



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

PROPOSED ISSUE OF NON-CONVERTIBLE BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT OF S\$1,500,000 DUE 2021 BY THE COMPANY TO MDM KOH AH LUAN

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Anchor Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 21 September 2018 entered into a subscription agreement (the “**Subscription Agreement**”) between the Company and Mdm Koh Ah Luan (the “**Subscriber**”), details of which are set out in paragraph 2 below.

2. PROPOSED S\$1,500,000 BONDS ISSUE

Pursuant to the Subscription Agreement, the Company has agreed to issue and the Subscriber has agreed to subscribe for non-convertible bonds due 2021 of an aggregate principal amount of S\$1,500,000 (the “**Bonds**”) on the terms and subject to the conditions of the Subscription Agreement (the “**Proposed Bonds Issue**”).

2.1 Salient Terms of the Proposed Bonds Issue

The salient terms of the Proposed Bonds Issue are summarised below:

Principal Amount	:	S\$1,500,000.
Subscription Price	:	100% of the principal amount of the Bonds, i.e. S\$1,500,000.
Maturity Date	:	On the third anniversary from the date the Bonds are issued (“ Maturity Date ”).
Interest	:	9.0% per annum of the principal amount outstanding of the Bonds commencing from the date of issue of the Bonds (the “ Issue Date ”), payable semi-annually in advance on each date (“ Interest Payment Date ”) which falls (i) six months after the preceding Interest Payment Date or, (ii) in the case of the first Interest Payment Date, on the Issue Date.
Form and Denomination	:	The Bonds will be issued in registered form in the denomination of S\$10,000 or integral multiples thereof.

Status of the Bonds : The Bonds will constitute direct, unsubordinated and unconditional obligations of the Company. The Bonds shall at all times rank *pari passu* and without any preference or priority among themselves.

The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable laws, at all times rank (i) in priority to loans to the Company by its directors and/or shareholders, if any; and (ii) at least equally with all of the Company's present and future direct, unsubordinated and unconditional obligations, other than subordinated obligations and priorities created by law.

Redemption on Maturity : Subject to the terms and conditions of the Bonds, unless previously redeemed, purchased and cancelled or extended as provided for in the terms and conditions of the Bonds, the Company will redeem each Bond at 100.0% of its principal amount, together with all accrued but unpaid interest thereon (calculated up to, but excluding, the date fixed for such redemption) on the Maturity Date.

Early Redemption : Subject to the mutual agreement in writing of the Subscriber and the Company, the Bonds may be redeemed in whole or in part prior to the Maturity Date in accordance with the terms and conditions of the Bonds.

Transfer : The Bonds are non-transferable, save in the event of succession as a result of death of the Subscriber

Events of Default : Upon the occurrence of any event of default specified in the terms and conditions of the Bonds, the Subscriber will be entitled to redemption by issuing a default notice as set out in the terms and conditions of the Bonds, save that the Company may challenge the validity and/or reasonableness of the (i) occurrence of the event of default and/or (ii) the default notice issued by the Subscriber.

2.2 Conditions Precedent for the Issue of the Bonds

The Proposed Bonds Issue is conditional upon, *inter alia*:

- (a) the allotment, issue and subscription of the Bonds 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 the Company or any of the Subscriber;
- (b) the Company having obtained all consents and approvals in respect of the issue of the Bonds; and
- (c) on the completion date, being three (3) business days from the date of fulfilment of the conditions listed in this paragraph 2.2 ("**Completion Date**"), the representations and warranties of the Company therein being true, accurate and correct in all material respects as if made on the Completion Date, with reference to the then existing circumstances and the Company having performed in all material respects all of its obligations hereunder to be performed on or before the Completion Date.

The Subscriber may, upon such terms as it thinks fit, waive compliance with the condition contained in paragraph 2.2(c) above and any condition so waived shall be deemed to have been satisfied.

If any of the conditions above is not satisfied on or before 27 September 2018 or such other date as the Company and the Subscriber may agree, the Proposed Bonds Issue will not proceed.

2.3 Information on the Subscriber

Mdm Koh Ah Luan

The Subscriber is a private investor as well as existing substantial shareholder of the Company. The Subscriber is subscribing for the Bonds purely as a financial investor.

As an existing substantial shareholder of the Company, the Subscriber holds 82,554,886 ordinary shares in the capital of the Company (each a "**Share**"), representing 7.89% interest in the issued and paid-up share capital of the Company consisting 1,046,948,355 shares.

The Subscriber has confirmed to the Company that:

- (a) save for her existing holdings of 82,554,886 shares in the Company, she has no connections (including business relationships) with the Company, its Directors and substantial shareholders; and
- (b) she is not acting in concert with any Director or substantial shareholder of the Company, in collaboration with or co-operating, pursuant to an agreement or undertaking, with each other or any existing director or shareholder of the Company, to obtain or consolidate effective control of the Company through the issue of the Bonds (including as contemplated in the Singapore Code of Take-over and Merges).

The Proposed Bonds Issue is made pursuant to the exemption under Section 275 of the Securities and Futures Act (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Bonds Issue.

2.4 Rationale and Use of Proceeds

The Proposed Bonds Issue is intended to raise additional funding to strengthen the financial position of the Group and to advance the Group's strategic plans.

The estimated net proceeds from the Bonds, after deducting estimated professional and related expenses of approximately S\$10,000 incurred in connection with the Proposed Bonds Issue, will be approximately S\$1.49 million (the "**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 Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

3. DIRECTORS' OPINION

The Directors are of the opinion that, barring any unforeseen circumstances:

- (a) after taking into account the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) after taking into account the present bank facilities and Net Proceeds, 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 Bonds Issue stated herein will enable the Group to improve its financial position by increasing the cash available for general corporate requirements.

4. FINANCIAL EFFECTS

4.1 Assumptions

The financial effects of the issuance of the Bonds on the net tangible asset (“**NTA**”) per share and the loss per share (“**LPS**”) of the Group are set out below. The financial effects which have been prepared based on the audited consolidated financial statements of the Group for its most recently completed financial year ended 31 December 2017 (“**FY2017**”), are purely for illustrative purposes only and do not reflect the actual financial position of the Group after the issuance of the Bonds.

An exchange rate of S\$1:RM3 is used for the purpose of illustration in this announcement. Such exchange rate has been presented solely for information only and should not be construed as representations that the relevant amounts have been or could be converted at the rates indicated or at any other rate.

4.2 NTA

For illustrative purposes and assuming the Bonds had been issued at the end of FY2017, the Group's NTA as at 31 December 2017 is as follows:

	Before issuance of Bonds	After issuance of Bonds
NTA (S\$'000)	8,758	8,748
Number of shares	1,046,948,355 ⁽¹⁾	1,046,948,355
NTA per share (cents)	0.84	0.84

Note:

- (1) Based on the issued and paid-up share capital of the Company consisting 1,046,948,355 shares as at the date of this announcement.

4.3 Loss Per Share

For illustrative purposes and assuming the Bonds had been issued at the beginning of FY2017, the Group's loss per share for FY2017 is as follows:

	Before issuance of Bonds	After issuance of Bonds
Loss attributable to owners of the Company (S\$'000)	6,512	6,522
Weighted average number of shares	1,032,384,861 ⁽¹⁾	1,032,384,861
Loss per share (cents)	0.63	0.63

Note:

- (1) Computed based on weighted average number of shares for FY2017 and the assumption that the allotment of 8,500,000 new ordinary shares arising from the exercise of 8,500,000 warrants on 7 September 2018 has taken place on 1 January 2017.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

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 Proposed Bonds Issue 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.

7. DOCUMENT AVAILABLE FOR INSPECTION

A copy of 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.

8. FURTHER ANNOUNCEMENTS

The Company will make further announcement(s) to update its shareholders (the “Shareholders”) as and when appropriate.

In the meantime, Shareholders should exercise caution when trading in the Shares as the Proposed Bonds Issue is subject to certain conditions and there is no certainty or assurance as at the date of this announcement that they 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
21 September 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.

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, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.