

# OTHERS ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "COMPANY") MINING SERVICES AGREEMENT ENTERED BETWEEN SPRING ENERGY SDN. BHD., AN INDIRECT 51% OWNED SUBSIDIARY AND IMERY'S MINERALS MALAYSIA SDN. BHD.

## ADVANCECON HOLDINGS BERHAD

Type	Announcement
Subject	OTHERS
Description	ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "COMPANY") MINING SERVICES AGREEMENT ENTERED BETWEEN SPRING ENERGY SDN. BHD., AN INDIRECT 51% OWNED SUBSIDIARY AND IMERY'S MINERALS MALAYSIA SDN. BHD.

The Board of Directors of Advancecon ("**the Board**") wishes to announce that Spring Energy Sdn. Bhd. ("**SESB**" or "**Contractor**"), an indirect 51% owned subsidiary had on 23 July 2024 entered into a Mining Services Agreement ("**Agreement**") with Imerys Minerals Malaysia Sdn. Bhd. ("**IMMSB**") for the purposes of appointing SESB as the Contractor on a non-exclusive basis to carry out the mining works as defined in the Agreement located at Gunung Terundum in the Simpang Pulai/Keramat Pulai area ("**Quarry**"), upon the terms and conditions as stipulated in the Agreement.

(collectively referred to as the "**Parties**", and individually the "**Party**").

Please refer to the attachment for further details.

This announcement is dated 23 July 2024.

Please refer attachment below.

### Attachments

[Advancecon - Mining Services Agreement between SESB and IMMSB.pdf](#)  
143.9 kB

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### Announcement Info

Company Name	ADVANCECON HOLDINGS BERHAD
Stock Name	ADVCON
Date Announced	23 Jul 2024
Category	General Announcement for PLC
Reference Number	GA1-23072024-00006

**Type** GENERAL ANNOUNCEMENT  
**Subject** OTHERS  
**Description** ADVANCECON HOLDINGS BERHAD ("ADVANCECON" OR "COMPANY")  
MINING SERVICES AGREEMENT ENTERED BETWEEN SPRING ENERGY  
SDN. BHD., AN INDIRECT 51% OWNED SUBSIDIARY AND IMERYS  
MINERALS MALAYSIA SDN. BHD.

## **1. Introduction**

The Board of Directors of Advancecon ("**the Board**") wishes to announce that Spring Energy Sdn. Bhd. ("**SESB**" or "**Contractor**"), an indirect 51% owned subsidiary had on 23 July 2024 entered into a Mining Services Agreement ("**Agreement**") with Imerys Minerals Malaysia Sdn. Bhd. ("**IMMSB**") for the purposes of appointing SESB as the Contractor on a non-exclusive basis to carry out the mining works as defined in the Agreement located at Gunung Terundum in the Simpang Pulai/Keramat Pulai area ("**Quarry**"), upon the terms and conditions as stipulated in the Agreement.

(collectively referred to as the "**Parties**", and individually the "**Party**").

## **2. Details of the Agreement**

IMMSB is the registered and beneficial owner of the Quarry, more particularly described in the Agreement, which shall include all buildings, fixtures, fittings, crops and minerals now or hereafter thereon and any part or portion thereof, the area that constitutes the Quarry may be revised from time to time following any acquisitions and/or disposal of lands by the Company, with prior notice to the Contractor.

SESB is appointed by IMMSB as the Contractor to carry out the mining related works which includes supplying plant, labour, and equipment, operating and maintaining the Quarry / stockpile management, transporting and managing the wastes and any related mining works and services ("**Contracted Services**") in consideration of the Remuneration.

## **3. Information on the Parties**

### **3.1. IMMSB**

IMMSB was incorporated on 29 June 1982 as a private company limited by shares and having its principal place of business at Suite 20.03, Menara IGB, Mid Valley, Lingkaran Syed Putra, 59200 Kuala Lumpur.

IMMSB is a wholly-owned subsidiary of Imerys Asia Pacific Pte. Ltd. IMMSB has a total issued share capital of RM36,302,210.00 comprising 36,302,210 ordinary shares and is principally in manufacturing and distributing of lime stone powder, slurry and marble chips and trading of industrial minerals.

The directors of IMMSB are Yeow Kian Leong, Chan Kah Kit and Wong Hong Choon.

### **3.2 SESB**

SESB was incorporated on 10 September 1997 as a private company limited by shares and having its registered address at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur.

SESB is a wholly-owned subsidiary of Spring Energy Resources Berhad (“SERB”) which in turn SERB is a 51% owned subsidiary of the Company. SESB has an issued share capital of RM22,000,000.00 comprising 22,000,000 ordinary shares and is principally involved as a quarry operator and contractor in civil engineering work.

The directors of SESB are Dato’ Yap Soon Huat, Yap Yee Huat, Yap Ho Huat and Yap Chai Huat.

#### **4.0 Salient Terms of the Agreement**

##### **4.1 Scope of Works of the Contracted Services**

The Contractor must carry out the following scope of works under the Agreement:

- (a) Provide suitably trained staff, suitable equipment and consumables, as approved by IMMSB and as may be necessary to meet its obligations under the terms of the Agreement, more particularly those obligations set out in the Agreement;
- (b) Provide any additional equipment, as approved by IMMSB and as may be reasonably required by IMMSB from time to time in writing with reasonable notice in order to allow more flexibility;
- (c) Perform the Quarry operations and stockpile management services detailed in the Agreement, and all other works necessary and incidental to the proper performance of both such services; and

all other works and services necessary and incidental to the proper performance of the aforementioned works and services as stated in the Agreement.

##### **4.2 Duration**

The term of the Agreement will continue in a period of 42 (forty-two) months from 1 July 2024 to 31 December 2027 (the “Term”).

##### **4.3 Security for Due Performance**

The Contractor shall submit to IMMSB an on-demand bank guarantee for a sum of RM3,400,000.00 (Ringgit Malaysia Three Million Four Hundred Thousand) only within 30 days from the date of the Agreement.

##### **4.4 No Joint Venture – Independent Contractor**

The Contractor shall at all times remain independent contractor. Nothing in the Agreement shall create a partnership or joint venture between the Parties hereto and neither Party shall enter into or have authority to enter into any engagement or to make any representation or warranty on behalf of or to pledge the credit of or otherwise bind or oblige the other party hereto.

##### **4.5 Remuneration**

The consideration payable by IMMSB to the Contractor for the performance of the Contracted Services is described in the Agreement.

**5. Source of Funds**

SESB will fund the Contracted Services through its internally generated funds and/or bank financing.

**6. Rationale for the Agreement**

The provision of the Contracted Services is expected to contribute positively to the revenue as well as recurring income stream for Advancecon in the mid to long-term, which aligns with the Company's business strategy to accelerate future growth for Advancecon.

**7. Financial Effects of the Agreement**

The Agreement is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholdings of the Company for the financial year ending 31 December 2024.

Barring any unforeseen circumstances, the Agreement is expected to contribute positively to the Company's consolidated earnings per share and net assets per share in the future.

**8. Risk Factors**

Advancecon does not foresee any exceptional risk other than the normal operational risks associated with the Works to be carried out by SESB. The Board believes that the experience and expertise of its management team will enable the Company to mitigate these risks effectively.

**9. Interests of the Directors, Major Shareholders, Chief Executive and Persons connected with them**

None of the Directors and major shareholders of the Company, and/or persons connected with them has any direct or indirect interests in the Agreement.

**10. Statement by Directors**

The Board having reviewed and considered the terms and conditions of the Agreement, is of the opinion that the Agreement is in the best interest of the Company.

**11. Approvals Required**

The Contracted Services as stated in the Agreement is an ordinary course of business of SESB. The Agreement does not require the approval of the shareholders of the Company and any relevant government authorities.

**12. Document Available for Inspection**

The Agreement is available for inspection at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W.P. Kuala Lumpur between 9.00 a.m. and 5.00 p.m. from Mondays to Fridays (except on public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 23 July 2024.