



ANCHOR RESOURCES LIMITED

(Company Registration No.: 201531549N)

PRESS RELEASE

Anchor Resources to ride on the revival of East Coast Rail Line and other infrastructure projects in Malaysia

- **Renewed MOU to combine respective resources to tender for ECRL and other infrastructure projects**
- **Received jetty licence for exporting quarry aggregates and land use right to stockpile granite products**
- **Group to benefit from mega infrastructure projects, priority for local materials and lower logistics costs**

Singapore, 29 April 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 renewed the Memorandum of Understanding (“**MOU**”) with Mr Mohd Sukri Bin Ismail, which was originally signed on 9 April 2018, to combine respective resources in order to tender for the East Coast Rail Line (“**ECRL**”) and other infrastructure projects in Malaysia.

Mr Mohd Sukri is a quarry licence holder for two quarry leases with a total area measuring approximately 146,590 square metres in Hulu Terengganu while the Group’s wholly-owned subsidiary, GGTM Sdn Bhd (“**GGTM**”), has a concession from Perbadanan Memajukan Iktisad Negeri Terengganu for the extraction of granite aggregates and dimension blocks from the 258-acre Bukit Chetai quarry and the 484-acre Bukit Machang quarry. Please refer to the Company’s announcement dated 10 April 2018 for more information.

On 12 April 2019, Malaysia Rail Link and China Communications Construction (ECRL) Sdn Bhd have signed a supplementary agreement that will pave the way for the resumption of the ECRL project. At a lower cost of MYR44 billion, suspended work is expected to resume in May and is estimated to complete in 2026¹. With this, more investments from China especially in the corridors along the ECRL can be expected².

¹ New East Coast Rail Link deal eases 'debt trap' concerns for Malaysia, says Mahathir, <https://www.straitstimes.com/asia/se-asia/new-ecrl-deal-eases-debt-trap-concerns-for-malaysia-says-mahathir>

² Deal will see more Chinese investments along ECRL route, <https://www.theedgemarkets.com/article/deal-will-see-more-chinese-investments-along-ecrl-route>

Before the project was suspended in July 2018, GGTM has supplied 200 tonnes of ¾” quarry aggregates to China Communications Construction (ECRL) Sdn. Bhd., the main contractor undertaking the ECRL project.

Mr Lim Chiau Woei, Managing Director of Anchor Resources, commented, **“The resumption of the ECRL is a positive development and the Group is poised to be one of the beneficiaries to supply granite aggregates and granite dimension stone to ECRL and other infrastructure projects. I believe we stand a high chance due to our track record previously in supplying granite aggregates to ECRL. On the other hand, the revival of the multi-billion-ringgit Bandar Malaysia and the emphasis for local content and materials³ will boost demand for construction raw materials, presenting great business opportunities to players like us.”**

On a separate note, the Group has received a temporary occupation licence from the Terengganu Director of Lands and Mines Office, a department of the Terengganu State Authority for a 1,600 square-metre jetty located at Kuala Terengganu. The licence will allow the Group to operate a jetty for the purpose of exporting quarry aggregates and related quarry products to overseas customers, such as Brunei, Singapore and other neighbouring countries. The Group has also secured land use right for a piece of land with an area of 4,047 square metres adjacent to the jetty for the purpose of stockpiling granite aggregates and related quarry products.

“The private jetty and adjacent land for stockpiling quarry products come at an opportune time as we had secured a contract on 15 August 2018 worth S\$75 million to supply 3.60 million tonnes of granite aggregates over four years to SIVLI Sdn Bhd in Brunei. We intend to secure more offtakes from the Southeast Asia region going forward and the facilities will greatly reduce logistics costs, and in turn enhance the competitive edge of the Group’s granite quarrying business segment,” added Mr Lim.

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³ Dr M explains why Bandar Malaysia project reinstated,
<https://www.nst.com.my/news/nation/2019/04/481096/dr-m-explains-why-bandar-malaysia-project-reinstated>

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>

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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.*

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