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

ENTRY INTO CO-OPERATION AGREEMENT WITH JIANNING COUNTY HUASHENG STONE CO., LTD

The board of directors (the "**Board**") of Anchor Resources Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, GGTM Sdn Bhd ("**GGTM**") has on 16 January 2019, entered into a co-operative agreement (the "**Agreement**") with Jianning County Huasheng Stone Co., Ltd ("**Huasheng**"). Huasheng was incorporated in China on 22 June 2010 and specialises in the production and processing of diabase, granite, limestone, marble slabs, imported marble, diabase rock mines and granite redstone mines.

Pursuant to the Agreement, GGTM and Huasheng wish to co-operate on the Bukit Chetai dimension granite stone processing operation (the "**Project**"), which is located at H.S.(D) 978, PT 4161, Bukit Chetai, Mukim Tersat, Daerah Hulu Terengganu (the "**Bukit Chetai Mine**") for which GGTM is granted the exclusive rights from Perbadanan Memajukan Iktisad Negeri Terengganu (the holder of a primary concession work contract agreement to carry out quarrying operation, mining, production and sale of granite and dimensional granite stone from, among others, the Bukit Chetai Mine). As Huasheng possesses the technical know-how and capabilities to provide dimension granite stone processing, GGTM agrees to authorise Huasheng on a non-exclusive basis to carry out dimension granite stone processing for the Project (the "**Scope**"), in accordance with the terms and conditions of the Agreement.

In connection with the Project, Huasheng is responsible for, *inter alia*:

(a) executing the Scope (including all works related to the dimension granite stone processing, and being responsible for the preparation, production, safety and relevant management of the plant and factory at the Project);

(b) bearing all costs (whether operational or incidental) incurred in connection with the works stated in paragraph (a) above;

(c) carrying out the Scope in accordance with any standard operating procedures issued and determined by GGTM;

(d) investing additional plant and machinery for the purpose of carrying out the Scope to achieve the annual processing capacity of 2,000 cubic metres of dimension granite stone at the Bukit Chetai Mine;

(e) improving or updating the existing equipment, and providing for the day-to-day maintenance of the project equipment and the safety of the workers, and for all related expenses incurred;

(f) bearing 100% of the electricity, water, diesel and other operating expenditure for the Project;

(g) ensuring timely payment of the various expenses or costs which falls within its obligations, and bearing all such consequences arising in the event of delayed payment;

(h) handling the commercial insurance of its staff and bearing all related expenses incurred; and

(i) handling the accommodation, material procurement of its staff and bearing all related expenses incurred.

In consideration of the services provided by Huasheng pursuant to the Agreement, the parties agree that Huasheng will be paid a processing fee, the rate of which will be dependent on the type of processing

work done. The Agreement will see each party contribute each of their own unique strengths and lead to greater collaboration between both parties, providing a platform to leverage and share each party's information on their respective markets and production know-how, synergy, time and cost savings in order to achieve a more profitable sustainable market.

The Agreement shall take effect on the business day following the expiry of the two (2) month grace period for preparatory works commencing from the date of the Agreement (the "**Effective Date**"). Unless terminated in accordance with the Agreement, the Agreement shall continue for a period of five (5) years from the Effective Date and may be further extended thereafter for a period of five (5) years at the option of GGTM.

The Agreement is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2019.

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, the controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Agreement.

By Order of the Board
ANCHOR RESOURCES LIMITED

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

16 January 2019

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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. 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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