



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

PROPOSED PLACEMENT OF 43,478,261 NEW ORDINARY SHARES IN THE CAPITAL OF ANCHOR RESOURCES LIMITED

1. INTRODUCTION

The Board of Directors ("**Board**") of Anchor Resources Limited ("**Company**", together with its subsidiaries, "**Group**") wishes to announce that the Company had entered into a placement agreement ("**Placement Agreement**") today with Ms. Gao Jingxian ("**Gao**") pursuant to which Gao will subscribe for, and the Company will allot and issue to Gao, an aggregate of 43,478,261 new ordinary shares in the capital of the Company ("**Placement Shares**") ("**Placement**").

The Placement Shares represent approximately 4.15% of the total number of issued shares in the capital of the Company ("**Shares**") as at the date of this Announcement and approximately 3.99% of the enlarged total number of issued Shares.⁽¹⁾⁽²⁾

2. PLACEMENT

2.1 Salient Terms of the Placement Agreement

(a) Subscription of Placement Shares

Gao will subscribe for, and the Company will allot and issue the Placement Shares at the Issue Price of S\$0.023, representing an aggregate consideration of S\$1,000,000.

The Placement is made pursuant to the exemption under Section 272B of the Securities and Futures Act (Chapter 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection with the Placement.

(b) Conditions Precedent

Completion of the Placement is conditional upon, *inter alia*, approval for the listing of and quotation for the Placement Shares on Catalist, pursuant to the ALA (as defined below) ("**Placement Listing Approval**") being obtained, and where the Placement Listing Approval is subject to conditions, (i) such conditions being reasonably acceptable to the parties and (ii) if such conditions are required to be fulfilled on or before completion, such conditions having been fulfilled on or before such date, and such Placement Listing Approval remaining in full force and effect as of completion.

⁽¹⁾ References in this Announcement to the total number of issued Shares and the enlarged total number of issued Shares are to a total of 1,046,948,355 Shares in issue (as at the date of this Announcement) and 1,090,426,616 Shares in issue, respectively, unless the context otherwise requires.

⁽²⁾ Any discrepancy in the figures included in this Announcement between the amounts listed and the total thereof is due to rounding. Accordingly, the figures shown as totals in this Announcement may not be an arithmetic aggregation of the figures that precede them.

If any condition precedent under the Placement Agreement is not satisfied on or before the cut-off date, being the date falling three (3) calendar months from the date of the Placement Agreement, the Placement Agreement will *ipso facto* cease and no party shall have any claim against the other party.

(c) Completion

Completion of the Placement Agreement will take place on the date falling five (5) business days after the satisfaction or waiver (as the case may be) of the conditions precedent set out in the Placement Agreement (or such other date as may be agreed between the parties).

2.2 Information on Gao

The Placement Shares are allotted and issued to Gao, as follows:

Name	Number of new Shares	Consideration	Placement Shares as a percentage of the existing share capital of the Company (%)	Placement Shares as a percentage of the enlarged share capital of the Company (%)
Gao Jingxian	43,478,261	S\$1,000,000	4.15%	3.99%
Total	43,478,261	S\$1,000,000	4.15%	3.99%

Gao is a private investor and is not related to any director and/or substantial shareholder of the Company. As at the date of this Announcement, Gao does not hold any shares in the Company. In addition, Gao does not fall within the categories set out in Rule 812(1) of the Catalist Rules.

No placement agent has been appointed in respect of the Placement. Gao was introduced to the Company by Mr. Li Lai Chun ("**Introducer**"), for which the Company will pay the Introducer a fee equivalent to approximately 5% of the aggregate proceeds from the Placement, which amounts to S\$50,000 in cash, subject to the Company receiving such proceeds.

2.3 Rationale

The Placement is undertaken to procure general working capital for the Group as part of the Group's cashflow management strategy.

2.4 Issue Price and Placement Proceeds

The Issue Price represents the prevailing volume weighted average price of S\$0.023 per Share for trades done on the SGX-ST on 12 December 2018, being the full market day on which the date of the Placement Agreement was signed. The Issue Price was arrived at following arm's length negotiations between the Company and Gao, taking into the prevailing Share price and the financial position and prospects of the Company.

Assuming the completion of the Placement, the net proceeds from the Placement, after deducting expenses of approximately S\$80,000 (including the fees payable to the Introducer), will be approximately S\$920,000 ("**Net Proceeds**").

The Net Proceeds will be fully utilised for the general working capital of the Group as part of the Group's cashflow management strategy. Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, used for investment

in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Board may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company shall announce the use of the Net Proceeds as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and percentage allocated in this announcement, and where there is any material deviation from the stated use of Net Proceeds, the Company shall announce the reasons for such deviation. The Company shall also provide a status report on the use of Net Proceeds in its annual report.

2.5 Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Placement.

3. FINANCIAL EFFECTS OF THE PLACEMENT

For illustrative purposes only, the financial effects of the Placement set out below were prepared based on the audited consolidated accounts of the Group for the financial year ended 31 December 2017 ("**FY2017**") and subject to the following assumptions:

- (a) the computations are purely for illustrative purposes only and do not reflect the actual financial result and the financial position of the Company and/or the Group after the Placement;
- (b) for purposes of computing the effect of the net tangible asset ("**NTA**") per Share and net gearing of the Group, it is assumed that the Placement was completed on 31 December 2017;
- (c) for purposes of computing the effect of the Placement on the earnings per Share ("**EPS**"), it is assumed that the Placement was completed on 1 January 2017;
- (d) the completion of the Placement having been taken place ("**Scenario 1**")
- (e) the completion of the Placement having been taken place and all of the Investor Shares (as defined in Section 4.2 below) are issued to the investors pursuant to the repayment and subscription agreement dated 11 December 2018 ("**Scenario 2**"); and
- (f) expenses relating to the Placement (including the fees payable to the Introducer) of approximately S\$80,000.

3.1 Issued Share Capital

	As at the date of this Announcement	Scenario 1	Scenario 2
Number of issued Shares of the Company	1,046,948,355	1,090,426,616	1,123,035,310
Issued and paid up share capital			
- (RM)	RM248,599,830	RM251,629,130	RM253,901,105
- (S\$)	S\$82,065,108	S\$83,065,108	S\$83,815,108

3.2 NTA

	Before the Placement	Scenario 1	Scenario 2
NTA as at 31 December 2017			
- (RM)	RM26,275	RM29,062	RM31,129
- (S\$)	S\$8,674	S\$9,594	S\$10,276
Number of Shares as of the date of this Announcement	1,046,948,355	1,090,426,616	1,123,035,310
NTA per Share			
- (RM sen)	2.51 sen	2.67 sen	2.77 sen
- (S\$ cents)	0.83 cents	0.88 cents	0.91 cents

3.3 Loss per Share

	Before the Placement	Scenario 1	Scenario 2
Loss attributed to Shareholders for FY2017 ('000)			
- (RM)	RM19,537	RM19,779	RM19,984
- (S\$)	S\$6,449	S\$6,529	S\$6,597
Number of Shares as of the date of this Announcement	1,046,948,355	1,090,426,616	1,123,035,310
Loss per Share			
- (RM sen)	1.87 sen	1.81 sen	1.78 sen
- (S\$ cents)	0.62 cents	0.60 cents	0.59 cents

3.4 Net Gearing⁽¹⁾

	Before the Placement	Scenario 1	Scenario 2
Net debt as at 31 December 2017 ('000)			
- (RM)	RM12,803	RM10,016	RM5,471
- (S\$)	S\$4,226	S\$3,306	S\$1,806
Shareholders' funds as at 31 December 2017 ('000)			
- (RM)	RM26,275	RM29,062	RM31,129
- (S\$)	S\$8,674	S\$9,594	S\$10,276
Net gearing ratio (times)	0.49	0.34	0.18

Notes:

- (1) Net gearing ratio is defined as net debt divided by total capital. The Group includes within net debt, bank overdraft, trade and other payables, advances from customers, interest bearing bank loans, redeemable preference shares less cash and bank balances.
- (2) Shareholders' funds refer to the aggregate amount of the Group's share capital and reserves.

4. FURTHER INFORMATION RELATING TO THE PLACEMENT

4.1 Working Capital of the Group

The Board is of the opinion that, barring any unforeseen circumstances, after taking into consideration:

- (a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) the present bank facilities and net proceeds of the Placement, the working capital available to the Group is sufficient to meet its present requirements.

4.2 2018 General Mandate

The Placement Shares will be issued pursuant to authority under the general share issue mandate approved by the Shareholders at the annual general meeting held on 30 April 2018 ("**AGM**") pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Catalist Rules ("**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) 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) as at the date of AGM.

No Shares were previously issued under the 2018 General Mandate prior to the date of this Announcement. For completeness: (a) pursuant to the exercise of 8,500,000 First Tranche Warrants, 8,500,000 new Shares were issued and allotted to certain investors under the general share issue mandate approved at the annual general meeting held on 28 April 2017; and (b) an aggregate of 32,608,694 new Shares are proposed to be issued by the Company to the investors pursuant to the repayment and subscription agreement dated 11 December 2018 ("**Investor Shares**") under the 2018 General Mandate. Further details are set out in the announcement by the Company dated 11 December 2018.

Accordingly, the allotment and issue of an aggregate of 43,478,261 Placement Shares pursuant to the Placement fall within the limits of the 2018 General Mandate.

Following the Placement, the Company's issued and paid-up share capital will increase from 1,046,948,355 Shares to 1,090,426,616 Shares. The Placement Shares represent 4.15% of the total number of issued Shares as at the date of this Announcement and approximately 3.99% of the enlarged total number of issued Shares.

4.3 Status of the new Shares

The new Placement Shares to be allotted and issued pursuant to the Placement are to be issued by the Company free from all charges, liens and other encumbrances and shall, upon allotment and issue, rank *pari passu* with, and carry all rights similar to, the existing issued Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the issue of such new Shares, as the case may be.

4.4 Additional Listing Application

An application to the SGX-ST ("**ALA**") will be made by the Company through its sponsor, UOB Kay Hian Private Limited, for the listing of and quotation for the Placement Shares on Catalist. The Company will make the necessary announcement in due course upon receipt of the listing and quotation notice from the SGX-ST.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders has any interest, direct or indirect, in the Placement (other than their direct or indirect shareholdings in the Company).

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Placement Agreement will be made available during normal business hours at the registered office of the Company for a period of three (3) months commencing from the date of this Announcement.

7. 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
12 December 2018

*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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