

ANCHOR RESOURCES LIMITED
(Incorporated in Singapore)
(Company Registration Number: 201531549N)
(the “Company”)

Questions Raised by Shareholders at The Company’s Annual General Meeting (“AGM”) Held on 30 April 2019 in Relation to The Resolutions and The Responses Made in Relation Thereto

The Chairman invited shareholders to put forward any questions they may have on the Company.

Mr Teo Luan Goon (“**Mr Teo**”), referring to the Company’s annual report for the financial year ended 31 December 2018 (the “**Annual Report**”), noted that the Company has total borrowings of RM 26,017,000 (page 110 of Annual Report) and a cash flow of RM 7,153,000 (page 105 of the Annual Report). In this regard, he wished to know when the liabilities arising from the borrowings undertaken will fall due and whether there is any concern over the Company’s status as a going concern.

In response, Mr Ng Kok Hok (“**Mr Ng**”) noted that the Company’s borrowings, which included various instruments like convertible bonds and exchangeable bonds, operate on different timelines. He explained that these proceeds mainly go towards the Company’s working capital, though he acknowledged that the resulting proceeds do not strictly amount to operating profit. Mr Ng then answered Mr Teo’s question by giving a brief overview of the applicable timelines in respect of various bonds. In particular, he shared that the Company has issued bonds which fall due on 3 May 2019, and that a placement of shares to raise an aggregate sum of S\$2,200,000 (the “**2019 Placement**”) will be undertaken to pay off such bonds. Overall, he noted that the Company will have a programme to repay its bonds where they fall due.

Mr Koh Wan Tiong inquired whether it is possible for the Company to have recourse to banks instead for fundraising purposes, given that the interest rates in respect of such bonds are high.

Mr Ng responded that as the Company is experiencing some impairment issues that led to losses (and these are mostly non-cashflow items) for the past few years, the prospect of taking bank loans is not a likely option at this point in time. He clarified that the Company is still capable of obtaining other bank facilities such as letters of credit, hire purchase loans and trade lines, but stressed that other kinds of borrowings would require the Company to show profit figures.

In this regard, Mr Teo also wished to know when shareholders will start to see profits.

Mr Lim Chiau Woei responded that the strategies that the board of directors of the Company (the “**Directors**”) have implemented are gradually taking effect, and while such strategies require some time to take effect, he stated that the Company is heading towards positive developments this year.

In light of the anticipated issuance of 143,790,838 subscription shares and 10,065,359 introducer shares pursuant to the 2019 Placement (the “**Placement Shares**”), Mr Low Wee Siong, as company secretary, highlighted to shareholders the significance of resolution 6 on the agenda, which authorises the Directors to allot and issue new shares and convertible securities within the prescribed limits (the “**2019 General Mandate**”). He informed the shareholders that the previous share issue mandate approved by the shareholders at the AGM held on 30 April 2018 (“**2018 General Mandate**”) will expire at the conclusion of the AGM held today, on 30 April 2019. He then explained that that assuming that resolution 6 is passed, the Company will issue the Placement Shares pursuant to the 2019 General Mandate instead of the 2018 General Mandate.