ANCHOR RESOURCES LIMITED

(Company Registration No.: 201531549N)
(Incorporated in the Republic of Singapore on 12 August 2015)

PROPOSED PLACEMENT OF UP TO 143,790,838 ORDINARY SHARES IN THE CAPITAL OF ANCHOR RESOURCES LIMITED (THE "PLACEMENT")

1 Introduction

1.1 The board of directors (the "**Directors**") of Anchor Resources Limited (the "**Company**", together with its subsidiaries, "**Group**") wish to announce that the Company has on 8 April 2019 entered into a subscription agreement (the "**Subscription Agreement**") with the Subscribers (as defined below) and Tan Ong Huat (the "**Introducer**") pursuant to which the Subscribers has agreed to subscribe for an aggregate of up to 143,790,838 new ordinary shares in the capital of the Company (the "**Subscription Shares**" and each a "**Subscription Share**") at an issue price of S$0.0153 each (the "**Issue Price**") for an aggregate cash consideration of S$2,200,000 (the "**Aggregate Subscription Consideration**").

Pursuant to the Subscription Agreement, the Company will allot and issue to the following persons (collectively, the "**Subscribers**" and each a "**Subscriber**") the number of Subscription Shares set out against their respective names as below:-

	Name of Subscriber	Number of Subscription Shares to be subscribed for	Subscription Consideration to be paid (S$)	As a percentage of the Group's issued share capital as at the date of this announcement (%)	As a percentage of the Group's issued share capital after the Placement* (%)
1.	Tan Eng Lee	13,071,895	200,000	1.20	1.05
2.	Tan Kim Kwee	6,535,947	100,000	0.60	0.53
3.	Ng Chong Kee	6,535,947	100,000	0.60	0.53
4.	Goh Lai Peng	6,535,947	100,000	0.60	0.53
5.	Wang Chunyan	9,803,921	150,000	0.90	0.79
6.	Tan Kuan Siong	3,267,973	50,000	0.30	0.26
7.	Ng Ban Teck	9,803,921	150,000	0.90	0.79
8.	Koh Kok Leong	6,535,947	100,000	0.60	0.53
9.	Chan Hiang Ngee	6,535,947	100,000	0.60	0.53
10.	Ken Tan Khim Sing	9,803,921	150,000	0.90	0.79
11.	Ang Poon Beng	6,535,947	100,000	0.60	0.53
12.	Zhuang Sheng Singapore (Holdings) Pte Ltd	6,535,947	100,000	0.60	0.53
13.	Seah Siu Guat	9,803,921	150,000	0.90	0.79
14.	Goh Jee Mui	9,803,921	150,000	0.90	0.79

15.	Foo Shuh Ming	6,535,947	100,000	0.60	0.53
16.	Manimaran S/O Kamachi	6,535,947	100,000	0.60	0.53
17.	Lye Koon Hui	6,535,947	100,000	0.60	0.53
18.	Koh Yew Choo	13,071,895	200,000	1.20	1.05

* includes Subscription Shares and Introducer Shares (as defined below)

1.2 The Issue Price represents a discount of 10% to the volume weighted average price of S$0.017 for trades done on the Company's shares ("**Shares**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 3 April 2019 (being the last full market day on which the Shares were traded prior to the Company's trading halt on 4 April 2019).

1.3 No placement agent was appointed in connection with the Placement.

2 The Placement

2.1 The Subscription Shares, if and when fully allotted, issued and fully paid, will be free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the Shares existing as at their date of issue except for any dividends, distributions or entitlements, the record date of which falls on or prior to such date of issue of the Subscription Shares.

3 Introducer

3.1 In consideration of the services provided by the Introducer to the Company to introduce the Subscribers to the Company, the Introducer shall be paid a fee in the amount of seven per cent (7%) of the Aggregate Subscription Consideration (the "**Introducer Fee**"), which shall be satisfied by the issue of 10,065,359 new Shares ("**Introducer Shares**") in the issued and paid-up share capital of the Company at the Issue Price to the Introducer. The Introducer Fee was mutually agreed upon between the Company and Introducer on commercial terms, and no part of the Introducer Fee will be shared with the Subscribers.

3.2 Upon the completion of the Placement, the Company shall allot and issue to the Introducer the Introducer Shares subject to the terms and conditions of the Subscription Agreement. The Introducer Shares shall be issued free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with the Shares existing as at their date of issue except for any dividends, distributions or entitlements, the record date of which falls on or before such date of issue of the Introducer Shares.

3.3 The Introducer is a private investor, and is the existing holder of:

(i) guaranteed non-convertible bonds with an aggregate principal amount of S$1,655,000, issued by the Company pursuant to a guaranteed subscription agreement between the Company, Mr Lim Chiau Woei as guarantor (the "**Guarantor**") and the Introducer dated 29 March 2018 (the "**Guaranteed Subscription Agreement**"), the maturity date of which has been extended to 3 May 2019 (the "**2018 Bonds**");

(ii) 68,000,000 free unlisted warrants, with each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company (the "**TOH Warrants**"); and

(iii) guaranteed non-convertible bonds with an aggregate principal amount of S$1,903,000 due 2020, issued by the Company pursuant to a guaranteed subscription agreement between the Company, the Guarantor and the Introducer dated 3 April 2019 (the "**2019 Bonds**").

3.4 The Introducer has confirmed that:

(i) he has no connections (including business relationships) with the Company, its Directors and substantial shareholders (save in respect of his existing holdings of the 2018 Bonds, 2019 Bonds and TOH Warrants) 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 (the "**Catalist Rules**");

(ii) 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 Introducer Shares (including as contemplated in the Singapore Code of Takeovers and Mergers).

4 Conditions

The Placement is conditional upon, *inter alia*:

(a) approval in-principle for the listing and quotation of the Subscription Shares and the Introducer Shares on the SGX-ST Catalist (on conditions, if any, acceptable to the Company and the Subscribers) having been obtained from the SGX-ST and remaining in full force and effect and where such approval is given subject to conditions which must be fulfilled on or before the Completion Date, such conditions being reasonably acceptable to the Subscribers or fulfilled by the Company, as the case may be;

(b) the Company obtaining such approval(s) from its Directors in connection with the Subscription Agreement and the transactions contemplated herein as may be necessary;

(c) the allotment, issue and subscription of the Subscription Shares by the Subscribers and the allotment and issue of the Introducer Shares not being prohibited by any statute, order, rule or regulation promulgated or issued hereafter by any legislative, executive or regulatory body or authority of Singapore; and

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

The Company will be submitting an application to the SGX-ST via the Sponsor for the listing and quotation of the Subscription Shares and Introducer Shares on the SGX-ST Catalist. In the event that any of the aforementioned conditions precedent as set out in the Subscription Agreement is not satisfied on or before 3 May 2019 (or such later date as the parties to the Subscription Agreement may agree in writing), the Subscription Agreement shall forthwith terminate.

5 Authority for the Issue of New Shares

5.1 The Subscription Shares and Introducer Shares are intended to be issued pursuant to the general share issue mandate approved by the Shareholders at the annual general meeting held on 30 April 2018 ("**AGM**") ("**2018 General Mandate**"). The 2018 General Mandate authorises the Directors to allot and issue not more than 1,038,448,355 Shares, being 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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 519,224,177 Shares, being 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of AGM, after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities and (ii) new Shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time the resolution is passed and (iii) any subsequent bonus issue, consolidation or subdivision of Shares.

5.2 The total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2018 AGM was 1,038,448,355.

Since the date of the 2018 AGM, the Company had issued the following:

(i) 137,000,000 warrants issued in May 2018 which can be exercised into 137,000,000 new Shares (of which 8,500,000 warrants were exercised into 8,500,000 Shares in September 2018);
(ii) options under the repayment and subscription agreement in December 2018 which can be exercised into 32,608,694 new Shares; and
(iii) 43,478,261 new Shares arising from a share placement completed on 17 January 2019,

(collectively, "**Subsequent Corporate Actions**").

The Company had previously announced on 12 March 2019 that the proposed issue of by the Company of 1% unsecured redeemable equity-linked notes due 2022 ("**RELN Issue**") with an aggregate principal amount of up to S$10,000,000 in 3 tranches pursuant to the subscription agreement dated 12 March 2019 (the "**RELN Subscription Agreement**") with Advance Opportunities Fund ("**AOF**") and Advance Opportunities Fund I ("**AOF I**") will be made pursuant to the 2018 General Mandate. The Company had submitted an additional listing application ("**RELN Tranche 1 ALA**") for the issue of shares under Tranche 1 of the RELN Issue pursuant to the 2018 General Mandate on 29 March 2019. Due to the urgency of funds raising required to meet the payment of guaranteed bonds due on 3 May 2019, the Company has decided to withdraw the RELN Tranche 1 ALA and intends to subject the issue of shares under the RELN Issue to specific shareholders' approval in the future, should the need arise. The Company will make the necessary announcement to update shareholders on the status of the RELN Issue as and when appropriate.

For completeness, no new Shares in relation to the RELN Issue are to be issued under the 2018 General Mandate following the withdrawal of the RELN Tranche 1 ALA. Accordingly, the allotment and issue of the Subscription Shares and the Introducer Shares pursuant to the Subscription Agreement fall within the limits of the 2018 General Mandate.

6 Completion

6.1 Completion of the Placement shall take place on a date no later than the seventh (7th) business day after the satisfaction of the last of the conditions set out in the Subscription Agreement and paragraph 4 above, or such other date as may be agreed between the parties (the "**Completion Date**").

6.2 Upon completion of the Placement and the issuance of Introducer Shares, the issued and paid-up share capital of the Company will increase from 1,090,426,616 Shares to 1,244,282,813 Shares (the "**Enlarged Share Capital**"). The Subscription Shares will represent approximately 11.56% of the Company's Enlarged Share Capital, while the Introducer Shares will represent approximately 0.81% of the Company's Enlarged Share Capital.

7 Financial Effects of the Placement

For illustrative purposes only, the financial effects of the Placement set out below were prepared based on the unaudited consolidated accounts of the Group for the financial year ended 31 December 2018 ("**FY2018**") and subject to the following assumptions:

(a) for purposes of computing the effect of the net tangible asset ("**NTA**") per Share of the Group, it is assumed that the Placement was completed on 31 December 2018;

(b) for purposes of computing the effect of the Placement on the loss per Share ("**LPS**"), it is assumed that the Placement was completed on 1 January 2018;

(c) the Subscription Shares and Introducer Shares were issued pursuant to the Placement; and

(d) expenses relating to the Placement is approximately S$50,000.

7.1 Issued Share Capital

	Before the Placement	After the Placement
Number of issued Shares of the Company	1,090,426,616(1)	1,244,282,813
Issued and paid up share capital - RM'000 - S$'000	 RM251,456 S$81,064	 RM257,906 S$83,214

Note:

(1) Based on the issued and paid-up share capital of the Company as at the date of this announcement consisting of 1,046,948,355 shares as at 31 December 2018 and the issuance of 43,478,261 Shares arising from the placement completed in January 2019.

7.2 Loss per Share

	Before the Placement	After the Placement
Loss attributed to owners of the Company - RM'000 - S$'000	 RM15,475 S$5,158	 RM15,475 S$5,158
Number of Shares	1,090,426,616	1,244,282,813
Loss per Share - RM sen - S$ cent	 1.42 sen 0.47 cent	 1.24 sen 0.41 cent

7.3 NTA per Share

	Before the Placement	After the Placement
NTA Shareholders - RM'000 - S$'000	 RM11,608 S$3,869	 RM18,058 S$6,019
Number of Shares	1,090,426,616	1,244,282,813
NTA per Share (cents) - RM sen - S$ cent	 1.06 sen 0.35 cent	 1.45 sen 0.48 cent

7.4 The aforesaid financial effects of the Placement are strictly for illustrative purposes and may not necessarily reflect the actual future financial position and results of the Group following the Placement.

8 Rationale and Use of Proceeds from the Placement

8.1 The estimated net proceeds from the Placement (after deducting the estimated expenses in relation to the Placement) of approximately S$2,150,000 ("**Net Proceeds**") will be utilised fully by the Group in the following manner:

(i) to repay the amount in full due on 3 April 2019 under the repayment and subscription agreement entered into between the Company, Mr Lim Chiau Woei (the "**Guarantor**") and Mr Tan Beng Kiat and Mr Koh Kai Jok (the "**First Tranche Investors**") on 11 December 2018, the repayment date of which has been extended to 3 May 2019 by way of an agreement entered into between the Company and the First Tranche Investors on 3 April 2019 ("**Repayment of First Tranche Bonds**"); and

(ii) to redeem the outstanding bonds due 3 April 2019 under the guaranteed subscription agreement between the Company, the Guarantor and the Introducer on 29 March 2018, the maturity date of which has been extended to 3 May 2019 by way of an agreement entered into between the same parties on 3 April 2019 ("**Redemption of Second Tranche Bonds**").

Use of Proceeds	S$	Allocation (%)
Repayment of First Tranche Bonds	762,500	35.47
Redemption of Second Tranche Bonds	1,387,500	64.53

8.2 Pending the deployment of the net proceeds, such proceeds may be placed as deposits with banks and/or financial institutions, invested in short term money markets or debt instruments or for any other purpose on a short term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company from time to time.

8.3 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such a use is in accordance with the stated use and percentage allocated in this announcement. The Company will also provide a status report on the use of such proceeds in the Company's interim and full year financial statements issued under Rule 705 of the SGX-ST's Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

8.4 The Repayment of First Tranche Bonds and Redemption of Second Tranche Bonds was intended to be funded by the RELN Issue, however, the Company had the opportunity to carry out the Placement and accordingly, decided to fund the aforementioned repayment by way of the Placement. An announcement regarding the change of proceeds of the RELN Issue will be issued by the Company in due course.

9 Directors' Opinion on Working Capital

Pursuant to Rule 810(1) of the Catalist Rules, the Directors are of the opinion that after taking into consideration the financing facility from RELN Issue that the Company has in place, barring any unforeseen circumstances:

(i) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
(ii) the present bank facilities, the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

As such, the Directors are of the opinion that the Placement stated herein is in the best interests of the Company and its shareholders as it will enable the Group to improve its financial position by conserving cash which can be used for its general corporate requirement.

10 Information on the Subscribers

10.1 Ang Poon Beng

Mr Ang Poon Beng, a citizen of Singapore is a retiree.

10.2 Chan Hiang Ngee

Mr Chan Hiang Ngee, a citizen of Singapore is a retiree.

10.3 Foo Shuh Ming

Mr Foo Shuh Ming, a citizen of Singapore is a stock broker.

10.4 Goh Jee Mui

Mr Goh Jee Mui, a citizen of Singapore is an insurance agent.

10.5 Ken Tan Khim Sing

Mr Ken Tan Khim Sing, a citizen of Singapore is an auditor.

10.6 Lye Koon Hui

Mr Lye Koon Hui, a citizen of Singapore is a senior technical director with a company in the manufacturing industry.

10.7 Manimaran S/O Kamachi

Mr Manimaran S/O Kamachi, a citizen of Singapore is a senior tax officer.

10.8 Seah Siu Guat

Mr Seah Siu Guat, a citizen of Singapore is an insurance agent.

10.9 Goh Lai Peng

Mr Goh Lai Peng, a citizen of Singapore is a private investor.

10.10 Koh Kok Leong

Mr Koh Kok Leong, a citizen of Singapore is involved in the scaffolding industry.

10.11 Koh Yew Choo

Ms Koh Yew Choo, a citizen of Singapore is a businesswoman.

10.12 Ng Ban Teck

Mr Ng Ban Teck, a citizen of Singapore is a private investor.

10.13 Ng Chong Kee

Mr Ng Chong Kee, a citizen of Malaysia and permanent resident of Singapore is a private investor.

10.14 Tan Eng Lee

Mr Tan Eng Lee, a citizen of Singapore, is a director with a company in the electrical works industry.

10.15 Tan Kim Kwee

Ms Tan Kim Kwee, a citizen of Singapore is a director with a company in the construction industry.

10.16 Tan Kuan Siong

Mr Tan Kuan Siong, a citizen of Singapore is a project manager.

10.17 Wang Chunyan

Ms Wang Chunyan, a citizen of China is a traditional Chinese medicine sales executive.

10.18 Zhuang Sheng Singapore (Holdings) Pte Ltd

Zhuang Sheng Singapore (Holdings) Pte Ltd (Company Registration No.: 199105848D) is an investment holding company. Its director is Ong Siew Geok and its shareholders are Ching Chor Tong and Ong Siew Geok.

10.19 All the Subscribers were introduced to the Company through the Introducer. The Company's rationale for placing to the Subscribers is that the Placement is necessary for fundraising purposes and improving the financial position of the Company.

10.20 The Subscribers have no existing connection (including business relationships) with the Company, its Directors and substantial shareholders, and are not persons to whom the Company is prohibited from issuing shares to, as provided under Rule 812 of the Catalist Rules. As at the date of this announcement, the Subscribers do not hold any Shares in the Company.

11 General

11.1 The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

11.2 The Subscription Shares and Introducer Shares will not be offered to nor shall subscriptions be procured from persons who fall within the categories set out in Rule 812(1) of Catalist Rules unless Rule 812(3) of the Catalist Rules applies.

11.3 The issuance and allotment of the Placement Shares and Introducer Shares will not result in a transfer of controlling interest in the Company.

11.4 None of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Placement, save for their shareholdings in the Company (if any).

11.5 The Company will make the necessary announcement to update shareholders as and when appropriate.

12 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 Placement 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.

By Order of the Board

Dr Wilson Tay Chuan Hui
Lead Independent Director and Non-Executive Chairman
9 April 2019

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. The Sponsor has also not drawn on any specific technical expertise in its review 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.

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