Real property gains tax in Malaysia ranges from 10% to 30% on the gains derived from the disposal of real property or on the sale of shares in a real property company (depending on the year of disposal of the property).

The standard rates for sales tax and service tax in Malaysia are 10% and 6% respectively.

### Financial Obligations of the Sub-lease

A Supplemental Agreement was signed between PMINT and GGTM on 13 January 2022 with the following financial obligations on GGTM during the terms of the sub-lease that identifies minimum monthly tribute, yearly rental payments to be made by GGTM at prescribed times as well as invoiced monthly sales payments required by LTAWNT and PMINT.

- A BMG site rental of RM 19,614 per year.
- Below Table 6: Monthly tribute payment to LTAWNT and PMINT according to the monthly sales \* invoices as follows:

	Block and Dimension Stone Products	Aggregate, Crusher Run and Quarry Dust Products
LTAWNT	12%	6%
PMINT	3%	6%
<b>Total</b>	<b>15%</b>	<b>12%</b>

*Table 6: GGTM Payment to LTAWNT & PMINT based on Monthly Sales Invoices*

\* Since no granite production at BMG was ever realized, no payments were made.

- The monthly tribute payment is subject to a minimum tribute of RM10,000 per month; except for the monsoon season (Nov, Dec, Jan). Minimum tribute starts 6 months after PMINT obtains PML and EIA approval.
- The derivation of the values of the BMG site rental of RM 19,614 per year is presented below in Table 7: BMG Rental Expense. Based on the total payment by GGTM to PMINT of RM 30,090 for the combined 300.9019 hectares for the BC and BMG quarries, the allocation is made to BMG by applying its lease area as a percentage of the combined areas.

## APPENDIX D – VALMIN REPORT

BMG - Rental Expense GGTM Sdn Bhd		
Description	Ha	Quarry
Lot 4161	104.7669	BC
Lot PT 7812	128.5325	BMG
Lot PT 7813	67.6025	BMG
<b>Total Area (hecrates)</b>	<b>300.9019</b>	<b>GGTM</b>
	RM	Total
<b>Total Lot Rental for 300.9019 Ha</b>	<b>30,090</b>	<b>RM</b>
<b>Concession Fees - Bukit Machang</b>		<b>195,547</b>
<b>Lot Rental (allocation based on hectares)</b>		
FY2015	4,904	
FY2016	19,614	
FY2017	19,614	
FY2018	19,614	
FY2019	19,614	
FY2020	19,614	
FY2021	19,614	<b>122,590</b>
<b>Quit Rent</b>		
FY2016	2	
FY2017	2	
FY2018	2	
FY2019	2	
FY2020	2	
FY2021	2	<b>12</b>
<b>Total BMG Rental Expense</b>		<b>318,150</b>

*Table7:BMG Rental Expense*

### Market Valuation:

In compliance with the AusIMM/VALMIN Code (2015) Wrightech is obliged to make use of at least two Valuation Approaches to compare their results and comment on the reasons for selecting the Valuation adopted.

#### **Selected Valuation Approach:**

For the selection of the appropriate Valuation Method, Wrightech has considered:

- The nature of the valuation which is VCPL's disposal of GGTM;
- The development status of the BMG which is a granite formation categorized as an Exploration Target under JORC Code (2012) Edition interpretation; and
- The extent and reliability of available information from GGTM, RH 2017 and Wrightech 2022 QPRs.

In the case of BMG, it has only two of the three valuation methods of an Exploration Target from Table1 to choose from, Market-based or Costs-based since Income would only be applicable from a going concern with a revenue stream and surplus cash flow.

A Market-based valuation is dependent on a transaction value comparison with similar granite quarries under similar time and circumstance on an open market. The Market-based method can only make sense if there is sufficient confidence in the quantity and quality of the BMG as source of either dimension stone or aggregate to compare with other similar granite quarries.

If the view is taken that to remove an estimated 24m of overburden and 5m of weathered rock, so that dimension stone quality RT can be selectively extracted and beneficiated using the GGTM's equipment at the BC quarry, is at best marginally economically viable, then the only way forward would be aggregate production.

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## APPENDIX D – VALMIN REPORT

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This approach would conspire with the other granite quarry operations in the proximity of BMG, such as Diman, Jerlan and Jong quarries, with which to compare where one or more are crushing pink granite for the aggregate market, having made a business decision similar to the one now facing GGTM and/or LTAWNT.

Thus the Market-based Valuation Approach for BMG would be in the form of financial data from these three quarry operators, should one or more be willing to share their financial information. Importantly, It should be understood that the VALMIN Market-based Valuation Approach expressly requires that the “*Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market.*”

- Under *similar time*, probably means not too many years in the past, but is not specified and relies on the Competent Person’s judgement.
- Under *similar circumstances* in the case of BMG probably means an Exploration Target, not a stressed asset, and similar location and minerals, with perhaps more criteria.

The Market-based approach although possible is wrought with pitfalls. This approach would, after the successful search for appropriate similar granite quarry contacts in the near vicinity, which are willing to share their “dependable” financial transactions for the similar circumstance of disposed assets.

Wrightech considers the criteria for a similar granite quarry under similar time and circumstance on an open market to be a challenge with a slim chance of being met.

Realistically the research into the acquisition details of these quarries or other similar situations in the last five years is highly unlikely, in addition to consideration of the period required for this report.

### VALMIN Cost-based Valuation

#### **Valuation Approach Elimination:**

It was impractical to use two of Valuation Approaches approved by JORC VALMIN (2015). The Competent Person, Kevin J. Wright believes he has clearly and unambiguously outlined the reasons above for not doing so. Mr. Kevin J. Wright believes he has made use of a Valuation Method that is suitable for the BMG Mineral Assets under consideration.

By elimination of two out of three VALMIN approved Valuation Approaches, the one considered in this IVR is the Cost-based approach.

#### **Cost-based Valuation Approach:**

The Cost-based Valuation Approach in the case of BMG, draws on the Capital expenditure including granite beneficiation equipment and Operating expenses for the BMG site’s care and maintenance of the two lots on which the RT granite formation is situated as the basis of analysis. Operating expenses include tributes, fees and other binding financial commitments.

To meet the Cost-based requirements, relevant and material liabilities, commitments and financial exposures were analysed by Wrightech such as:

- In the case of creditors, Wrightech has not reviewed any document to support any liabilities or commitments.
- The cost of environmental regulatory requirements, rehabilitation and mine closure, would appear at face value not applicable as there was no requirement for an Environmental Impact Assessment (EIA) to be conducted. Wrightech was neither made aware of GGTM potentially being liable for environmental rehabilitation of the lots by way of the concession with PMINT nor as a “partial responsible party,” for impact caused by the previous operator of the BMG quarry.
- Regarding security deposits, Wrightech has not reviewed any document to support any liabilities or commitments.
- In the case of material agreements and contracts, including development plans, sales contracts, joint venture agreements, tribute agreements, project permits and environmental and access requirements the following was assumed:
  - ✓ Development plans, and sales contracts were not drawn up for BMG since GGTM’s intention was first to market trial granite products at their other granite quarry BC.
  - ✓ Project permits would include the Operating Mining Scheme (OMS) and other permits and license obligations arising from an EIA. These studies and plans were not commissioned for the same reason as the previous statement.

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## APPENDIX D – VALMIN REPORT

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- ✓ The access requirements are in place through lease numbers are H.S.(D) 1122 for Lot 60416 and H.S (D) 1123 for Lot 60417 for which GGTM makes payments that are specified in this IVR under Financial Obligations.
- ✓ Under the same section, Financial Obligations, are the details of payments to be made by GGTM during the terms of the sub-lease in a Supplemental Agreement signed between PMINT and GGTM on 13 January 2022, that identifies minimum monthly tributes, as well as invoiced monthly sales payments to LTAWNT and PMINT.
- ✓ The expenditure and commitments on exploration tenures would likely be covered by GGTM's yearly fee payments to PMINT at prescribed times also identified in the Supplemental Agreement.
- ✓ Wrightech has not been made aware of any Joint Venture agreements and in fact GGTM informed Wrightech that they were likewise unaware of any Joint Ventures in place.

Wrightech has not reviewed to the extent practical and relevant any documentation pertaining to the nature and basis of any consideration or benefit payable to a vendor, promoter or provider of seed capital, and of any conditions involved.

### **Fixed Assets:**

For the purposes and intension of this IVR, none of the value of the fixed assets identified above in Table 5, Fixed Asset Register-GGTM Sdn. Bhd., nor an allocation thereof, can justifiably be allocated to the BMG Exploration Target's Capital expenditure despite the probable intent of GGTM to use some of the plant and machinery for trial beneficiation of block samples from BMG leading to eventual commercial production of RT granite dimension stone.

### **Multiple of Exploration Expenditure (MEE) Method:**

GGTM has identified the BMG prospect as an early stage exploration targets. Whilst JORC resources have not been established on this Exploration Target, it presents further opportunities for exploration and upgrading. This target was identified by RH in their PFS in December 2016.

The MME method is a commonly used Technical Valuation method applied by mining project valuers to determine the value of projects where there are no established mineral resources but where "significant" or at least "material" exploration activities have been undertaken. In this valuation technique a Prospectivity Enhancement Multiplier (PEM) is applied to past direct expenditure on Exploration Target projects. The PEM used is generally in the range of 0.5 to 3.0 times actual expenditure and is assessed based on the results of the exploration to date and the prospectivity potential of the Exploration Target. In the case of BMG, the exploration to date considers the activities identified in the above Technical Valuation description.

Wrightech finds that there is sufficient information available on exploration expenditure and land commitments related to the BMG for an acceptable estimate of exploration costs to be adopted. however, only a general estimate of exploration costs has been adopted. The material activities conducted were the Mineral Research Institute, 1998 Seismic survey and the 2009 Jabatan Minerals Dan Geosains' ASTM C615-03 Standard Specifications for Granite Dimension Stone, neither of which were funded by GGTM. In 2016 RH conducted 3 Flexural Strength tests, the costs of which are assumed to be included in their PFS.

Three studies on GGTM granite quarries conducted by RH have been identified that include the BMG structure in a less prominent assessment than that of the BC quarry.

➤ Preliminary Technical Report in January 2016	RM 33,951 (Wrightech Est.)
➤ Preliminary Feasibility Study in December 2016 invoiced at	RM130,195
➤ Qualified Persons Report in March 2017 invoiced at	RM45,268

As noted in the Technical Valuation above, RH geologists Mr. Paul Fowler and Mr. Dominic Kot, both Competent Persons have notwithstanding undertaken limited exploration on the BMG, conducted the analysis of their findings and estimated the volume of the Exploration Target. Finally, they included their work on the BMG formation estimate in preparing of the reports mentioned above.

In addition to geological exploration sampling and mapping field work resulting in a computer generated volume estimate for BMG, these reports discuss granite quarrying and beneficiation methods for final dimension stone products and market possibilities mentioning BMG's RT as a raw material source. RH's effort in these reports contributed to turning BMG from a forested hillside into an Exploration Target for potential production of pink dimension stone granite.

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## APPENDIX D – VALMIN REPORT

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Wrightech recognises that in the primary objective of the Preliminary Technical and Feasibility Study Reports was driven by BC, while BMG was included because it was on GGTM's books. Allocation of expenses from studies primarily intended for BC can only be justified for BMG if the content of the reports is not only in proportion to the work blend between BC and BMG but also takes into consideration the original intent of the reports. These studies conducted by RH were initiated by GGTM for the assessment of their potential granite resource assets of which only a minor portion of the attributable expenditures can reasonably be benefitted by BMG.

Wrightech estimates that spending on the BMG to date has been in the order of 5% to 15% of the total of RM 209,414 spent in 2016 and 2017 period, on what were then, two quarries.

In addition, the expenses incurred by GGTM to maintain the BMG lease presented above in Table7: BMG Rental Expense, RM 318,150 is included in the MEE.

### **Valuation Range:**

Based on the information above Wrightech estimate expenditure allocated to BMG for exploration related activities and land payments are of the order of RM 328,621 to RM 349,562.

Using the MEE method, and without further knowledge, Wrightech has applied a neutral PEM of 1x to this expenditure, generating an assessed technical value range for these properties of RM 328,621 to RM349,562, with a midpoint of RM 339,092.

The range of values (low/most likely/high) have been assumed to reflect any uncertainties in the data and the interaction of the various assumptions made the Competent Person.

## **Risks**

As Wrightech as not undertaken any of the fundamental survey, analytical and estimating tasks, such as identifying and surveying the primary granite outcrop, many of the assumptions and facts for the BMG quarry as an Exploration Target used in this IVR have relied on the assessment and integrity of others in their reports. A risk exists in accepting the assumptions and conclusions of others which have not been verified in the review of technical study documents' appropriateness of key parameters for the valuation method applied.

Recognising that the volume (m<sup>3</sup>) of the BMG formation may have been overstated due to the elevation discrepancy between two sources of data, if however, the resource is discounted as suggested in this IVR, and used as the basis for a value, the downside risk for LTAWNT, the landowner would be significantly reduced.

Regarding the reported mineral Exploration Target estimates and their compliance with the JORC Code (2012) and appropriateness for valuation purposes, there is a medium level risk that the actual quantity and quality parameters of the BMG determined at a later stage, by drilling for core samples derives a significantly lower value for each parameter. Any future value applied at this time to the resource without the benefit of the results from core drilling, would be at risk of being overstated.

In the case of BMG, the above risk evaluation is irrelevant since the Mineral Assets under consideration are the assets of the beneficial landowner, LTAWNT, a State entity established by the Terengganu State Government.

A Public Report, this IVR takes such factors into account, stating the results of the principal Valuation Method(s) used. Since there was no market value available there is a risk that by not being able to disclosing the amount of and reasons for the difference, if any between the Market Value and Technical Value, the opportunity for a balanced Valuation has been missed.

## **Opportunities**

Even discounted by 75% of the quantity estimated by RH in their 2017 QPR, any capital expenditure investment on the exploitation of the granite formation, has an extraordinary number of years for amortization.

RH noted that the geology at both the BC and BMG consists of massive granite intersected by green microgabbro dykes. If this is the case, then there may possibly be a future opportunity for exploitation of Terengganu Green (TG). Kevin J. Wright did not encounter any TG on his 4 February 2022 BMG site visit.

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## APPENDIX D – VALMIN REPORT

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The results of Physical Properties test work on BMG samples meet all the specification requirements for dimension stone. Wrightech suggests therefore that the presence of a marketable product at the BMG quarry in itself is indicative of a potential Exploration Target.

The samples seen by Competent Person, Kevin J. Wright appear to have the qualities for dimension stone such as colour, grain and texture.

As a dimension stone source, BMG may have competition from more better quality pink granites with a higher percentage (55%) of K-feldspar. However, for RT as aggregate its pinkish colour may lend itself to be a pleasant change for car park, hardscaping and landscaping compared to the common range of light and dark greys.

For the construction industry, it passes the physical test requirements of compressive, abrasion and rupture criteria.

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## APPENDIX E – LAND VALUATION REPORT

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**HENRY BUTCHER MALAYSIA**  
International Asset Consultants

### PRIVATE & CONFIDENTIAL

Our Ref : HB/V/KT/14475/2022/TCS

Date : April 14, 2022

**VCPlus Limited**  
138 Robinson Road  
#26-03 Oxley Tower  
Singapore 068906

Dear Sirs,

**REPORT AND VALUATION OF A PARCEL OF AGRICULTURAL LAND HELD UNDER TITLE NO. GM 1461, LOT 1642, MUKIM OF TERSAT, DISTRICT OF HULU TERENGGANU, STATE OF TERENGGANU DARUL IMAN, MALAYSIA**

We thank you for the instruction received from the above applicant to advise on the **Market Value** of the abovementioned agricultural property for internal management purposes. The property is shown in the attached plans and is more fully described in the body of the Report.

The subject property was inspected on January 31, 2022. The date of valuation is taken as at December 31, 2021. This report contains an analysis of the available data. It is our considered opinion that the **Market Value (MV)** of the freehold unencumbered interest in the subject property in its existing physical condition with the benefit of vacant possession is **RM460,000 (Ringgit Malaysia : Four Hundred And Sixty Thousand Only)**.

We would also draw your attention to the Limiting Conditions at the end of this Report, governing its use and applications.

Please do not hesitate to contact us if you require any further information or assistance.

Yours faithfully,  
**HENRY BUTCHER MALAYSIA (Terengganu) Sdn. Bhd.**

**Sr. TOH CHIN SHEN**  
MISM, MRCIS, FPEPS, MMIEA, MMIPPM  
Registered Valuer (V-469)

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### VCPLUS LIMITED

(Formerly known as Anchor Resources Limited)  
(Company Registration Number 201531549N)  
(Incorporated in the Republic of Singapore)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of VCPlus Limited (the "**Company**") will be held by way of electronic means, on Friday, 29 April 2022 at 10.30 a.m. (or as soon as practicable following the conclusion or adjournment of the Company's annual general meeting to be held on the same day at 10 a.m.), for the purpose of considering and, if thought fit, passing (with or without modifications) the ordinary resolution as set out below.

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular to the shareholders of the Company dated 14 April 2022 (the "**Circular**").*

This Notice of EGM and the accompanying Proxy Form have been made available on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.vcplus.sg/investor-relations/>. A printed copy of this Notice of EGM and the Proxy Form will NOT be sent to Shareholders.

### **ORDINARY RESOLUTION - TO APPROVE THE PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION**

#### **RESOLVED THAT:**

- (1) approval be and is hereby given for the sale of 2,999,076 ordinary shares (the "**Sale Shares**") in GGTM Sdn. Bhd. (the "**Target**"), constituting the entire issued and paid-up share capital of the Target, to Lim Chiau Woei (the "**Purchaser**") pursuant to the terms and subject to the conditions set out in the sale and purchase agreement (the "**SPA**") entered into between the Company and the Purchaser, being an "interested person transaction" under Chapter 9 of Section B: Rules of Catalist of the Listing Manual (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Proposed Disposal**"); and
- (2) the Directors (or any one of them) be and are hereby authorised to do all such acts and things (including, without limitation, entering into all such transactions, arrangements and agreements and executing all such documents) as they may consider necessary or expedient for the purposes of giving effect to the SPA and the Proposed Disposal.

By Order of the Board  
**VCPlus Limited**

Mr. Chua Ser Miang  
Non-Executive Chairman and Lead Independent Director  
Date: 14 April 2022  
Singapore



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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# NOTICE OF EXTRAORDINARY GENERAL MEETING

### NOTES:

1. Alternative arrangements relating to, among others, attendance, submission of text-based questions (via real-time electronic communication or in advance) and/or voting (via real-time electronic voting or by proxy) at the extraordinary general meeting of the Company to be held on Friday, 29 April 2022 at 10.30 a.m. (or as soon as practicable following the conclusion or adjournment of the Company's annual general meeting to be held on the same day at 10 a.m.) (the "**EGM**") are set out in the Company's circular to the Shareholders dated 14 April 2022 (the "**Circular**") which has been uploaded together with this Notice of EGM on SGXNET and the Company's website on the same day. The Circular and this Notice of EGM may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.vcplus.sg/investor-relations/>.

In particular, as part of the Company's efforts to minimise the risk of community spread of COVID-19, the EGM will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders **will not** be able to attend the EGM in person.

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM by:

- (a) observing the proceedings of the EGM via a "live" webcast (the "**LIVE WEBCAST**") or listening to these proceedings through a "live" audio feed (the "**AUDIO ONLY MEANS**");
  - (b) submitting questions relating to the resolution to be tabled at the EGM in advance of the EGM;
  - (c) submitting text-based questions during the LIVE WEBCAST of the EGM;
  - (d) appointing a proxy or proxies to attend and vote on their behalf at the EGM; and
  - (e) participating in the live voting during the LIVE WEBCAST of the EGM.
2. Registration for the EGM

In order to do so, a Shareholder who wishes to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must register by **10.30 a.m. on 26 April 2022** (being not less than seventy-two (72) hours before the time appointed for holding the EGM) (the "**Registration Deadline**"), at the URL <https://conveneagm.com/sg/VCPlus2022>, for the Company to authenticate his/her/its status as Shareholder.

**Please note that Shareholders may access the URL for registration from 9.00 p.m. on 14 April 2022 onwards.**

Following successful authentication of his/her/its status as Shareholders of the Company, authenticated Shareholders will receive email instructions (the "**Confirmation Email**") on how to access the LIVE WEBCAST and AUDIO ONLY MEANS to observe the proceedings of the EGM, by **12 p.m. on 28 April 2022**. Shareholders who have registered by the Registration Deadline but do not receive the Confirmation Email by **12 p.m. on 28 April 2022** may contact (65) 6856 7330 or email [support@conveneagm.com](mailto:support@conveneagm.com).

3. Submission of Questions

Shareholders who have registered and have been authenticated as Shareholders of the Company will be able to ask questions relating to the resolution to be tabled for approval at the EGM during the EGM by submitting text-based questions by clicking the "Ask a Question" feature and then clicking "Type your Question" to input queries in the questions text box. The Company will endeavour to respond to such queries during the EGM as far as reasonably practicable.

Shareholders are also encouraged to submit questions relating to the resolution to be tabled for approval at the EGM in advance of the EGM. To do so, all questions must be submitted by 10.30 a.m. on 23 April 2022, by post to the office of the Company at 223 Mountbatten Road, #03-10 Singapore 398008, attention to VCPlus EGM, or by email to [enquiry@vcplus.sg](mailto:enquiry@vcplus.sg), or via the online process through the registration website which is accessible at the URL <https://conveneagm.com/sg/VCPlus2022>. After the cut-off time for the submission of questions, any subsequent clarifications sought or follow-up questions will be addressed at the EGM.

Shareholders will need to identify themselves when posing questions by email or by post by providing the following details:

- (a) the Shareholder's full name as it appears on his/her/its CDP/CPF/SRS share records;
- (b) the Shareholder's NRIC/Passport/UEN number;
- (c) the Shareholder's contact number and email address; and
- (d) the manner in which the Shareholder holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will endeavour to address all substantial and relevant questions submitted in advance of the EGM by publishing the responses to such questions on SGXNET and the Company's website at <https://www.vcplus.sg/investor-relations/>, by 10.30 a.m. on 25 April 2022 (being not less than forty-eight (48) hours prior to the closing date and time for the lodgement of the Proxy Forms).

Minutes of the EGM will be published on SGXNET and the Company's website at <https://www.vcplus.sg/investor-relations/>, and the minutes would include the responses to the substantial and relevant questions addressed at the EGM.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### 4. Voting

As part of the Company's efforts to minimise the risk of community spread of COVID-19, a Shareholder will not be able to attend the EGM in person. If a Shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it may cast his/her/its votes remotely in real time via the LIVE WEBCAST.

As an alternative to the aforesaid real-time electronic voting, Shareholders may appoint a proxy or proxies to vote on his/her/its behalf at the EGM. The proxy or proxies may cast his/her/its votes remotely in real time via the LIVE WEBCAST.

A Shareholder entitled to attend and vote at the EGM (who is not a relevant intermediary as defined in Section 181 of the Companies Act 1967) is entitled to appoint one or two proxies to attend and vote in his/her/its stead. Where a Shareholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

A Shareholder who is a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote instead of the Shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than one proxy, it should annex to the Proxy Form the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/Passport Number and proportion of shareholding (number of Shares and percentage) in relation to which each proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. The appointments shall be invalid unless the Shareholder specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

Shareholders may also vote at the EGM by appointing the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. In appointing a proxy, a Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

In addition, CPF/SRS investors who have used their CPF/SRS monies to buy Shares in the Company:

- (a) may vote live via electronic means at the EGM if they are appointed as proxies by their respective CPF Agent Banks/SRS Operators, and should contact their respective CPF Agent Banks/SRS Operators if they have questions regarding their appointment as proxies; or
- (b) may appoint a proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks/SRS Operators no later than **10.30 a.m. on 20 April 2022** (being seven (7) working days before the EGM).

The proxy form for the EGM is made available with this Notice of EGM on SGXNET at <https://www.sgx.com/securities/company-announcements> on the same day and can be accessed at the Company's website at <https://www.vcplus.sg/investor-relations/>.

5. A proxy need not be a Shareholder. The Chairman of the EGM, as proxy, need not be a Shareholder.

6. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

- (a) if sent by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, attention to VCPlus EGM; or
- (b) if submitted electronically, (i) be received by the Company's Share Registrar, B.A.C.S. Private Limited at [main@zicoholdings.com](mailto:main@zicoholdings.com), or via the online process through the pre-registration website which is accessible at the URL <https://conveneagm.com/sg/VCPlus2022>,

in either case, by **10.30 a.m. on 27 April 2022** (being not less than forty-eight (48) hours before the time appointed for holding the EGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (such as in the case where the appointor submits more than one instrument appointing a proxy or proxies).

### **Personal Data Privacy:**

By (a) submitting an instrument appointing a proxy to vote at the EGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the EGM via LIVE WEBCAST or AUDIO ONLY MEANS, or (c) submitting any questions prior to the EGM or raising any questions during the EGM in accordance with this Notice of EGM, a Shareholder consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (i) processing and administration by the Company (or its agents) of proxy forms appointing a proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to Shareholders (or their corporate representatives in the case of Shareholders which are legal entities) to the LIVE WEBCAST or AUDIO ONLY MEANS to observe the proceedings of the EGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from Shareholders received before or during the EGM and if necessary, following up with the relevant Shareholders in relation to such questions;
- (iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes to be prepared for the EGM. Accordingly, the personal data of a Shareholder (such as his name, his presence at the EGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

## PROXY FORM

### VCPLUS LIMITED

(formerly known as Anchor Resources Limited)

(Registration No. 201531549N)

(Incorporated in Singapore)

### PROXY FORM – EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Form)

This form of proxy has been made available on SGXNET. A printed copy of this form of proxy will NOT be despatched to shareholders.

#### IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions and/or voting at the extraordinary general meeting ("EGM") are set out in the Company's circular to the Shareholders dated 14 April 2022 (the "**Circular**") which has been uploaded together with the Notice of EGM dated 14 April 2022 on SGXNET on the same day. The Circular, the Notice of EGM and this proxy form may also be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <https://www.vcplus.sg/investor-relations/>.
2. As the EGM is held by way of electronic means, a shareholder will not be able to attend the EGM in person.
3. This proxy form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors who wish to vote should contact their respective CPF Agent Banks or SRS Operators to submit their votes by 10.30 a.m. on 20 April 2022.

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a \*shareholder/shareholders of VCPLUS LIMITED (the "**Company**"), hereby appoint

NAME	ADDRESS	NRIC or Passport No.	Email Address**	Proportion of Shareholdings	
				No. of Shares	%

\*and/or

NAME	ADDRESS	NRIC or Passport No.	Email Address**	Proportion of Shareholdings	
				No. of Shares	%

\*and/or the Chairman of the extraordinary general meeting (the "**EGM**") as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the EGM to be held by way of electronic means (via LIVE WEBCAST and/or AUDIO ONLY MEANS) on Friday, 29 April 2022 at 10.30 a.m. (or as soon as practicable following the conclusion or adjournment of the Company's annual general meeting to be held on the same day at 10 a.m.) and at any adjournment thereof. \*I/We direct the my/our proxy/proxies to vote for or against, or abstain from voting on the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

All resolutions put to the vote at the EGM shall be decided by way of poll.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the Resolution, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against" or "Abstain" each resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular resolution, you are directing your proxy/proxies not to vote on that resolution.

	Proposed Ordinary Resolution	For	Against	Abstain
1.	To approve the Proposed Disposal as an Interested Person Transaction			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
Signature(s) of shareholder(s)

Total Number of Shares held	
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## PROXY FORM

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or Common Seal of Corporate Shareholder

\*Delete as appropriate

\*\*Required for registration purposes. The Confirmation Email will be sent to the email addresses disclosed herein.

**IMPORTANT: PLEASE READ NOTES OVERLEAF CAREFULLY BEFORE COMPLETING THIS PROXY FORM**

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# PROXY FORM

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## NOTES TO PROXY FORM:

1. Please insert the total number of shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy/proxies shall be deemed to relate to all the Shares held by you.
2. As part of the Company's efforts to minimise the risk of community spread of COVID-19, a Shareholder of the Company will not be able to attend the EGM in person. If a Shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it may cast his/her/its votes remotely in real time via the LIVE WEBCAST. He/she/it may appoint a proxy/proxies to vote on his/her/its behalf at the EGM in real time via the LIVE WEBCAST. A Shareholder may also appoint the Chairman of the EGM as to vote on his/her/its behalf at the EGM. In appointing a proxy, a Shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. A Shareholder entitled to attend and vote at the EGM, who is not a relevant intermediary (as defined in Section 181 of the Companies Act 1967), is entitled to appoint one or two proxies to attend and vote in his/her stead. Where a Shareholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Shareholder who is a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote instead of the Shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than one proxy, it should annex to the instrument appointing a proxy or proxies (the "**Proxy Form**") the list of proxies, setting out, in respect of each proxy, the name, address, email address, NRIC/Passport Number and proportion of shareholding (number of Shares and percentage) in relation to which each proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank/SRS Operator who intends to appoint CPF/SRS investors as its proxies shall comply with this Note. The appointments shall be invalid unless the Shareholder specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.
5. A proxy need not be a Shareholder. The Chairman of the EGM, as a proxy, need not be a Shareholder.
6. This instrument appointing a proxy must:
  - (a) if sent by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, attention to VCPlus EGM; or
  - (b) if submitted electronically, (i) be received by the Company's Share Registrar, B.A.C.S. Private Limited at [main@zicoholdings.com](mailto:main@zicoholdings.com), or via the online process through the pre-registration website which is accessible at the URL <https://conveneagm.com/sq/VCPlus2022>,in either case, by 10.30 a.m. on 27 April 2022 (being not less than forty-eight (48) hours before the time appointed for holding the EGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholder to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**
7. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
  - (a) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.
  - (b) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
8. CPF Investors and/or SRS investors: (a) may vote live via electronic means at the EGM, or pre-cast their votes via the URL in the Confirmation Email if they are appointed as proxies by their respective CPF Agent Banks and/or SRS Operators, and should contact their respective CPF Agent Banks and/or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint a proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks and/or SRS Operators to submit their voting instructions by 10.30 a.m. on 20 April 2022, being seven (7) working days before the EGM.
9. Completion and return of the Proxy Form shall not preclude a Shareholder from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the live EGM, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the live EGM.

## General:

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the Shareholder,

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## PROXY FORM

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being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

**Personal data privacy**

By submitting an instrument appointing a proxy, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 14 April 2022.