



ANCHOR RESOURCES LIMITED

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

RESPONSE TO SGX-ST'S QUERIES

*Unless otherwise defined, all capitalised terms used herein shall have the meanings ascribed to them in the announcement dated 9 April 2019 by Anchor Resources Limited ("**Company**").*

The board of directors (the "**Directors**") of the Company wishes to announce the following in response to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to the Company, in relation to the proposed placement of up to 143,790,838 ordinary shares in the capital of the Company to the Subscribers (the "**Placement**").

SGX-ST's Query 1

Who proposed the Placement?

Company's response

During the negotiations with the bondholders on the extension of the maturity date of the bonds, the Company decided it would be in the Company's interest to raise funds to ensure that the Company would have adequate resources to repay the bonds on the extended maturity date (i.e. 3 May 2019). As such, our Director, Mr Chan Koon Mong, approached one of the bondholders, Mr Tan Ong Huat, with the idea of a share placement. Mr Tan Ong Huat thus became the introducer to the Company for this Placement and introduced to the Company the subscribers who were willing to subscribe for shares in the Company.

SGX-ST's Query 2

In relation to the introducer fee, it was mentioned that the introducer will get 7% of the Consideration Shares.

(a) SGX-ST's Query 2(a)

What was the Board's consideration in agreeing to the introducer fee?

Company's response

The Company had, in past fund raising transactions, generally paid a 5% commission to introducers. Having regard to the short amount of time given to Mr Tan Ong Huat to identify the subscribers and the fact that he was willing to accept payment by way of issue of shares rather than cash, the Company and the Introducer agreed on the 7% introducer fee, which was at a premium compared to the usual 5% commission that the Company has paid in the past. In addition, the Company is currently facing tight cash flow and the issue of shares rather than cash payment of the 7% would conserve cash for the Company's working capital purposes.

(b) SGX-ST's Query 2(b)

Is the rate in line with the existing market rates and practices?

Company's response

While the introducer fee of 7% is at a premium compared to the existing market rate and practices, it was mutually agreed and negotiated between the Company and the Introducer, Mr Tan Ong Huat, taking into consideration the factors and circumstances mentioned above in the Company's response to the SGX-ST's Query 2(a).

By Order of the Board

Dr Wilson Tay Chuan Hui
Lead Independent Director and Non-Executive Chairman
23 April 2019

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 Catalyst.

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.

The contact person for the Sponsor is Ms Lam Siew Hwa, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.