



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

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**ENTRY INTO LOAN AGREEMENT FOR S\$3,500,000**

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**1. INTRODUCTION**

The Board of Directors ("**Board**") of Anchor Resources Limited (the "**Company**") wishes to announce that the Company had on 16 October 2020 entered into a loan agreement ("**Loan Agreement**") with Lim Beng Chew, Tang Yao Zhi, Tan Soo Kia and Lee Teck (collectively the "**Lenders**") in connection with the grant of an unsecured term loan of S\$3,500,000 to the Company ("**Loan**").

**2. INFORMATION ON THE LENDERS AND RATIONALE FOR THE LOAN**

The Lenders are a group of individual investors who have expressed a willingness to extend the Loan to the Company. Details of the Lenders are as follows:

<b>Name of Lender</b>	<b>Background of Lender</b>
Lim Beng Chew	Lim Beng Chew is a Singapore citizen. He is a businessman who is involved in trading distribution and property development.
Tang Yao Zhi	Tang Yao Zhi is a Singapore citizen. He is a businessman who handles his own family office and engages in investments both locally and abroad.
Tan Soo Kia	Tan Soo Kia is a Singapore citizen. He is an entrepreneur who runs businesses in different industries. He also invests in startup companies.
Lee Teck	Lee Teck is a Singapore citizen. He is an entrepreneur who focuses on investments and private equity.

As at the date of this announcement, the Lenders do not hold any shares in the Company. The Lenders are not interested persons as defined under Chapter 9 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited and do not fall under Rule 812 (1) of the Catalist Rules.

Each of the Lenders have also confirmed that he is not acting in concert with any other person or company, and have not entered into any agreement, arrangement or understanding (whether oral or in writing) with any person or company to act as parties in concert in relation

to the Company's shares, within the definition of the Singapore Code on Take-overs and Mergers.

The Company's entry into the Loan Agreement is beneficial to the Company as the Company will be able to use the Loan for the redemption of outstanding bonds of the Company which have been issued to certain bondholders, settling of directors' and professional fees, and working capital purposes.

### 3. DETAILS OF THE LOAN

The salient terms of the Loan Agreement are as set out below:-

<b>Loan Amount</b>	S\$3,500,000
<b>Interest</b>	<p>Interest shall accrue on the Loan Amount at a rate of ten per cent. (10%) per annum.</p> <p>Interest under the Loan Agreement shall be calculated on the basis of actual days elapsed and a year of 365 days.</p>
<b>Purpose</b>	<p>(a) The repayment of the guaranteed non-convertible bonds with an aggregate principal amount of S\$1,903,000 issued by the Company to Mr Tan Ong Huat;</p> <p>(b) settlement of directors' and professional fees; and</p> <p>(c) working capital.</p>
<b>Repayment</b>	<p>The Company shall repay the Loan Amount and any accrued interest thereon ("<b>Total Debt</b>"), in full on such date falling four (4) months from the date of the Loan Agreement, or such other date as may be agreed upon between the Lenders and the Company from time to time in writing ("<b>Repayment Date</b>").</p> <p>The Company has the discretion to repay the Total Debt in the following manners:</p> <p>(a) in cash; or</p> <p>(b) by way of issuance and allotment to the Lenders of fully paid ordinary shares in the issued and paid-up capital of the Company ("<b>Repayment Share Issue</b>").</p> <p>In the event that the Company elects to repay the Total Debt by way of the Repayment Share Issue, the Company shall notify the Lenders in writing and agree with the Lenders on an issue price ("<b>Issue Price</b>") and number of shares in the capital of the Company ("<b>Shares</b>") to be issued to each Lender. Parties will enter into definitive settlement agreement(s) to give effect to the Repayment Share Issue. The Company will have to ensure that all necessary approvals are in place so that Repayment Share Issue</p>

can take place by the Repayment Date.

Specifically, if the Company elects to repay the Total Debt by way of Repayment Share Issue, the Repayment Share Issue will be subject to, amongst others (i) the approval of the shareholders of the Company at a general meeting and (ii) the receipt of listing and quotation notice from the SGX-ST in respect of the new Shares to be issued pursuant to the Repayment Share Issue ("**Conditions**").

The Company will make further announcement(s) in accordance with Catalist Rules if the Company elects to repay the Total Debt by way of Repayment Share Issue and the Issue Price is agreed between the Company and the Lenders.

### **Introducer Fee**

The Lenders were introduced to the Company by Cedric Yap Kun Hao ("**Introducer**"). The Introducer is a Singapore citizen who manages companies in various industries.

An introducer fee of S\$262,500, being seven and a half per cent. (7.5%) of the Loan Amount, shall be paid to the Introducer by the Company ("**Introducer Fee**"). For the avoidance of doubt, no interest is payable by the Company on the Introducer Fee. The Introducer has no connections, including business relationships with the Company, its Directors and substantial shareholders.

The Introducer Fee shall be due and payable to the Introducer on the date that the Total Debt is repaid by the Company to the Lenders ("**Fee Payment Date**"). Similar to the Total Debt, the Company has the discretion to repay the Introducer Fee in the following manners:

- (a) in cash; or
- (b) by way of issuance and allotment to the Introducer of fully paid Shares in the issued and paid-up capital of the Company at the Issue Price ("**Introducer Share Issue**").

The Introducer Share Issue shall be subject to (i) the approval of the shareholders of the Company at a general meeting for the allotment and issue of the new Shares to the Introducer; and (ii) the Listing Approval for the new Shares being obtained from the SGX-ST and not having been revoked or amended and, where such Listing Approval is subject to conditions, to the extent that any conditions for the listing and quotation of the new Shares on the Catalist are required to be fulfilled, they are so fulfilled ("**Introducer Conditions**").

In the event that the Introducer Conditions have not been fulfilled on or before the Fee Payment Date, the Introducer Fee shall be

payable to the Introducer in full in cash.

**Security** None

**Representations and Warranties** The Loan Agreement contains market standard representations and warranties typical of transactions of this nature for the duration of the Loan. The representations, warranties and undertakings given by the Company under the Loan Agreement exclude Angka Alamjaya Sdn. Bhd. and its subsidiaries ("**AASB Group**") as they are the subject matter of a separate disposal announced by the Company. The key representations and warranties include:

- (a) **No material adverse change:** there being no change or development likely to result in a material adverse change in the condition, operations, business, assets and undertakings of the Company and its subsidiaries, (excluding AASB Group, the "**Group**" and each a "**Group Company**") ;
- (b) **No litigation or winding up:** there being no current, pending or threatened investigations, actions, suits or proceedings against the Group, or any proceedings, applications, petitions or summonses having been taken out by any person with a view to the winding-up of any company within the Group ;
- (c) **No debt arrangements or execution proceedings:** there being no composition in satisfaction of the debts of any Group Company, or any scheme of arrangement of its affairs, or compromise or arrangement between the Company and its creditors and/or members being proposed; and
- (d) **No change in capital and Group structure:** no Group Company having (i) undergone any capital reorganization, share consolidation, stock split, capital reduction or change in its capital structure; (ii) issued any convertible securities; (iii) issued any preference shares; and/or (iv) entered into any unusual long-term and onerous commitments or contracts.

**Undertakings and covenants** Pursuant to the terms of the Loan Agreement, the Company has undertaken and covenanted with the Lenders, amongst others, as follows:

- (a) **No further indebtedness:** no incurring of any additional borrowings or any such other indebtedness without the prior express written consent of the Lenders;
- (b) **Exclusivity:** each Group Company terminating all and

any existing agreements, arrangements, understandings, negotiations or discussions with any party in connection with any transaction that would preclude, restrict or delay the transactions envisaged in the Loan Agreement;

- (c) **Standstill undertakings:** no Group Company carrying out any of the actions as set out in next section on "Standstill undertakings" below; and
- (d) **Indemnity:** to indemnify the Lenders from and against all losses, damages, claims, demands, actions, proceedings, liabilities and expenses of any nature whatsoever that the Lenders may incur in connection with or arising from any breach of the Company's representations, warranties, obligations, covenants and undertakings under the Loan Agreement.

**Standstill undertakings**

Each Group Company has covenanted not to undertake, amongst others, the following actions without the prior written approval of the Lenders (subject always to what the Company has disclosed in its announcements):

- (a) the conduct of any other business and/or undertakings other than that conducted in the ordinary course of business of such Group Company, or cease to conduct or carry on the business of the Group Company;
- (b) the entry into any material or long-term contracts outside the ordinary course of each Group Company's business;
- (c) making of any distribution of profits, cash or assets amongst its shareholders by way of dividend, capitalisation of reserves or otherwise;
- (d) altering of its corporate existence, organization and share capital structure, and undertaking or effecting any re-organisation, merger, amalgamation, restructuring, reconstruction, take-over or change in shareholding, or change in capital structure;
- (e) resolving to be voluntarily wound-up or dissolved or take any step in furtherance thereof; or
- (f) borrowing or raising any money or grant or issuing or agreeing to grant or issue any mortgage, charge, debenture or security for money secured over any of its assets or make any loans or grant any credit or enter into any guarantee, indemnity or security.

The Board has reviewed the Company's undertakings and covenants under the Loan Agreement and is of the view that they are fairly market standard. The Board further notes that

the undertakings and covenants provided by the Company are only for the period of the duration of the loan. Based on the above, the Board is of the view that there is no change of control of the Company.

#### **4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in the announcement, none of the Directors or substantial shareholders of the Company (other than in their capacity as directors or shareholders of the Company) has any interest, direct or indirect in the Loan Agreement.

#### **5. FURTHER ANNOUNCEMENTS**

The Company will make further announcements as and when there are material developments in respect of the Loan Agreement and in particular, in the event of the Repayment Share Issue and/or the Introducer Share Issue.

#### **6. 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 Loan, the Company and its subsidiaries, 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.

#### **7. CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their Shares. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisers if they have any doubts about the action they should take.

#### **By Order of the Board**

Dr Wilson Tay Chuan Hui  
Lead Independent Director and Non-Executive Chairman  
16 October 2020

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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 relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.*

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

*The contact person for the Sponsor is Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*