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

---

(1) PROPOSED ISSUE OF GUARANTEED NON-CONVERTIBLE BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT OF S$1,500,000 DUE 2019 WITH 47,000,000 FREE WARRANTS BY THE COMPANY TO MR TAN BENG KIAT AND MR KOH KAI JOK; AND

(2) PROPOSED ISSUE OF GUARANTEED NON-CONVERTIBLE BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT OF S$3,310,000 DUE 2019 WITH 90,000,000 FREE WARRANTS BY THE COMPANY TO MR TAN ONG HUAT

---

1. INTRODUCTION

The Board wishes to announce that the Company has on 29 March 2018 entered into the following agreements:

(a) a guaranteed subscription agreement (the "**First Guaranteed Subscription Agreement**") between (i) the Company, (ii) Mr Lim Chiau Woei (the "**Guarantor**") and (iii) Mr Tan Beng Kiat and Mr Koh Kai Jok (collectively, the "**First Tranche Subscribers**"), details of which are set out in paragraph 2 below; and

(b) a guaranteed subscription agreement (the "**Second Guaranteed Subscription Agreement**", and together with the First Guaranteed Subscription Agreement, the "**Guaranteed Subscription Agreements**") between (i) the Company, (ii) the Guarantor and (iii) Mr Tan Ong Huat (the "**Second Tranche Subscriber**"), details of which are set out in paragraph 3 below.

2. PROPOSED S$1,500,000 GUARANTEED BONDS ISSUE WITH 47,000,000 FREE WARRANTS

Pursuant to the First Guaranteed Subscription Agreement, the Company has agreed to issue and the First Tranche Subscribers have agreed to subscribe for guaranteed non-convertible bonds due 2019 of an aggregate principal amount of S$1,500,000 ("**First Tranche Bonds**") on the terms and subject to the conditions of the First Guaranteed Subscription Agreement ("**Proposed First Tranche Bonds Issue**")

In connection with the subscription of the First Tranche Bonds by the First Tranche Subscribers, the Company has also agreed to issue 47,000,000 free warrants (the "**First Tranche Warrants**") to the First Tranche Subscribers in their pro-rata proportion to their respective subscription of the First Tranche Bonds, with each First Tranche Warrant carrying the right to subscribe for one new ordinary share in the capital of the Company (each, a "**First Tranche Warrant Share**", collectively, the "**First Tranche Warrant Shares**") at an exercise price of S$0.032 for each First Tranche Warrant Share, subject to the terms and conditions of the First Tranche Warrants as set

out in the Warrant Instrument (as defined in the First Guaranteed Subscription Agreement) (the "**Proposed First Tranche Warrants Issue**").

2.1 Salient Terms of the Proposed First Tranche Bonds Issue

The salient terms of the Proposed First Tranche Bonds Issue are summarised below:

Principal Amount	:	S$1,500,000.
Subscription Price	:	100% of the principal amount of the First Tranche Bonds, i.e. S$1,500,000.
Maturity Date	:	On the first anniversary from the date the First Tranche Bonds are issued ("**First Tranche Bonds Maturity Date**"). The First Tranche Bonds may not be redeemed, in whole or in part, prior to the First Tranche Bonds Maturity Date, unless pursuant to the exercise of Bondholders' rights of redemption as a result of an occurrence of an event of default.
Interest	:	**20.0%** per annum of the principal amount outstanding of the First Tranche Bonds commencing from the date of issue of the First Tranche Bonds (the "**First Tranche Bonds Issue Date**"), payable semi-annually in advance on each date ("**First Tranche Interest Payment Date**") which falls (i) six months after the preceding First Tranche Interest Payment Date or, (ii) in the case of the first First Tranche Interest Payment Date, on the First Tranche Bonds Issue Date.
Form and Denomination	:	The First Tranche Bonds will be issued in registered form in the denomination of S$250,000 or integral multiples thereof.
Status of the Bonds	:	The First Tranche Bonds will constitute direct, unsubordinated and unconditional obligations of the Company. The First Tranche Bonds shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the First Tranche Bonds shall, save for such exceptions as may be provided by applicable laws, at all times rank (i) in priority to loans to the Company by its directors and/or shareholders, if any; and (ii) at least equally with all of the Company's present and future direct, unsubordinated and unconditional obligations, other than subordinated obligations and priorities created by law.
Guarantee	:	The Guarantor will irrevocably and unconditionally guarantee the proper and punctual payment by the Company of all amounts which are to be paid by the Company to the bondholders under the First Guaranteed Subscription Agreement and/or the First Tranche Bonds ("**First Tranche Guarantee**").
Redemption on Maturity	:	Unless previously redeemed, purchased and cancelled or extended, the Company will redeem all outstanding First Tranche Bonds on the First Tranche Bonds Maturity Date at 100.0% of its

principal amount, together with all accrued but unpaid interest thereon.

Transfer	:	The First Tranche Bonds are non-transferable, save in the event of succession arising from the death of a natural person.
Events of Default	:	Upon the occurrence of any event of default specified in the terms and conditions of the First Tranche Bonds, the bondholders will be entitled to redemption save that the Company may challenge the validity and/or reasonableness of the event of default.

2.2 Salient Terms of the Proposed First Tranche Warrants Issue

The salient terms of the Proposed First Tranche Warrants Issue are summarised below:

Number of First Tranche Warrants	:	47,000,000 free unlisted warrants.
Form and Title	:	(a) The First Tranche Warrants are issued in registered form. Title to the First Tranche Warrants will be transferable in accordance with the terms and conditions of the First Tranche Warrants. The Company will maintain the register of warrantholders (the "**Register of Warrantholders**") and except as may be ordered by a court of competent jurisdiction or as required by law, the registered holder of First Tranche Warrants will be deemed to be and be treated as the absolute owner thereof for the purpose of giving effect to the exercise of the rights constituted by the First Tranche Warrants and for all other purposes. (b) All First Tranche Warrants which are exercised, and the certificates (in registered form) in the First Guaranteed Subscription Agreement (the "**First Tranche Warrant Certificates**") in respect of First Tranche Warrants which are the subject of a transfer, shall be cancelled by the Company.
Issue Price	:	The First Tranche Warrants shall be issued free to the First Tranche Subscribers.
Exercise Price	:	In respect of each First Tranche Warrant, the initial price at which each First Tranche Warrant Share shall be issued upon exercise of the First Tranche Warrant shall be S$0.032 per First Tranche Warrant Share, which represents a premium of approximately 14.29% on the weighted average price for trades of the Company's ordinary shares ("**Shares**") done on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on which the First Guaranteed Subscription Agreement is signed (being S$0.028), subject to adjustment in accordance with the terms and conditions of the First Tranche Warrants (the "**First Tranche Exercise Price**").

Exercise Period : The period during which the First Tranche Warrants may be exercised commences on and includes the date of issue of the First Tranche Warrants and expires at 5.00 p.m. on the First Tranche Expiration Date, unless such date is a date on which the Register of Warrantholders is closed or is not a day on which the SGX-ST is open for trading ("**Market Day**"), in which event the period shall end on the Market Day prior to the closure of the Register of Warrantholders or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Register of Warrantholders may be closed pursuant to the terms and conditions of the First Tranche Warrants (the "**First Tranche Exercise Period**").

"**First Tranche Expiration Date**" means the date falling 24 months from the date of issue of the First Tranche Warrants.

Exercise Rights : (a) Each registered holder of the First Tranche Warrants (the "**First Tranche Warrantholder**") shall have the right, by way of exercise of a First Tranche Warrant, at any time during normal business hours on any Market Day (before 3.00 p.m. on any Market Day prior to the First Tranche Expiration Date and before 5.00 p.m. on the First Tranche Expiration Date) during the First Tranche Exercise Period, in the manner set out in the terms and conditions of the First Tranche Warrants and otherwise on the terms, to subscribe for one Share at the First Tranche Exercise Price (subject to adjustments in accordance with the terms and conditions of the First Tranche Warrants. The First Tranche Exercise Price shall be applied towards payment of each First Tranche Warrant Share to be issued on the exercise of a First Tranche Warrant.

(b) An exercise of First Tranche Warrants pursuant to paragraph (a) above, is subject to a minimum of 1,000,000 First Tranche Warrants.

(c) Each First Tranche Warrant shall entitle the First Tranche Warrantholder to subscribe for one First Tranche Warrant Share upon the exercise thereof. No fraction of a First Tranche Warrant Share shall be allotted or issued.

(d) At the expiry of the First Tranche Exercise Period, any First Tranche Warrants which have not been exercised will lapse and cease to be valid for any purpose.

(e) Any First Tranche Warrant in respect of which a notice (for the time being current) for the exercise of the First Tranche Warrants, copies of which may be obtained from the Company (the "**First Tranche Exercise Notice**") shall not have been duly completed and delivered in the manner set out in the terms and

conditions of the First Tranche Warrants to the Company on or before 5.00 p.m. on the First Tranche Expiration Date shall become void.

Status of First Tranche Warrant Shares	:	The First Tranche Warrant Shares will, upon allotment and issue, rank *pari passu* in all respects with the then issued shares, except that they will not be entitled to participate in any dividends, rights, allotments or other distributions where the record date is before the date the First Tranche Warrant Shares are credited to the securities account of such First Tranche Warrantholder or entered into the Company's register of members, as the case may be.
Transfer	:	In order to transfer the First Tranche Warrants, the First Tranche Warrantholder and/or the transferee must fulfill the following conditions: (a) lodgement during normal business hours of the relevant First Tranche Warrant Certificate(s) in the name of the First Tranche Warrantholder at the registered office of the Company together with an instrument of transfer in respect thereof, duly completed and signed by or on behalf of the First Tranche Warrantholder (together with a copy of the list of authorised signatories of the transferring First Tranche Warrantholder) and the transferee and, if required, duly stamped in accordance with any law for the time being in force relating to stamp duty; and (b) the payment of the registration fee of S$2.00 (or such other amount as may be determined by the Directors) by the transferee for each First Tranche Warrant Certificate to be issued in the name of the transferee in respect of the First Tranche Warrants so transferred. The First Tranche Warrantholder specified in the Register of Warrantholders shall remain the registered holder of the First Tranche Warrants until the name of the transferee is entered in the Register of Warrantholders.
Adjustments	:	The First Tranche Exercise Price and the number of First Tranche Warrants held by each Warrantholder are subject to adjustments under certain circumstances provided for in the terms and conditions of the First Tranche Warrant. Such circumstances include consolidation, subdivision, capitalisation issues, rights issues, bonus issues and certain capital distributions.
Notice of Expiration	:	The Company shall, not later than one month before the First Tranche Expiration Date, announce on SGXNET and notify the First Tranche Warrantholders in writing of the First Tranche Expiration Date and such notice shall be delivered by post to

the registered addresses of the First Tranche Warrantholders as recorded in the Register of Warrantholders.

Alteration to terms — No material alteration to the terms of the First Tranche Warrants after the issue thereof to the advantage of the First Tranche Warrantholders shall be made unless first approved by the Shareholders in general meeting, and, if necessary, SGX-ST, except where the alterations are made pursuant to the terms and conditions of the First Tranche Warrants.

Winding-up : In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company then:

(a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the First Tranche Warrantholders, or some person designated by them for such purpose by Special Resolution (as defined in the Instrument), shall be a party and shall have approved or assented by way of a Special Resolution, the terms of such scheme of arrangement shall be binding on all the First Tranche Warrantholders; and

(b) in any other case, the Company shall, on the same date it despatches such notice to each member of the Company, give notice thereof to all First Tranche Warrantholders in accordance with the terms and conditions of the First Tranche Warrants and thereupon every First Tranche Warrantholder shall be entitled, upon and subject to the terms and conditions of the First Tranche Warrant Shares, at any time within the notice period of the general meeting of members to consider a winding up of the Company but in any event not later than two Market Days prior to the proposed general meeting, by irrevocable surrender of his First Tranche Warrant Certificate(s) to the Company with the First Tranche Exercise Notice(s) duly completed, together with payment of the relevant First Tranche Exercise Price, elect to exercise the First Tranche Warrants to the extent specified in the First Tranche Exercise Notice(s) whereupon the Company shall as soon as possible and, in any event, no later than the Market Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Warrant Shares to the First Tranche Warrantholder credited as fully paid.

Subject to the foregoing, if the Company is wound-up for any other reason, all First Tranche Warrants which have not been exercised at the date of the passing of such resolution shall

lapse and the First Tranche Warrants shall cease to be valid for any purpose.

All capitalised terms in this section shall bear the same meaning as those in the terms and conditions of the First Tranche Warrants, unless otherwise defined.

2.3 Conditions Precedent for the Issue of the First Tranche Bonds

The Proposed First Tranche Bonds Issue is conditional upon, *inter alia*:

(a) the allotment, issue and subscription of the First Tranche Bonds not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the First Guaranteed Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or any of the First Tranche Subscribers;

(b) the Company having obtained all consents and approvals in respect of the issue of the First Tranche Bonds;

(c) the execution of a guarantee by the Guarantor, substantially in the form set out in the First Guaranteed Subscription Agreement; and

(d) on the Completion Date (as defined in the First Guaranteed Subscription Agreement), the representations and warranties of the Company therein being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations hereunder to be performed on or before the Completion Date.

The First Tranche Subscribers may, upon such terms as it thinks fit, waive compliance with the condition contained in paragraph (d) above and any condition so waived shall be deemed to have been satisfied.

If any of the conditions above is not satisfied on or before 4 April 2018 or such other date as the Company and the First Tranche Subscribers may agree, the Proposed First Tranche Bonds Issue will not proceed.

2.4 Conditions Subsequent for the Issue of the First Tranche Bonds

It shall be a condition subsequent for the issue of First Tranche Bonds that the First Tranche Warrants are issued to the First Tranche Subscribers in their pro rata entitlements within three months from the date of issue of the First Tranche Bonds. In the event the SGX Approval in respect of the First Tranche Warrants is not obtained within three months from the date of issue of the First Tranche Bonds, the Company shall proceed to issue the First Tranche Warrants without the SGX Approval, save that the First Tranche Warrantholders shall only be entitled to exercise the warrants subsequent to the Company obtaining the requisite SGX Approval.

The Company undertakes to (i) use its best endeavours to obtain the SGX Approval in respect of the First Tranche Warrants within three months from the date of issue of the First Tranche Bonds; and (ii) issue the First Tranche Warrants within three months from the date of issue of the First Tranche Bonds.

For the purpose of this Announcement, "**SGX Approval**" means the approval from the SGX-ST in respect of the listing and quotation of the new shares to be issued upon exercise of the First Tranche Warrants and Second Tranche Warrants (as defined herein).

2.5 Conditions Precedent for the Issue of the First Tranche Warrants

The Proposed First Tranche Warrants Issue is conditional upon, *inter alia*:

(a) the completion of the issue of the First Tranche Bonds; and

(b) subject to paragraph 2.4 above, the Company having obtained all consents and approvals in respect of the issue of the First Tranche Warrants (including the SGX Approval).

2.6 Information on the First Tranche Subscribers

Mr Tan Beng Kiat

Mr Tan Beng Kiat is a private investor and was introduced to the Company by Ms Chen Kaig Nie, Connie ("**Ms Chen**"). Mr Tan Beng Kiat is subscribing for the First Tranche Bonds purely as a financial investor.

Ms Chen is an acquaintance of the Company's executive director, Mr Chan Koon Mong.

As an existing shareholder of the Company, Mr Tan Beng Kiat holds 6,705,195 Shares, representing 0.65% interest in the issued and paid-up share capital of the Company, of which 200,000 Shares are held on his behalf by his nominee Nomura Singapore Limited.

Mr Tan Beng Kiat has subscribed for an aggregate value of S$750,000 First Tranche Bonds and will be issued 23,500,000 First Tranche Warrants.

Mr Tan Beng Kiat has confirmed to the Company that:

(a) he has no connections (including business relationships) with the Company, its Directors and substantial shareholders (save in respect of his existing shareholding interest in the Company), and is not a person to whom the Company is prohibited from issuing shares to, as provided by Rule 812 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"); and

(b) he is not acting in concert with any Director or substantial shareholder of the Company, in collaboration with or co-operating, pursuant to an agreement or undertaking, with each other or any existing director or shareholder of the Company, to obtain or consolidate effective control of the Company through the issue of the First Tranche Bonds and/or the First Tranche Warrant Shares (including as contemplated in the Singapore Code of Take-overs and Mergers).

Mr Koh Kai Jok

Mr Koh Kai Jok is a private investor and was introduced to the Company by Ms Chen. Mr Koh Kai Jok is subscribing for the First Tranche Bonds purely as a financial investor.

Mr Koh Kai Jok has subscribed for an aggregate value of S$750,000 First Tranche Bonds and will be issued 23,500,000 First Tranche Warrants.

Mr Koh Kai Jok does not currently hold shares in the Company.

Mr Koh Kai Jok has confirmed to the Company that:

(a) he has no connections (including business relationships) with the Company, its Directors and substantial shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided by Rule 812 of the Catalist Rules; and

(b) he is not acting in concert with any Director or substantial shareholder of the Company, in collaboration with or co-operating, pursuant to an agreement or undertaking, with each other or any existing director or shareholder of the Company, to obtain or consolidate effective control of the Company through the issue of the First Tranche Bonds and/or the First Tranche Warrant Shares (including as contemplated in the Singapore Code of Take-overs and Mergers).

The Proposed First Tranche Bonds Issue and the Proposed First Tranche Warrants Issue are made pursuant to the exemption under Section 275 of the Securities and Futures Act (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed First Tranche Bonds Issue and the Proposed First Tranche Warrants Issue.

Assuming that the maximum amount of 47,000,000 First Tranche Warrant Shares is issued and allotted pursuant to the full exercise of the First Tranche Warrants, the issuance and allotment of 47,000,000 First Tranche Warrant Shares will represent approximately 4.53% of the Company's existing share capital of 1,038,448,355 Shares and 4.00% of the Company's enlarged share capital of 1,175,448,355 Shares, which is computed based on the assumption of full issuance and allotment of 137,000,000 First Tranche Warrant Shares and Second Tranche Warrant Shares (collectively, the "**Warrant Shares**"). Taking into account of the Warrant Shares and full conversion of all existing outstanding convertibles (exchangeable bonds in an aggregate principal amount of S$2.0 million convertible up to 20,725,389 new fully paid shares of the Company), the First Tranche Warrant Shares will represent approximately 3.93% of the Company's enlarged share capital of 1,196,173,744 Shares.

The allotment and issuance of the First Tranche Warrant Shares to each of Mr Tan Beng Kiat and Mr Koh Kai Jok will not result in a transfer of a controlling interest in the Company.

2.7 Introducer

The First Tranche Subscribers was introduced to the Company by Ms Chen ("**Introducer**"), for which the Company will pay the Introducer a fee of S$75,000 in cash.

2.8 Rationale and Use of Proceeds

The Proposed First Tranche Bonds Issue and the Proposed First Tranche Warrants issue is intended to raise additional funding to strengthen the financial position of the Group and to advance the Group's strategic plans.

The estimated net proceeds from the First Tranche Bonds, after deducting estimated professional and related expenses (including the Introducer fees) of approximately S$100,000 incurred in connection with the Proposed First Tranche Bonds Issue and Proposed First

Tranche Warrant Issue, will be approximately S$1.40 million. In addition, assuming full exercise of the First Tranche Warrants, the estimated net proceeds from the exercise of the First Tranche Warrants will be approximately S$1.50 million (collectively, the "**First Tranche Net Proceeds**").

The net proceeds from the First Tranche Bonds will be fully utilised for the general working capital of the Group as part of the Group's cashflow management strategy. Any proceeds received from the exercise of the First Tranche Warrants will be fully utilised for repayment of then outstanding liabilities (including, but not limited to, borrowings). In the event, there are no outstanding borrowings to be paid, the proceeds from the exercise of the First Tranche Warrants will be fully utilised for the working capital of the Group as part of the Group's cashflow management strategy.

Pending the deployment of the First Tranche Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the utilisation of the First Tranche Net Proceeds as and when such proceeds are materially disbursed and provide a status report on the use of the proceeds raised in the its interim and full-year financial statements issued under Rule 705 of the Catalist Rules and its annual report. The Company will also provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports.

2.9 Proposed First Tranche Bonds Issue and Proposed First Tranche Warrants Issue as an Interested Person Transaction

The Proposed First Tranche Bonds Issue and the Proposed First Tranche Warrants Issue (together with the First Tranche Guarantee, which forms part of the Proposed First Tranche Bonds Issue and First Tranche Warrants Issue) constitutes an interested person transaction under Chapter 9 of the Catalist Rules, as follows:

(a) An "interested person transaction" is a transaction between an entity at risk and an interested person pursuant to Rule 904(5) of the Catalist Rules.

(b) As the Company is an "issuer" on the Catalist, the Company is an "entity at risk" pursuant to Rule 904(2) of the Catalist Rules.

(c) As the Guarantor, Mr Lim Chiau Woei, is the Managing Director of the Group and a controlling Shareholder, he is an "interested person" under Rule 904(4)(a) of the Catalist Rules.

(d) As the Proposed First Tranche Bonds Issue and the Proposed First Tranche Warrants Issue involves the issuance of securities, it is a "transaction" under Rule 904(6)(b) of the Catalist Rules.

As no interest is payable by the Company to the Guarantor in connection with the First Tranche Guarantee, for the purposes of Chapter 9 of the Catalist Rules, the value of the First Tranche Guarantee is nil and the Company is not required to obtain the approval of the Shareholders for the entry into the Proposed First Tranche Bonds Issue and the Proposed First Tranche Warrants Issue and/or the First Tranche Guarantee.

Mr Lim Chiau Woei has abstained and will abstain from voting on all board resolutions relating to the Proposed First Tranche Bonds Issue and the Proposed First Tranche Warrants Issue.

2.10 Audit Committee's Statement

The Audit Committee of the Company has reviewed the terms of the First Tranche Guarantee and is of the view that the provision of the guarantee, while not on normal commercial terms, is not prejudicial to the interests of the Company and its minority shareholders.

3. PROPOSED S$3,310,000 GUARANTEED BONDS ISSUE WITH 90,000,000 FREE WARRANTS

The Second Tranche Subscriber holds guaranteed non-convertible bonds in the aggregate principal amount of S$2.875 million issued by the Company pursuant to a subscription agreement between the Company, the Guarantor and the Second Tranche Subscriber dated 29 March 2017 (the "**2017 Bonds**"). The 2017 Bonds are due on 3 April 2018. Pursuant to the Second Guaranteed Subscription Agreement, the Company proposes to exchange the 2017 Bonds by an issue of S$3,310,000 in aggregate principal amount of 10.00 per cent. guaranteed non-convertible bonds due 2019 ("**Second Tranche Bonds**") on the terms and subject to the conditions of the Second Guaranteed Subscription Agreement ("**Proposed Second Tranche Bonds issue**")

In connection with the subscription of the Second Tranche Bonds by the Second Tranche Subscriber, the Company has also agreed to issue 90,000,000 free warrants (the "**Second Tranche Warrants**") to the Second Tranche Subscriber, with each Second Tranche Warrant carrying the right to subscribe for one new ordinary share in the capital of the Company (each, a "**Second Tranche Warrant Share**", collectively, the "**Second Tranche Warrant Shares**") at an exercise price of S$0.032 for each Second Tranche Warrant Share, subject to the terms and conditions of the Second Tranche Warrants as set out in the Warrant Instrument (as defined in the Second Guaranteed Subscription Agreement) (the "**Proposed Second Tranche Warrants Issue**").

3.1 Salient Terms of the Proposed Second Tranche Bonds Issue

The salient terms of the Proposed Second Tranche Bonds Issue are summarised below:

Principal Amount	:	S$3,310,000.
Second Tranche Subscription Price	:	S$2,875,000, being approximately 86.86% of the principal amount.
Maturity Date	:	On the first anniversary from the date the Second Tranche Bonds are issued ("**Second Tranche Bonds Maturity Date**"). The Second Tranche Bonds may not be redeemed, in whole or in part, prior to the Second Tranche Bonds Maturity Date, unless pursuant to the exercise of Bondholders' rights of redemption as a result of an occurrence of an event of default.
Interest	:	**10.0%** per annum of the principal amount outstanding of the Second Tranche Bonds commencing from the date of issue of the Second Tranche Bonds (the "**Second Tranche Bonds Issue Date**"), payable semi-annually in advance on each date (the

"**Second Tranche Interest Payment Date**") which falls (i) six months after the preceding Second Tranche Interest Payment Date or, (ii) in the case of the first Second Tranche Interest Payment Date, on the Issue Date.

Form and Denomination	:	The Second Tranche Bonds will be issued in registered form in the denomination of S$10,000 or integral multiples thereof.
Status of the Second Tranche Bonds	:	The Second Tranche Bonds will constitute direct, unsubordinated and unconditional obligations of the Company. The Second Tranche Bonds shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Second Tranche Bonds shall, save for such exceptions as may be provided by applicable laws, at all times rank (i) in priority to loans to the Company by its directors and/or shareholders, if any; and (ii) at least equally with all of the Company's present and future direct, unsubordinated and unconditional obligations, other than subordinated obligations and priorities created by law.
Guarantee	:	The Guarantor will irrevocably and unconditionally guarantee the proper and punctual payment by the Company of all amounts which are to be paid by the Company to the bondholders under the Second Guaranteed Subscription Agreement and/or the Second Tranche Bonds ("**Second Tranche Guarantee**").
Redemption on Maturity	:	Unless previously redeemed, purchased and cancelled or extended, the Company will to redeem all outstanding Second Tranche Bonds on the Second Tranche Bonds Maturity Date at 100.0% of its principal amount, together with all accrued but unpaid interest thereon.
Transfer	:	The Second Tranche Bonds are non-transferable, save in the event of succession arising from the death of a natural person.
Events of Default	:	Upon the occurrence of any event of default specified in the terms and conditions of the Second Tranche Bonds, the bondholders will be entitled to redemption save that the Company may challenge the validity and/or reasonableness of the event of default.

3.2 Salient Terms of the Proposed Second Tranche Warrants Issue

The salient terms of the Proposed Second Tranche Warrants Issue are summarised below:

Number of Second Tranche Warrants	:	90,000,000 free unlisted warrants.
Form and Title	:	(a) The Second Tranche Warrants are issued in registered form. Title to the Second Tranche Warrants will be transferable in accordance with the terms and conditions of the Second Tranche Warrants. The Company will maintain the Register of Warrantholders and except as

may be ordered by a court of competent jurisdiction or as required by law, the registered holder of Second Tranche Warrants will be deemed to be and be treated as the absolute owner thereof for the purpose of giving effect to the exercise of the rights constituted by the Second Tranche Warrants and for all other purposes.

(b) All Second Tranche Warrants which are exercised, and the certificates (in registered form) in the Second Guaranteed Subscription Agreement (the "**Second Tranche Warrant Certificates**") in respect of Second Tranche Warrants which are the subject of a transfer, shall be cancelled by the Company.

Issue Price : The Second Tranche Warrants shall be issued free to the Second Tranche Subscriber.

Exercise Price : In respect of each Second Tranche Warrant, the initial price at which each Second Tranche Warrant Share shall be issued upon exercise of the Second Tranche Warrant shall be S$0.032 per Second Tranche Warrant Share, which represents a premium of approximately 14.29% on the weighted average price for trades of the Company's Shares done on the SGX-ST for the full market day on which the Second Guaranteed Subscription Agreement is signed (being S$0.028), subject to adjustment in accordance with the terms and conditions of the Second Tranche Warrants (the "**Second Tranche Exercise Price**").

Exercise Period : The period during which the Second Tranche Warrants may be exercised commences on and includes the date of issue of the Second Tranche Warrants and expires at 5.00 p.m. on the Second Tranche Expiration Date, unless such date is a date on which the Register of Warrantholders is closed or is not a Market Day, in which event the period shall end on the Market Day prior to the closure of the Register of Warrantholders or the immediately preceding Market Day, as the case may be, but excluding such period(s) during which the Register of Warrantholders may be closed pursuant to the terms and conditions of the Second Tranche Warrants (the "**Second Tranche Exercise Period**").

"**Second Tranche Expiration Date**" means the date falling 24 months from the date of issue of the Second Tranche Warrants.

Exercise Rights : (a) Each registered holder of the Second Tranche Warrants (the "**Second Tranche Warrantholder**") shall have the right, by way of exercise of a Second Tranche Warrant, at any time during normal business hours on any Market Day (before 3.00 p.m. on any Market Day prior to the Second Tranche Expiration Date and before 5.00 p.m. on the Second Tranche

Expiration Date) during the Second Tranche Exercise Period, in the manner set out in the terms and conditions of the Second Tranche Warrants and otherwise on the terms, to subscribe for one Share at the Second Tranche Exercise Price (subject to adjustments in accordance with the terms and conditions of the Second Tranche Warrants. The Second Tranche Exercise Price shall be applied towards payment of each Second Tranche Warrant Share to be issued on the exercise of a Second Tranche Warrant.

(b) An exercise of Second Tranche Warrants pursuant to paragraph (a) above, is subject to a minimum of 1,000,000 Second Tranche Warrants.

(c) Each Second Tranche Warrant shall entitle the Second Tranche Warrantholder to subscribe for one Second Tranche Warrant Share upon the exercise thereof. No fraction of a Second Tranche Warrant Share shall be allotted or issued.

(d) At the expiry of the Second Tranche Exercise Period, any Second Tranche Warrants which have not been exercised will lapse and cease to be valid for any purpose.

(e) Any Second Tranche Warrant in respect of which a notice (for the time being current) for the exercise of the Second Tranche Warrants, copies of which may be obtained from the Company (the "**Second Tranche Exercise Notice**") shall not have been duly completed and delivered in the manner set out in the terms and conditions of the Second Tranche Warrants to the Company on or before 5.00 p.m. on the Second Tranche Expiration Date shall become void.

Status of Second Tranche Warrant Shares : The Second Tranche Warrant Shares will, upon allotment and issue, rank pari passu in all respects with the then issued shares, except that they will not be entitled to participate in any dividends, rights, allotments or other distributions where the record date is before the date the Second Tranche Warrant Shares are credited to the securities account of such Second Tranche Warrantholder or entered into the Company's register of members, as the case may be.

Transfer	:	In order to transfer the Second Tranche Warrants, the Second Tranche Warrantholder and/or the transferee must fulfill the following conditions: (a) lodgement during normal business hours of the relevant Second Tranche Warrant Certificate(s) in the name of the Second Tranche Warrantholder at the registered office of the Company together with an instrument of transfer in respect thereof, duly completed and signed by or on behalf of the Second Tranche Warrantholder (together with a copy of the list of authorised signatories of the transferring Second Tranche Warrantholder) and the transferee and, if required, duly stamped in accordance with any law for the time being in force relating to stamp duty; and (b) the payment of the registration fee of S$2.00 (or such other amount as may be determined by the Directors) by the transferee for each Second Tranche Warrant Certificate to be issued in the name of the transferee in respect of the Second Tranche Warrants so transferred. The Second Tranche Warrantholder specified in the Register of Warrantholders shall remain the registered holder of the Second Tranche Warrants until the name of the transferee is entered in the Register of Warrantholders.
Adjustments	:	The Second Tranche Exercise Price and the number of Second Tranche Warrants held by each Second Tranche Warrantholder are subject to adjustments under certain circumstances provided for in the terms and conditions of the Second Tranche Warrant. Such circumstances include consolidation, subdivision, capitalisation issues, rights issues, bonus issues and certain capital distributions.
Notice of Expiration	:	The Company shall, not later than one month before the Second Tranche Expiration Date, announce on SGXNET and notify the Second Tranche Warrantholders in writing of the Second Tranche Expiration Date and such notice shall be delivered by post to the registered addresses of the Second Tranche Warrantholders as recorded in the Register of Warrantholders.
Alteration to terms		No material alteration to the terms of the Second Tranche Warrants after the issue thereof to the advantage of the Second Tranche Warrantholders shall be made unless first approved by the Shareholders in general meeting, and, if necessary, SGX-ST, except where the alterations are made pursuant to the terms and conditions of the Second Tranche Warrants.
Winding-up	:	In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering,

and if thought fit, approving a resolution to voluntarily wind-up the Company then:

(a) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Second Tranche Warrantholders, or some person designated by them for such purpose by Special Resolution (as defined in the Instrument), shall be a party and shall have approved or assented by way of a Special Resolution, the terms of such scheme of arrangement shall be binding on all the Second Tranche Warrantholders; and

(b) in any other case, the Company shall, on the same date it despatches such notice to each member of the Company, give notice thereof to all Second Tranche Warrantholders in accordance with the terms and conditions of the Second Tranche Warrants and thereupon every Second Tranche Warrantholder shall be entitled, upon and subject to the Second Tranche Warrant Terms and Conditions, at any time within the notice period of the general meeting of members to consider a winding up of the Company but in any event not later than two Market Days prior to the proposed general meeting, by irrevocable surrender of his Second Tranche Warrant Certificate(s) to the Company with the Second Tranche Exercise Notice(s) duly completed, together with payment of the relevant Second Tranche Exercise Price, elect to exercise the Second Tranche Warrants to the extent specified in the Second Tranche Exercise Notice(s) whereupon the Company shall as soon as possible and, in any event, no later than the Market Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Second Tranche Warrant Shares to the Second Tranche Warrantholder credited as fully paid.

Subject to the foregoing, if the Company is wound-up for any other reason, all Second Tranche Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Second Tranche Warrants shall cease to be valid for any purpose.

All capitalised terms in this section shall bear the same meaning as those in the terms and conditions of the Second Tranche Warrants, unless otherwise defined.

3.3 Conditions Precedent for the Issue of the Second Tranche Bonds

The Proposed Second Tranche Bonds Issue is conditional upon, *inter alia*:

(a) the allotment, issue and subscription of the Second Tranche Bonds not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Second Guaranteed Subscription Agreement by any legislative, executive or regulatory

body or authority of Singapore which is applicable to the Company or any of the Second Tranche Subscribers;

(b) the Company having obtained all consents and approvals in respect of the issue of the Second Tranche Bonds;

(c) the execution of a guarantee by the Guarantor, substantially in the form set out in the Second Guaranteed Subscription Agreement; and

(d) on the Completion Date (as defined in the Second Guaranteed Subscription Agreement), the representations and warranties of the Company therein being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations hereunder to be performed on or before the Completion Date (as defined in the Second Guaranteed Subscription Agreement).

The Second Tranche Subscriber may, upon such terms as it thinks fit, waive compliance with the condition contained in paragraph (d) above and any condition so waived shall be deemed to have been satisfied.

If any of the conditions above is not satisfied on or before 4 April 2018 or such other date as the Company and the Second Tranche Subscriber may agree, the Second Guaranteed Subscription Agreement shall *ipso facto* cease and determine thereafter.

3.4 Conditions Subsequent for the Issue of the Second Tranche Bonds

It shall be a condition subsequent for the issue of Second Tranche Bonds that the Second Tranche Warrants are issued to the Second Tranche Subscriber within three months from the date of issue of the Second Tranche Bonds. In the event the SGX Approval in respect of the Second Tranche Warrants is not obtained within three months from the date of issue of the Second Tranche Bonds, the Company shall proceed to issue the Second Tranche Warrants without the SGX Approval, save that the Second Tranche Warrantholders shall only be entitled to exercise the warrants subsequent to the Company obtaining the requisite SGX Approval.

The Company undertakes to (i) use its best endeavours to obtain the SGX Approval in respect of the Second Tranche Warrants within three months from the date of issue of the Second Tranche Bonds; and (ii) issue the Second Tranche Warrants within three months from the date of issue of the Second Tranche Bonds.

3.5 Conditions Precedent for the Issue of the Second Tranche Warrants

The Proposed Second Tranche Warrants Issue is conditional upon, *inter alia*:

(a) the completion of the issue of the Second Tranche Bonds; and

(b) subject to paragraph 3.4 above, the Company having obtained all consents and approvals in respect of the issue of the Second Tranche Warrants (including the SGX Approval).

3.6 Information on the Second Tranche Subscriber

Mr Tan Ong Huat is a private investor and the existing holder of the 2017 Bonds. The Second Tranche Bonds are issued to Tan Ong Huat in exchange for the 2017 Bonds.

Mr Tan Ong Huat does not currently hold shares in the Company.

Mr Tan Ong Huat has confirmed to the Company that:

(a) he has no connections (including business relationships) with the Company, its Directors and substantial shareholders (save in respect of his existing holdings of the 2017 Bonds), and is not a person to whom the Company is prohibited from issuing shares to, as provided by Rule 812 of the Catalist Rules; and

(b) he is not acting in concert with any Director or substantial shareholder of the Company, in collaboration with or co-operating, pursuant to an agreement or undertaking, with each other or any existing director or shareholder of the Company, to obtain or consolidate effective control of the Company through the issue of the Bonds and/or the Second Tranche Warrant Shares (including as contemplated in the Singapore Code of Take-overs and Mergers).

The Proposed Second Tranche Bonds Issue and Proposed Second Tranche Warrants Issue is made pursuant to the exemption under Section 275 of the SFA. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Second Tranche Bonds Issue and Warrants Issue.

Assuming that the maximum amount of 90,000,000 Second Tranche Warrant Shares are issued and allotted pursuant to the exercise of the Second Tranche Warrants, the issuance and allotment of 90,000,000 Second Tranche Warrant Shares will represent approximately 8.67% of the Company's existing share capital of 1,038,448,355 Shares and 7.66% of the Company's enlarged share capital of 1,175,448,355 Shares, which is computed based on the assumption of full issuance and allotment of 137,000,000 the Warrant Shares. Taking into account of the Warrant Shares and full conversion of all existing outstanding convertibles (exchangeable bonds in an aggregate principal amount of S$2.0 million convertible up to 20,725,389 new fully paid shares of the Company), the Second Tranche Warrant Shares will represent approximately 7.52% of the Company's enlarged share capital of 1,196,173,744 Shares.

The allotment and issuance of the Second Tranche Warrant Shares to Mr Tan Ong Huat will not result in a transfer of a controlling interest in the Company.

3.7 Rationale and Use of Proceeds

The Proposed Second Tranche Bonds Issue and the Proposed Second Tranche Warrants Issue is for the purpose of exchanging the 2017 Bonds.

The estimated net proceeds from the Second Tranche Bonds, after deducting estimated professional and related expenses of approximately S$25,000 incurred in connection with the Proposed Second Tranche Bonds Issue and Proposed Second Tranche Warrant Issue, will be approximately S$2.80 million. In addition, assuming full exercise of the Second Tranche Warrants, the estimated net proceeds from the exercise of the Second Tranche Warrants will be approximately S$2.88 million (collectively, the "**Second Tranche Net Proceeds**").

The net proceeds from the Second Tranche Bonds will be used to offset the amounts owed to Mr Tan Ong Huat under the 2017 Bonds. Following the offsetting, the Company will be deemed to have satisfied in full its payment obligations under the 2017 Bonds and (Mr Tan Ong Huat is deemed to have satisfied in full his payment obligations of the Proposed Second Tranche Bonds.

Any proceeds received from the exercise of the Second Tranche Warrants will be fully utilised for repayment of then outstanding liabilities (including, but not limited to, borrowings). In the event, there are no outstanding borrowings to be paid, the proceeds from the exercise of the Second Tranche Warrants will be fully utilised for the working capital of the Group as part of the Group's cashflow management strategy.

Pending the deployment of the Second Tranche Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Second Tranche Net Proceeds as and when such proceeds are materially disbursed and provide a status report on the use of the proceeds raised in the its interim and full-year financial statements issued under Rule 705 of the Catalist Rules and its annual report. The Company will also provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports.

3.8 Proposed Second Tranche Bonds Issue and Proposed Second Tranche Warrants Issue as an Interested Person Transaction

The Proposed Second Tranche Bonds Issue and Proposed Second Tranche Warrants Issue (together with the Second Tranche Guarantee, which forms part of the Proposed Second Tranche Bonds Issue and the Proposed Second Tranche Warrants Issue) constitutes an interested person transaction under Chapter 9 of the Catalist Rules, as follows:

(a) An "interested person transaction" is a transaction between an entity at risk and an interested person pursuant to Rule 904(5) of the Catalist Rules.

(b) As the Company is an "issuer" on the Catalist, the Company is an "entity at risk" pursuant to Rule 904(2) of the Catalist Rules.

(c) As the Guarantor, Mr Lim Chiau Woei, is the Managing Director of the Group and a controlling Shareholder, he is an "interested person" under Rule 904(4)(a) of the Catalist Rules.

(d) As the Proposed Second Tranche Bonds Issue and the Proposed Second Tranche Warrants Issue involves the issuance of securities, it is a "transaction" under Rule 904(6)(b) of the Catalist Rules.

As no interest is payable by the Company to the Guarantor in connection with the Second Tranche Guarantee, for the purposes of Chapter 9 of the Catalist Rules, the value of the Second Tranche Guarantee is nil and the Company is not required to obtain the approval of the Shareholders for the entry into the Proposed Second Tranche Bonds Issue and Proposed Second Tranche Warrants Issue and/or the Second Tranche Guarantee.

Mr Lim Chiau Woei has abstained and will abstain from voting on all board resolutions relating to the Proposed Second Tranche Bonds Issue and the Proposed Second Tranche Warrants Issue.

3.9 Audit Committee's Statement

The Audit Committee of the Company has reviewed the terms of the Second Tranche Guarantee and is of the view that the provision of the guarantee, while not on normal commercial terms, is not prejudicial to the interests of the Company and its minority shareholders.

4. DIRECTORS' OPINION

The Directors are of the opinion that, barring any unforeseen circumstances:

(a) after taking into account the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and

(b) after taking into account the present bank facilities and net proceeds of the securities issue stated herein, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the proposed securities issues stated herein will enable the Group to improve its financial position by increasing the cash available for general corporate requirements.

5. FINANCIAL EFFECTS

5.1 **Assumptions**

The financial effects of the issuance of the First Tranche Bonds and Second Tranche Bonds (collectively, the "**Bonds**") and the issuance and allotment of the Warrant Shares on the net tangible asset ("**NTA**") per share and the earnings per share ("**EPS**") of the Group are set out below. The financial effects which have been prepared based on the unaudited consolidated financial statements of the Group for its most recently completed financial year ended 31 December 2017 ("**FY2017**"), are purely for illustrative purposes only and do not reflect the actual financial position of the Group after the issuance of the First Tranche Bonds and Second Tranche Bonds and the allotment and issuance of the Warrant Shares.

An exchange rate of S$1:RM3 is used for the purpose of illustration in this Announcement. 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.

5.2 NTA

For illustrative purposes and assuming the Bonds and Warrant Shares had been allotted and issued at the end of FY2017, the Group's NTA as at 31 December 2017 is as follows:

	Before issuance of Bonds	**After issuance of Bonds and before issuance of Warrant Shares**	**After issuance of Warrant Shares**
NTA (S$'000)	8,758	8.633	13,017

Number of shares	1,038,448,355	1,038,448,355	1,175,448,355
NTA per share (cents)	0.84	0.83	1.11

5.3 Loss Per Share

For illustrative purposes and assuming the Bonds and Warrant Shares had been allotted and issued at the beginning of FY2017, the Group's loss per share for FY2017 is as follows:

	Before issuance of Bonds	**After issuance of Bonds and before issuance of Warrant Shares**	**After issuance of Warrant Shares**
Loss attributable to owners of the Company (S$'000)	6,512	6,387	6,387
Weighted average number of shares	1,023,884,861	1,023,884,861	1,160,884,861
Loss per share (cents)	0.64	0.62	0.55

6. LISTING AND QUOTATION OF WARRANT SHARES

The Company will, through its sponsor, apply to the SGX-ST for the admission to and listing and quotation of the Warrant Shares on the SGX-ST. The Company will make the necessary announcements upon receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Warrant Shares.

7. AUTHORITY TO ISSUE THE WARRANT SHARES

The Warrant Shares will be issued pursuant to the general mandate (the "**Share Issue Mandate**") approved by the shareholders of the Company (the "**Shareholders**") at the annual general meeting held on 28 April 2017 (the "**2017 AGM**").

The Share Issue Mandate authorises the Directors to issue new Shares and/or convertible securities of not more than 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2017 AGM, of which the aggregate number of Shares to be issued other than on a pro rata basis to existing Shareholders shall not be more than 50% of the total number of Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2017 AGM. As at the date of the 2017 AGM, the number of issued Shares was 310,500,000 Shares. Accordingly, the total number of shares that may be issued pursuant to the Share Issue Mandate is 310,500,000 Shares of which the maximum number of Shares to be issued other than on a pro-rata basis is 155,250,000 Shares. 15,011,741 Shares were previously issued under the Share Issue Mandate prior to the Guaranteed Subscription Agreements and as such, the balance number

of Shares that may be issued pursuant to the Share Issue Mandate other than on a pro-rata basis is 140,238,259 Shares.

Accordingly the proposed issuance and allotment of the maximum number of 137,000,000 Warrant Shares is within the limits of the Share Issue Mandate.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors or substantial Shareholders has any interest, direct or indirect, in the Proposed First Tranche Bonds Issue and the Proposed First Tranche Warrants Issue and the Proposed Second Tranche Bonds Issue and the Proposed Second Tranche Warrants Issue (other than their direct or indirect shareholdings in the Company).

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed First Tranche Bonds Issue and the Proposed First Tranche Warrants Issue and the Proposed Second Tranche Bonds Issue and Proposed Second Tranche Warrants Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Guaranteed Subscription Agreements, First Tranche Guarantee and Second Tranche Guarantee will be made available during normal business hours at the registered office of the Company for a period of three months commencing from the date of this announcement.

11. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to update Shareholders as and when appropriate.

In the meantime, Shareholders should exercise caution when trading in the Shares as the Proposed First Tranche Bonds Issue, the Proposed First Tranche Warrants Issue, the Proposed Second Tranche Bonds Issue and the Proposed Second Tranche Warrants Issue are subject to certain conditions and there is no certainty or assurance as at the date of this announcement that they will complete. Where in doubt as to the action they should take, Shareholders should consult their financial, tax, legal or other professional advisers.

By Order of the Board

Dr Wilson Tay Chuan Hui
Lead Independent Director and Non-Executive Chairman
29 March 2018

*Anchor Resources Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 18 March 2016. The initial public offering of the Company was sponsored by UOB Kay Hian Private Limited (the "**Sponsor**").*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently 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 person for the Sponsor is Mr Alvin Soh, Head of Catalist Operations, Senior Vice President and Mr Josh Tan, Vice President, who can be contacted at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.