



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

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- (1) **PROPOSED ACQUISITION OF GGT MANUFACTURING SDN. BHD. AS A VERY SUBSTANTIAL ACQUISITION AND AN INTERESTED PERSON TRANSACTION; AND**
 - (2) **PROPOSED PLACEMENT OF AN AGGREGATE OF 30,770,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY**
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1. INTRODUCTION

The Board of Directors ("**Board**") of Anchor Resources Limited ("**Company**", together with its subsidiaries, "**Group**") wishes to announce that it had on 21 June 2016 entered into a sale and purchase agreement ("**SPA**") with Mr Lim Chiau Woei ("**Lim**", Mdm Koh Ah Luan ("**Koh**") and Luminor Pacific Fund 1 Ltd. ("**Luminor**") (collectively "**Vendors**") in relation to the proposed acquisition of all the issued and fully-paid shares ("**Sale Shares**") in the capital of GGT Manufacturing Sdn. Bhd. ("**Target**"), representing 100% of the issued shares in the Target ("**Proposed Acquisition**").

The Proposed Acquisition constitutes:

- (a) a very substantial acquisition ("**VSA**") as defined under Chapter 10 of Section B: Rules of Catalist of the listing manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), which is subject to, *inter alia*, approval of the SGX-ST and the shareholders of the Company ("**Shareholders**") at an extraordinary general meeting to be convened ("**EGM**"); and
- (b) an interested person transaction ("**IPT**") as defined under Chapter 9 of the Catalist Rules, which is subject to, *inter alia*, approval of the Shareholders at the EGM.

In connection with the Proposed Acquisition, the Board wishes to announce that subject to the approval of the Shareholders, the Company intends to diversify into the new business of mining and quarry extraction of dimension stone granite as well as architectural stone and interior fit-out ("**Proposed Diversification**"). The Group's existing business is exploration, mining and production of gold for sale in Malaysia. The Proposed Diversification, being a diversification into dimension stone granite mineral in Malaysia, represents a diversification of the existing business scope and change in risk profile of the Group. As such, the Company intends to seek Shareholders' approval for the Proposed Diversification at the EGM.

The Company had on 21 June 2016 also entered into a subscription agreement ("**Subscription Agreement**") with the persons named in paragraph 7.4 below (collectively "**Subscribers**"), pursuant to which the Subscribers will subscribe for, and the Company will allot and issue to the Subscribers an aggregate of 30,770,000 new ordinary shares (each a "**Placement Share**") in the capital of the Company ("**Proposed Placement**").

The Proposed Acquisition, Proposed Diversification and Proposed Placement shall hereinafter be referred to as "**Proposed Transactions**".

2. PROPOSED ACQUISITION

Shareholders should note that the information relating to the Target and the Vendors in this announcement was provided by the Vendors. In respect of such information, the Company and the directors of the Company have not independently verified the accuracy and correctness of the same. The sole responsibility of the Company is only limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.

2.1 Target

The Target is principally engaged in the businesses of mining and quarry extraction of dimension stone granites as well as architectural stone and interior fit-out. It owns an exclusive dimension stone granite concession of 800 acres in Hulu Terengganu in the State of Terengganu in Malaysia, granted by Perbadanan Memajukan Iktisad Negeri Terengganu (PMINT), for a 14-year period expiring on 26 October 2029. The types of dimension stone granite found within the concession area include Terengganu Green, Sekayu White and Rosa Tenggo.

The Target is currently the sole dimension stone granite operator in Terengganu, Malaysia employing the diamond wire technology for the extraction of granite. The Target also owns granite block cutting facilities located in the vicinity of the concession area at Kampung Cheting, Sekayu, which utilises machinery such as multi-blade block cutter, bridge block cutter, road curb multi-striped cutter and polishing machine.

2.2 Sale Shares

The current share capital of the Target comprises 250,000 ordinary shares and 15,714 preference shares. The ordinary shares are held by Lim (225,000 ordinary shares), Koh (24,998 ordinary shares) and Peter Ling Sie Wuong (2 ordinary shares), whereas the preference shares are held by Luminor. Pursuant to an internal restructuring of the Target ("**Internal Restructuring**") to be undertaken prior to the completion of the Proposed Acquisition ("**Acquisition Completion**"), the share capital of the Target immediately prior to Acquisition Completion will be as below:

Name of Vendor	Number of Sale Shares	Sale Shares as a percentage of share capital of the Target post Internal Restructuring (%)
Lim	214,286	60.0
Luminor	107,143	30.0
Koh	35,714	10.0
Total	357,143	100.0

The Sale Shares will be acquired free from all encumbrances together with all rights and entitlements attaching thereto on and from the date of the Acquisition Completion ("**Acquisition Completion Date**"). No party shall be obliged to complete the Proposed Acquisition unless the sale and purchase of all Sale Shares are completed simultaneously.

2.3 Professional Advisers

The Company expects to engage the following professional advisers to assess the Target as part of its due diligence:

- (a) an independent firm of professional valuers to prepare an independent VALMIN valuation report ("**VALMIN Valuation Report**") to value the dimension stone granite

deposits held by the Target, in accordance with the Catalist Rules and the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports promulgated by the VALMIN Committee, with regards to valuations ("**VALMIN Code**"); and

- (b) an independent business valuer to prepare an independent business valuation report ("**Business Valuation Report**") to value the business of the Target, pursuant to Rule 1015(2) of the Catalist Rules.

The Target will on its part engage an independent qualified person to prepare a qualified person's report ("**Qualified Person's Report**") evaluating the dimension stone granite deposits held by the Target, in accordance with the Catalist Rules and The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia ("**JORC Code**").

2.4 Vendors

Lim is the Managing Director of the Group, and holds (directly and indirectly via JHW Minerals & Resources Pte. Ltd.) 69,529,879 ordinary shares of the Company ("**Shares**"), representing approximately 24.85% of the issued Shares. Lim is also the founder and non-executive chairman of the Target. Lim has been involved in the businesses of mining and quarry extraction of dimension stone granite as well as architectural stone since 2008 and he has been instrumental in securing the dimension stone granite concession granted to the Target.

Koh holds 21,337,644 Shares, representing approximately 7.63% of the issued Shares. Koh is a private investor of the Target and is not involved in the daily operations of the Target.

Luminor is a company incorporated in Singapore, which is part of the Luminor Capital Group, a private equity group headquartered in Singapore. Luminor is approved under the Singapore Global Investor Programme administered by Contact Singapore.

Saved as disclosed above, as at the date of this announcement, none of the Vendors directly or indirectly holds any Shares.

2.5 Rationale

The Proposed Acquisition is in line with the Group's long-term growth strategy to expand its business through mergers and acquisitions. The Proposed Acquisition of the Target will provide the enlarged Group with an additional income stream from the sale of dimension stone granite and diversify its revenue sources between the mineral resources of gold and dimension stone granite in the state of Terengganu, Malaysia. It will also improve the enlarged Group's financial position as the Target is expected to have a cash balance of approximately S\$6.5 million at Acquisition Completion.

The Proposed Acquisition will also grow the asset base of the enlarged Group and widen its shareholder base, attracting more interest from the investment community focused on the minerals sector in investing in the enlarged Group.

2.6 Consideration

The indicative aggregate consideration ("**Consideration**") for the Proposed Acquisition is S\$100 million, and shall be adjusted to 95% of the market value of the equity interest in the Target based on the Business Valuation Report ("**Equity Valuation**") (or where the Equity Valuation is stated as a range, 95% of the simple average of the highest and lowest value of such Equity Valuation). In the event that 95% of the Equity Valuation shall result in the Consideration being less than S\$100 million, the Company and the Vendors shall negotiate in good faith to agree on a mutually acceptable Consideration.

The consideration payable for each Sale Share shall be equal to the Consideration divided by the aggregate number of Sale Shares held by the Vendors on completion of the Internal Restructuring.

The Consideration is to be satisfied by the Company in cash and/or new Shares to be allotted and issued to the Vendors ("**Consideration Shares**"). The cash Consideration is payable to Lim and will not exceed an aggregate of S\$5 million. The Company may undertake additional share placements prior to Acquisition Completion to raise the cash Consideration. The Company also has the discretion to allot and issue Consideration Shares to Lim in lieu of any cash payment. For the avoidance of doubt, other than the part cash Consideration (at the Company's discretion), Lim shall also be entitled to receive Consideration Shares in respect of the balance Consideration payable for his Sale Shares.

The issue price of each Consideration Share ("**Consideration Issue Price**") shall be 115% of the volume weighted average price of the Shares traded on the Catalist Board of the SGX-ST ("**Catalist**") for the six calendar months' period from the initial commencement of trading of the Shares on the Catalist to the expiry of 17 September 2016 ("**VWAP Price**"), provided that the Consideration Issue Price shall not be less than S\$0.08 ("**Minimum Consideration Issue Price**") or more than S\$0.18 ("**Maximum Consideration Issue Price**"), unless otherwise agreed between the Vendors and the Company (subject to appropriate adjustment in the event of a Share consolidation, Share split or bonus issue of Shares). In the event that 115% of the VWAP Price shall result in the Consideration Issue Price being less than S\$0.08 or more than S\$0.18, the Company and the Vendors shall negotiate in good faith to agree on a mutually acceptable Consideration Issue Price.

The Consideration Shares, when allotted and issued, shall be credited as fully-paid and free from any encumbrances and shall rank *pari passu* in all respects with, and carry all rights similar to, the existing Shares, except that they will not rank for any dividend, right, allotment or other distribution, the record date for which falls on or before the date of issue of the Consideration Shares.

The allotment and issue of the Consideration Shares is subject to specific approval of the Shareholders at the EGM, and will not utilise the general share issue mandate of the Company.

2.7 Conditions Precedent

The Acquisition Completion is conditional upon, *inter alia*, the following conditions being fulfilled (or waived by the Company, to the extent it is lawful for the Company to do so) on or prior to the Acquisition Completion Date:

- (a) completion of the Proposed Placement;
- (b) approval of Shareholders at the EGM being obtained for the Proposed Acquisition;
- (c) approval of independent Shareholders being obtained at the EGM for the ordinary resolution to waive their right to receive a mandatory general offer from the relevant Vendor(s) and parties acting in concert with them ("**Relevant Concert Group**") under The Singapore Code on Take-overs and Mergers ("**Takeover Code**") which would, as a result of the Proposed Acquisition and issue of Consideration Shares, incur a mandatory general offer obligation ("**Whitewash Resolution**");
- (d) approval of the SGX-ST in respect of the circular to be issued by the Company to Shareholders ("**Circular**") in respect of, *inter alia*, the Proposed Acquisition and if such approval is subject to conditions, such conditions being reasonably acceptable to the parties and if required by the SGX-ST, such conditions being fulfilled or satisfied before the Acquisition Completion, and such approval remaining in full force and effect;
- (e) the Securities Industry Council ("**SIC**") having granted the Relevant Concert Group, and such grant remaining in full force and effect, a waiver of their obligation to make a mandatory offer under Rule 14 of the Takeover Code for the Shares not owned or controlled by the Relevant Concert Group and from having to comply with the

requirements of Rule 14 of the Takeover Code, subject to the passing of a Whitewash Resolution and such other conditions that the SIC may impose which are reasonably acceptable to the parties;

- (f) completion of the Internal Restructuring;
- (g) the Company having undertaken and having completed its due diligence exercise on the Target, and: (i) the results of the same being satisfactory to the Company in its sole discretion; and (ii) the Vendors having furnished a supplemental deed of warranties in relation to the Target addressing findings of the Company in its due diligence exercise in form and substance satisfactory to the Company in its sole discretion;
- (h) the Qualified Person's Report being in compliance with the Catalist Rules, the JORC Code and in such form and substance reasonably acceptable to the Company;
- (i) the VALMIN Valuation Report being in compliance with the Catalist Rules, the VALMIN Code and in such form and substance reasonably acceptable to the Company, and setting out a VALMIN valuation (or where the VALMIN valuation is stated as a range, the simple average of the highest and lowest value of such VALMIN valuation) of the Target which shall be no less than S\$100 million;
- (j) the Business Valuation Report being in compliance with the Catalist Rules and in such form and substance reasonably acceptable to the Company, and the Equity Valuation (or where the Equity Valuation is stated as a range, the simple average of the highest and lowest value of such Equity Valuation) being no less than S\$107 million;
- (k) all necessary approvals, filings, exemptions or waivers by regulatory authorities and bodies in relation to the Proposed Acquisition being obtained or made on terms reasonably acceptable to the parties, including and not limited to any approval (where necessary) from or notification with the Central Bank of Malaysia (Bank Negara Malaysia) as required under Notice 3 (Investment in Foreign Currency Asset) of the Malaysian Foreign Exchange Rules as prescribed under the Financial Services Act 2013 for the Vendors with respect to the Consideration Shares, and all such approvals and filings remaining in full force and effect on the Acquisition Completion Date;
- (l) all necessary approvals, consents or waivers by contracting third parties of the Target in relation to the Proposed Acquisition (including bankers, suppliers and customers, to the extent such approvals, consents or waivers are material in the context of the Proposed Acquisition) being obtained or made on terms reasonably acceptable to the parties, and all such approvals, consents or waivers remaining in full force and effect on the Acquisition Completion Date;
- (m) no governmental authority or court of competent jurisdiction having enacted, issued, promulgated, enforced or entered any law, rule, regulation, judgment, decree, executive order or award having the effect of making the Proposed Acquisition illegal or otherwise prohibiting consummation thereof on or prior to the Acquisition Completion Date;
- (n) the Shares remaining listed on the SGX-ST and not having been halted or suspended from trading for a period of more than 30 market days in aggregate; and
- (o) all representations, warranties and undertakings of each party under the SPA being complied with, and remaining true, accurate and correct in all material respects as at the Acquisition Completion.

In the event any condition precedent is not fulfilled or waived on or before 31 March 2017 (or such other date as agreed in writing between the parties), the SPA shall cease and determine and no party shall have any claim against the other parties, save for any antecedent breach.

2.8 Moratorium

The Vendors will be subject to applicable moratorium requirements under the Catalist Rules in respect of their Consideration Shares.

2.9 Financial Effects of the Proposed Transactions

(a) Assumptions

The pro forma financial effects of the Proposed Transactions on the Company presented below are strictly for illustrative purposes only and are based on the following assumptions:

- (i) they do not reflect the actual financial effects or the future financial performance and condition of the Company and/or the Group after the Acquisition Completion;
- (ii) the latest audited financial statements of the Group for the financial year ended 31 December 2015 ("**FY2015**")
- (iii) the pro forma financial effect on the net tangible assets ("**NTA**") per Share is computed based on the assumption that the Proposed Transactions were completed on 31 December 2015;
- (iv) the pro forma financial effect on the loss per Share ("**LPS**") is computed based on the assumption that the Proposed Transactions were completed on 1 January 2015;
- (v) the Internal Restructuring and Placement Completion having taken place;
- (vi) expenses relating to the Proposed Placement of approximately S\$0.2 million;
- (vii) the Consideration is S\$100 million, of which S\$5 million is satisfied in cash (which amount will additionally be raised by the Company by way of a further placement of 48,076,923 new Shares at the Placement Issue Price (as defined below), strictly for illustrative purposes only) and the balance in Consideration Shares;
- (viii) based on the Maximum Consideration Issue Price, the minimum number of Consideration Shares issued by the Company is 527,777,778 Consideration Shares ("**Minimum Consideration Shares**") for the remaining Consideration of S\$95 million; and
- (ix) based on the Minimum Consideration Issue Price, the minimum number of Consideration Shares issued by the Company is 1,187,500,000 Consideration Shares ("**Maximum Consideration Shares**") for the remaining Consideration of S\$95 million.

(b) **NTA per Share**

	Before the Proposed Transactions	After the Proposed Transactions	
		Based on Minimum Consideration Shares	Based on Maximum Consideration Shares
NTA (S\$'000)	3,456 ⁽¹⁾	16,244 ⁽¹⁾⁽²⁾	16,244 ⁽¹⁾⁽²⁾
Number of Shares	279,730,000 ⁽³⁾	886,354,701	1,546,076,923
NTA per Share (cents)	1.24	1.83	1.05

Notes:

- (1) Computed based on the audited NTA attributable to the Group as at 31 December 2015 of RM2,073,000 (approximately S\$682,020 based on an exchange rate of S\$1:RM3.0395 ("**Exchange Rate**") and gross proceeds raised from the Company's initial public offering on 18 March 2016 ("**IPO**") of S\$7.20 million (having taken into account the IPO expenses of approximately S\$1.96 million being expensed off and approximately S\$2.47 million being capitalised).
- (2) Computed based on the unaudited NTA attributable to the Target as at 31 December 2015 of RM29,751,277 (approximately S\$9,788,214 based on the Exchange Rate).
- (3) The number of Shares includes the 259,704,980 Shares issued pursuant to the subdivision of Shares and issue of placement shares in connection with the IPO.

(c) **LPS**

	Before the Proposed Transactions	After the Proposed Transactions	
		Based on Minimum Consideration Shares	Based on Maximum Consideration Shares
Loss after tax attributable to the Shareholders (S\$'000)	16,488 ⁽¹⁾	16,868 ⁽¹⁾⁽²⁾	16,868 ⁽¹⁾⁽²⁾
Weighted average number of Shares (excluding treasury Shares)	168,418,875	775,043,576	1,434,765,798
LPS (cents)	9.79	2.18	1.18

Notes:

- (1) Computed based on the audited loss attributable to the Group of RM44,171,000 (approximately S\$14,532,324 based on the Exchange Rate) for FY2015 and the IPO expenses of approximately S\$1.96 million being expensed off.
- (2) Computed based on the unaudited loss attributable to the Target of RM547,180 (approximately S\$180,023 based on the Exchange Rate) for FY2015.

3. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figure
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable.
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profit	Not applicable, as the Target had a net loss of S\$180,023 (based on the Exchange Rate) in FY2015, whereas the Group recorded a net loss of S\$14,532,324 (based on the Exchange Rate) in FY2015.
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares	The market capitalisation of the Company as at the date of this announcement is S\$31,609,490, based on the last traded Share price of 11.3 cents. Assuming a Consideration of S\$100 million, the relative figure is 316.36%.
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Based on the Minimum Consideration Shares, the relative figure is 188.67%. Based on the Maximum Consideration Shares, the relative figure is 424.52%.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such asset.	Not applicable. This is not a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

Having regard to the above, as the relative figures computed based on Rules 1006(c) and (d) exceed 100% and the Proposed Acquisition will not result in a change in control of the Company (since Lim will remain the controlling Shareholder of the Company), the Proposed Acquisition would result in a "very substantial acquisition" under Rule 1010 of the Catalist Rules.

4. INTERESTED PERSON TRANSACTION

4.1 Chapter 9 of the Catalist Rules

The Proposed Acquisition constitutes an IPT under Chapter 9 of the Catalist Rules:-

- (a) An "interested person transaction" is a transaction between an entity at risk and an interested person pursuant to Rule 904(5) of the Catalist Rules.
- (b) As the Company is an "issuer" on the Catalist, the Company is an "entity at risk" pursuant to Rule 904(2) of the Catalist Rules.

- (c) As Lim (one of the Vendors) is the Managing Director of the Group and a controlling Shareholder, he is an "interested person" under Rule 904(4)(a) of the Catalyst Rules.
- (d) As the Proposed Acquisition involves the acquisition of shares in the Target and the issue of Consideration Shares, it is a "transaction" under Rule 904(6)(b) of the Catalyst Rules.

Under Rule 906 of the Catalyst Rules, Shareholders' approval is required for an IPT of a value which is equal to or greater than 5.0% of the Group's latest audited NTA or when aggregated with other IPTs entered into during the same financial year, the value is equal to or more than 5.0% of the Group's latest audited NTA. In obtaining such approval, pursuant to Rule 919 of the Catalyst Rules, the interested person and its associates are required to abstain from voting on the resolution approving the IPT.

4.2 Shareholders' Approval

Assuming the Consideration is S\$100 million, the proportion of the Consideration payable to Lim would be S\$60 million (comprising S\$5 million in cash and the balance in Consideration Shares, subject to the Company's discretion to allot and issue Consideration Shares to Lim in lieu of any cash payment) based on his 60% equity interest in the Target after the Internal Restructuring. The Group's latest audited NTA as at 31 December 2015 is S\$682,020, based on the Exchange Rate. The Proposed Acquisition is therefore an IPT which is subject to the approval of Shareholders and, accordingly, Lim and his associates shall abstain from voting on the resolution approving the Proposed Acquisition as an IPT.

4.3 Other IPTs

Save for the ongoing leases of office space as disclosed in the Company's offer document dated 9 March 2016 and the Proposed Acquisition, no IPT has been entered into by the Group in the current financial year ending 31 December 2016, whether with Lim, his associates or otherwise.

4.4 Audit Committee's Statement

The Audit Committee of the Company comprises Dato' Amos Siew Boon Yeong, Dr Wilson Tay Chuan Hui and Ms Ch'ng Li-Ling. The chairman of the Audit Committee is Dato' Amos Siew Boon Yeong. The members of the Audit Committee do not have any interests in the Proposed Acquisition and are accordingly deemed to be independent for purposes of the Proposed Acquisition.

The Audit Committee will form its view as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders after considering the independent financial adviser's ("IFA") opinion to be obtained in due course. The Audit Committee's view on the Proposed Acquisition will be set out in the Circular to be despatched in due course.

5. PRO FORMA FINANCIAL INFORMATION OF THE TARGET

Please refer to the Appendix of this announcement for:

- (a) the audited financial statements for the financial years ended 31 March 2014 and 31 March 2015 and the unaudited financial statement for the financial period of nine months from 1 April 2015 to 31 December 2015 of the Target; and
- (b) the pro forma financial information of the enlarged Group (including the Target) ("**Enlarged Group**") following the Acquisition Completion for FY2015, which was prepared based on the Group's audited financial statements for FY2015 and the Target's unaudited financial statements for the financial period of twelve months ended 31 December 2015 prepared by the management of the Target.

6. INDEPENDENT FINANCIAL ADVISER

An IFA will be appointed by the Company in due course to (i) advise the members of the Audit Committee for the purposes of the Proposed Acquisition which is an IPT under Chapter 9 of the Catalist Rules on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders; and (ii) advise independent Shareholders on whether the Whitewash Resolution is fair and reasonable and not prejudicial to the interests of the independent Shareholders.

7. PROPOSED PLACEMENT

7.1 Issue Price

The issue price of each Placement Share is S\$0.104 ("**Placement Issue Price**"), with the aggregate placement consideration amounting to S\$3,200,080.

The Placement Issue Price represents a discount of approximately 9.80% to the weighted average price of 11.53 cents for Shares traded on the SGX-ST on 21 June 2016, being the last full trading day on which trades in the Shares were recorded prior to the signing of the Subscription Agreement. The Placement Issue Price was arrived at following arm's length negotiations between the Company and the Subscribers, taking into account the prevailing Share price and the financial position and prospects of the Company.

7.2 Exemption

The Proposed Placement is made pursuant to the exemption under Section 275 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 Proposed Placement.

7.3 Conditions Precedent

Completion of the Proposed Placement ("**Placement Completion**") is conditional upon, *inter alia*:

- (a) the Company obtaining the listing of and quotation notice from the SGX-ST for the listing and quotation of the Placement Shares on Catalist;
- (b) the Proposed Placement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to any party; and
- (c) there being no breach of any representations and warranties by each party, and undertakings required to be performed or caused to be performed by each party under the Subscription Agreement, or no material adverse effect or development or event involving a prospective change likely to result in a material adverse effect to the condition (financial or otherwise), prospects, results of operations or general affairs of the Group.

If any of the conditions to the Subscription Agreement is not satisfied on or before 31 August 2016 (or such later date as may be agreed between the parties in writing), the Proposed Placement will not proceed.

7.4 Information on Subscribers

The Placement Shares are allocated amongst the following Subscribers:

Name of Subscriber	Number of Placement Shares	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 (%)
Fortune Asia Long Short Fund ⁽¹⁾	14,400,000	5.15	4.64
Tay Kwong Hua	11,370,000	4.06	3.66
Lim Tiong Kheng Steven	5,000,000	1.79	1.61
Total	30,770,000	11.00	9.91

Note:

- (1) Fortune Asia Long Short Fund is managed by Fortune Capital Management Pte Ltd and seeks to achieve long-term capital growth through investments in equities which are publicly traded and listed in recognised stock exchanges in Asia (excluding Japan) and/or equities which are publicly traded or listed in recognised stock exchanges outside Asia, of issuers whose revenue is derived substantially from business activities or operations in Asia.

The Subscribers are separate private investors who are not related to each other and are not persons restricted under Rule 812 of the Catalist Rules. The Subscribers are subscribing for the Placement Shares for investment purposes and for their own benefit and not in trust or as a nominee. None of the Subscribers have any intention of influencing management of, or exercising control over, the Company. As such, none of the Subscribers are intending to acquire additional shares in the Company such that its shareholding in the Company will reach 15.0% or more of the enlarged issued and paid-up share capital of the Company at any time.

Pursuant to Rule 803 of Catalist Rules, the Company has confirmed that it will not, pursuant to the Proposed Placement, issue the Placement Shares to transfer a controlling interest of the Company without the prior approval of Shareholders in a general meeting. The Placement Shares will not be issued to any person who is a Director or a substantial Shareholder, or any other person falling within the categories set out in Rule 812(1) of the Catalist Rules.

7.5 Introducer

There is no placement agent appointed for the Proposed Placement. The Subscribers were introduced to the Company by TSS Capital Pte. Ltd. ("**Introducer**"), for which the Company will pay the Introducer a fee equivalent to approximately 5% of the aggregate proceeds from the Placement ("**Placement Proceeds**"), which amounts to S\$160,000 in cash, subject to the Company receiving the Placement Proceeds.

The Introducer was incorporated in Singapore in 2012 and is principally engaged in providing business and management consultancy services. The Introducer's sole shareholder and director is Tan Sze Seng.

7.6 Authority for Issue of Shares

The Placement Shares will be issued pursuant to the general share issue mandate approved by the Shareholders at the Company's annual general meeting held on 29 April 2016. As such, no circular will be issued by the Company in connection with the Proposed Placement. As at 29 April 2016, the Company had 279,730,000 Shares in issue. The Company has not issued any

new Shares from the date of the aforesaid annual general meeting to the date of this announcement.

The Placement Shares will represent approximately 11.00% of the existing issued Shares as at the date of this announcement, and approximately 9.91% of the enlarged number of Shares in issue immediately following the Placement Completion comprising 310,500,000 Shares.

7.7 Rationale and Use of Proceeds

Assuming Placement Completion, the net proceeds from the Proposed Placement, after deducting expenses of approximately S\$0.2 million (including the Introducer fees), will be approximately S\$3 million. 50% of the net proceeds is intended to be utilised to pay for costs and expenses incurred in connection with the Proposed Acquisition, and the balance for general corporate requirements, including administrative purposes.

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 Directors 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 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.

7.8 Ranking

The Placement Shares, when allotted and issued, shall rank *pari passu* with, and shall carry all rights similar to, the then existing issued shares of the Company, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the Placement Completion.

7.9 Moratorium

There is no moratorium imposed on the Placement Shares.

7.10 Financial Effects of the Proposed Placement

(a) Assumptions

The pro forma financial effects of the Proposed Placement on the Company presented below are strictly for illustrative purposes only and are based on the following assumptions:

- (i) they do not reflect the actual financial effects or the future financial performance and condition of the Company and/or the Group after the Placement Completion;
- (ii) the latest audited financial statements of the Group for FY2015;
- (iii) the pro forma financial effect on the NTA per Share is computed based on the assumption that the Proposed Placement was completed on 31 December 2015;
- (iv) the pro forma financial effect on the LPS is computed based on the assumption that the Proposed Placement was completed on 1 January 2015;
- (v) the Placement Completion having taken place; and
- (vi) expenses relating to the Proposed Placement of approximately S\$0.2 million.

(b) Share Capital and NTA per Share

	Before the Proposed Placement	After the Proposed Placement
Share Capital (S\$'000)	24,412 ⁽¹⁾	27,412 ⁽¹⁾
NTA (S\$'000)	3,456 ⁽²⁾	6,465 ⁽²⁾
Number of Shares	279,730,000	310,500,000
NTA per Share (cents)	1.24	2.08

Notes:

- (1) Computed based on the share capital of the Company as at 31 December 2015 of RM51,853,000 (approximately S\$17,059,714 based on the Exchange Rate), Shares issued for gross proceeds raised from the IPO of S\$7.20 million (having taken into account the IPO expenses of approximately S\$2.47 million being capitalised) and Shares issued to Alvito Capital Holdings Inc of S\$2.62 million in connection with the IPO.
- (2) Computed based on the audited NTA attributable to the Group as at 31 December 2015 of RM2,073,000 (approximately S\$682,020 based on the Exchange Rate) and gross proceeds raised from the IPO of S\$7.20 million (having taken into account the IPO expenses of approximately S\$1.96 million being expensed off and approximately S\$2.47 million being capitalised).

(c) LPS

	Before the Proposed Placement	After the Proposed Placement
Loss after tax attributable to the Shareholders (S\$'000)	16,488 ⁽¹⁾	16,688 ⁽¹⁾
Weighted average number of Shares (excluding treasury Shares)	168,418,875	199,188,875
LPS (cents)	9.79	8.38

Notes:

- (1) Computed based on the audited loss attributable to the Group of RM44,171,000 (approximately S\$14,532,324 based on the Exchange Rate) for FY2015 and the IPO expenses of approximately S\$1.96 million being expensed off.

7.11 Additional Listing Application

An application to the SGX-ST will be made by the Company through its sponsor for the listing of and quotation for the Placement Shares on the Catalist. The Company will make the necessary announcement in due course upon receipt of the listing and quotation notice from the SGX-ST.

7.12 Directors' Opinion

The Directors are of the opinion that, barring any unforeseen circumstances, after taking into consideration:

- (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 and net proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Proposed Placement will enable the Company to improve its financial position by increasing the cash available for general corporate requirements.

8. SERVICE CONTRACTS

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

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed herein, none of the Directors or substantial Shareholders has any interest, direct or indirect, in the Proposed Transactions (other than their direct or indirect shareholdings in the Company).

10. CIRCULAR

Subject to the SGX-ST's approval, a Circular setting out more details of the Proposed Acquisition (including the opinion and recommendation of the IFA in relation to the IPT and the Whitewash Resolution) and the Proposed Diversification will be despatched by the Company to the Shareholders in due course.

11. 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 Proposed Transactions 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.

12. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the SPA and the Subscription Agreement will be made available during normal business hours at the registered office of the Company for a period of three months commencing from the date of this announcement.

13. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to update Shareholders as and when appropriate.

In the meantime, Shareholders should exercise caution when trading in the Shares as the Proposed Transactions are subject to certain conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Transactions will complete. Where in doubt as to the action they should take, Shareholders should consult their financial, tax, legal or other professional advisers.

By Order of the Board

Dr Wilson Tay Chuan Hui
Lead Independent Director and Non-Executive Chairman
27 June 2016

Anchor Resources Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 18 March 2016. The initial public offering of the Company was sponsored by UOB Kay Hian Private Limited (the "Sponsor").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents 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.

The contact person for the Sponsor is Mr Alvin Soh, Head of Catalist Operations, Senior Vice President and Mr Josh Tan, Vice President, who can be contacted at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

APPENDIX
FINANCIAL INFORMATION OF THE TARGET

Statement of Comprehensive Income of the Target

	Unaudited ⁽¹⁾ 1 April 2015 to 31 December 2015 RM	Audited 1 April 2014 to 31 March 2015 RM	Audited 1 April 2013 to 31 March 2014 RM
Revenue	52,653	-	-
Other Income	15,494	-	-
Raw materials and consumables used	(13,903)	-	-
Royalty fee expenses	(7,523)	-	-
Employee benefits expenses	(61,271)	-	-
Operating lease expenses	(11,652)	-	-
Other expenses ⁽²⁾	(520,001)	(27,694)	(3,705)
Profit / (Loss)	(546,203)	-	(3,705)
Taxation	(977)	-	-
Loss for the financial period	(547,180)	(24,694)	(3,705)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss	(547,180)	(24,694)	(3,705)

Notes:

- (1) The Target changed its financial year end from 31 March to 31 December in 2015. The financial statements represent the financial period of 9 months from 1 April 2015 to 31 December 2015.
- (2) The other expenses for financial period of 9 months ended 31 December 2015 comprise mainly fund raising commission of RM250,000, professional fees of RM134,238 and upkeep and maintenance costs of RM58,529.

Statement of Financial Position of the Target

	Unaudited ⁽¹⁾	Audited	Audited
	31 December 2015	31 March 2015	31 March 2014
	RM	RM	RM
ASSETS			
Non-current assets	647,625	-	-
Current assets	3,923,652	65,787	-
TOTAL ASSETS	4,571,277	65,787	-
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	100,000	100,000	100,000
Accumulated losses	(587,050)	(39,870)	(15,176)
TOTAL EQUITY	(487,050)	60,130	88,529
LIABILITIES			
Non-current liabilities	5,000,100	-	-
Current liabilities	58,227	5,657	3,872
TOTAL LIABILITIES	5,058,327	5,657	3,872
TOTAL EQUITY AND LIABILITIES	4,571,277	65,787	92,401

Note:

(1) The Target changed its financial year end from 31 March to 31 December in 2015.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF ENLARGED GROUP

Pro Forma Statement of Financial Position of the Enlarged Group As at 31 December 2015

	RM'000
ASSETS	
Non-current assets	26,418
Current assets	10,781
TOTAL ASSETS	<u>37,199</u>
EQUITY AND LIABILITIES	
TOTAL EQUITY	1,586
LIABILITIES	
Non-current liabilities	5,000
Current liabilities	30,613
TOTAL EQUITY AND LIABILITIES	<u>37,199</u>

**Pro Forma Statement of Comprehensive Income of the Enlarged Group
As at 31 December 2015**

	RM'000
Revenue	730
Other Income	7
Raw materials and consumables used	(897)
Changes in inventories of work-in-progress	113
Contractor expenses	(274)
Royalty fee expenses	(41)
Depreciation and amortisation expenses	(1,318)
Employee benefits expense	(2,870)
Operating lease expense	(165)
Other expenses	(8,052)
Finance costs	(1,856)
Fair value loss on derivative financial instruments	(29,587)
Loss for the financial year, representing total comprehensive income for the financial year	(44,210)