



ANCHOR RESOURCES LIMITED

(Company Registration No.: 201531549N)

PRESS RELEASE

Anchor Resources proposes issuance of up to S\$10 million unsecured redeemable equity-linked notes

- **1% interest per annum and due in 2022; notes can be converted at 10% discount to the VWAP per ordinary shares in the Company**
- **Proceeds will be used to repay existing bonds when due and to fund working capital**
- **Remain focused on expanding the gold mining, granite stone mining and aggregates quarrying to drive growth**

Singapore, 12 March 2019 – Anchor Resources Limited (“**Anchor Resources**” or the “**Company**” and, together with its subsidiaries, the “**Group**”), a Malaysian operator of gold mine and dimension stone granite quarry and architectural stone and interior fit-out service provider, is pleased to announce that the Group has entered into a subscription agreement with Advance Opportunities Fund (“**AOF**”) and Advance Opportunities Fund I (“**AOF I**”) (AOF and AOF I collectively, the “**Subscribers**” and each a “**Subscriber**”) in connection with the proposed issue of 1% unsecured redeemable equity-linked notes (“**RELN**” or **Notes**”) due 2022 to the Subscribers.

The Notes have an aggregate principal amount of up to S\$10.0 million and will be issued in 3 tranches. The Group will be able to raise total net proceeds of approximately S\$9.29 million through the issuance and intend to use up to 68% of the net proceeds to repay all of the Group’s outstanding bonds when due while the balance will be used to defray issue expenses and fund the Group’s general working capital.

Notably, the first tranche of the Notes with a principal amount of S\$3.0 million will be drawn down in one single tranche and the net proceeds of approximately S\$2.405 million will be used to repay the existing guaranteed non-convertible bonds maturing on 3 April 2019. The subscription of Tranche 2 RELN and Tranche 3 RELN are at the Company’s option.

Due in 2022, the Notes bear interest rate of 1% interest per annum and is payable semi-annually. The Notes may be converted into shares of the Company at 10% discount to the VWAP per ordinary shares in the Company for the business day preceding the date of the Company’s receipt of the conversion notice.

Mr Lim Chiau Woei, Managing Director of Anchor Resources, commented, “**We are on the path of turning around where our gold and granite business segments are progressing well. The financing will allow the**

Group to fully repay its outstanding bonds as well as provide fresh funding to finance working capital for our gold mining, granite stone mining and aggregates quarrying businesses. This exercise is timely as it will reduce the Group's finance costs as well as bolster the Group's cash flow."

Please refer to the announcements by Anchor Resources in relation to the proposed issuance of unsecured redeemable equity-linked notes for further details. This press release should be read in conjunction with the full text of the announcements date 12 March 2019.

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About Anchor Resources Limited

Headquartered in Malaysia, Anchor Resources Limited ("**Anchor Resources**" or the "**Company**" and, together with its subsidiaries, the "**Group**") is principally engaged in the business of exploration, mining and production of gold for sale in Malaysia and overseas, exploration, mining, quarry extraction, processing and sale of granite products and granite dimension stone, and architectural stone and interior fit-out services.

The Group's gold mine, Lubuk Mandi Mine, is located at the Eastern gold belt in Peninsular Malaysia in the district of Marang, state of Terengganu. Spanning a project area of 221.53 hectares, the mineral assets comprise gold-bearing tailings mineral resources together with in-situ mineral resources. Currently, the Group's tailing reprocessing plant has the capacity to process 1,000 tonnes of tailings material per day. Separately, the Group has engaged Great Aims Resources Sdn Bhd to carry out underground mining works at the Lubuk Mandi Mine. The Group is the first to secure approval from Malaysia's authority in relation to underground mining and the exportation of semi-processed gold concentrated ore. As at 31 December 2018, the Lubuk Mandi Mine had JORC-compliant tailing mineral resources of 1.22 million tonnes at a grade of 0.73 g/t in the Measured, Indicated and Inferred categories for a total of 28,350 ounces and in-situ mineral resources of 1.8 million tonnes at a grade of 1.39 g/t in the Measured, Indicated and Inferred categories for a total of 79,100 ounces.

The Group's granite dimension stone quarries at Bukit Chetai and Bukit Machang are located in the district of Hulu Terengganu, state of Terengganu. The concession expiring on 26 October 2029, granted by Perbadanan Memajukan Iktisad Negeri Terengganu, includes a concession area of approximately 300 hectares. The types of granite dimension stone found within the concession area include green microgabbro, white granite and pink granite, which are marketed as "Terengganu Green" ("**TG**"), "Sekayu White" ("**SW**") and "Rosa Tenggo", respectively. Presently, the Group's main focus is on mining and extraction of granite dimension stone at the Bukit Chetai Mine, where TG and SW granite can be found. The Group has engaged Jianning County Huasheng Stone Co., Ltd. to carry out granite dimension stone processing at Bukit Chetai Mine. As at 31 December 2018, the total estimated granite dimension stone

resources and total estimated granite dimension stone reserves at the Bukit Chetai Granite Quarry is 99.05 million cubic metres and 64.39 million cubic metres, respectively.

For more information, please visit <http://www.angkaalam.com>

**Issued for and on behalf of Anchor Resources Limited
By Financial PR Pte Ltd**

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This press release 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 Catalyst.

The Sponsor has not verified the contents of this press release. The Sponsor has also not drawn on any specific technical expertise in its review of this press release.

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

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