

CIRCULAR DATED 7 APRIL 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Anchor Resources 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 advisers 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.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular with the Notice of Extraordinary General Meeting ("**Notice of EGM**") and the attached proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s) which are not deposited with the CDP, you should at once hand this Circular with the Notice of EGM and the attached proxy form immediately to the purchaser or transferee, or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

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 Catalist ("**Catalist Rules**").

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.



Anchor Resources Limited

(Company Registration Number: 201531549N)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

- (A) THE PROPOSED DIVERSIFICATION INTO THE PROPOSED NEW BUSINESS; AND**
- (B) THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM "ANCHOR RESOURCES LIMITED" TO "VCPLUS LIMITED"**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	: 27 April 2021 at 11:00 a.m.
Last date and time to pre-register online to attend the EGM remotely	: 26 April 2021 at 11:00 a.m.
Date and time of Extraordinary General Meeting	: 29 April 2021 at 11:00 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 10:30 a.m.)
Place of Extraordinary General Meeting	: The EGM will be held by electronic means

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DEFINITIONS

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

"AASB"	:	Angka Alamjaya Sdn Bhd.
"AASB Disposal"	:	The Company's disposal of 100% of the entire issued share capital of AASB to Luminor Pacific Fund 2 Ltd, Gan Huai Shi and Koh Ah Luan
"ACRA"	:	The Accounting and Corporate Regulatory Authority of Singapore
"associate"	:	(a) In relation to any individual, including a Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(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; (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
"Audit Committee"	:	The audit committee of the Board, as at the Latest Practicable Date
"Board" or "Directors"	:	The board of Directors of the Company as at the Latest Practicable Date
"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 7 April 2021
"CMS Licence"	:	Capital markets services licence for the conduct of regulated activities under the SFA
"Companies Act"	:	Companies Act (Chapter 50 of Singapore), as amended, modified, or supplemented from time to time
"Company"	:	Anchor Resources Limited
"Constitution"	:	The Constitution of the Company, as amended, modified or supplemented from time to time
"Consultancy Business"	:	The provision of advisory, consultancy and/or management services

DEFINITIONS

- related to FinTech regulation and licencing, as well as adoption of FinTech strategies and technology
- "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
- "Custodian Business"** : The provision of custodian services for digital assets
- "Director"** : A director of the Company
- "Disposal Circular"** : The circular to Shareholders dated 11 December 2020 in relation to, *inter alia*, the AASB Disposal and the Provision of Management Services to AASB
- "EGM"** : The extraordinary general meeting of the Company, to be held at 11:00 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 10:30 a.m.) on 29 April 2021 by way of electronic means, the notice of which is set out on pages N-1 to N-3 of this Circular
- "Existing Mining Business"** : The Granite Dimension Stone Business and the Provision of Management Services
- "FinTech"** : Financial technology and blockchain technology
- "GGTM"** : GGTM Sdn. Bhd.
- "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"** : The Company and its subsidiaries, collectively
- "Introducer"** : Cedric Yap Kun Hao
- "Introducer Share Issue"** : the payment of an introducer fee of S\$262,500 to the Introducer by way of issuance of new Shares to the Introducer
- "IT"** : Information technology
- "JVCo"** : The new joint venture company to be incorporated by the Company for the Custodian Business pursuant to the MOU entered into between the Company and potential business partner(s)
- "Latest Practicable Date"** : The latest practicable date prior to the date of this Circular, being 26 March 2021
- "Lenders"** : Lim Beng Chew, Tang Yao Zhi, Tan Soo Kia and Lee Teck collectively
- "Major Transaction"** : A transaction defined under Rule 1014(1) of the Catalist Rules where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100% in respect of an acquisition or 50% in respect of a disposal or

DEFINITIONS

	the provision of financial assistance
"MAS"	: Monetary Authority of Singapore
"Notice of EGM"	: The notice of the EGM which is set out on pages N-1 to N-3 of this Circular
"Proposed Change of Name"	: The proposed change of the Company's name from "Anchor Resources Limited" to "VCPlus Limited"
"Proposed Diversification"	: The proposed diversification into the Proposed New Business
"Proposed New Business"	: The proposed new business activities as defined under section 2.3 of this Circular
"Proposed Transactions"	: The Proposed Diversification and the Proposed Change of Name, collectively
"Provision of Management Services"	: The provision of management services by the Company to AASB in respect of AASB's mining licences, local government approvals and operators, in accordance with the terms and conditions of the management services agreement dated 28 December 2020 entered into between the Company and AASB on completion of the AASB Disposal
"Proxy Form"	: The proxy form in respect of the EGM as set out in this Circular
"Proposed Resolutions"	: The resolutions to be tabled at the EGM for the Proposed Diversification and the Proposed Change of Name
"Settlement Circular"	: The circular to Shareholders dated 25 January 2021 in relation to the Settlement Share Issue and the Introducer Share Issue
"Settlement Share Issue"	: the proposed settlement of the S\$3,500,000 loan extended by the Lenders to the Company and all accrued interest thereon via the issuance of new Shares to the Lenders
"SFA"	: Securities and Futures Act (Chapter 289 of Singapore), as amended, modified or supplemented from time to time
"SGXNET"	: A web-based secure platform to enable SGX-ST listed issuers to upload announcements
"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 " Shareholders ", where the context admits, mean the Depositors whose securities accounts are credited with Shares
"Shares"	: The ordinary shares in the capital of the Company
"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

DEFINITIONS

Currency, Units and Others

"%"	:	Percentage or per centum
"RM"	:	Malaysian Ringgit, the lawful currency of Malaysia
"S\$"	:	Singapore Dollars, the lawful currency of the Republic of Singapore
"US\$"	:	United States Dollars, the lawful currency of the United States of America

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289 of Singapore) ("**SFA**").

LETTER TO SHAREHOLDERS

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

80 Robinson Road
#17-02
Singapore 068898

Date: 7 April 2021

To: **The Shareholders of the Company**

Dear Sir/Madam

- (A) **THE PROPOSED DIVERSIFICATION INTO THE PROPOSED NEW BUSINESS; AND**
- (B) **THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM "ANCHOR RESOURCES LIMITED" TO "VCPLUS LIMITED".**

1. INTRODUCTION

1.1. Extraordinary General Meeting ("EGM")

The board of directors (the "**Board**" or "**Directors**") of the Company, together with its subsidiaries (collectively, the "**Group**"), are convening the EGM to be held at 11:00 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 10:30 a.m.) on 29 April 2021 by way of electronic means, to seek the approval of the shareholders of the Company ("**Shareholders**") for:

- (a) the proposed diversification of the existing business of the Group to include, amongst others, the Custodian Business and the Consultancy Business (the "**Proposed Diversification**"); and
- (b) the proposed change of name of the Company from "Anchor Resources Limited" to "VCPlus Limited" (the "**Proposed Change of Name**").

(collectively, the "**Proposed Transactions**").

1.2. Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to the resolutions set out in the Notice of EGM to ensure that Shareholders will be in a position to make an informed decision in respect of the Proposed Transactions at the EGM. The resolutions to be tabled at the EGM are set out in the Notice of EGM on pages N-1 to N-3 of this Circular.

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Circular.

1.3. Proposed Resolutions

The Company intends to table the following resolutions at the EGM for the Proposed Diversification and the Proposed Change of Name:

- (a) Ordinary Resolution 1 relates to the Proposed Diversification; and

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(b) Special Resolution 1 relates to the Proposed Change of Name.

Shareholders should note that Ordinary Resolution 1 and Special Resolution 1 (collectively the "**Proposed Resolutions**") are independent and may be passed separately.

1.4. Legal Adviser

Virtus Law LLP is the legal adviser to the Company as to Singapore law in relation to the Proposed Transactions.

2. THE PROPOSED DIVERSIFICATION

2.1. Background

As disclosed in the Company's circular to Shareholders dated 25 January 2021 ("**Settlement Circular**"), conditional upon the completion of, *inter alia*, (i) the proposed settlement of the S\$3,500,000 loan and all accrued interest thereon extended by Lim Beng Chew, Tang Yao Zhi, Tan Soo Kia and Lee Teck ("**Lenders**") to the Company via the issuance of new ordinary shares in the capital of the Company ("**Shares**") to the Lenders ("**Settlement Share Issue**"); as well as (ii) the payment of an introducer fee of S\$262,500 to Cedric Yap Kun Hao ("**Introducer**") by way of issuance of new Shares to the Introducer ("**Introducer Share Issue**"), Mr. Lim Beng Chew would be appointed as a director of the Board, bringing a fresh perspective to the Board based on his own background and expertise.

Please refer to the Settlement Circular as released on SGXNET at <https://www.sgx.com/securities/company-announcements> for further information on the Settlement Share Issue and the Introducer Share Issue.

Following the completion of the Settlement Share Issue and the Introducer Share Issue, which was approved by the shareholders of the Company at the extraordinary general meeting held on 9 February 2021, Mr. Lim Beng Chew was appointed to the Board of the Company on 22 February 2021 as the Executive Director of the Company.

The management led by Mr. Lim Beng Chew subsequently conducted a strategic business review of the Group's core business segments and after consultation with the Board, the management proposed for the Company to expand its existing business into the technology sector, in particular, the financial technology and blockchain technology (collectively known as "**FinTech**") business sector, in order to improve the Group's financial position and unlock shareholder value. In addition, it will provide additional revenue streams for the Group and build a stronger income base for future growth to strengthen the Group's financial performance. For the financial year ended 31 December 2020 and 31 December 2019, the Group reported audited loss from continuing operation, net tax of RM7.8 million and RM12.3 million respectively for the Existing Mining Business (as defined herein).

2.2. Existing Business of the Group

The Group is principally engaged in the business of exploration, mining and production of minerals for sale. It is also involved in the architectural and interior fit-out business, working with reputable developers of high-value property developments.

Following the Company's disposal of 100% of the entire issued share capital of Angka Alamjaya Sdn Bhd. ("**AASB**") to Luminor Pacific Fund 2 Ltd, Gan Huai Shi and Koh Ah Luan (the "**AASB Disposal**") as detailed in the Company's announcements dated 29 April 2020 and 28 December 2020 and circular to Shareholders dated 11 December 2020 ("**Disposal Circular**"), the remaining business of the Group is that 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**"), as carried out by the Company's wholly-owned subsidiary, GGTM Sdn. Bhd. ("**GGTM**").

As disclosed in the Disposal Circular, the Granite Dimension Stone Business involves the Bukit Chetai and the Bukit Machang granite quarry sites. The Bukit Chetai mine started operations in July

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2017 and is able to produce the "Sekayu White" and "Terengganu Green" granite for supply to its overseas and local customers. The Bukit Chetai mine is currently not in operation as the 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 in March 2020 as a result of the ongoing COVID-19 situation. The Bukit Machang mine is a greenfield mine and is not in operation yet. The Company has been in discussions, and plans to form a synergistic partnership, with the potential investor and focus on developing the Bukit Chetai mine, although the parties have not reached any agreement yet. As for the Bukit Machang mine, as announced on 5 June 2020, the Company had plans to assign the mining concession rights granted to the Company for the Bukit Machang mine to prospective third parties and use the proceeds of such assignment to develop the Bukit Chetai mine further. However, as announced by the Company on 1 December 2020, the proposed assignment of the mining concession rights did not materialise and the heads of agreement entered into with the prospective third parties for such assignment was terminated due to economic uncertainty surrounding the COVID-19 pandemic.

Please refer to the Company's announcements dated 5 June 2020 and 1 December 2020 released on SGXNET at <https://www.sgx.com/securities/company-announcements> for further details on, *inter alia*, the proposed assignment of the mining concession rights.

The Company has also been providing management services to AASB in respect of AASB's mining licences, local government approvals and operators, in accordance with the terms and conditions of the management services agreement dated 28 December 2020 entered into between the Company and AASB on completion of the AASB Disposal (the "**Provision of Management Services**", and collectively with the Granite Dimension Stone Business, the "**Existing Mining Business**").

Please refer to the Disposal Circular as released on SGXNET at <https://www.sgx.com/securities/company-announcements> for more information in relation to the Granite Dimension Stone Business and the Provision of Management Services to AASB.

Mr Lim Chiau Woei, the Managing Director of the Company, continues to manage the Existing Mining Business of the Group.

2.3. The Proposed Diversification and the Proposed New Business

Subject to the approval of Shareholders for the Proposed Diversification being obtained at the EGM, the Company intends to diversify the Group's core business to include the Proposed New Business, which includes, *inter alia*, the following activities within the FinTech industry:

- (a) the provision of custodian services for digital assets ("**Custodian Business**"); and
- (b) the provision of advisory, consultancy and/or management services related to FinTech regulation and licencing as well as adoption of FinTech strategies and technology ("**Consultancy Business**"),

(collectively, the "**Proposed New Business**").

Prior to making any investments in respect of the Proposed New Business, the management of the Company will consider the Group's investment objectives, strategic approach, performance benchmarks, investment restrictions, investment horizon and guidelines, and evaluate each potential investment with due diligence and based on the consideration of factors such as (i) projected rate of return; (ii) the projected investment capital involved; (iii) the underlying business and/or assets of the investment; (iv) estimated return on investment; (v) assessment of risk factors associated with the specific potential investment; (vi) the borrowing costs involved (where applicable); and (vii) prevailing local and general market conditions. Potential investments will also be subject to compliance with Chapter 10 of the Catalist Rules as described in Section 2.12 of this Circular. Please refer to Section 2.12 of this Circular for further information on the application of Chapter 10 of the Catalist Rules following the Proposed Diversification.

The Company intends to setup a panel of advisers to advise the Company on any investment opportunities in the FinTech industry that may arise from time to time in relation to the Proposed Diversification. Appropriate operating policies will be put in place to govern the investment and

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divestment activities for the management to comply. These policies will be reviewed and approved by the audit committee of the Board ("**Audit Committee**"). As at the Latest Practicable Date, the Audit Committee comprises Mr. Gavin Mark McIntyre (Chairman of the Audit Committee), Ms Lee Kim Lian, Juliana, and Mr. Chua Ser Miang.

2.4. Overview of the Proposed New Business

The Proposed New Business will involve the provision of specialised products and services for the FinTech business sector. Briefly, the FinTech business sector is generally composed of companies which utilise new technology and innovation in order to compete in the marketplace of traditional financial institutions and intermediaries in the delivery of financial systems. The provision of FinTech usually entails the automation of finance via online platforms and covers areas such as insurance, trading, financing (for example, crowdfunding, micro-loans and credit facilities), money transfers, payments, custodian and investments (for example, equity crowd funding and peer-to-peer lending) via the use of blockchain technology and infrastructure.

Gartner, Inc, a global research and advisory firm providing information and advice on, amongst others, finance and internet technology, defines blockchain (or a distributed ledger) as an expanding list of cryptographically signed, irrevocable transactional records shared by all participants in a network (in a peer-to-peer fashion). Each record contains a time stamp and reference links to previous transactions. With this information, anyone with access rights can trace back a transactional event, at any point in its history, belonging to any participant.

Blockchain technology is versatile and industry agnostic. Therefore, its application is wide and extensive. According to Deloitte's 2019 Global Blockchain Survey¹, blockchain is going through a path of diffusion across industries far beyond its initial FinTech application. More sectors such as media, telecommunications, life sciences, health care and government are expanding and diversifying their blockchain initiatives. Deloitte opined that blockchain is here to stay and 2020 is the start of her decade.

The Proposed Diversification into the FinTech industry is a recognition on the part of the Company that technology in the financial industry and blockchain have entered into an era of accelerated growth, both on a domestic and international scale, and the Board is of the view that such Proposed Diversification into the Proposed New Business will help the business of the Company scale and grow, maximising Shareholder value.

An overview of the different business segments under the Proposed New Business that the Company intends to venture into is as set out below.

(a) Custodian Business

The maiden new business within the Fintech business sector that the Company intends to develop is the provision of custodian services for digital assets. Broadly speaking, digital assets are digital representations of value, made possible by advances in cryptography and distributed ledger technology. They are denominated in their own units of account and can be transferred from peer-to-peer without an intermediary. While there is no universally accepted definition of digital assets, there are generally five distinct categories of digital assets:

- (i) *Security tokens*: These are tokens of special characteristics that are similar to traditional instruments like shares, debentures, or units in a collective investment scheme.
- (ii) *Utility tokens*: Utility tokens are digital tokens that seek to provide value to investors by giving them access to a future product or service. Investors may then use such tokens at some future time, to obtain access to the issuers' products or services.

¹ This information was extracted from the report entitled "Deloitte's 2019 Global Blockchain Survey – Blockchain gets down to business" published by Deloitte Insights. (https://www2.deloitte.com/content/dam/Deloitte/se/Documents/risk/DI_2019-global-blockchain-survey.pdf)

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- (iii) *Cryptocurrencies*: Cryptocurrencies are the most common type of digital asset, using cryptography for security, and are designed to work as a medium of exchange.
- (iv) *Stablecoins*: Stablecoins are digital assets that attempt to stabilize volatility by pegging themselves to a stable asset such as the US Dollar or gold.
- (v) *E-Money tokens*: These are tokens that are designed to function as a form of electronic money that represents a claim on the issuer, are issued on receipt of funds for the purpose of making payment transactions and are accepted by a person other than the issuer.

A custodian is a financial institution that holds customers' securities for safekeeping and administration. The primary role and responsibility of a custodian in the FinTech business sector is the safekeeping of a customer's digital assets. This is achieved through safe key management, which allows the assets to be cryptographically secured. However, unlike for traditional assets, an entity has custody of a digital asset simply by holding the private key on behalf of the asset holder, ensuring that it cannot be accessed by third parties. A private key is essentially a randomly generated binary number that is used to encrypt and decrypt information and is only made available to the originator of the encrypted content. Subsequently, this private key is all that is required to confirm a transaction. This is in contrast with public keys, which are essentially a long numeric code that is cryptographically derived from a specific private key. The public key is available to the general public and is available in an online directory. The public key must be paired with the correct, corresponding private key for a transaction to be executed.

Custodians safeguard digital assets by ensuring that customers' private keys are maintained securely. Generally, this is achieved by either storing the assets online, a method called hot storage, or offline, known as cold storage, or through a multiple approval approach, known as multi-signature and smart contract wallets. In exchange for the provision of such custody services, custodians normally charge investors custody fees for the safeguard of the investors' digital assets. Such fees may be charged on an annual basis or on a monthly basis.

To develop the Custodian Business, the Company intends to implement the following operational strategies:-

- (i) *Collaboration with Business Partner(s)*

The Company has been in discussions with various third parties to explore a collaboration through a new joint venture company ("**JVCo**") with potential business partner(s) conditional upon obtaining of Shareholders' approval for the Proposed Diversification. Subject to agreement with such potential business partner(s), the Company intends to hold a majority stake in the JVCo.

During the initial stage of the Group's foray into the Custodian Business, the Group will be able to leverage on the expertise and resources of the business partner(s) for the JVCo to assist it in undertaking the Custodian Business more effectively and efficiently as the Group seeks to build its expertise and experience in this field. The management expects that such business partner(s) will have the relevant expertise in the FinTech space, in particular in the technology and information technology ("**IT**") sector, to complement the finance and operational expertise of the Company's existing management team. In addition, the Company can tap on the network of contacts of the business partner(s) to facilitate further strategic partnerships and commercial opportunities to support and strengthen the Company's investments and venture into the Proposed New Business.

As at the Latest Practicable Date, the Company is still in discussions with potential partners and has not yet entered into any definitive agreements for the JVCo. The Company will make the necessary announcement(s) to update the Shareholders as and when appropriate.

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(ii) *Appointment of Experienced Management Team*

The Company has put in place senior executives with relevant experience and expertise to lead its expansion into the Custodian Business. The Company's Chief Executive Officer, Mr Clarence Chong has extensive experience in banking and capital markets. The Company has also appointed Ms. Suriah Banu Binte Mohd Yunos to lead the set up and operation of the Custodian Business. Prior to joining the Company, Ms Suriah was the Head of Department of Custody & Claims at RHB Securities Singapore Pte Ltd. Please refer to Section 2.5 of this Circular for further information on the background and expertise of Mr. Clarence Chong and Ms. Suriah Banu Binte Mohd Yunos.

The Company will also monitor the development and progress of the Custodian Business and take the necessary steps to hire suitable candidates for the Custodian Business, including those with expertise in technology, FinTech and IT, where required.

(iii) *Investment and/or development of hardware and/or software*

The Group may have to invest in hardware or software to conduct the Custodian Business. Further to this, the Group could also either seek to develop its own proprietary technology or acquire such technology so as to develop the necessary custodian platforms that it deems necessary to achieve the aims of the Custodian Business.

(iv) *Application for CMS Licence from MAS*

The provision of custodial services for securities constitutes a regulated activity under the SFA, and is subject to the supervision and regulation of the MAS. The current regulatory regime requires a corporation providing custodial services for securities to hold a capital markets services licence ("**CMS Licence**") authorising it to carry on the business of providing custodial services for securities. If a corporation holds the aforementioned CMS Licence, it may carry on the business as a custodian of securities. In the initial stages, the Group intends for the JVCo to hold the CMS Licence for the Custodian Business.

In order to obtain the CMS Licence, the JVCo will need to, amongst others, (i) appoint a minimum of two (2) directors, at least one of whom is resident in Singapore; (ii) appoint a Chief Executive Officer with at least 10 years of relevant experience who is resident in Singapore; and (iii) have a minimum of two (2) full-time Singapore-based individuals for each regulated activity, who will be appointed as representatives under the SFA. In this regard, the Company intends to appoint, among others, Mr. Clarence Chong, the Chief Executive Officer of the Company, and Ms. Suriah Banu Binte Mohd Yunos, as the director and representative (under the SFA) of JVCo respectively. Please refer to Section 2.5 of this Circular for further information on the background and expertise of Mr. Clarence Chong and Ms. Suriah Banu Binte Mohd Yunos.

When assessing an application for a CMS Licence, MAS takes into account various factors, such as (i) the fitness and propriety of the applicant, its shareholders and directors; (ii) track record and management expertise of the applicant and its parent company or major shareholders; (iii) ability to meet the minimum financial requirements as prescribed under the SFA; (iv) the strength of the applicant's internal risk management and compliance systems; as well as (v) the business model, plans, projects and associated risks of the applicant.

In the initial stage of the Custodian Business, the Group is likely to focus on the Singapore market, with a view to expand into the global market. Aside from the relevant approval from the MAS required by the Group for it to undertake the Custodian Business in Singapore, the Group may in this regard require licence(s) to operate the Custodian Business in such other jurisdictions into which the Group may

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venture, depending on the evolving regulatory environment in relation to the FinTech industry globally. The Group may apply for such licence(s) on its own or may collaborate with third parties who have such licence for its Custodian Business, in which case the Group may be required to pay royalty payments to such third parties.

In Singapore, the provision of custodial services for digital assets is a nascent market and any first mover into this space is expected to enjoy significant business and operational advantages.

The Company intends to focus its initial efforts on the proposed setup of the Custodian Business for the following reasons:

- (i) using traditional financial services markets as a reference point and in view of the market size of digital assets and its growth, the management believes that the provision of custodial services is an attractive business opportunity for the Company;
- (ii) a MAS-approved custodian will be highly regarded by investors and FinTech players globally. As the FinTech market grows, business licences granted by regulators of international financial markets such as Singapore is expected to command a premium;
- (iii) the Custodian Business will be one of the key cornerstone services of the Company that it can leverage upon as it expands into other FinTech services in the FinTech ecosystem, as the provision of custodial services for all types of securitised digital assets is an essential service within the FinTech ecosystem; and
- (iv) due to the limited number of licensed custodian service providers for digital assets, such service providers enjoy attractive valuations.

(b) Consultancy Business

The Company's Proposed Diversification into the FinTech industry and the setting up of the Custodian Business will allow the Company to develop strong domain knowledge in the FinTech business sector. In conjunction with the Custodian Business, the Group intends to leverage on this domain knowledge to advise other companies on their expansion into FinTech business sector, with a specific focus on providing advisory, consultancy and/or management services related to FinTech regulation, licencing, as well as the adoption of FinTech strategies and technology. In addition to generating new revenue streams for the Group, the Consultancy Business will allow the Company to explore further business opportunities and build long-standing business relationships with these companies to further strengthen the Proposed New Business.

Under the Consultancy Business, the Company intends to advise customers on the following areas, including but not limited to:

- (i) licensing, compliance and regulatory matters in the FinTech business sector;
- (ii) development of an appropriate FinTech strategy for the customers' business;
- (iii) alignment of the FinTech strategy in line with customers' corporate goals;
- (iv) investment in, development and/or adoption of the right technology; and
- (v) updating to ever-changing technology trends.

The Company has appointed the Chief Executive Officer, Mr Clarence Chong to lead the set up and operation of the Consultancy Business. He will be supported by Ms Suriah Banu Binte Mohd Yunos, who has been hired by the Company to lead the expansion of the Company into the Custodian Business. Please refer to Section 2.5 of this Circular for further information on the background and expertise of Mr. Clarence Chong and Ms. Suriah Banu Binte Mohd Yunos.

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The Company also intends to hire suitable candidates for the Consultancy Business, including those with expertise in technology consulting, FinTech regulation, licensing, compliance and IT, with a view to growing an in-house team of professionals to carry out the Consultancy Business.

2.5. Management of the Proposed New Business

It is currently envisaged that the Executive Director of the Company, Mr. Lim Beng Chew, supported by the Chief Executive Officer of the Company, Mr. Clarence Chong, will oversee the Proposed New Business and lead a new management team, to be put in place upon approval of the Shareholders for the Proposed Diversification into the Proposed New Business.

Mr. Lim Beng Chew, the Executive Director of the Company, is experienced in managing the business operations of various companies in various industries. He advises the Board on strategic issues and is involved in the establishment of goals and objectives, creation of new business strategies, and development of business plans for the Company. The Company is also able to tap into his network of business partners to ensure the business plans can be effectively implemented to optimise Shareholders' return on the investment through business growth and profitability.

Mr Clarence Chong, the Chief Executive Officer of the Company, has extensive experience in banking and capital markets. Prior to joining the Company, he was the chief financial officer of a company listed on Singapore Stock Exchange and prior to that, he was a director in corporate client coverage at RHB Securities Singapore Pte Ltd. The Board believes that Mr. Chong is able to advise and lead the Company's execution of its expansion plans into the Proposed New Business.

The Company has also appointed Ms. Suriah Banu Binte Mohd Yunos to lead the set up and operation of the Custodian Business. Prior to joining the Company, Ms Suriah was the Head of Department of Custody & Claims at RHB Securities Singapore Pte Ltd. She has more than 30 years of extensive experience in the stockbroking industry as well as the SGX Stargate System and the Nova System. She was involved in the acquisition of three stockbroking companies acquired by RHB Securities Singapore Pte Ltd and led the integration of their operations.

In making any major decisions relating to the Proposed New Business, the senior management of the Group will, where necessary and appropriate, seek the advice of reputable external consultants and experts. As the Group intends to engage in the Proposed New Business incrementally, it will monitor developments and progress in the Proposed New Business and take the necessary steps to identify suitable candidates both from within the Group as well as externally, to support and manage the Proposed New Business as and when required. When necessary, the management will consider hiring additional staff or in-house or external consultants and professional advisers as and when required in connection with the Proposed New Business

2.6. Funding for the Proposed New Business

The Company has been in preliminary discussions with several third parties as potential investors who are interested in supporting the Proposed New Business. These investors have expressed interest in funding the Proposed New Business, which may take place via (i) a subscription of Shares in the Company; (ii) the subscription of and/or purchase of shares in the capital of JVCo; and/or (iii) a combination of both. As at the Latest Practicable Date, no definitive agreements have been entered into with these prospective investors and the Company will make all necessary announcements as and when appropriate.

In addition to the above, the Group will be funding the Proposed New Business through a combination of internal resources of funds and external funding such as borrowings from financial institutions. The management will determine the optimal mix of internal funding and external funding, taking into account the cash flow of the Group and prevailing bank borrowing costs. Excluding the Existing Mining Business, the Group currently has no major liabilities.

The Company may further consider tapping the capital markets in various ways, including but not limited to, issuance of securities for cash by way of rights issues and placements and issuance of debt instruments as and when necessary and deemed appropriate.

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2.7. Internal Controls and Risk Management of the Proposed New Business

The Board recognises the importance of internal controls and risk management for the smooth running of the Proposed New Business. The external and internal risks presented by the Proposed New Business to the Group will be managed under the existing system of internal controls and risk management of the Group, which will determine the nature and extent of risks which the Board may take in achieving the strategic objectives of the Group. Where necessary to better manage the Group's external and internal risks resulting from the Proposed Diversification, the Group will implement a set of operations and compliance procedures.

Where necessary, the Audit Committee and the Board will:

- (a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the Proposed New Business; and
- (b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

2.8. Conflict of Interest

When the Company identifies a potential opportunity in respect of the Proposed New Business, each of the Directors and key management personnel will be obliged to disclose to the Board where he and/or his Associates have an interest (and the full extent thereof) in the transaction ("**Conflicted Individual**").

A Conflicted Individual shall not (i) vote in respect of matters in relation to the Proposed New Business; (ii) will not, directly or indirectly, make any executive decisions in respect of the Proposed New Business; and (iii) will not, directly or indirectly influence or participate in the operations and management of the Proposed New Business.

2.9. Prospects and Future Plans for the Proposed New Business

(a) Prospects

Our Directors believe that the outlook and prospects for the Proposed New Business will likely be positive in view of the following trends and developments:

(i) *Growth of the digital assets market and increased demand for custodian services*

The digital asset market is currently valued at over US\$239 billion, as measured by total cryptocurrency market capitalisation, with this figure only looking set to rise further as the adoption of these assets becomes commonplace.² However, digital assets and their custody is still a nascent market, unlike traditional financial services products and providers. That being said, digital assets are already disrupting traditional financial services, and they have a key role to play in the future growth of the sector.

While the digital asset market continues to grow, there is an ever-increasing volume of digital assets flowing through the financial system. Individuals and institutions therefore begin to accumulate digital assets that exhibit significant value, thus safeguarding of these assets begins to take on greater priority. Furthermore, the

² This information was extracted from the report entitled "A Market Overview of Custody for Digital Assets – Digital Custodian Whitepaper June 2020" published by Deloitte and the Dubai Financial Services Authority. (https://www2.deloitte.com/content/dam/Deloitte/xe/Documents/finance/me_Digital-Custodian-Whitepaper.pdf)

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very nature of digital assets means that they are more vulnerable than traditional assets, which explains a rise in the prominence of digital asset custodians.

The setting up and operation of the Custodian Business will therefore allow the Company to capitalise on the increased demand for custodian services by holders of digital assets.

(ii) *Growth of global digital economy and global Fintech market resulting in increased demand for FinTech consultancy services*

The prevalence of technology in society has sparked a digital shift and an increased reliance on technology. Across various sectors, a growing number of businesses are leveraging on technology to transform their processes, improve customer experiences and create new competitive advantage.

According to the report "e-Conomy SEA" published in 2019 by Temasek, Google and Bain & Company, the Internet economy in Southeast Asia hit US\$100 billion for the first time in 2019 and it is expected to grow to US\$300 billion in 2025. In addition, the Internet economies in Malaysia, Thailand, Singapore and the Philippines are growing by between 20% and 30% annually, with no signs of slowing down and the two pacesetters in the region are Indonesia and Vietnam, which lead the pack with growth rates in excess of 40% a year.³

With respect to the field of FinTech services, the global FinTech market was valued at US\$5,504.13 billion in 2019 and is expected to grow at a compounded annual growth rate of 23.58% during the forecast period.⁴ The key factor for the growth of the FinTech market includes high investment in technology-based solutions by banks and firms. Moreover, the infrastructure-based technology and application programming interfaces are reshaping the future of the financial services industry, thus aiding the growth of the global FinTech market. Furthermore, financial technology companies are delivering low-cost personalized products on account of emerging developments in the technology sector, leading to rising customer expectations, thereby, boosting the market growth globally.

With the growth of the digital economy and global FinTech market, it is expected that more businesses will require advice on navigating the regulatory, licensing and associated complexities involved in adopting technology and FinTech for their respective business. As not all business will have the requisite domain knowledge within the FinTech industry, it is expected that the Consultancy Business proposed to be operated by the Company will fill the gap and meet the demand for such FinTech advisory and consultancy services from domestic and regional customers within the burgeoning FinTech space.

(iii) *General growth of the blockchain technology market*

According to Deloitte's 2019 Global Blockchain Survey, blockchain is going through a path of diffusion across industries far beyond its initial FinTech application. More sectors such as media, telecommunications, life sciences, health care and government are expanding and diversifying their blockchain initiatives. Deloitte opined that blockchain is here to stay and 2020 is the start of her decade.⁵

³ This information was extracted from the report entitled "e-Conomy SEA" published by Temasek, Google and Bain & Company. (https://www.bain.com/globalassets/noindex/2019/google_temasek_bain_e_conomy_sea_2019_report.pdf)

⁴ This information was extracted from the summary of the report entitled "Global Fintech Market, by Technology (API; AI; Blockchain; Distributed Computing, Others), by Service (Payment; Fund Transfer; Personal Finance; Loans; Insurance; Others), by Application (Banking; Insurance; & Others), by Region, Competition, Forecast & Opportunities, 2025" published by ResearchandMarkets.com. (https://www.researchandmarkets.com/reports/5031390/global-fintech-market-by-technology-api-ai?utm_source=GNOM&utm_medium=PressRelease&utm_code=lv63tv&utm_campaign=1481286+-+Global+Fintech+Market+Report+2020-2025+-+Competition%2c+Forecast+%26+Opportunities&utm_exec=chdo54prd)

⁵ This information was extracted from the report entitled "Deloitte's 2019 Global Blockchain Survey – Blockchain gets down to business" published by Deloitte Insights. (https://www2.deloitte.com/content/dam/Deloitte/se/Documents/risk/DI_2019-global-blockchain-survey.pdf)

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In 2020, global spending on blockchain solutions is projected to reach US\$4.1 billion. Spending growth on blockchain solutions will be compromised due to the coronavirus (COVID-19) outbreak, but will still remain quite high - the projected 2020 spending is more than 50 percent higher than that from the previous year. Forecasts suggest that spending on blockchain solutions will continue to grow in the coming years, reaching over almost US\$18 billion by 2024.⁶

Global trends driving the growth of blockchain include increasing adoption of blockchain across industries, the need and desire to protect data from the control of powerful companies and the rise of blockchain as a service.

As blockchain technology is adopted across more and more industries, the Company envisions there to be greater demand for associated products and services that harness blockchain technology, such as the Custodian Business and/or the Consultancy Business.

(b) Future Plans

In respect of the Existing Mining Business, the Group will continue to leverage its expertise in the mining industry to commence the development of Granite Dimension Stone Business. To this end, the Group will continue to source for joint ventures and/or strategic alliances to operate its existing mines.

To reduce its reliance on the Granite Dimension Stone Business, the Company is simultaneously exploring new areas of opportunities and alternate businesses to increase the revenue streams of the Group and reduce concentration risk of reliance on a single business and/or industry. As such, the Company has decided to embark on the Proposed Diversification into the Proposed New Business.

In respect of the Proposed New Business, the Group will initially focus on establishing the Custodian Business through its joint venture with the potential business partner(s) during the initial stage of the Group's foray into the Proposed New Business.

The Group may explore new areas of opportunities, including joint ventures, partnerships and/or strategic alliances to carry out the Proposed New Business and the Proposed Diversification into FinTech business sector, and expand into overseas markets should appropriate opportunities arise in future. However, the Group is not closed to the possibility that it may venture into businesses other than the Proposed New Business. As at Latest Practicable Date, save for the Proposed New Business, the Company has not finalised any substantive plans to diversify into any other specific businesses.

2.10. Rationale for the Proposed Diversification

The Company proposes to diversify its Existing Mining Business to include the Proposed New Business for the following reasons:

(a) Potential in the Proposed New Business to provide additional and recurrent revenue streams with a view to achieving long-term growth

The Company has identified the Proposed New Business as business activity which will provide the Group with sustainable and long-term prospects of profitability and growth.

The Proposed New Business is a recognition that the technology industry has entered an era of accelerated growth, both on a domestic and international scale. The COVID-19 pandemic has revealed how technology has become integrated with almost every facet of our economy

⁶ This information was extracted from a report entitled "Global blockchain solutions spending 2017-2024" published by Shanhong Liu on Statista.com. (<https://www.statista.com/statistics/800426/worldwide-blockchain-solutions-spending/>)

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and life. By venturing into the Proposed New Business, the Group will be able to participate in the growth prospects of the technology sector, in particular in the FinTech business sector.

The Board believes that the Proposed New Business will create new business opportunities and an alternate revenue stream for the Company, which would hence enhance the Group's business performance and Shareholder's value. In addition, the Proposed New Business will allow the Group to reduce its reliance on the Existing Mining Business.

By entering into the Proposed New Business, the Company intends to rely on the Proposed New Business to provide it with an alternative revenue stream. This is part of its ongoing strategic corporate strategy to enter into high-growth opportunities industries.

Based on the above, the Board is of the view that the Proposed New Business is in the best interests of the Company and Shareholders. The Group intends to implement the Proposed New Business prudently with the ultimate aim of enhancing Shareholder value.

To assist it in undertaking the Proposed New Business more effectively and efficiently, the Company will seek to build its expertise and capabilities in the field by hiring appropriate employees and may also enter into joint ventures, partnerships and/or strategic alliances with third parties with relevant experiences.

- (b) The Proposed Diversification may provide a more diversified business and income base, reducing reliance on the Existing Mining Business

The Company is mindful of the need to diversify and create new profitable revenue streams. Given the uncertainties prevailing in the current global economic outlook, the Board believes that it is prudent to take active steps to reduce reliance on the Group's Existing Mining Business. For a start, the Board believes that the Proposed Diversification will allow the Group to have better prospects of profitability and ensure longer-term growth, and the Proposed New Business represents the first step taken by the Company to building up an additional revenue stream. The Proposed Diversification would provide the Group with diversified returns and would contribute an additional stream of revenue and earnings for the Group. This would enable the Group to extend its revenue base so that it is not dependent entirely on its Existing Mining Business for its revenue.

By diversifying its business to include the Proposed New Business, the Group will also be able to gain access to new business opportunities within the FinTech industry, and if the Proposed New Business generates profit for the Group, it will likely enhance Shareholders' value. However, the Group is not closed to the possibility that it may venture into businesses other than the Proposed New Business. As at Latest Practicable Date, save for the Proposed New Business, the Company has not finalised any substantive plans to diversify into any other specific businesses. It will make the relevant announcements to keep Shareholders updated when such other businesses are identified.

- (c) The Proposed New Business is expected to bring the Group a wider network of contacts and business opportunities

The Board believes that the Proposed New Business will augment and strengthen the Group, as well as its Existing Mining Business, by, *inter alia*, providing access to financial services and funding, and exponentially increasing the Group's network of contacts, which may potentially lead to fresh business opportunities for the Group. When the Proposed New Business becomes successful, the Group will then be able to demonstrate to the market that it has developed a new and viable business, granting the Group to easier access to the financial markets for funding.

- (d) The Proposed New Business is expected to bring the Group additional funds for enhancing of Shareholder value

The management believes that the Proposed New Business may bring new fund-raising opportunities to the Company as the FinTech business sector is currently attracting substantial amount of capital and this trend is expected to continue going forward. As

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compared to the Existing Mining Business, the mining sector is a sector that many financial institutions have shunned away from financing. With the new funds, the Group is able to capitalise on business opportunities to grow its business towards the enhancement of Shareholder value over the long-term.

2.11. Risk Factors

In undertaking the Proposed Diversification, the Group could be affected by a number of risks which relate to the Proposed New Business as well as those which may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Circular.

To the best of the Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed decision on the Proposed Diversification have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed Diversification, this may have a material and adverse impact on the overall results of operations, financial condition and prospects of the Group.

The risks described below are not intended to be exhaustive and are not presented in any particular order of importance. New risk factors may emerge from time to time, and it is not possible for the Board to predict all risk factors, nor can the Board assess the impact of all factors on the Proposed Diversification or the extent to which any factor, or combination of factors, may affect the Proposed Diversification. There may also be other risks associated with entry into the Proposed Diversification which are not presently known to the Company, or that the Company may currently deem immaterial and as such have not been included in the discussion below.

- (a) The Proposed Diversification may be adversely affected if the Group is unable to innovate or adapt to new changes in the intensely competitive FinTech industry

The FinTech sector is characterised by rapidly changing technologies, evolving industry standards, new solutions and services and ever-changing demands from businesses and end-users. Other market competitors may be able to adapt more quickly to new technologies and develop newer and more innovative products and solutions to remain competitive, and may be able to allocate more resources to the promotion of their products and solutions. If the Group fails to innovate and develop effective products and solutions ahead of its competitors, the Group's ability to retain existing customers and attract new customers and partners may be impaired, and its future financial and operating results may be adversely affected.

Increased competition and new market entrants may also result in a reduced pricing for platform services or a decrease in the Group's market share. If the Group is unable to offer services under the Proposed New Business at a competitive price, its ability to retain existing customers and attract new customers may be negatively affected and this may adversely affect its future financial and operating results.

The Group may not be able to identify and develop new solutions to cater to evolving market needs and industry practices in a timely and cost-effective manner. The Group's offerings and services may become obsolete as other market competitors develop more innovative products which may be better able to serve consumers' needs. The Group may also not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and/or stronger track records. There is no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. In the event that the Group is not able to compete successfully against its competitors or adapt to market conditions, its business operations, financial performance and financial condition may be adversely affected.

- (b) The Group has no prior track record in the Proposed New Business

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As the Group does not have a prior track record in the Proposed New Business, it will face the usual risks, uncertainties and challenges associated with the entry into any new business which it has no prior track record in.

While it intends to undertake the Proposed New Business in a joint venture with the potential business partner(s) which has the relevant expertise and resources, as a start, there is no certainty that the Group will be able to consistently secure suitable opportunities in relation to the Proposed New Business and in such event, the Group will not be able to successfully penetrate into the FinTech industry as expected. In addition, there is no assurance that the Group's foray into the Proposed New Business will achieve the expected level of revenue and margins or be commercially successful. If the Group or its partners fail to manage costs effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group's future plans with regard to the Proposed New Business may not be profitable, may not achieve profitability that justify the investments made and may take a long period of time before the Group can realise any return. Further, such future plans and new initiatives could result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group.

The Proposed New Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Proposed New Business effectively, the overall financial position and profitability of the Group may be adversely affected.

- (c) The Proposed Diversification is subject to risks associated with acquisitions, joint ventures, partnerships or strategic alliances

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the FinTech industry may involve acquisitions, joint ventures, partnerships and/or strategic alliances with third parties, in Singapore as well as overseas markets that the Group intends to focus on. Such third parties may be individuals or economic entities with their own assets and liabilities beyond the scope of the Group's knowledge. In the event any of the Group's partners is unable to fulfil their respective contractual obligations or commitments, there may be material adverse effect on the Group's business operations and this might adversely affect the Group's financial performance.

Additionally, in the Group's participation in joint ventures, the Group may make investments in entities that are not the Group's subsidiary and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the Proposed New Business that affect the Group as described herein. There is no assurance that the Group will be able to influence the management, operation and performance of these entities through its voting rights, in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

- (d) The Group may not have the ability or sufficient expertise to execute and grow the Proposed New Business according to its business plans

The Group's ability to successfully expand into the Proposed New Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Proposed New Business. There is no assurance that the Group will be able to retain its existing employees or hire new employees with the relevant experience and knowledge as the Group may have to depend on the expertise of certain individuals to provide guidance and/or its investment partners to undertake the projects coming within the Proposed New Business. The Group may also appoint third party professionals and/or foster partnerships with various third parties to assist in undertaking the Proposed New Business more

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effectively and efficiently. However, there is no assurance that these third parties will be able to deliver and/or that these partnerships will be successful. Accordingly, the Group may not be able to successfully implement the Proposed New Business and this may adversely affect the Group's financial performance and profitability.

- (e) The Group may be highly dependent on IT in the administration of the Proposed New Business

The digital nature of the Proposed New Business inherently requires a high dependency on technology in the administration of digital asset custodian services. Any damage, malfunction, breakdowns or interruption of the IT systems, software or networks either as a one-off event or repeatedly could result in delays in service delivery or project timelines and consequently may result in reputational damage to the Group or material breach of contracts with suppliers and clients. The Group may also have to incur additional costs and expend resources in repairing such damage, malfunction, breakdown or interruption which will directly impact the Group's profits.

- (f) The Proposed New Business may be adversely affected by various laws and government regulations and subsequent changes thereto

The Proposed New Business is exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group operates and the countries or industries its clients operate. Any changes in such applicable laws and regulations may have an adverse effect on the financial performance of the Group.

The Proposed New Business may require certain statutory and regulatory licences, permits, consents and approvals to operate. These licences, permits, consents and approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time. The Group may not be able to apply for and obtain the relevant licences, permits, consents and approvals required for its projects or otherwise within the statutory time limits, and there can be no assurance that the relevant authorities will issue any such licences, permits, consents or approvals in time or at all. Failure by the Group to renew, maintain or obtain the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the Proposed New Business and/or in the interruption of its operations and may have a material adverse effect on its business.

The Group must also comply with the applicable laws and regulations in the Proposed New Business, failing which the Group may be subject to penalties, have its licences or approvals revoked, lose its right to own or manage its projects under the Proposed New Business or lose its right to carry on any aspect of the Proposed New Business in any country or jurisdiction in which the Group operates, which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group and the financial performance of the Group.

- (g) The Proposed New Business is exposed to risks associated with the Company's counterparties

The Company faces the risk that its counterparties, such as customers, suppliers and service providers, may fail to honour their contractual obligations to the Company. This may result in the Group facing stress on its cash flow and a material increase in bad debts. The non-execution of contracts by counterparties may also lead to the Company in turn not being able to honour its contractual obligations to third parties. This may subject the Group to, among others, legal claims and penalties. As a result, the Group's business, results of operations and financial position may be adversely affected.

- (h) The Group may not be able to provide the capital investments needed to undertake the Proposed New Business

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The Proposed New Business may require substantial capital investments or cash outlay. There is no assurance that financing, either on a short term or a long term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects will be adversely affected.

Additional debt funding is subject to interest payments and interest rate fluctuations and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising, requirements on the maintenance of certain financial ratios. These conditions may reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse economic and industry conditions.

Additional equity financing may result in a dilution to Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

- (i) The Proposed New Business is subject to general risks associated with operating businesses outside Singapore

Notwithstanding that the Singapore market is the current focus for the Proposed New Business, the Company does not plan to restrict the Proposed New Business to any specific geographical market. There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow.

In addition, if the governments of countries in which the Group operates tightens or otherwise adversely changes their laws and regulations relating to the repatriation of their local currencies, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group will be adversely affected.

- (j) Improper use or disclosure of data and breach of security could harm the Group's reputation

The Group's business may involve the processing of a large quantity of personal data, transaction, demographic and behavioural data via platforms or other services. The Group will face inherent risks and challenges in the handling of such quantity of data, including but not limited to (i) the use, privacy and sharing of data from customers, transactions or other platform activities, (ii) data security and protection of data against external attacks or fraudulent behaviour by employees, and (iii) compliance with the applicable laws, rules and regulations of the relevant jurisdictions relating to the collection, use, disclosure or security of data.

Any improper use or disclosure of data or security breaches may lead to penalties, criminal sanctions or damage to the Group's reputation. In addition, it may materially and adversely affect the Group's business should partners or customers cease to work with the Group, leading to a decrease in operations and consequently, the business, financial performance, financial condition and operating cash flow of the Group.

The automated nature of the online platforms for the Proposed New Business may also make it potentially vulnerable to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions. The online platforms store and process certain sensitive data from users. While measures will be taken to protect confidential information, there is no assurance that the security measures will not be breached.

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Any accidental or wilful security breach or other unauthorised access to the online platforms could cause confidential borrower, investor and customer information to be stolen and used for unlawful purposes. This in turn could result in liability related to the loss of information, time-consuming and expensive litigation and negative publicity, which may affect the Group's reputation, operations, financial performance and profitability.

- (k) The Proposed New Business may be subject to exposure to claims of infringement of intellectual property rights of third parties as well as litigation associated with such claims

The FinTech sector is subject to the inherent risk of exposure to claims and legal proceedings relating to the infringement of the intellectual property rights of others. Third parties may claim that the technology or content used in the operations and products of the Proposed New Business, or any future partners infringe upon their intellectual property rights. Such risk of intellectual property claims will increase as the Proposed New Business expands its products and offerings and to new geographies. While the Group will attempt to protect itself from such claims and exposures, the Group cannot assure that its efforts in this regard will ultimately protect it from any such claims.

Such disputes and claims, with or without merit, may result in legal proceedings which may result in substantial costs and the diversion of financial and management resources. Additionally, if these disputes or claims are not concluded in the Group's favour, the Group will be liable to pay for the claims and/or damages in addition to any legal or other professional fees incurred and its business reputation and results of operations will be adversely affected. Any such claim or litigation could also damage the Group's reputation or result in the termination of agreements by the Group's partners. Such events could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group.

- (l) The Group may not be able to adequately protect its intellectual property rights, or may face difficulty obtaining rights to intellectual property developed by employees or third party contractors engaged by the Group

The Group may rely on certain intellectual property rights such as patents, trademarks and copyright in the Proposed New Business. There is no assurance that the Group will be able to effectively enforce its intellectual property rights against third parties who violate such intellectual property rights. In the event that the Group undertakes legal proceedings to enforce its intellectual property rights, such legal proceedings may result in substantial costs and the diversion of financial and management resources. Additionally, any such claim or litigation could damage the Group's reputation or result in the termination of agreements by the Group's partners. Such events could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group.

- (m) The Group may not be able to adequately protect its know-how and confidential information from unauthorised copying, use or disclosure

The Proposed New Business may rely on the value and secrecy of its expertise, know-how, confidential information, as well as ownership of intellectual property. If any security breach, cyber-attack, malicious software or other reason results in the unauthorised disclosure of know-how or confidential information, external parties could gain knowledge of such know-how or confidential information. This could affect the competitiveness of the Proposed New Business and materially and adversely affect the business, financial condition and results of operations of the Group.

- (n) The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

While the Group will, where appropriate, obtain insurance policies to cover product liability claims and other losses with respect to the Proposed New Business and its existing businesses, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as

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natural disasters like earthquakes or floods and breach of security. Losses arising out of damage to the Group's assets, including materials required for the Proposed New Business, which are not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

(o) The Proposed New Business will be subject to exposure to macro-economic risks

The markets in which the Group will operate the Proposed New Business are affected by many factors which are beyond the Group's control. Any of the following factors may cause fluctuations and/or declines in the markets in which the Group operates:

- (i) legal and regulatory changes;
- (ii) economic and political conditions;
- (iii) the level and volatility of liquidity and risk aversion;
- (iv) concerns about natural disasters, terrorism and war;
- (v) the level and volatility of equity, debt, property, commodity and other financial markets;
- (vi) the level and volatility of interest rates and foreign currency exchange rates; and
- (vii) concerns over inflation.

(p) The Proposed New Business may face disruptions, including health epidemics and other outbreaks of contagious diseases

The Proposed New Business could be adversely affected by unforeseen external factors such as natural disasters, acts of God, fire, flooding, civil commotion, other calamities or events beyond the Group's control, and health epidemics or outbreaks of communicable diseases, such as COVID-19, avian flu, H1N1 influenza, SARS or other diseases. An outbreak of contagious diseases, and other adverse public health developments in the countries where the Group operates, could have a material adverse effect on its business operations. Any disruptions in the business operations in the respective countries, such as the temporary closure of workplaces or facilities, could disrupt the operations of the Proposed New Business. Notwithstanding any measures and steps taken by the Group, there is no assurance that emergency crises would not cause disruptions in our operations. As a result of such disruptions, failure to meet customers' expectations and make deliveries as required by the Group's agreements with customers could damage the Group's reputation and/or expose it to legal claims and may, as a result, lead to loss of business and affect its ability to attract new business. In such events, the Group's business and financial performance may be adversely affected.

(q) The Proposed New Business will depend on the continued service of its management team and other key employees

The Proposed New Business success is dependent to a large extent on the Company's ability to attract and retain its key management personnel who are responsible for formulating and implementing our growth, corporate development and overall business strategies as well as personnel with the relevant technology expertise or critical to the application and maintenance of licenses, approvals and permits required for the Proposed New Business. The demand for such experienced personnel is intense and the loss of key management personnel without suitable or comparable replacements in a timely manner may have a material and adverse effect on the Group's business, results of operations and financial condition. In addition, since the demand and competition for talent is intense in the industry, and the availability of suitable and qualified candidates is limited, the Company may

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need to offer higher compensation and other benefits in order to attract and retain key personnel in the future, which could increase our costs.

- (r) Products and/or services of the Proposed New Business may not be successfully commercialised

Commercialisation of the Proposed New Business's products and/or services is dependent on a confluence of factors such as timely completion of the development of the technology, market adoption and acceptable market pricing. In addition, the life cycles of the Proposed New Business' products and/or services are difficult to estimate. The introduction by other market participants of products and/or services harnessing new technologies and the emergence of new industry standards may render the Proposed New Business' products and/or services obsolete and unmarketable. The Company's failure to successfully commercialise its products and/or services that keep pace with technological advancements, respond to evolving consumer requirements and achieve market acceptance could have a material adverse effect on its results of operations and financial condition.

- (s) The Proposed New Business is subject to risks inherent in investing in entities which it does not control

The Company may make investments in private unlisted entities. Such investments are illiquid investments and there may be limited avenues available to the Company to divest investments in unlisted companies resulting in greater investment realisation risks than investments in listed securities. In addition, these entities may not become a subsidiary of the Company and hence, the Company does not have absolute control. There is no assurance that the Group will be able to influence the management, operation, performance and/or financial returns of these entities through its voting rights, in a manner which would be favourable to the Group, or at all.

While the Company will carefully consider the merits of each investment (whether in a minority stake or otherwise) in accordance with its risk management procedures, any risk management and internal control system, investment by its nature may still contain inherent limitations and risks. Accordingly, there is no assurance that any such investment undertaken by the Group under its Proposed New Business, will be able to generate positive return on investment for the Company. If all or any of these investments were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

2.12. Application of Chapter 10 of the Catalist Rules

Upon Shareholders' approval of the Proposed Diversification having been obtained, any acquisition or disposal which is in, or in connection with, the Proposed Diversification, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules.

Rule 1002(1) of the Catalist Rules provides that "transaction" generally refers to the acquisition or disposal of assets by an issuer or its subsidiary, including an option to acquire or dispose of assets. It excludes a transaction which is in, or in connection with, the ordinary course of its business or of a revenue nature.

As such, the compliance requirements prescribed under Rules 1010 and 1014 of the Catalist Rules do not apply to transactions which are within the Company's existing core business for so long as it is in the ordinary course of its business or of a revenue nature. Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction defined under Rule 1014(1) of the Catalist Rules where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100% in respect of an acquisition or 50% in respect of a disposal or the provision of financial assistance (each a "**Major Transaction**"). A Major Transaction must be made conditional upon approval by shareholders in a general meeting. In the case where the transaction exceeds 5% but is less than 75% (for an acquisition) or 50% (for a disposal) of the relative figures,

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an announcement of the prescribed information pursuant to Rule 1010 of the Catalist Rules will also be required.

Pursuant to Practice Note 10A of the Catalist Rules, shareholders' approval is not required for an acquisition that is regarded to be in, or in connection with the ordinary course of an issuer's business, if (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. Further guidelines are provided under Practice Note 10A of the Catalist Rules on the assessment of what consists of "existing principal business" and "change of risk profile". Further, Practice Note 10A of the Catalist Rules also states that a disposal of an issuer's business (or a substantial part of its business) will usually not be considered to be in the ordinary course of business.

In accordance with the SGX-ST's recommended practice in relation to diversification of business, if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first major transaction involving the new business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval.

The Proposed Diversification will thus allow the Company, in its normal course of business, to enter into transactions in furtherance of the Proposed New Business in an efficient and timely manner without the need for Shareholders' approval, for so long as it is in the ordinary course of its business or of a revenue nature. As such, the Company will not need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions which are transactions within the ordinary course of the Proposed New Business or are of a revenue nature, even where such transactions cross the thresholds of a Major Transaction. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

For the avoidance of doubt, notwithstanding the Shareholders' approval for the Proposed Diversification, where:

- (a) in respect of an acquisition of assets or several acquisition of assets when aggregated under Rule 1005 of the Catalist Rules, any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules is 100% or more, or such acquisition will result in a change in control of the issuer, Chapter 10 of the Catalist Rules (including Rule 1015) will continue to apply to any such acquisition, which must be made conditional upon the approval of, inter alia, Shareholders;
- (b) a transaction constitutes an interested person transaction (as defined under the Catalist Rules), Chapter 9 of the Catalist Rules will continue to apply to any such transaction;
- (c) in light of Practice Note 10A of the Catalist Rules, if a transaction is not within the existing principal business or changes the risk profile of the Company, Shareholders' approval may be required for such transaction; and
- (d) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval, if applicable.

3. THE PROPOSED CHANGE OF NAME

3.1. Introduction

The Company wishes to effect a change of name to represent the beginning of a new phase of its corporate history and the Proposed Diversification to the Proposed New Business. The Company is

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proposing to change its name to "VCPlus Limited" as the Board is of the view that the Proposed Change of Name will be beneficial to the Company.

Accordingly, the Directors propose to change the name of the Company from "Anchor Resources Limited" to "VCPlus Limited".

Shareholders should note that the change of the Company's name does not affect the legal status of the Company or any of the rights of Shareholders, and the existing Shares will continue to be traded on the Catalist.

Under Section 28 of the Companies Act, a change of name requires the approval of shareholders by way of a special resolution. Accordingly, the Board intends to seek the approval of the Shareholders for the Proposed Change of Name by way of special resolution at the EGM.

3.2. Approvals

An application was made to the Accounting and Corporate Regulatory Authority ("**ACRA**") to reserve the name "VCPlus Limited" on 21 December 2020. ACRA has given approval for the use of the name "VCPlus Limited" until 30 July 2021.

The Proposed Change of Name will be proposed as a special resolution and will be subject to Shareholders' approval at the EGM. Subject to the passing of the special resolution at the EGM, the Company will, as soon as reasonably practicable after the EGM, lodge the requisite notifications with ACRA. The Company will adopt "VCPlus Limited" as its new name with effect from the issue of the Certificate of Incorporation on Change of Name of Company by ACRA. The name "VCPlus Limited" shall replace all references to "Anchor Resources Limited" in the Constitution of the Company ("**Constitution**") thereafter.

The Company will release an announcement to notify the Shareholders when the Proposed Change of Name takes effect. Shareholders should note that the change of the Company's name, if effected, will not affect (i) the identity or legal status of the Company, (ii) any of the rights or obligations of the Company, (iii) any of the rights of Shareholders, or (iv) the Group's day-to-day business operations and financial position.

3.3. No Impact on Existing Share Certificates

Shareholders should note that notwithstanding the Proposed Change of Name, the Company will not recall existing share certificates in respect of the Shares.

Existing share certificates bearing the name "Anchor Resources Limited" issued prior to the date on which the Proposed Change of Name takes effect, will continue to be *prima facie* evidence of legal title. **No further action is required to be taken on the part of the Shareholders in respect of existing share certificates.**

4. 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 (%) ⁽¹⁾
	Direct	Deemed	Total	
Directors				
Mr. Chua Ser Miang	-	-	-	-
Mr. Lim Chiau Woei	272,263,319	115,415,862 ⁽²⁾	387,679,181	9.08

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Mr. Lim Beng Chew	1,234,452,015	-	1,234,452,015	28.93
Mr. Gavin Mark McIntyre	-	-	-	-
Ms. Lee Kim Lian, Juliana	-	-	-	-

Substantial shareholders (other than Directors)

Luminor Pacific Fund 1 Ltd	217,651,724	-	217,651,724	5.10
Tang Yao Zhi	617,226,008	-	617,226,008	14.46
Tan Soo Kia	426,510,106	-	426,510,106	9.99

Notes:-

- (1) The percentage of shareholdings is computed based on the issued and paid up share capital of the Company comprising 4,267,460,901 Shares.
- (2) Mr. Lim Chiau Woei is the sole director and shareholder of WA Consolidated Private Limited, a private investment holding company incorporated in Singapore which holds 115,415,862 Shares in the Company. As such, Mr. Lim Chiau Woei is deemed interested in all the shares held by WA Consolidated Private Limited.

Save as disclosed herein, none of the Directors or Substantial Shareholders of the Company or their respective associates have any interest, direct or indirect in the Proposed Transactions, other than in their capacity as Director or Shareholder of the Company.

5. DIRECTORS' RECOMMENDATION

5.1. Proposed Diversification

Having fully considered, *inter alia*, the terms, the rationale and the benefits of the Proposed Diversification, the Directors are of the opinion it is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Resolution 1, being the ordinary resolution relating to the Proposed Diversification to be proposed at the EGM.

5.2. Proposed Change of Name

Having fully considered, *inter alia*, the terms, the rationale and the benefits of the Proposed Change of Name as set out in section 3.1 of this Circular, the Directors are of the opinion that the Proposed Change of Name is in the best interests of the Company and accordingly the Directors recommend that the Shareholders vote in favour of the Special Resolution 1 as set out in the Notice of EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held on 29 April 2021 at 11:00 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 10:30 a.m.) by way of electronic means, for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary and special resolutions in relation to the Proposed Transactions set out in the aforementioned notice.

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

7.1. 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.

7.2. Alternative Arrangements

Instead, alternative arrangements have been put in place to allow Shareholders who pre-register to participate at the EGM by (a) observing and/or listening to the EGM proceedings via "live" audio-

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visual webcast or "live" audio-only stream; (b) submitting questions related to the resolutions tabled for approval, in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Shareholders are to pre-register at <https://www.bigmarker.com/AAP/ARL-AGM-EGM-2021-Shareholder-Registration> for the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings by 11:00 a.m. on 26 April 2021. Shareholders who do not pre-register to observe and/or listen to the EGM proceedings by the deadline stated above will not be able to participate at the EGM.

Shareholders may also submit any questions that are related to the resolutions tabled for approval via (i) the pre-registration website at <https://www.bigmarker.com/AAP/ARL-AGM-EGM-2021-Shareholder-Registration>; (ii) in hard copy by sending by post and lodging the same at the registered office of the Company at 80 Robinson Road #17-02, Singapore 068898 or (iii) by email to info@anchorresources.com.sg by 11:00 a.m. on 26 April 2021. Shareholders will not be able to ask any questions during the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings. The Company will endeavour to answer all of the questions which have been submitted by the Shareholders either before or during EGM and will make further announcements detailing the Company's responses to the questions submitted by the Shareholders.

Please refer to the Company's announcement entitled "Important Notice to Shareholders Regarding the Company's Extraordinary General Meeting on 29 April 2021" which has been uploaded together with this Circular and the Notice of EGM on SGXNET on the same day for further details on the alternative arrangements for the EGM as set out above.

8. 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 Transactions, 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.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, a copy of the Constitution will be made available for inspection by Shareholders during normal business hours from 9:00 a.m. to 5:00 p.m. at the Company's registered office at 80 Robinson Road, #17-02, Singapore 068898, for a period of three (3) months from the date of this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
ANCHOR RESOURCES LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

ANCHOR RESOURCES LIMITED

(Company Registration Number: 201531549N)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Anchor Resources Limited (the "**Company**") will be held by way of electronic means on 29 April 2021 at 11:00 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 10:30 a.m.) for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions, as set out below.

This Notice has been made available on SGXNET. A printed copy of this Notice will NOT be despatched to Shareholders.

*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 7 April 2021 (the "**Circular**").*

ORDINARY RESOLUTION 1 – APPROVAL OF THE PROPOSED DIVERSIFICATION INTO THE PROPOSED NEW BUSINESS

RESOLVED THAT:-

- (1) approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business to include the Proposed New Business;
- (2) the Company be authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the Proposed New Business on such terms and conditions as the Directors deem fit, and such Directors be authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and
- (3) the Directors (or any one of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to this resolution as they or each of them may deem fit, with such modifications thereto (if any) as they or each of them may consider necessary, desirable or expedient, in order to give full effect to this resolution.

SPECIAL RESOLUTION 1 – APPROVAL OF THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM "ANCHOR RESOURCES LIMITED" TO "VCPLUS LIMITED"

RESOLVED THAT:-

- (1) pursuant to Section 28 of the Companies Act (Cap. 50) of Singapore, approval be and is hereby given for the Company to undertake the Proposed Change of Name; and
- (2) the Directors (or any one of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to this resolution as they or each of them may deem fit, with such modifications thereto (if any) as they or each of them may consider necessary, desirable or expedient, in order to give full effect to this resolution.

BY ORDER OF THE BOARD
ANCHOR RESOURCES LIMITED

Mr. Chua Ser Miang
Non-Executive Chairman and Lead Independent Director
7 April 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Company's announcement dated 7 April 2021 entitled "Important Notice to Shareholders Regarding the Company's Extraordinary General meeting on 29 April 2021" which has been uploaded together with this Notice of EGM on SGXNet on the same day.

In particular, the EGM will be held by way of electronic means and a member will be able to watch the proceedings of the EGM through a "live" webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, a member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register by 11:00 a.m. on 26 April 2021, at the URL <https://www.bigmarker.com/AAP/ARL-AGM-EGM-2021-Shareholder-Registration>. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the EGM by 28 April 2021. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the EGM. This is to avoid any technical disruption or overload to the "live" webcast or "live" audio feed.

Members may also submit questions related to the resolutions to be tabled for approval at the EGM. To do so, all questions must be submitted by 11:00 a.m. on 26 April 2021:

- (a) via the pre-registration website at the URL <https://www.bigmarker.com/AAP/ARL-AGM-EGM-2021-Shareholder-Registration>;
- (b) in hard copy by sending by post and lodging the same at the Registered Office of the Company at 80 Robinson Road #17-02, Singapore 068898; or
- (c) by email to info@anchorresources.com.sg.

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

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

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM as received from members either before or during the EGM.

Please note that members will not be able to ask questions at the EGM "live" during the webcast and the audio feed, and therefore it is important for members to submit their questions in advance of the EGM.

2. A member will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member (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. The accompanying proxy form for the EGM has been made available on SGXNet
3. The Chairman of the EGM, as proxy, need not be a member of the Company. The instrument appointing the Chairman of the EGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:
 - (a) if sent by post, be deposited at the Share Registrar's Office, B.A.C.S Private Limited, 8 Robinson Road #03-00, ASO Building, Singapore 048544; or
 - (b) if submitted by email, be received by the Share Registrar's Office at main@zicoholdings.com,

in either case, not less than 48 hours before the time for holding the EGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

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

4. The instrument appointing the Chairman of the EGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a Company, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. In the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
6. Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including CPF and SRS investors, and who wish to participate in the EGM ("**Relevant Intermediary Participants**") by (a) observing and/or listening to the EGM proceedings via the "live" webcast or the "live" audio feed in the manner provided in Note 1 above; (b) submitting questions in advance of the EGM in the manner provided in Note 1 above; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the EGM. CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 11:00 a.m. on 19 April 2021.

* A Relevant Intermediary is:

- (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

7. The Circular has been made available on SGXNet.

Personal Data Protection:

By attending the EGM and/or any adjournment thereof or submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof or submitting any details of Relevant Intermediary Participants in connection with the EGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the EGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof) and the publication of the names and the comments of the members of the EGM, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the Relevant Intermediary Participants to the Company (or its agents or service providers), the member has obtained the prior consent of such Relevant Intermediary Participants for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of the Relevant Intermediary Participants for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

ANCHOR RESOURCES LIMITED

(Company Registration Number: 201531549N)
(Incorporated in the Republic of 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 will NOT be despatched to members.

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Extraordinary General Meeting are set out in the Company's announcement dated 7 April 2021 entitled "Important Notice to Shareholders Regarding the Company's Extraordinary General Meeting on 29 April 2021" which has been uploaded together with the Notice of Extraordinary General Meeting dated 7 April 2021 on SGXNet on the same day.
2. A member will not be able to attend the Extraordinary General Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the Extraordinary General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting. In appointing the Chairman as proxy, a member (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. 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 11:00 a.m. on 19 April 2021.

*I/We, _____ (Name), *NRIC/Passport/Company Number
_____ of _____ (Address)

being a member/members of **ANCHOR RESOURCES LIMITED** (the "**Company**"), hereby appoint the Chairman of the Extraordinary General Meeting ("**EGM**") as my/our proxy to attend, speak and to vote for me/us on my/our behalf at the EGM of the Company to be held by way of electronic means on 29 April 2021 at 11:00 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 10:30 a.m.) and at any adjournment thereof.

I/We direct the Chairman of the EGM as my/our proxy to vote for or against the Proposed Resolutions, or to abstain from voting on the Proposed Resolutions, to be proposed at the EGM as indicated hereunder.

No.	Proposed Resolutions	For	Against	No. of votes abstaining
1.	To approve the proposed diversification to include the Proposed New Business (Ordinary Resolution 1)			
2.	To approve the proposed name change of the Company from "Anchor Resources Limited" to "VCPlus Limited" (Special Resolution 1)			

* *If you wish to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the resolution in respect of all your votes, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise some and not all of your votes "For" and/or "Against" the relevant resolution and/or to abstain from voting in respect of the resolution, please indicate the number of shares in the boxes provided.*

Dated this _____ day of _____ 2021

Total Number of Shares held	
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Signature(s) of Member(s)
or Common Seal of Corporate Shareholder

o/o

PROXY FORM

IMPORTANT (PLEASE READ THE NOTES)

Notes:

1. A member will not be able to attend the EGM in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman as proxy, a member (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.
2. The Chairman of the EGM, as proxy, need not be a member of the Company.
3. Please insert the total number of 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, Chapter 289 of Singapore), 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
4. The instrument appointing a proxy, must:
 - (a) if sent by post, be deposited at the Share Registrar's Office, B.A.C.S. Private Limited, 8 Robinson Road #03-00, ASO Building, Singapore 048544; or
 - (b) if submitted by email, be received by the Share Registrar's Office at main@zicoholdings.com,

in either case, not less than 48 hours before the time for holding the EGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

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

5. If sent by post, the instrument appointing the Chairman of the EGM as proxy of an individual must be under the hand of the appointor or of his/her attorney duly authorised in writing and the instrument appointing the Chairman of the EGM as proxy of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

Where an instrument appointing the Chairman of the EGM as proxy is submitted by email, it must be authorised in the following manner:

 - (a) by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
 - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
6. Where an instrument appointing the Chairman of the EGM as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the EGM as proxy, failing which the instrument may be treated as invalid.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or 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. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 7 April 2021.