



**ANCHOR RESOURCES LIMITED**  
(Company Registration Number 201531549N)  
(Incorporated in the Republic of Singapore)

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## PROPOSED ISSUE OF SHARES BY ANCHOR RESOURCES LIMITED TO VARIOUS PARTIES

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### 1. INTRODUCTION

The Board of Directors ("**Board**") of Anchor Resources Limited ("**Company**", and together with its subsidiaries, "**Group**") refers to the following:

- (a) the offer document ("**Offer Document**") dated 9 March 2016 issued by the Company in connection with placement of 28,800,000 ordinary shares ("**IPO**") in the capital of the Company ("**Shares**") and the listing of the Company on Catalist, the sponsor-supervised listing platform of the Singapore Exchange Securities Trading Limited ("**SGX-ST**");
- (b) the announcement dated 18 May 2017 in relation to the entry into a termination agreement ("**Sinomine Termination Agreement**") between the Company's wholly-owned subsidiary, Angka Alamjaya Sdn. Bhd. ("**AASB**"), and Sinomine Resource Exploration Co., Ltd ("**Sinomine**");
- (c) the announcement dated 28 August 2017 in relation to the entry into a settlement agreement ("**CY Settlement Agreement**") between AASB and Chong Yong Rock Blasting Sdn Bhd ("**Chong Yong**"); and
- (d) the announcement dated 17 October 2017 in relation to the entry into a settlement agreement ("**Pertama Settlement Agreement**") between AASB and Pertama Construction ("**Pertama**").

### 2. ISSUE OF CKM COMPENSATION SHARES TO A DIRECTOR OF THE COMPANY

#### 2.1 Issue of CKM Compensation Shares

As stated in the section entitled "Directors, Executives Officers and Employees – Service Agreements" on pages 167 to 169 of the Offer Document, prior to the IPO, the Company had entered into a service agreement dated 26 October 2015 ("**Service Agreement**") with Mr Chan Koon Mong, its Executive Director, for a period of three (3) years with effect from the listing of the Company on Catalist, and renewable for a further three (3)-year period.

Pursuant to the terms of the Service Agreement and in consideration of his efforts in connection with the IPO as well as his employment with the Company as an Executive Director, Mr Chan Koon Mong is entitled to receive new Shares amounting to 1.25% of the enlarged share capital of the Company upon completion of the IPO ("**CKM Compensation Shares**"), of which 50% of the CKM Compensation Shares will be issued 12 months after the date of IPO and the remaining 50% of the CKM Compensation Shares will be issued 18 months after the date of IPO. As at the date of IPO, the total number of issued Shares was 279,730,000. Accordingly,

the Company proposes to allot and issue 3,496,625 CKM Compensation Shares to Mr Chan Koon Mong at the issue price of S\$0.06 per CKM Compensation Share ("**CKM Compensation Share Issuance**").

The CKM Compensation Shares represent approximately 0.34% of the total number of issued Shares as at the date of this Announcement and approximately 0.34% of the enlarged total number of issued Shares (taking into account the Share Issuances as defined in Section 6 of this Announcement).<sup>(1)(2)</sup>

The CKM Compensation Shares shall not be subject to any moratorium requirements.

## **2.2 Information on Mr Chan Koon Mong**

Mr Chan Koon Mong is an Executive Director of the Company and is deemed to have an interest in 1,597,222 Shares in the Company, representing approximately 0.16% of the total number of issued Shares as at the date of this Announcement, held by his spouse, Ms Wong Lee Chin.

## **2.3 Issue Price and Proceeds**

The issue price of S\$0.06 per CKM Compensation Share represents a premium of approximately 3.45% to the volume weighted average price of S\$0.058 for the trades done on the SGX-ST for 10 November 2017, being the immediately preceding full market day preceding the date of this Announcement up to the time the Company proposed to undertake the CKM Compensation Share Issuance.

The CKM Share Issuance will not result in any new cash proceeds for the Company as it is made in lieu of past performance of services, in order to reward Mr Chan Koon Mong for his efforts in connection with the IPO as well as his employment with the Company as an Executive Director.

## **2.4 Financial Effects**

Please refer to Section 6 of this Announcement for the financial effects of the CKM Compensation Share Issuance.

## **2.5 Interested Person Transaction**

For the purpose of Chapter 9 of the Listing Manual of the SGX-ST: Section B: Rules of Catalist ("**Catalist Rules**"), as Mr Chan Koon Mong is a director of the Company, he is considered an "interested person", and the CKM Compensation Share Issuance constitutes an "interested person transaction".

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(1) References in this Announcement to the total number of issued Shares and the enlarged total number of issued Shares are to a total of 1,023,436,614 Shares in issue (as at the date of this Announcement) and 1,035,360,332 Shares in issue (taking into account the Share Issuances), respectively, unless the context otherwise requires.

(2) Any discrepancy in the figures included in this Announcement between the amounts listed and the total thereof is due to rounding. Accordingly, the figures shown as totals in this Announcement may not be an arithmetic aggregation of the figures that precede them.

Based on the latest audited financial statements of the Group for the financial year ended 31 December 2016 ("**FY2016**"), the net tangible assets ("**NTA**") of the Group was approximately RM28,494,000 (equivalent to approximately S\$8,778,147.00)<sup>(3)</sup>. The aggregate issue price of the CKM Compensation Shares to Mr Chan Koon Mong amount to approximately S\$209,797.50, representing approximately 2.39% of the latest audited NTA of the Group. As the aggregate value of the CKM Compensation Shares to be issued to Mr Chan Koon Mong does not exceed 5% of the NTA of the Group, the Company is not required to seek shareholders' approval in respect of the above.

The Audit Committee of the Company, having reviewed the terms of the CKM Compensation Share Issuance, is of the view that the CKM Compensation Share Issuance is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

There were no other "interested person transactions" entered into with Mr Chan Koon Mong or his respective associates for the financial year ended 31 December 2016. As at the date of this announcement, there are no other "interested person transactions" entered into with Mr. Chan Koon Mong or their respective associates for the financial year ending 31 December 2017.

### **3. ISSUE OF SINOMINE TERMINATION SHARES TO SINOMINE**

#### **3.1 Issue of Sinomine Termination Shares**

As stated in the Company's announcement dated 18 May 2017, pursuant to the Sinomine Termination Agreement, AASB and Sinomine had agreed that AASB shall pay to Sinomine an amount of US\$306,487.53 (equivalent to approximately S\$416,991.61) and a penalty amount of US\$30,648.75 (equivalent to approximately S\$41,699.16) (collectively, "**Sinomine Outstanding Amounts**") for drilling work undertaken by Sinomine at Lubuk Mandi Mine, such payment of the Sinomine Outstanding Amounts to be satisfied by way of an allotment and issue of new Shares by 31 October 2017, the number of new Shares to be allotted and issued to be determined based on an agreed calculation to be decided by AASB and Sinomine at a later date.

Further to the abovementioned announcement, on 13 November 2017, the Company and AASB have agreed with Sinomine in writing that the Sinomine Outstanding Amounts shall be paid to Sinomine by way of allotment and issue of 7,644,846 new Shares ("**Sinomine Termination Shares**") at the issue price of S\$0.06 per Sinomine Termination Share ("**Sinomine Termination Share Issuance**"). The parties have further agreed to extend the deadline for the Sinomine Termination Share Issuance and it will take place on or before 31 December 2017, or such other date as the parties may agree in writing.

The Sinomine Termination Shares represent approximately 0.75% of the total number of issued Shares as at the date of this Announcement and approximately 0.75% of the enlarged total number of issued Shares (taking into account the Share Issuances).

#### **3.2 Information on Sinomine**

Sinomine is incorporated in the People's Republic of China and listed on Shenzhen Stock Exchange. Sinomine is a contractor previously engaged by the Group on a non-exclusive basis to carry out, amongst others, hard rock gold mining, processing and smelting works at the Group's Lubuk Mandi Mine and is not related to any director and/or substantial shareholder of

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(3) For the purpose of this Announcement, the currency exchange rates throughout this Announcement are RM1: S\$0.308 and US\$1: S\$1.361. Such exchange rate has been presented solely for information only and should not be construed as representations that the relevant amounts have been or could be converted at the rates indicated or at any other rate.

the Company. In addition, Sinomine does not fall within the categories set out in Rule 812(1) of the Catalist Rules.

No placement agent has been appointed in respect of the Sinomine Termination Share Issuance. No introduction or referral fees have been or will be paid by the Company for any introduction.

### **3.3 Issue Price and Proceeds**

The issue price of S\$0.06 per Sinomine Termination Share represents a premium of 3.45% to the volume weighted average price of S\$0.058 for the trades done on the SGX-ST for 10 November 2017, being the immediately preceding full market day preceding the date of this Announcement, up to the time the aforementioned parties agreed upon the terms of the Sinomine Termination Share Issuance.

The Sinomine Termination Share Issuance will not result in any new cash proceeds for the Company as it is undertaken to capitalise the Sinomine Outstanding Amounts pursuant to the Sinomine Termination Agreement while conserving cash reserves of the Group.

### **3.4 Financial Effects**

Please refer to Section 6 of this Announcement for the financial effects of the Sinomine Termination Share Issuance.

## **4. ISSUE OF CY SETTLEMENT SHARES TO CHONG YONG**

### **4.1 Issue of CY Settlement Shares**

As stated in the Company's announcement dated 28 August 2017, pursuant to the CY Settlement Agreement, AASB and Chong Yong had agreed that AASB shall pay to Chong Yong an amount of RM540,766.21 (equivalent to approximately S\$166,593.85) owing from AASB to Chong Yong ("**CY Outstanding Amount**") for work done by Chong Yong at the Group's Lubuk Mandi Mine, such payment of the CY Outstanding Amount to be satisfied by way of an allotment and issue of new Shares by 31 October 2017, the number of new Shares to be allotted and issued to be determined based on an agreed calculation to be decided by AASB and Chong Yong at a later date.

Further to the abovementioned announcement, on 13 November 2017, AASB has agreed with Chong Yong in writing that the CY Outstanding Amount shall be paid to Chong Yong by way of allotment and issue of 2,776,564 new Shares ("**CY Settlement Shares**") at the issue price of S\$0.06 per CY Settlement Share ("**CY Settlement Share Issuance**"). The parties have further agreed to extend the deadline for the CY Settlement Share Issuance and it will take place on or before 31 December 2017, or such other date as the parties may agree in writing.

The CY Settlement Shares represent approximately 0.27% of the total number of issued Shares as at the date of this Announcement and approximately 0.27% of the enlarged total number of issued Shares (taking into account the Share Issuances).

### **4.2 Information on Chong Yong**

Chong Yong is incorporated in Malaysia and is a contractor previously engaged by the Group to provide rock blasting services at the Group's Lubuk Mandi Mine and is not related to any director and/or substantial shareholder of the Company. In addition, Chong Yong does not fall within the categories set out in Rule 812(1) of the Catalist Rules.

No placement agent has been appointed in respect of the CY Settlement Share Issuance. No introduction or referral fees have been or will be paid by the Company for any introduction.

#### **4.3 Issue Price and Proceeds**

The issue price of S\$0.06 per CY Settlement Share represents a premium of 3.45% to the volume weighted average price of S\$0.058 for the trades done on the SGX-ST for 10 November 2017, being the immediately preceding full market day preceding the date of this Announcement, up to the time the aforementioned parties agreed upon the terms of the CY Settlement Share Issuance.

The CY Settlement Share Issuance will not result in any new cash proceeds for the Company as it is undertaken to capitalise the CY Outstanding Amount pursuant to the CY Settlement Agreement while conserving cash reserves of the Group.

#### **4.4 Financial Effects**

Please refer to Section 6 of this Announcement for the financial effects of the CY Settlement Share Issuance.

### **5. ISSUE OF PERTAMA SETTLEMENT SHARES TO PERTAMA**

#### **5.1 Issue of Pertama Settlement Shares**

As stated in the Company's announcement dated 17 October 2017, pursuant to the Pertama Settlement Agreement, AASB and Pertama had agreed that AASB shall pay to Pertama an amount of RM213,011.12 (equivalent to approximately S\$65,622.34) owing from AASB to Pertama ("**Pertama Outstanding Amount**") for work done by Pertama at the Group's Lubuk Mandi Mine, such payment of the Pertama Outstanding Amount to be satisfied by way of an allotment and issue of new Shares by 31 December 2017, the number of new Shares to be allotted and issued to be determined based on an agreed calculation to be decided by AASB and Pertama at a later date.

Further to the abovementioned announcement, on 13 November 2017, AASB has agreed with Pertama in writing that the Pertama Outstanding Amount shall be paid to Pertama by way of allotment and issue of 1,093,706 new Shares ("**Pertama Settlement Shares**") at the issue price of S\$0.06 per Pertama Settlement Share ("**Pertama Settlement Share Issuance**").

The Pertama Settlement Shares represent approximately 0.11% of the total number of issued Shares as at the date of this Announcement and approximately 0.11% of the enlarged total number of issued Shares (taking into account the Share Issuances).

#### **5.2 Information on Pertama**

Pertama is incorporated in Malaysia and is a contractor previously engaged by the Group to provide dewatering services at the Group's Lubuk Mandi Mine and is not related to any director and/or substantial shareholder of the Company. In addition, Pertama does not fall within the categories set out in Rule 812(1) of the Catalist Rules.

No placement agent has been appointed in respect of the Pertama Settlement Share Issuance. No introduction or referral fees have been or will be paid by the Company for any introduction.

### 5.3 Issue Price and Proceeds

The issue price of S\$0.06 per Pertama Settlement Share represents a premium of 3.45% to the volume weighted average price of S\$0.058 for the trades done on the SGX-ST for 10 November 2017, being the immediately preceding full market day preceding the date of this Announcement, up to the time the aforementioned parties agreed upon the terms of the Pertama Settlement Share Issuance.

The Pertama Settlement Share Issuance will not result in any new cash proceeds for the Company as it is undertaken to capitalise the Pertama Outstanding Amount pursuant to the Pertama Settlement Agreement while conserving cash reserves of the Group.

### 5.4 Financial Effects

Please refer to Section 6 of this Announcement for the financial effects of the Pertama Settlement Share Issuance.

## 6. FINANCIAL EFFECTS OF THE SHARE ISSUANCES

For illustrative purposes only, the financial effects of the CKM Compensation Share Issuance, the Sinomine Termination Share Issuance, the CY Settlement Share Issuance and the Pertama Settlement Share Issuance (collectively, "**Share Issuances**") set out below were prepared based on the audited consolidated accounts of the Group for FY2016 and subject to the following assumptions:

- (a) the computations are purely for illustrative purposes only and do not reflect the actual financial result and financial position of the Group after the Share Issuances;
- (b) for purposes of computing the effect of the Share Issuances on the NTA per Share and net gearing of the Group, it is assumed the Share Issuances had been completed on 31 December 2016;
- (c) for purposes of computing the effect of the Share Issuances on the earnings per Share, it is assumed that the Share Issuances had been completed on 1 January 2016;
- (d) for purposes of computing the effect of the Share Issuances on the net gearing ratio, it is assumed that the following had been completed on 1 January 2016:
  - (i) the Share Issuances;
  - (ii) the issue by the Company of the guaranteed non-convertible bonds due 2018 of an aggregate principal amount of S\$2,875,000 to Mr Tan Ong Huat which took place on 3 April 2017; and
  - (iii) the issue by Angka Marketing Pte. Ltd., a wholly-owned subsidiary of the Company, of the exchangeable bonds due 2019 in an aggregate principal amount of S\$2,000,000 to Luminor Pacific Fund 2 Ltd. which took place on 25 August 2017; and
- (e) there were no significant expenses incurred and fair value changes in relation to the Share Issuances.

## 6.1 Issued Share Capital

|   | As at the date of this Announcement                          | After the Share Issuances                                     |
|---|--|---|
| Number of issued Shares in the capital of the Company | 1,023,436,614  | 1,038,448,355   |
| Issued and paid up share capital                      | S\$78,949,550<br>(equivalent to approximately RM245,060,842) | S\$ 79,784,632<br>(equivalent to approximately RM247,771,531) |

## 6.2 NTA

|  | Before the Share Issuances                           | After the Share Issuances                            |
|--|--|--|
| NTA as at 31 December 2016 ('000)                    | RM28,494<br>(equivalent to approximately S\$8,778)   | RM30,524<br>(equivalent to approximately S\$9,403)   |
| Number of Shares as of the date of this Announcement | 1,023,436,614  | 1,038,448,355  |
| NTA per Share  | 2.78 sen<br>(equivalent to approximately 0.86 cents) | 2.94 sen<br>(equivalent to approximately 0.91 cents) |

## 6.3 Loss per Share

|  | Before the Share Issuances                           | After the Share Issuances                            |
|--|--|--|
| Loss attributable to Shareholders for FY2016 ('000)  | RM28,512<br>(equivalent to approximately S\$8,784)   | RM28,512<br>(equivalent to approximately S\$8,784)   |
| Number of Shares as of the date of this announcement | 1,023,436,614  | 1,038,448,355  |
| Basic Loss per Share                                 | 2.79 sen<br>(equivalent to approximately 0.86 cents) | 2.75 sen<br>(equivalent to approximately 0.85 cents) |

## 6.4 Net Gearing<sup>(1)</sup>

|  | Before the Share Issuances                         | After the Share Issuances                          |
|--|--|--|
| Net debt as at 31 December 2016 ('000)                           | RM9,710<br>(equivalent to approximately S\$2,991)  | RM9,029<br>(equivalent to approximately S\$2,782)  |
| Shareholders' funds as at 31 December 2016 ('000) <sup>(2)</sup> | RM28,494<br>(equivalent to approximately S\$8,778) | RM31,205<br>(equivalent to approximately S\$9,613) |
| Net gearing ratio (times)  | 0.25   | 0.22   |

**Notes:**

- (1) Net gearing ratio is defined as net debt divided by total capital. The Group includes within net debt, bank overdraft, trade and other payables, advances from customers, interest bearing bank loans, redeemable preference shares less cash and bank balances.
- (2) Shareholders' funds refer to the aggregate amount of the Group's share capital and reserves.

## **7. FURTHER INFORMATION ON THE SHARE ISSUANCES**

### **7.1 Working Capital of the Group**

The Board is of the opinion that after taking into consideration (i) the present banking facilities and operating cash flows of the Group, and (ii) that there will not be any new cash proceeds generated from the Share Issuances, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the aforementioned, the Company considers the settlement of the Sinomine Outstanding Amounts, CY Outstanding Amount and the Pertama Outstanding Amount in the form of equity to be advantageous to the Group as it will conserve the Group's cash reserves and is in the long term interest of the Group.

### **7.2 General Mandate**

The Share Issuances will be made pursuant to the authority under the general share issue mandate granted by the Shareholders at the annual general meeting of the Company held on 28 April 2017 ("**AGM**") pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Catalist Rules ("**General Mandate**").

The General Mandate authorises the Directors to allot and issue not more than 310,500,000 Shares, being 100% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM, of which the aggregate number of Shares that may be issued other than on a pro-rata basis to existing Shareholders must not be more than 155,250,000 Shares, being 50% of the total number of issued Shares (excluding treasury shares) as at the date of AGM.

No Shares were previously issued under the General Mandate prior to the date of this Announcement. Accordingly, the allotment and issue of 15,011,741 new Shares pursuant to the Share Issuances falls within the limits of the General Mandate.

Following the Share Issuances, the Company's issued and paid-up share capital will increase from 1,023,436,614 Shares to 1,038,448,355 Shares. The new Shares represent 1.47% of the total number of issued Shares as at the date of this Announcement and approximately 1.45% of the enlarged total number of issued Shares.

### **7.3 Status of the new Shares**

The new Shares to be allotted and issued pursuant to the Share Issuances are to be issued by the Company free from all charges, liens and other encumbrances and shall, upon allotment and issue, rank *pari passu* with, and carry all rights similar to, the existing issued Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the issue of such new Shares, as the case may be.



#### 7.4 Listing and Quotation Notice

An application will be made to the SGX-ST, through the Sponsor, for the listing and quotation of the new Shares pursuant to the Share Issuances on Catalist. The Company will make the necessary announcement upon the receipt of the listing and quotation notice from the SGX-ST.

#### 8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above and save for their interests arising by way of their shareholdings in the Company and/or directorships in the Group, as the case may be, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Share Issuances.

#### By Order of the Board

Lim Chiau Woei  
Managing Director  
13 November 2017

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*This announcement has been prepared by Anchor Resources Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

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

*The contact persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Josh Tan, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*