

OTHERS ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "THE COMPANY") QUARRY OPERATION AGREEMENT ENTERED BETWEEN SPRING ENERGY SDN. BHD, ITS INDIRECT 51% OWNED SUBSIDIARY AND OMYA MALAYSIA SDN. BHD.

ADVANCECON HOLDINGS BERHAD

Type	Announcement
Subject	OTHERS
Description	ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "THE COMPANY") QUARRY OPERATION AGREEMENT ENTERED BETWEEN SPRING ENERGY SDN. BHD, ITS INDIRECT 51% OWNED SUBSIDIARY AND OMYA MALAYSIA SDN. BHD.

1. INTRODUCTION

The Board of Directors of Advancecon is pleased to announce that an indirect 51% owned subsidiary, Spring Energy Sdn. Bhd. ("**SESB**" or "**the Contractor**") had on 23 December 2021 executed a Quarry Operation Agreement ("Agreement") with Omya Malaysia Sdn. Bhd. ("**OMYA**") for the appointment of SESB as the Contractor to carry out the extraction and quarrying of calcium carbonate (marble) at Mukim Sungai Raya, Kinta District, State of Perak known as KitSeng-Samarkali Quarry, subject to the terms and conditions of the Agreement.

2. INFORMATION ON OMYA

OMYA was incorporated on 1 December 1989 under the Companies Act, 1965 as a private limited company. OMYA has an issued and paid-up capital of RM159,397,423.00 comprising of 159,397,423 ordinary shares. OMYA's principal activity is to carry on operating of quarry, manufacturing and selling of ultra fine calcium carbonate powder and investment holding.

3. SALIENT TERMS OF THE AGREEMENT

The salient terms of the Agreement include, amongst others, the following:

- OMYA requires the Works to be carried at Quarry.
- SESB has represented to OMYA that it has the skill, expertise and capacity to perform the Works at the times and places required by OMYA.
- OMYA has agreed to engage SESB to provide the Works and SESB has agreed to be engaged as such based on the terms and conditions stipulated in the Agreement.

SESB shall provide the following services in relation to the extraction and quarrying of calcium carbonate (marble):

Quarry Operations

1. Unsuitable material removal from production area
2. Details on waste dump management
3. Details of the specific method of mining
4. Drilling and blasting
5. Blast design
6. Drilling pattern & blast design validation

7. Target Blast Design
8. Explosive materials and tools
9. Security during blasting operations – process, application and validation

Loading, Hauling and Crushing of Materials

1. Loading points - Number of loading points to be simultaneously operated.
2. Waste Identification, removal and disposal.

Ancillary Works

(collectively referred to as “the Works”)

Estimated Contract Value of the Agreement

The estimated contract value of the Agreement is RM33,184,800.00 and is based on the contract duration, monthly agreed extract and supply quantity to OMYA and rate per MT. After taking into consideration the indirect 51% equity interest owned by Advancecon, Advancecon would potentially recognise RM 16,924,248.00 of the contract value.

Tenure of the Agreement

The commencement of the Works shall no later than 1 January 2022 (“Commencement Date”) and shall continue until 31 December 2025, unless it is terminated earlier based on the terms of the Agreement (the “Initial Term”). The Term may be extended at the option of OMYA for another addition term of twelve (12) months from expiry of the Initial Term (the “Extended Term”) by notifying SESB in writing three (3) months prior to expiry of the Initial Term. Initial Term and Extended Term shall collectively be referred to as the “Term”.

4. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS AND/OR PERSON CONNECTED THEM

None of the Directors nor substantial shareholders of Advancecon, or persons connected with them, has any interest, direct or indirect, in the Agreement.

5. FINANCIAL EFFECTS

The Agreement is not expected to have any material immediate effect on the net assets and gearing of the Group for the financial year ending 31 December 2021.

6. APPROVAL REQUIRED

The Agreement being incurred in the ordinary course of business and is not subject to the approval of the shareholders of Advancecon or any regulatory authorities.

7. STATEMENT BY BOARD OF DIRECTORS

The Board of Directors of Advancecon, having taken into consideration all aspects of the Agreement is of the opinion that the Agreement is in the best interest of Advancecon Group.

This announcement is dated 23 December 2021.

Announcement Info

Company Name	ADVANCECON HOLDINGS BERHAD
Stock Name	ADVCON
Date Announced	23 Dec 2021
Category	General Announcement for PLC
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