



VCPLUS LIMITED

**VCPLUS LIMITED**

(Formerly known as Anchor Resources Limited)

(Company Registration Number 201531549N)

(Incorporated in the Republic of Singapore)

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(A) **REDUCTION OF MINING CONCESSION AREA FOR GGTM GRANITE QUARRY SITES; AND**

(B) **MUTUAL TERMINATION OF CO-OPERATION AGREEMENT**

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(A) **REDUCTION OF MINING CONCESSION AREA FOR GGTM GRANITE QUARRY SITES**

**1. INTRODUCTION**

1.1. The board of directors (the "**Board**" or "**Directors**") of VCPlus Limited (formerly known as Anchor Resources Limited) (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the following:

- (a) its circular to shareholders dated 11 December 2020 in relation to, *inter alia*, the disposal of 100% of the entire issued share capital of Angka Alamjaya Sdn Bhd. (the "**Disposal Circular**"); and
- (b) its circular to shareholders dated 7 April 2021 in relation to, *inter alia*, and the diversification of the existing business of the Group (the "**Diversification Circular**").

Copies of the Disposal Circular and the Diversification Circular are available on SGXNET at <https://www.sgx.com/securities/company-announcements>.

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings ascribed to them in the Disposal Circular and the Diversification Circular (where applicable).*

1.2. As disclosed in the Disposal Circular and the Diversification Circular, the Granite Dimension Stone Business involves the Bukit Chetai granite quarry site and the Bukit Machang granite quarry site, which is a greenfield mine and not in operation yet.

1.3. The Granite Dimension Stone Business has been halted since November 2019 due to the COVID-19 pandemic and the Company had implemented various cost reduction measures to reduce the operating costs of the Granite Dimension Stone Business.

## 2. PROPOSED REDUCTION OF CONCESSION AREA

- 2.1. In the Company's continued effort to reduce the operating costs of the Granite Dimension Stone Business, the Board wishes to update the shareholders that after several meetings and further correspondence with the Perbadanan Memajukan Iktisad Negeri Terengganu (Terengganu State Economic Development Corporation) ("**PMINT**"), on 8 September 2021, the Company's wholly-owned subsidiary, GGTM Sdn. Bhd. ("**GGTM**") had written to PMINT to, among others, seek to reduce the Tribute rate and Quit Rent payable to PMINT.
- 2.2. On 3 November 2021, GGTM received a letter from PMINT ("**PMINT Letter**") agreeing on the changes to the Tribute rate for granite dimension stones and granite aggregates as below:

	Existing Tribute Rate	New Tribute Rate
<b>Dimension Stone</b>		
- Terengganu Green	27.50%	15%
- Sekayu White	26.40%	15%
- Rosa Tenggo	26.40%	15%
<b>Granite aggregates</b>	-	12%

The changes to the Tribute rate payable to PMINT was expressed to be conditional upon GGTM settling all concession arrears for the Bukit Chetai granite quarry site amounting to RM465,180 (approximately S\$150,841 at an exchange rate of S\$1: RM3.0839).

- 2.3. The PMINT letter further stated that in addition to the changes to the Tribute rate as above, the Quit Rent would be reduced for the following year by taking into account the reduction of the mining concession area from 300.9019 hectares to 196.135 hectares, which will result in GGTM returning the mining concession rights of the Bukit Chetai granite quarry site (the "**Proposed Reduction of Concession Area**") to PMINT. Pursuant to the PMINT Letter, GGTM will be entering into a supplementary agreement with PMINT for the Proposed Reduction of Concession Area no later than 1 December 2021.
- 2.4. GGTM is currently in negotiations with PMINT on the terms of the supplementary agreement for the Proposed Reduction of Concession Area. The Company will update the shareholders and make the necessary announcements as and when there are material developments on this matter, including any further disclosures on the financial impacts (if any) on the Company.

## (B) MUTUAL TERMINATION OF CO-OPERATION AGREEMENT

### 3. INTRODUCTION

- 3.1. The Board further refers to its announcement dated 16 January 2019 in relation to the entry by GGTM into a co-operation agreement ("**Co-operation Agreement**") with Jianning County Huasheng Stone Co., Ltd ("**Huasheng**"). Under the Co-operation Agreement, GGTM had authorised Huasheng to carry out dimension granite stone processing on a non-exclusive basis for the Group's granite stone processing operation at the Bukit Chetai mine.

A copy of the Company's announcement dated 16 January 2019 is available on SGXNET at <https://www.sgx.com/securities/company-announcements>.

- 3.2. As disclosed in the Disposal Circular and the Diversification Circular, the Bukit Chetai mine is currently not in operation as Huasheng's workers and contractors from China are unable to return to the site due to the movement control order and overseas travel restrictions put in place by the Malaysian Government since March 2020 as a result of the ongoing COVID-19 situation.

#### 4. NOTICE OF MUTUAL TERMINATION

- 4.1. The Board wishes to update the shareholders that after further discussions on the potential future of the co-operation between the parties, taking into account the Proposed Reduction of Concession Area, on 3 November 2021, GGTM and Huasheng have signed a notice of mutual termination ("**Termination Notice**") for the termination of the Co-operation Agreement.
- 4.2. Following the effective date of the Termination Notice, neither party will have any further claim against the other for costs and damages arising out of or in connection with the mutual termination of the Co-operation Agreement save and except for the performance of the obligations as set out therein expressed to survive termination. Pursuant to the Termination Notice, if GGTM co-operates with any other companies to develop the Bukit Chetai mine, GGTM shall compensate Huasheng for the investment amounts made by Huasheng. Further, GGTM will provide all necessary assistance to Huasheng for the disposal of the mining equipment invested in and/or purchased by Huasheng.
- 4.3. The termination of the Co-operation Agreement is not expected to have a material impact on the net tangible assets per share and earnings per share of the Company for the financial year ending 31 December 2021

#### By Order of the Board

Mr. Chua Ser Miang  
Non-Executive Chairman and Lead Independent Director  
3 November 2021

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*This announcement has been prepared by VCPlus Limited (formerly known as Anchor Resources Limited) (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 Catalist. The Sponsor has not drawn on any specific technical expertise in its review of this announcement.*

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

*The contact person for the Sponsor is Lance Tan, Senior Vice President, at 8 Anthony Road,*

*#01-01, Singapore 229957, telephone (65) 6590 6881.*