



ANNUAL REPORT 2020

ANCHOR
RESOURCES
LIMITED

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This annual report 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 drawn on any specific technical expertise in its review of this annual report.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr. Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

On behalf of the Board of Directors (the “**Board**”), I am pleased to present the 6th Annual Report of Anchor Resources Limited (“**Company**”) and together with its subsidiaries, (the “**Group**”) for the financial year ended 31 December 2020 (“**FY2020**”).

The year of 2020 was a very challenging and nerve wrecking one when the Coronavirus (“**COVID-19**”) pandemic started appearing in Wuhan, China and subsequently spread all over the world. Malaysia and Singapore were not spared either. To curb the spread of COVID-19, Malaysia imposed a Movement Control Order (“**MCO**”) on 18 March 2020 severely restricting all forms of domestic interstate and international travel both into and out of Malaysia, Singapore imposed a similar Circuit Breaker (“**CB**”) on 7 April 2020. Up to now, Malaysia is still imposing restrictions in different tiers including MCO, Conditional MCO and Recovery MCO.

FINANCIAL PERFORMANCE

Group’s revenue from the continuing operation of granite dimension stone business decreased by RM0.11 million (45.31%) in FY2020 as compared to FY2019. The decrease in revenue is mainly due to Movement Control Orders (“**MCOs**”) issued by the Malaysian Government to curb the spread of COVID-19 virus. There was no production in the granite business for FY2020 as workers of contractor were not able to return to Malaysia due to travel restriction.

The Company has disposed the entire issued and paid up share capital of Angka Alamjaya Sdn. Bhd. (“**AASB**”) pursuant to the approval of the shareholders of the Company having been obtained at the extraordinary general meeting of the Company held on 28 December 2020. AASB and its wholly-owned subsidiary, Angka Mining Sdn. Bhd. (collectively, the “**AASB Group**”), has therefore ceased to be subsidiaries of the Company. As such, AASB is categorised as “Discontinued Operations” as a separate disclosure.

Overall, the Group incurred a net loss of RM17.97 million in FY2020 as compared to RM15.82 million in FY2019.

KEY DEVELOPMENTS

Gold Mining

Following the disposal of AASB Group, the Company had also entered into management services agreement with AASB for a transition period of twelve (12) months to provide management services to AASB in respect of AASB’s mining licenses, local government approvals and appointed contractors. In consideration for the Company providing these management services, AASB will pay the Company a monthly service fee equivalent to four and a half per cent (4.5%) of AASB’s revenue each month.

Granite Quarrying

The workers of Huasheng were not able to return to Malaysia due to the COVID-19 travel restrictions. As such, the Bukit Chetai Granite Mine did not produce any blocks, tiles and joggle pavers in FY2020.

BUSINESS STRATEGIES AND FUTURE PLANS

The Group will continue to operate the Bukit Chetai quarry while the newly constituted board, new Executive Director, Mr Lim Beng Chew and new Chief Executive Officer, Mr. Chong Heng Loong, will seek out new businesses to enhance the Group’s profitability and unlock shareholders’ value.

CHAIRMAN'S STATEMENT

Granite Stone Quarrying

The workers of GGTM Sdn. Bhd.'s ("GGTM") contractor for the mining operations are still currently unable to return to Malaysia due to the COVID-19 travel restriction by the Malaysia government. As such, there will be no material development at the Bukit Chetai granite mine until the return of the workers.

Aggregates Quarrying

The Company is finalising the crusher machineries from overseas to be installed at site and is engaging with East Coast Rail Line's ("ECRL") site manager on the tender documents.

The timeline to supply the quarry aggregates to Brunei's Pulau Muara Besar Refinery project was delayed due to COVID-19 pandemic as Brunei has imposed travel restrictions which has affected the workers from China working at the project site. The Company is monitoring the project progress and we are having regular updates from SIVLI Sdn. Bhd., a leading provider of engineering, procurement, and construction services in Brunei.

New Businesses

I am pleased to share that Mr. Lim Beng Chew, has joined the Board as an Executive Director on 22 February 2021 and Mr. Chong Heng Loong, was appointed as Chief Executive Officer on 1 April 2021. Appointment of both Mr. Lim Beng Chew and Mr. Chong Heng Loong will bring a fresh perspective to the Board. The newly constituted board and management intends to undertake a strategic review of investment and divestment opportunities with a view to improve the Group's financial position and unlock shareholders' value. This may potentially involve diversifying the Group's business into new business segments, so as to provide additional revenue streams for the Group and build a stronger income base for future growth.

Conclusion

On behalf of the Board of Directors, I would like to express our appreciation for the dedication of our Group Managing Director, Mr. Lim Chiau Woei, and the Group's employees during 2020 and for the resilience and commitment they showed in the face of a very challenging and difficult business environment.

I would also like to thank the directors who resigned for their past contributions to the Board and the Group. They are Dr. Wilson Tay Chuan Hui - Non-Executive Chairman and Lead Independent Director, Mr. Chan Koon Mong – Executive Director, Ms. Ch'ng Li-Ling – Independent Director and Dr. Foo Fatt Kah – Non-Executive and Non-Independent Director.

I wish to welcome Mr. Lim Beng Chew – Executive Director, Ms. Juliana Lee Kim Lian – Independent Director, Mr. Chong Heng Loong – Chief Executive Officer and myself as Non-Executive Chairman and Lead Independent Director, to the Company.

In addition, I would like to thank our shareholders, customers, suppliers, bankers and business associates for their unwavering support. Last but not least, I would like to extend my gratitude to our dedicated Board of Directors for their guidance and advice. As we embark on a challenging journey post COVID-19, we will seize the opportunity on potential new businesses and to deliver greater value to our shareholders.

MR. CHUA SER MIANG

Non-Executive Chairman and Lead Independent Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. CHUA SER MIANG - *Non-Executive Chairman and Lead Independent Director - (Appointed on 29 December 2020)*

MR. LIM CHIAU WOEI - *Managing Director*

MR. LIM BENG CHEW - *Executive Director - (Appointed on 22 February 2021)*

MR. GAVIN MARK MCINTYRE - *Independent Director*

MS. LEE KIM LIAN, JULIANA - *Independent Director - (Appointed on 29 December 2020)*

AUDIT COMMITTEE

MR. GAVIN MARK MCINTYRE
Chairman

MS. LEE KIM LIAN, JULIANA
MR. CHUA SER MIANG

NOMINATING COMMITTEE

MS. LEE KIM LIAN, JULIANA
Chairman

MR. CHUA SER MIANG
MR. GAVIN MARK MCINTYRE

REMUNERATION COMMITTEE

MR. CHUA SER MIANG
Chairman
MS. LEE KIM LIAN, JULIANA
MR. GAVIN MARK MCINTYRE

REGISTERED OFFICE

80 Robinson Road
#17-02
Singapore 068898
Tel: + 65 6222 8008
Fax: + 65 6222 8001
Company Registration No.
201531549N

PRINCIPAL PLACE OF BUSINESS

C-3A-9, 10, 11 & 12 Block C
Pusat Komersial Southgate
No. 2 Jalan Dua
Off Jalan Chan Sow Lin
55200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel: +603 9224 6760
Fax: +603 9221 5997

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel: +65 6593 4848
Fax: +65 6593 4847
<http://www.bacs.com.sg/>

COMPANY SECRETARIES

MS. TAN SWEE GEK, LLB
MS. ONG BENG HONG, LLB

INDEPENDENT AUDITOR

BDO LLP
Public Accountants and Chartered
Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Partner-in-charge:
MR. ADRIAN LEE YU-MIN
(Appointed since the financial year
ended 31 December 2020)

SPONSOR

UOB Kay Hian Private Limited
8 Anthony Road
#01-01
Singapore 229957

BOARD OF DIRECTORS

MR. CHUA SER MIANG

*Non-Executive Chairman and
Lead Independent Director*



Mr. Chua is our Non-Executive Chairman and Lead Independent Director. He was appointed to the Board on 29 December 2020.

Mr. Chua is currently a Director in Crowe Horwath Capital Pte Ltd, a corporate finance advisory firm providing financial advisory for equity and debt fundraising and financial advisory for corporate actions.

He has over 20 years of experience in corporate finance where he was primarily involved in advising local and foreign corporates on financial and equity capital market transactions including public listings, fund raising, and mergers and acquisitions. Mr. Chua had previously held senior positions in other financial institutions including DMG & Partners Securities and Daiwa Securities SMBC Singapore. Mr. Chua started his career as a Senior Review Officer with the Monetary Authority of Singapore in 1993.

Mr. Chua graduated with a Bachelor's degree in Business Administration from the National University of Singapore, and is a Chartered Financial Analyst (CFA) charter holder. Mr. Chua is currently the Non-Executive Chairman and Independent Director of Aoxin Q&M Dental Group Ltd.

BOARD OF DIRECTORS

MR. LIM CHIAU WOEI

Managing Director



Mr. Lim Chiau Woei is our Managing Director and one of the Founder Shareholders of our Group. He was appointed to our Board on 12 August 2015 and was re-elected as Director on 30 April 2019.

Having identified potential in the Malaysian gold mining industry, he established our Group in 2011, and together with the other founders of our Group, procured, mobilised and organised relevant experienced staff and resources for the setting up of our business and operations.

Since our Group's inception, Mr. Lim has been instrumental in our Group's growth. Through his efforts, our Group was able to secure the Lubuk Mandi Concession Agreement and acquire the granite business. As Managing Director, Mr. Lim oversees the overall strategic directions and expansion plans for the growth and development of our Group, including sourcing for investment opportunities to promote the growth of our Group's business. He is also responsible for maintaining relationships with our customers and suppliers and overseeing our Group's general operations. Mr. Lim has been building up his knowledge and contacts in the mining industry through, *inter alia*, (i) hands-on management of our Group's mining operations, (ii) business dealings with industry players, (iii) participating in seminars and conferences, and (iv) interactions with relevant government authorities.

After his graduation in 1997, Mr. Lim has spent his career being involved in various businesses, including property development, project management as well as manufacturing and trading of construction material. Mr. Lim has more than 14 years of experience in the mining industry. Since December 2007, he has been a director of the Gabungan Granite Terengganu Sdn Bhd. He was involved in the establishment of Gabungan Granite Terengganu Sdn Bhd and formulated strategies and marketing plans to expand the business globally. Currently he is the non-executive director of Gabungan Granite Terengganu Sdn Bhd.

Mr. Lim graduated from Oklahoma State University with a Bachelor of Science in Electrical Engineering in 1997. He later obtained a Master of Business Administration (Finance) from the University of Leicester in 2009.

BOARD OF DIRECTORS

MR. LIM BENG CHEW
Executive Director



Mr. Ben Lim Beng Chew is our Executive Director. He has been appointed to our Board on 22 February 2021. He is responsible for the overall management and strategic direction of the Company, overseeing marketing and sales acquisition, business growth and development, strategic brand management and the day-to-day operations.

Mr. Ben Lim has been the CEO of Arika Pte Ltd since 1989. With its humble beginnings as a distributor in the F&B field, Arika ventured into multiple industries over the years, gaining exclusive distribution rights for major electronic brands across Asia. Under the strategic leadership of Mr. Ben Lim, Arika has diversified into a holding company that is now engaged in the duty-free products distribution, import and export of various products which operate across gateway cities in Asia and are currently building a retail presence in China. Mr. Ben Lim is also a partner of Sevens Group, where he plays an instrumental role. Sevens Group specialises in property development and investments in both local and regional markets.

Mr. Ben Lim was also a co-founder of ECXX Global Pte Ltd, a leading digital asset exchange that is in the MAS Fintech Sandbox in which he resigned as director in February 2021.

BOARD OF DIRECTORS

MR. GAVIN MARK MCINTYRE

Independent Director



Mr. Gavin Mark McIntyre is our Independent Director. He was appointed to the Board on 21 February 2017 and was re-elected as Director on 29 June 2020. He is a Singaporean with many years of experience in accounting related sectors.

Mr. McIntyre spent 7 years based in Thailand and Singapore when he was in Deloitte, where he was a project leader to lead restructuring efforts in the aftermath of the Asian Financial Crisis in 1997 and the Dot Com bust in the early 2000s. In the course of his work, he dealt with both lenders and borrowers to come up with Court sanctioned restructuring plans in Singapore, Malaysia, Indonesia and Thailand.

From 2013 till 2015, Mr. McIntyre worked as a practice director with a boutique valuation services firm with a strong regional presence in Asia. Prior to that, he was holding the position of Chief Financial Officer of a listed company in Singapore for 5 years where he worked closely with the Board to review projects in the fields of mineral extraction, telecommunications and general manufacturing & distribution. He also held positions as a director in the group subsidiaries located in China, Malaysia, Australia and Singapore.

In August 2016, Mr. McIntyre was appointed as an Independent Director at Nico Steel Holdings Ltd and is the Chairman of the Audit Committee. He is also a member of the Nominating and Remuneration Committees.

Mr. McIntyre graduated from Curtin University, Australia in 1989 with a degree in Accounting and since 1994, holds the status of non-practicing CPA with CPA Australia.

BOARD OF DIRECTORS

MS. LEE KIM LIAN, JULIANA
Independent Director

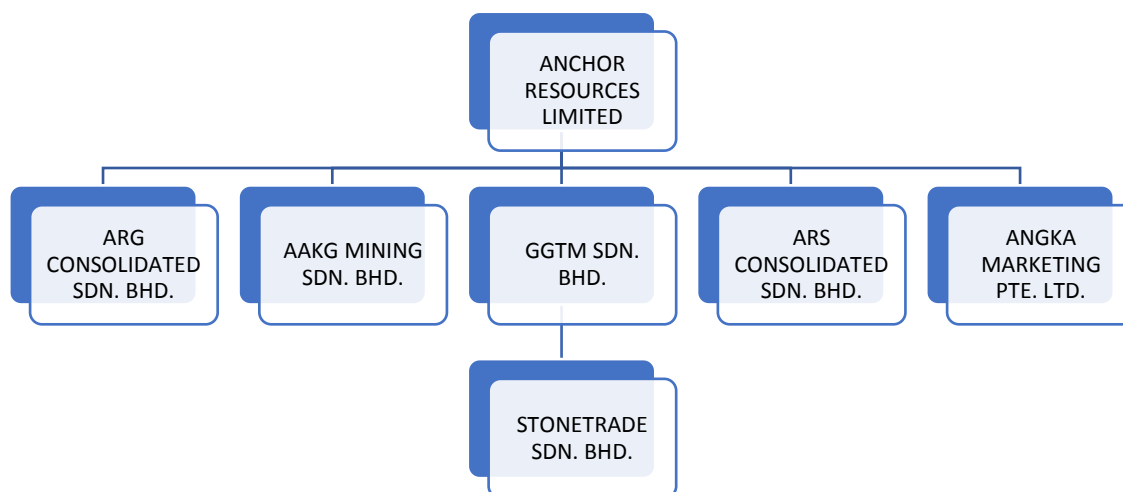


Ms. Juliana Lee was appointed as an Independent Director of the Company on 29 December 2020.

Ms. Juliana Lee is a Director of Aptus Law Corporation. She has more than 25 years of experience in legal practice and currently heads the corporate practice of Aptus Law Corporation. Her main areas of practice are corporate law, corporate finance, mergers and acquisitions and venture capital.

Ms. Juliana Lee holds a Bachelor of Laws (Honours) degree from the National University of Singapore and is a member of the Singapore Institute of Directors. Ms. Juliana Lee also presently serves as an independent director on the Boards of Nordic Group Limited, Dyna-Mac Holdings Ltd and Uni-Asia Group Limited.

GROUP STRUCTURE



Details of our subsidiaries as of the date of this annual report are as follows:

Name of Company	Date and country of incorporation	Principal activities	Principal place of business	Effective equity interest held by our Group
GGTM Sdn. Bhd. ("GGTM")	04-Apr-10 Malaysia	Exploration, mining and production of granite dimension stone for sales as well as architectural stone and interior fit-out	Malaysia	100.00%
Stonetrade Sdn. Bhd. ("STSB")	08-May-18 Malaysia	Exploration, quarrying activities, construction, manufacturing, processing, cutting and polishing of dimension stone, granite stone, marble, aggregates and related products	Malaysia	100.00%
Angka Marketing Pte. Ltd. ⁽¹⁾	27-Jul-17 Singapore	Business and management consultancy services	Singapore	100.00%
ARG Consolidated Sdn. Bhd. ("ARGSB")	27-Feb-20 Malaysia	General trading, gold producer & sales of gold products etc	Malaysia	100.00%
ARS Consolidated Sdn. Bhd. ("ARSSB")	27-Feb-20 Malaysia	General trading, granite producer & sales of granite and related products etc	Malaysia	100.00%
AAKG Mining Sdn. Bhd. ("AKSB")	27-Feb-20 Malaysia	Gold and related mineral mining, consultant and contractor of natural resources	Malaysia	100.00%

Save as disclosed above, there are no other subsidiaries and associated entities of our Group.

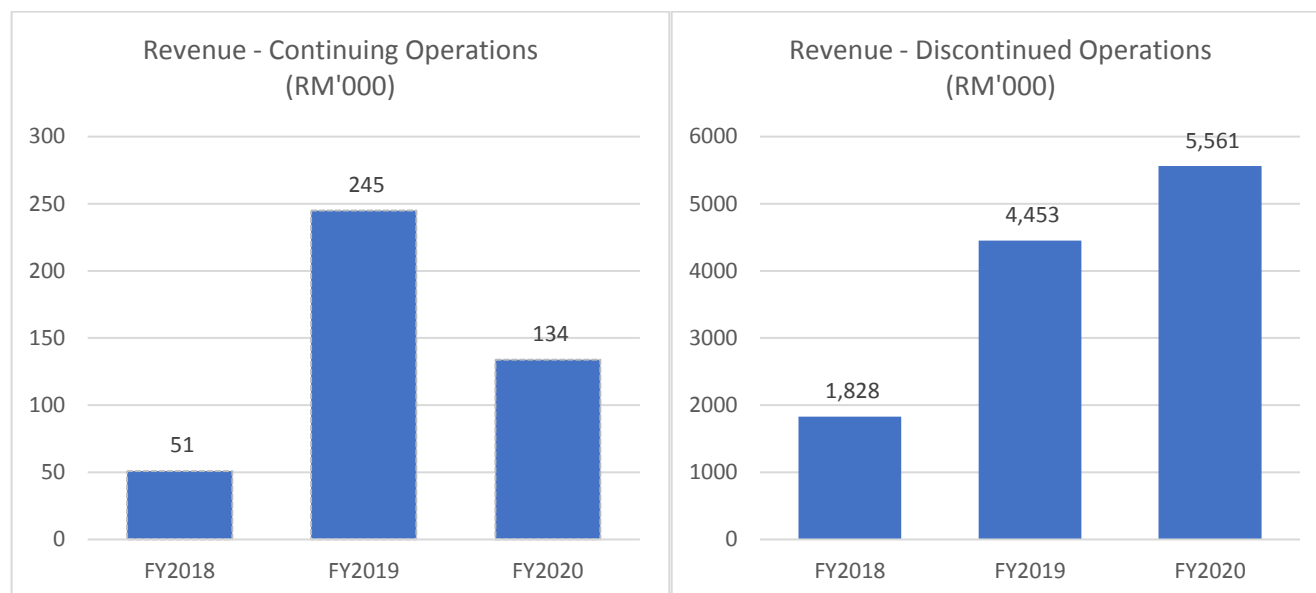
None of our subsidiaries are listed on any stock exchange.

Note 1: Angka Marketing Pte. Ltd. is in the process of being struck off.

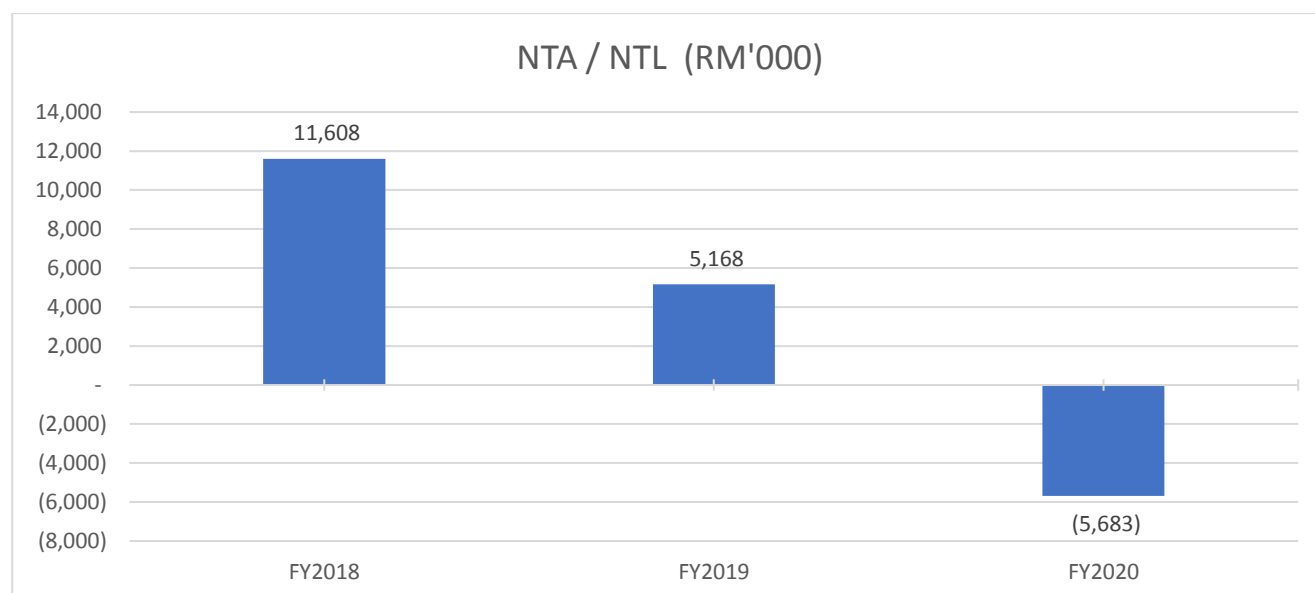
MILESTONES ACHIEVED

December 2020	Settlement of the Company's Non-Guaranteed Bond I ("NGB I"), Non-Guaranteed Bond II ("NGB II") and Exchangeable Bond ("EB") pursuant to approval of the shareholders of the Company having been obtained in extraordinary general meeting of the Company held on 28 December 2020. The Company has disposed of the entire issue and paid-up share capital of AASB and therefore exited the gold mining business.
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HIGHLIGHTS

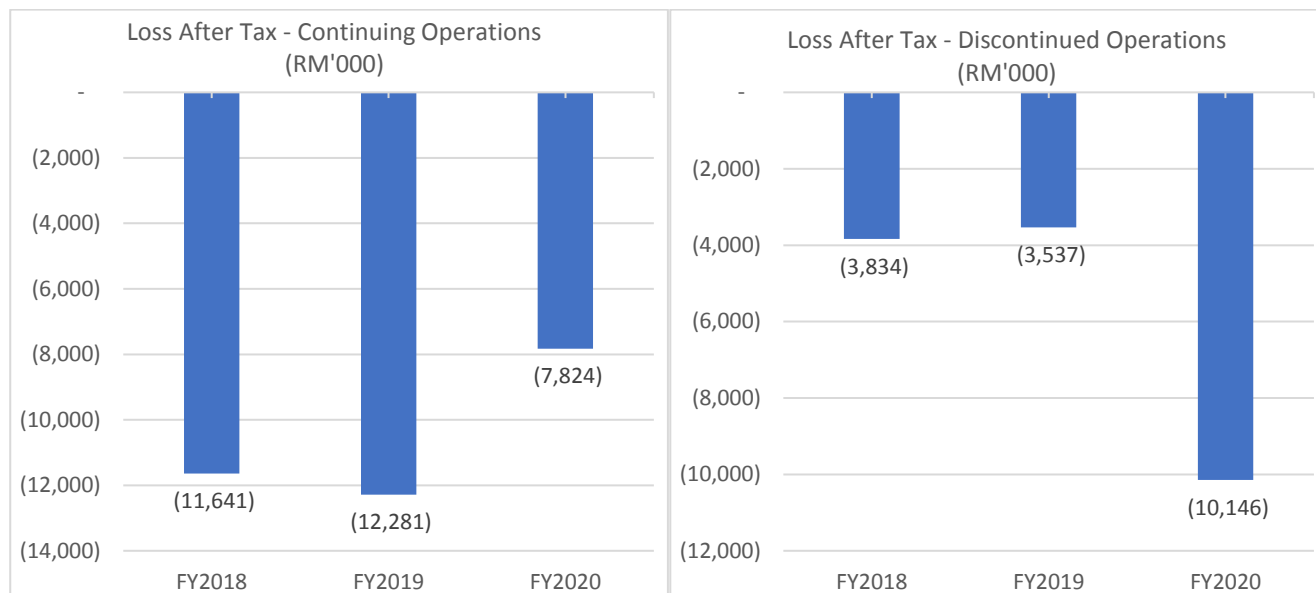


The Group generated RM0.25 million and RM0.13 million revenues from its continuing operations of granite dimension stones in FY2019 and FY2020, respectively. The discontinued operations of gold mining business contributed RM4.45 million and RM5.56 million from sale of semi-processed gold concentrate ore for FY2019 and FY2020, respectively.

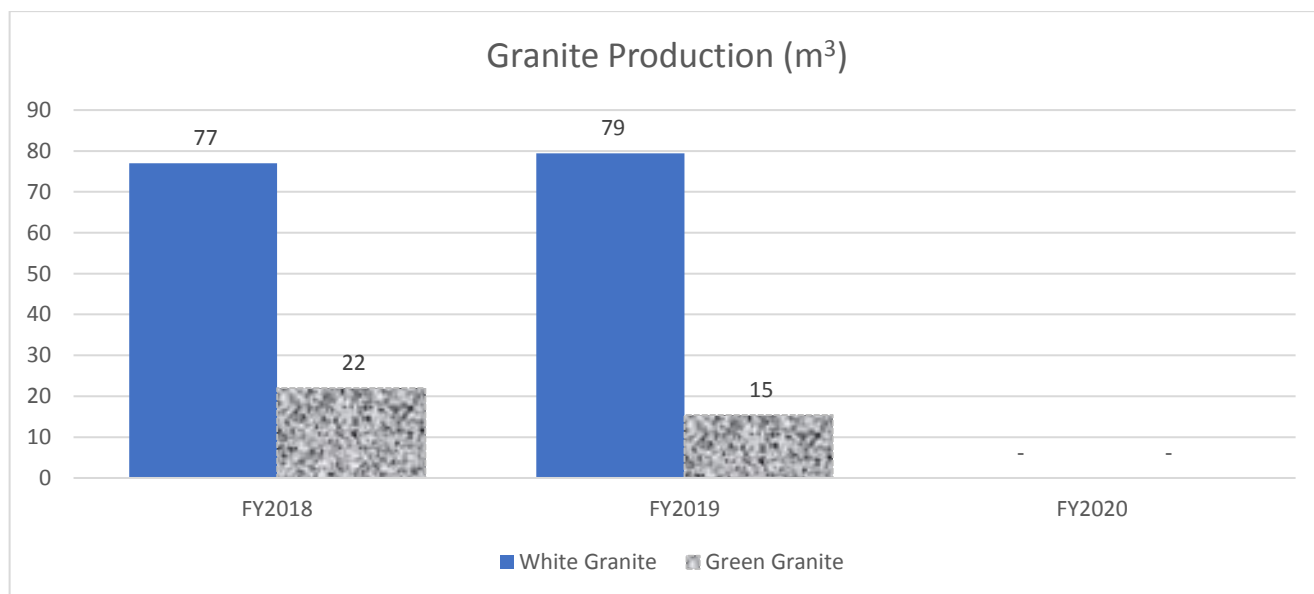


NTA decreased by RM10.85 million mainly due to losses in FY2020 of RM17.97 million which were set off with an increase of RM7.12 million in share capital due to the issuance of new ordinary shares.

HIGHLIGHTS

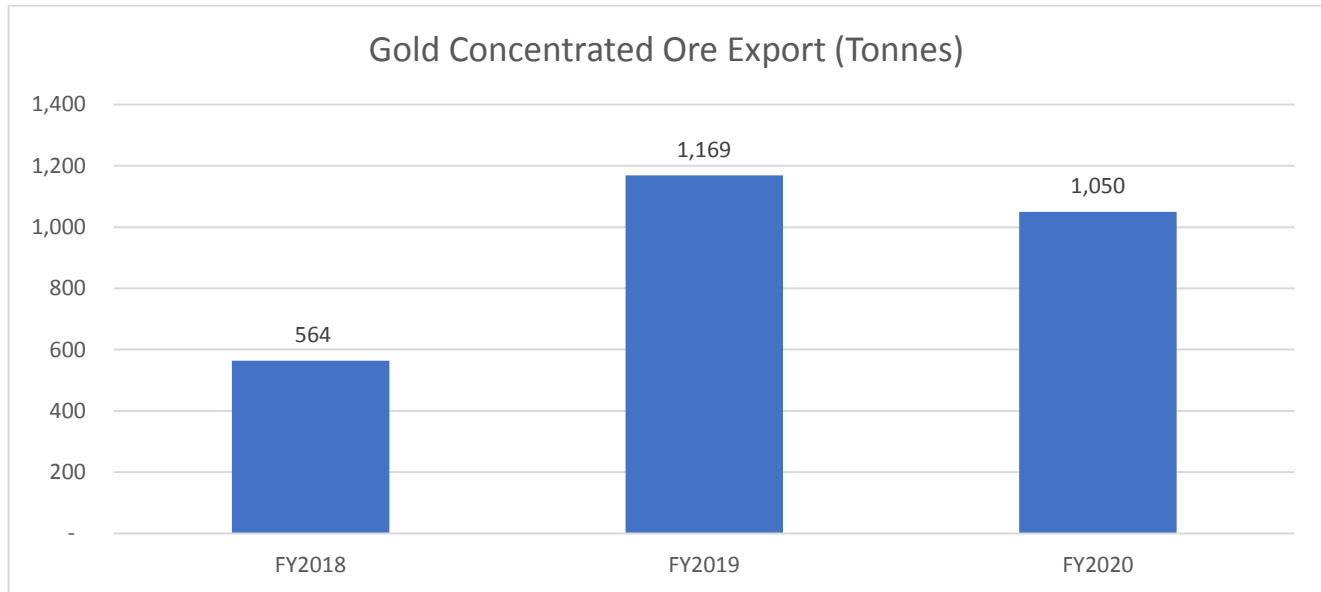


The Group incurred a net loss of RM7.82 million from continuing operations in FY2020 as compared to RM12.28 million in FY2019. The decrease is mainly due to lower finance costs and employee benefit expenses. Including losses from discontinued operations, the net loss of the Group was RM17.97 million.

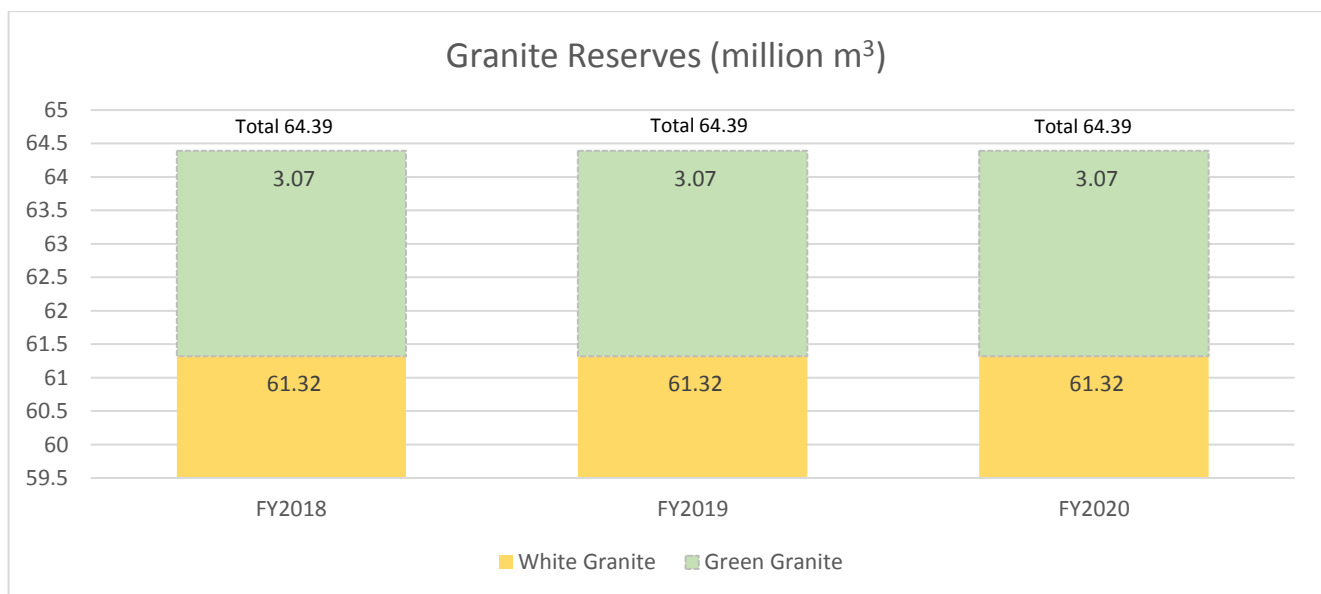


There was no granite production in FY2020 due to contractor's workers are not able to return to Malaysia as a result of travel restrictions imposed by Malaysian Government to curb the spread of COVID-19.

HIGHLIGHTS



1,169 tonnes and 1,050 tonnes of semi-processed gold concentrate ore were exported during FY2019 and FY2020, respectively. The exported semi-processed gold concentrated ore in FY2019 and FY2020 recorded average 37.00 gram and 39.20 gram of gold per tonne of semi-processed gold concentrate ore.



The granite reserves estimates have been reviewed by Wrightech Engineering, in accordance with the Joint Ore Reserve Committee of the Australian Institute of Mining and Metallurgy, Australia Institute Geoscientists and Minerals Council of Australia, December 2012 (“JORC Code”).

FINANCIAL REVIEW

REVENUE AND RESULTS

The revenue and results of AASB group are separately presented as “discontinued operations” in the consolidated statement of comprehensive income as a result of the disposal of the AASB group on 28 December 2020.

Group’s revenue decreased by RM0.11 million (45.31%) in FY2020 as compared to FY2019 for the continuing operations. The decrease in revenue is mainly due to MCOs issued by the Malaysian Government to curb the spread of COVID-19 virus. There was no production in the granite business for FY2020 as workers of contractor were not able to return to Malaysia due to travel restriction.

OPERATING EXPENSES

Total operating expenses for continuing operations decreased by RM4.30 million to RM8.24 million in FY2020 from RM12.54 million in FY2019. The changes in total operating expenses were mainly due to the following:

- No contractor expenses incurred in FY2020 as compared to RM0.23 million in FY2019 as workers of Jianning County Huasheng Stone Co., Ltd. (“Huasheng”) were not able to return to Malaysia due to the COVID-19 travel restrictions imposed by the Malaysian Government in FY2020.
- Decrease in employee benefits expenses by RM1.64 million (48.41%) in FY2020 as compared to FY2019 mainly due to reduction of directors’ fee and remuneration, and similar reductions for the salaries of management staff.
- Decrease in operating lease expenses by RM0.09 million in FY2020 as compared to FY2019 as GGTM had stopped rental of genset since December 2019.
- Decrease in other expenses by RM0.76 million in FY2020 as compared to FY2019 were mainly due to the (i) decrease of travelling expenses of RM0.20 million due to travel restriction and (ii) decrease of project expenses of RM0.90 million, set off against the increases in professional and bond extension fees in relation to the bonds settlement.
- Decrease in loss allowance on third party trade receivables by RM0.07 million (11.40%) for FY2020 as compared to FY2019.
- Decrease in finance costs by RM1.55 million (40.37%) in FY2020 as compared to FY2019 due to full redemption of Guaranteed Bond II (“GB II”), Guaranteed Bond III (“GB III”), NGB I, NGB II and EB during the financial year.

The Group incurred net loss of RM7.82 million from continuing operations in FY2020 as compared to RM12.28 million in FY2019. Including losses from discontinued operations, the net loss of the Group was RM17.97 million.

FINANCIAL REVIEW

WORKING CAPITAL

The Group has a negative working capital of RM9.70 million as at 31 December 2020. The negative working capital is mainly due to an unsecured term loan and its accrued interest of RM10.86 million, for which the Company has entered into settlement agreements with the lenders on 30 December 2020 to settle the unsecured term loan by way of issuance of new shares in the capital of the Company at an issue price of S\$0.00149 per Share. The loan has been fully settled by the Company after approval was granted by shareholders of the Company in an extraordinary general meeting convened on 9 February 2021. For details, please refer to the Company's announcement on 16 October 2020, 30 December 2020 and 9 February 2021.

EQUITY

The total shareholders' fund of the Group decreased by RM10.85 million from RM5.17 million as at 31 December 2019 to negative of RM5.68 million as at 31 December 2020. The decrease was mainly due to losses in FY2020 of RM17.97 million which were set off with an increase of RM7.12 million in share capital due to the issuance of new ordinary shares.

CASH AND CASH EQUIVALENTS

As at end of FY2020, the Group had cash and cash equivalents of RM2.64 million.

OPERATIONS REVIEW

FOCUS OF FY2020

FY2020 is a very challenging year due to the COVID-19 pandemic which has seriously impacted people and businesses all over the world. Malaysia Government has imposed various type of MCO and travelling restrictions since 18 March 2020.

The production of GGTM, a wholly-owned subsidiary of the Company, had totally stopped in FY2020 as the contractor's workers were not able to return to Malaysia due to the travel restrictions imposed by the Malaysia Government.

AASB, a discontinued operation, which is principally engaged in the business of exploration, mining and production of gold for sale in Malaysia and overseas was also impacted by MCO and travel restriction imposed by Malaysia Government.

Gold concentrate production from tailing materials has also decreased in FY2020 due to the stoppage of operations when Malaysia Government imposed MCO to curb the spread of COVID-19. In FY2020, the Group has successfully exported approximately 1,050 tonnes of gold concentrated ore with an average of 39.20 gram of gold per tonnes, compared to FY2019 production of 1,169 tonnes with average of 37.00 gram of gold per tonne.

Future Plans

On 28 December 2020, the Company disposed the entire issued and paid up share capital of AASB pursuant to the approval of the shareholders of the Company having been obtained at the extraordinary general meeting of the Company. Therefore, the Company had ceased from gold mining operations. However, the Company had also entered into management services agreement with AASB for a transition period of twelve (12) months to provide management services to AASB in respect of AASB's mining licenses, local government approvals and appointment of contractors. In consideration for the Company providing these management services, AASB will pay the Company a monthly service fee equivalent to four and a half per cent (4.5%) of AASB's revenue each month. No management services fee was recognised in FY2020 as the disposal of AASB Group was only completed on 28 December 2020.

The workers of GGTM's contractor for the granite mining operations are still unable to return to Malaysia due to the COVID-19 travel restrictions put in place by the Malaysian Government. As such, there will be no material development at the Bukit Chetai granite mine until the return of the workers.

The Company is finalising the installation of the crusher on site and is also engaging with the ECRL's site manager for the finalisation of the submission of tender documents.

The timeline to supply the quarry aggregates to Brunei's Pulau Muara Besar Refinery project was delayed due to COVID-19 pandemic as Brunei imposed travel restrictions which in turn affected the return of workers from China working at the project site. The Company is monitoring the project progress and we are having regular updates from SIVLI Sdn. Bhd., a leading provider of engineering, procurement, and construction services in Brunei.

Mr. Lim Beng Chew was appointed as an Executive Director of the Board on 22 February 2021 and Mr. Chong Heng Loong was appointed as Chief Executive Officer on 1 April 2021. The newly constituted board and management intends to undertake a strategic review of the Group's businesses.

CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) LISTING MANUAL SECTION B: RULES OF CATALIST

The Board of Directors (the “**Board**”) of Anchor Resources Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining high standards of corporate governance and places importance on maintaining sound internal controls and systems so as to ensure greater transparency, accountability and protect and enhance shareholders’ interests.

This report outlines the Company’s corporate governance practices for financial year ended 31 December 2020 (“**FY2020**”) with specific reference to principles of the Code of Corporate Governance 2018 (the “**Code**”).

<u>Principle/ Provision</u>	<u>Code Description</u>	<u>Company’s compliance or explanation</u>																												
BOARD MATTERS																														
The Board’s Conduct of Affairs																														
Principle 1 Provision 1.4	The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.	<p>During the financial year under review, the Board comprised eight (8) Directors, namely Dr. Wilson Tay Chuan Hui, Mr. Lim Chiau Woei, Mr. Chan Koon Mong, Ms. Ch’ng Li-Ling, Mr. Gavin Mark McIntyre, Dr. Foo Fatt Kah, Mr. Chua Ser Miang and Ms. Juliana Lee Kim Lian. Dr. Wilson Tay Chuan Hui, Mr. Chan Koon Mong and Ms. Ch’ng Li-Ling resigned on 19 January 2021 while Dr. Foo Fatt Kah resigned on 23 January 2021. Mr. Chua Ser Miang and Ms. Juliana Lee Kim Lian were appointed to the Board on 29 December 2020 while Mr. Lim Beng Chew was appointed to the Board on 22 February 2021. Accordingly, as at the date of this Annual Report, the Board members are as follows:</p> <table border="1"> <thead> <tr> <th colspan="4">Composition of the Board</th> </tr> <tr> <th>Name of Director</th> <th>Designation</th> <th>Date of Initial Appointment</th> <th>Date of Last Re-Election/Re-appointment</th> </tr> </thead> <tbody> <tr> <td>Mr. Lim Chiau Woei</td> <td>Managing Director</td> <td>12 August 2015</td> <td>30 April 2019</td> </tr> <tr> <td>Mr. Gavin Mark McIntyre</td> <td>Independent Non-Executive Director</td> <td>21 February 2017</td> <td>29 June 2020</td> </tr> <tr> <td>Mr. Chua Ser Miang</td> <td>Non-Executive Chairman and Lead Independent Director</td> <td>29 December 2020</td> <td>-</td> </tr> <tr> <td>Mr. Lim Beng Chew</td> <td>Executive Director</td> <td>22 February 2021</td> <td>-</td> </tr> <tr> <td>Ms. Juliana Lee Kim Lian</td> <td>Independent Non-Executive Director</td> <td>29 December 2020</td> <td>-</td> </tr> </tbody> </table>	Composition of the Board				Name of Director	Designation	Date of Initial Appointment	Date of Last Re-Election/Re-appointment	Mr. Lim Chiau Woei	Managing Director	12 August 2015	30 April 2019	Mr. Gavin Mark McIntyre	Independent Non-Executive Director	21 February 2017	29 June 2020	Mr. Chua Ser Miang	Non-Executive Chairman and Lead Independent Director	29 December 2020	-	Mr. Lim Beng Chew	Executive Director	22 February 2021	-	Ms. Juliana Lee Kim Lian	Independent Non-Executive Director	29 December 2020	-
Composition of the Board																														
Name of Director	Designation	Date of Initial Appointment	Date of Last Re-Election/Re-appointment																											
Mr. Lim Chiau Woei	Managing Director	12 August 2015	30 April 2019																											
Mr. Gavin Mark McIntyre	Independent Non-Executive Director	21 February 2017	29 June 2020																											
Mr. Chua Ser Miang	Non-Executive Chairman and Lead Independent Director	29 December 2020	-																											
Mr. Lim Beng Chew	Executive Director	22 February 2021	-																											
Ms. Juliana Lee Kim Lian	Independent Non-Executive Director	29 December 2020	-																											
Provision 1.1		<p>All Directors are fiduciaries who exercise due diligence and independent judgement in dealing with the business affairs of the Group, hold Management accountable for performance and are obliged to act in good faith and to take objective decisions in the interest of the Group.</p> <p>The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.</p> <p>The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board’s principal functions include:</p> <ul style="list-style-type: none"> • providing entrepreneurial leadership, and set strategic objectives, which should include appropriate focus on value creation, innovation and sustainability; • ensuring that the necessary resources are in place for the company to meet its strategic objectives; • establishing and maintaining a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and company performance; • constructively challenging Management and reviewing its performance; 																												

Provision 1.2	<ul style="list-style-type: none"> instilling an ethical corporate culture and ensuring that the company's values, standards, policies and practices are consistent with the culture; and ensuring transparency and accountability to key stakeholder groups. <p>All newly appointed Directors will undergo an orientation programme where the Director would be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of director of a listed company. To obtain a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational offices and facilities and meet with key management personnel.</p> <p>The Directors are updated, from time to time, when new laws or regulations affecting the Group are introduced. New releases issued by the SGX-ST which are applicable to the Directors are circulated to the Board. The Directors are encouraged to attend seminars, conferences and training courses, at the Company's expense, that will assist them in executing their obligations and responsibilities as directors of the Company. Examples of some training attended by our Directors are listed in the table below. In addition, the members of Audit Committee were briefed by the external auditors on changes or amendments to accounting standards.</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Training attended</th> </tr> </thead> <tbody> <tr> <td>Mr. Gavin Mark McIntyre</td> <td>ACRA SGX SID Audit Committee Seminar 2020</td> </tr> <tr> <td>Mr. Lim Beng Chew</td> <td>LED 1: Listed Entity Director Essentials LED 3: Board Performance LED 4: Stakeholder Engagement LED 7: Nominating Committee Essentials</td> </tr> </tbody> </table>	Director	Training attended	Mr. Gavin Mark McIntyre	ACRA SGX SID Audit Committee Seminar 2020	Mr. Lim Beng Chew	LED 1: Listed Entity Director Essentials LED 3: Board Performance LED 4: Stakeholder Engagement LED 7: Nominating Committee Essentials														
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Provision 1.3	<p>Formal letters of appointment will be furnished to the newly-appointed Directors, upon their appointments stating among other matters, the roles, obligations, duties and responsibilities as a member of the Board.</p> <p>The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters that require the Board's approval include, amongst others, the following:</p> <ul style="list-style-type: none"> significant acquisitions and disposals of assets; material borrowings and fund-raising exercises; share issuance and proposal of dividends; financial results announcements, annual report and audited financial statements; and material interested person transactions. 																				
Provision 1.4	<p>The Board has delegated certain responsibilities to the Audit Committee (the "AC"), the Remuneration Committee (the "RC") and the Nominating Committee (the "NC") (collectively, the "Board Committees") with clearly defined terms of reference. As at the date of this Annual Report, the respective compositions of the Board Committees are follows:</p> <table border="1"> <thead> <tr> <th colspan="4">Composition of the Board Committees</th> </tr> <tr> <th></th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Mr. Gavin Mark McIntyre</td> <td>Ms. Juliana Lee Kim Lian</td> <td>Mr. Chua Ser Miang</td> </tr> <tr> <td>Member</td> <td>Ms. Juliana Lee Kim Lian</td> <td>Mr. Chua Ser Miang</td> <td>Ms. Juliana Lee Kim Lian</td> </tr> <tr> <td>Member</td> <td>Mr. Chua Ser Miang</td> <td>Mr. Gavin Mark McIntyre</td> <td>Mr. Gavin Mark McIntyre</td> </tr> </tbody> </table>	Composition of the Board Committees					AC	NC	RC	Chairman	Mr. Gavin Mark McIntyre	Ms. Juliana Lee Kim Lian	Mr. Chua Ser Miang	Member	Ms. Juliana Lee Kim Lian	Mr. Chua Ser Miang	Ms. Juliana Lee Kim Lian	Member	Mr. Chua Ser Miang	Mr. Gavin Mark McIntyre	Mr. Gavin Mark McIntyre
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Provision 1.5	<p>The Board meets at least twice a year and ad-hoc Board meetings and meetings of the Board Committees are convened as and when necessary. The Company's constitution (the "Constitution") allows for meetings to be held through telephone and/or video-conference.</p> <p>During the financial year under review, the number of meetings held and attended by each Director is as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Board</th> <th>AC</th> <th>RC</th> <th>NC</th> </tr> </thead> <tbody> <tr> <td>No. of meetings held</td> <td>3</td> <td>4</td> <td>1</td> <td>1</td> </tr> <tr> <td>Directors</td> <td colspan="4">Number of meetings attended</td> </tr> </tbody> </table>		Board	AC	RC	NC	No. of meetings held	3	4	1	1	Directors	Number of meetings attended								
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<p>Notes:</p> <p>(1) Attendance by invitation.</p> <p>(2) Dr. Wilson Tay Chuan Hui resigned as a Director of the Company on 19 January 2021.</p> <p>(3) Mr. Chan Koon Mong resigned as a Director of the Company on 19 January 2021.</p> <p>(4) Ms. Ch'ng Li-Ling resigned as a Director of the Company on 19 January 2021.</p> <p>(5) Dr. Foo Fatt Kah resigned as a Director of the Company on 23 January 2021.</p> <p>(6) Mr. Chua Ser Miang was appointed as a Director of the Company on 29 December 2020.</p> <p>(7) Ms. Juliana Lee Kim Lian was appointed as a Director of the Company on 29 December 2020.</p> <p>(8) Mr. Lim Beng Chew was appointed as a Director of the Company on 22 February 2021.</p>																																														
<p>Management provides the Board with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities:</p>																																														
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<p>Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p>																																														
<p>Directors have separate and independent access to Management, the Company Secretary, and external advisers (where necessary) at the company's expense. The role of the Company Secretary is as follows:</p> <ul style="list-style-type: none"> ensuring the Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore and the SGX-ST Listing Manual Section B: Rules of Catalist ("Catalist Rules"), are complied with; assisting the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value; assisting the Chairman to ensure good information flows within the Board and its committees and key management personnel; designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information; attending and preparing minutes for all Board meetings; coordination and liaison between the Board, the Board Committees and key management personnel; and 																																														
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		<ul style="list-style-type: none"> • assisting the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings. <p>The appointment and the removal of the Company Secretary are subject to the approval of the Board.</p> <p>Where the directors, whether individually or collectively, require independent professional advice in furtherance of their duties, the Company Secretary will assist in appointing a professional advisor to render the advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company.</p>
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Board Composition and Guidance

Principle 2 Provision 2.1	The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.	An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.																										
Provision 2.2; 2.3; 2.4		<p>As at the date of this Annual Report, the Board comprises of five (5) directors, of whom three (3) are Independent Directors. The three Independent Directors of the Company are Mr. Chua Ser Miang, Ms. Juliana Lee Kim Lian and Mr. Gavin Mark McIntyre. There are three (3) non-executive directors in the Board which make up a majority of the Board. Mr. Lim Chiau Woei is the Managing Director while Mr. Lim Beng Chew is an Executive Director.</p> <p>As at the date of this Annual Report, Mr. Chua Ser Miang is the Non-Executive Chairman and Lead Independent Director. He is available to shareholders at chuasm@outlook.com, where they have concerns and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.</p> <p>The primary consideration in identifying director nominees is to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.</p> <p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p>																										
Provision 2.4		<table border="1"> <thead> <tr> <th colspan="3">Balance and Diversity of the Board</th> </tr> <tr> <th></th> <th>Number of Directors</th> <th>Proportion of Board</th> </tr> </thead> <tbody> <tr> <td>Core Competencies</td> <td></td> <td></td> </tr> <tr> <td>- Accounting of finance</td> <td>3</td> <td>60%</td> </tr> <tr> <td>- Business management</td> <td>5</td> <td>100%</td> </tr> <tr> <td>- Legal or corporate governance</td> <td>3</td> <td>60%</td> </tr> <tr> <td>- Relevant industry knowledge or experience</td> <td>4</td> <td>80%</td> </tr> <tr> <td>- Strategic planning experience</td> <td>4</td> <td>80%</td> </tr> <tr> <td>- Customer based experience or knowledge</td> <td>3</td> <td>60%</td> </tr> </tbody> </table> <p>Accordingly, the NC and Board are of the view that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making.</p> <p>The Board has taken the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> • review by the NC at least once a year to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and • evaluation by the Directors at least once a year of the skill sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board. 	Balance and Diversity of the Board				Number of Directors	Proportion of Board	Core Competencies			- Accounting of finance	3	60%	- Business management	5	100%	- Legal or corporate governance	3	60%	- Relevant industry knowledge or experience	4	80%	- Strategic planning experience	4	80%	- Customer based experience or knowledge	3
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<p>Provision 2.5</p>		<p>The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.</p> <p>The Non-Executive Directors are kept well informed of the Group’s business and are knowledgeable about the industry the Group operates in. To ensure that the Non-Executive Directors are well supported by accurate, complete and timely information, they have unrestricted access to the Management, and have sufficient time and resources to discharge their oversight functions effectively.</p> <p>During Board meetings, the Management also updates the Non-Executive Directors on the latest developments of the Group and its future plans. Forecast financials against budget are also presented to enable the Non-Executive Directors to assess the performance of the Group.</p> <p>The Non-Executive Directors had met and discussed in the absence of key management personnel as required in FY2020.</p>
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Chairman and Chief Executive Officer

<p>Principle 3 Provision 3.1, 3.2 and 3.3</p> <p>Provision 3.1; 3.3</p>	<p>There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.</p>	<p>As at the date of this Annual Report, Mr. Chua Ser Miang is the Non-Executive Chairman of the Board, Mr. Lim Chiau Woei is the Managing Director (“MD”), while Mr. Chong Heng Loong is the Chief Executive Officer (“CEO”).</p> <p>The roles of the Non-Executive Chairman and the MD as well as the CEO are separate to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision-making. The Non-Executive Chairman is not related to the MD or the CEO.</p> <p>The Non-Executive Chairman oversees the business and ensures the effectiveness of the Board. He leads the Board discussions and ensures that Board meetings are convened when necessary. He sets the Board’s meeting agenda in consultation with the MD, CEO, and where necessary, other members of the Board as well as the Company Secretary and ensures the quality, quantity and timeliness of the flow of information between the Board and key management personnel to facilitate efficient decision-making.</p> <p>The CEO takes a leading role in managing the business of the Group and manages the day-to-day operations, together with the other Executive Directors, with the assistance of the key management personnel. He is also responsible for setting the strategic direction of the Group together with the Board and steering the business of the Group for future growth and expansion. While the MD focuses on managing the mining business.</p> <p>In view of the above, the Board is of the view that power is not unduly concentrated in the hands of any one individual nor is there any compromised accountability and independent decision-making as all major decisions and policy changes are conducted through the respective Board Committees, all of which are chaired by the Independent Directors.</p> <p>As mentioned in Principle 2, Mr. Chua Ser Miang is the Lead Independent Director, who is available to shareholders at chuasm@outlook.com, where they have concerns and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.</p>
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Board Membership

<p>Principle 4 Provision 4.2</p> <p>Provision 4.4</p> <p>Provision 4.1</p>	<p>The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.</p>	<p>Please refer to the table in Principle 1 on the names of the members and the composition of the NC. The NC comprises three (3) directors, all of whom are independent, and also includes the Lead Independent Director.</p> <p>The NC is responsible for examining the size and composition of the Board and Board Committees. The composition of the Board and Board Committees is also reviewed on an annual basis by the NC and the Board. Having considered the scope and nature of the Group’s businesses and the requirements of the business, the Board, in concurrence with the NC, believes that its current board size and the existing composition of the Board Committees effectively serves the Group. It provides sufficient diversity without interfering with efficient decision-making.</p> <p>The terms of reference of the NC include, <i>inter alia</i>, the following:</p>
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<p>Provision 4.5</p>		<ul style="list-style-type: none"> • to review the succession plans for directors, in particular the appointment and/or replacement of the Chairman, the MD, and key management personnel; • to review the training and professional development programmes for the Board and its directors; • to review and approve the appointment and re-appointment of directors (including alternate directors, if any); • to review and approve any new employment of related persons and proposed terms of their employment; • to re-nominate directors for re-election in accordance with the Company's Constitution at each annual general meeting having regard to the Director's contribution and performance; • to determine on an annual basis whether a Director is independent; • to decide whether or not a director is able to and has been adequately carrying out his duties as a Director; and • to decide how the Board's performance may be evaluated and propose objective performance criteria, as approved by the Board, that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholders' value. <p>The Board has not capped the maximum number of listed company board representations each Director may hold.</p> <p>The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's competencies, commitment, contributions and performance, after taking into account his or her other listed company board directorships and other principal commitments. The NC also believes that it is for each Director to assess his or her own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.</p> <p>The factors considered in assessing the capacity of Directors include the following:</p> <ul style="list-style-type: none"> • expected and/or competing time commitments of Directors; • geographical location of Directors; • size and composition of the Board; and • nature and scope of the Group's operations and size. <p>The NC reviews the performance of the Directors as well as their contributions to the Board on an annual basis. After conducting reviews, the NC is satisfied that the Directors have been able to devote adequate time and attention to the affairs of the Company and they were able to fulfil their duties as directors of the Company in FY2020.</p> <p>As at the date of the report, the Company does not have any alternate Director.</p>												
<p>Provision 4.3</p>		<p>The process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates is disclosed in the following table:</p> <table border="1" data-bbox="576 1581 1398 1966"> <thead> <tr> <th colspan="3">Process for the Selection and Appointment of New Directors</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td style="text-align: center;">Determination of selection criteria</td> <td>The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills/experience/knowledge/gender to complement and strengthen the Board and increase its diversity.</td> </tr> <tr> <td style="text-align: center;">2.</td> <td style="text-align: center;">Search for suitable candidates</td> <td>The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td> </tr> <tr> <td style="text-align: center;">3.</td> <td style="text-align: center;">Assessment of shortlisted candidates</td> <td>The NC would meet and interview the shortlisted candidates to assess their suitability.</td> </tr> </tbody> </table>	Process for the Selection and Appointment of New Directors			1.	Determination of selection criteria	The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills/experience/knowledge/gender to complement and strengthen the Board and increase its diversity.	2.	Search for suitable candidates	The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.	3.	Assessment of shortlisted candidates	The NC would meet and interview the shortlisted candidates to assess their suitability.
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2.	Search for suitable candidates	The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.												
3.	Assessment of shortlisted candidates	The NC would meet and interview the shortlisted candidates to assess their suitability.												

Provision 4.4		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center; padding: 2px;">4.</td> <td style="width: 45%; padding: 2px;">Appointment of director</td> <td style="padding: 2px;">The NC would recommend the selected candidate to the Board for consideration and approval.</td> </tr> </table>	4.	Appointment of director	The NC would recommend the selected candidate to the Board for consideration and approval.	<p>The Board is also advised by the Sponsor on appointment of suitable directors as required under Catalist Rule 226(2)(d).</p> <p>The process for the re-election of incumbent directors is disclosed in the following table:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center; padding: 2px;">Process for the Re-electing Incumbent Directors</th> </tr> </thead> <tbody> <tr> <td style="width: 5%; text-align: center; padding: 2px;">1.</td> <td style="width: 45%; padding: 2px;">Assessment of director</td> <td style="padding: 2px;"> <p>The NC, would assess the performance of the Director in accordance with the performance criteria set by the Board; and</p> <p>The NC would also consider the current needs of the Board.</p> </td> </tr> <tr> <td style="text-align: center; padding: 2px;">2.</td> <td style="padding: 2px;">Re-appointment of director</td> <td style="padding: 2px;">Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</td> </tr> </tbody> </table> <p>The NC reviews the independence of each Independent Director annually. As part of the review process, the NC requires the Independent Directors to complete and execute declaration forms in relation to their independence. These declaration forms are drawn up based on the guidelines in the Code. The NC has reviewed the declaration form executed by each of the Independent Directors, and, pursuant to its review, the NC is of the view that Mr. Chua Ser Miang, Ms. Juliana Lee Kim Lian and Mr. Gavin Mark McIntyre are independent in accordance with the Code.</p> <p>Accordingly, the Board has identified each of the Independent Directors to be independent, after determining, taking into account the views of the NC, whether the Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Independent Director's judgement.</p> <p>There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.</p> <p>As at the date of this Annual Report, there is no Independent Director who has served beyond nine years since the date of his/her first appointment.</p> <p>Pursuant to the Constitution of the Company, at each Annual General Meeting ("AGM"), at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation.</p> <p>The Directors to retire in every year shall be those subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.</p> <p>The Directors who are standing for re-election at the forthcoming AGM pursuant to Article 114 of the Company's Constitution are Mr. Lim Chiau Woei and Mr. Gavin Mark McIntyre. After assessing each of their contributions and performance, the Board and NC is recommending Mr. Lim Chiau Woei and Mr. Gavin Mark McIntyre for re-election at the forthcoming AGM.</p> <p>Additionally, Mr. Chua Ser Miang and Ms. Juliana Lee Kim Lian were appointed on 29 December 2020 while Mr. Lim Beng Chew was appointed on 22 February 2021. As such, each of them shall be required pursuant to Article 118 of the Company's Constitution to retire at the forthcoming AGM. After assessing each of Mr. Chua Ser Miang's, Ms. Juliana Lee Kim Lian's and Mr. Lim Beng Chew's experience and ability to continue, the Board and NC have also recommended the</p>	Process for the Re-electing Incumbent Directors			1.	Assessment of director	<p>The NC, would assess the performance of the Director in accordance with the performance criteria set by the Board; and</p> <p>The NC would also consider the current needs of the Board.</p>	2.	Re-appointment of director	Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.
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		<p>re-election of each of Mr. Chua Ser Miang, Ms. Juliana Lee Kim Lian and Mr. Lim Beng Chew at the forthcoming AGM.</p> <p>The key information of the Directors, including their profiles and directorships held in the past 3 years, are set out on pages 5 to 9 of this Annual Report under the section entitled “Board of Directors”.</p> <p>The shareholdings of the individual directors of the Company are set out on page 79 of this Annual Report. None of the directors hold shares in the subsidiaries of the Company.</p> <p>Key information on such Directors seeking re-election at the forthcoming AGM to be held on 29 April 2021 are stated in the Notice of AGM set out on pages 161 to 166 of this Annual Report.</p>
<p>Board Performance</p>		
<p>Principle 5 Provision 5.1 Provision 5.2</p>	<p>The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.</p>	<p>The NC has established a process for assessing the effectiveness of the Board as a whole, each Board Committee and for assessing the contributions of each individual Director to the effectiveness of the Board.</p> <p>This assessment is conducted by the NC at least once a year by way of a Board evaluation where the Directors complete a questionnaire seeking their views on various aspects of Board performance, such as Board composition, information and process. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as a Director. The Board will act on the results of the performance evaluation, and in consultation with the NC, propose, where appropriate, that new members be appointed to the Board or seek the resignation of Directors.</p> <p>To assess the effectiveness of the Board as a whole, the factors evaluated by the NC include but are not limited to:</p> <ul style="list-style-type: none"> • the size and composition of the Board; • the discussion and decision-making processes of the Board (including the conduct of meetings by the Board); • the Board’s access to information; • the accountability of the Board to the shareholders; • the observation of risk management and internal control policies by the Board’s access to information; and • the performance of the Board (including the Board’s performance in relation to the discharge of its principal responsibilities in term of the quantitative and qualitative performance criteria). <p>To assess the contribution of each individual Director, the factors evaluated by the NC include but are not limited to:</p> <ul style="list-style-type: none"> • his/her participation at the meetings of the Board; • his/her ability to constructively challenge and contribute effectively to the discussion conducted by the Board; • his/her ability to evaluate the Company’s strength and weaknesses and make informed business decisions; • his/her ability to interpret the Company’s financial reports and contribute to the formulation of strategies, budgets and business plans that are compatible with the Group’s vision and existing business strategy; • his/her compliance with the policies and procedures of the Group; • his/her performance of specific tasks delegated to him/her; • his/her disclosure of any related person transactions or conflicts of interest; and • for independent Directors, his/her independence from the Group and the Management. <p>To assess the contribution of each Board Committee, the factors evaluated by the NC are adapted from and in line with the terms of reference of the various Board Committees.</p> <p>No external facilitator was used in the evaluation process.</p> <p>The Board and the NC have endeavoured to ensure that the Directors possess the experience, knowledge and expertise critical to the Group’s business.</p>

		The NC is of the view that the Board has met its performance objectives for FY2020.
REMUNERATION MATTERS		
Procedures for Developing Remuneration Policies		
Principle 6 Provision 6.1; 6.2;6.3 Provision 6.4	The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.	<p>Please refer to the table in Principle 1 for the names of the members and the composition of the RC. The RC comprises three directors, all of whom are independent. The terms of reference of the RC include, <i>inter alia</i>, the following:</p> <ul style="list-style-type: none"> • to review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel; • to review and approve the remuneration of the non-executive directors of our subsidiaries; • to review and recommend to the Board the service contracts of Executive Directors and key management personnel and ensure that such services contracts are fair and not excessively long or with onerous renewal/termination clauses; and • to review and recommend on the compensation arrangements for the loss or termination of office, or dismissal or removal of the Executive Directors and key management personnel. <p>No remuneration consultants were engaged by the Company in FY2020.</p>
Level and Mix of Remuneration		
Principle 7 Provision 7.1 Provision 7.3 Provision 7.2	The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.	<p>The annual review of the compensation is carried out by the RC to ensure that the remuneration of the Executive Directors and key management personnel are commensurate with their performance, contribution, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Directors (together with other key management personnel) is reviewed periodically by the RC and the Board.</p> <p>The remuneration of the Executive Directors and the key management personnel consists of fixed salary and allowances. There was no variable compensation paid based on the level of achievement of corporate and individual performance objectives in FY2020.</p> <p>In addition, the Company has put in place the Anchor Resources Performance Share Plan (“Performance Share Plan” or “PSP”) to reward key management for meeting their key performance indicators to promote higher performance goals and recognise exceptional achievements by individuals who have contributed to the Group’s growth. The Company does not have long-term incentive schemes.</p> <p>The approval for the allotment and issue of new shares on the vesting of awards under the Performance Share Plan was last obtained at the AGM of the Company on 29 June 2020.</p> <p>The Board concurred with the RC that the proposed directors’ fees for the year ended 31 December 2020 is appropriate and that the Non-Executive Directors receive directors’ fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the directors. The Company also recognises the need to pay competitive fees to attract, motivate and retain directors without being excessive to the extent that their independence might be compromised.</p> <p>Directors’ fees are recommended by the Board for approval by the shareholders at the AGM of the Company.</p> <p>Having reviewed and considered there was no variable compensation paid to the Executive Directors and the key management personnel, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.</p> <p>In addition, the Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.</p>

Disclosure on Remuneration

Principle 8

Provision 8.1; 8.3

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link on total compensation has to achievement of organisational and individual performance objective, and benchmarked against relevant and comparative compensation in the market.

The breakdown for the remuneration of the Directors in FY2020 is as follows:

Directors' Remuneration				
Name	Salary (%)⁽¹⁾	Allowance (%)⁽¹⁾	Director's Fees (%)	Total (%)
Above S\$250,000 and below S\$500,000				
Mr. Lim Chiau Woei	68	5	27	100
Below S\$250,000				
Dr. Wilson Tay Chuan Hui	-	-	100	100
Mr. Chan Koon Mong	76	24	-	100
Ms. Ch'ng Li-Ling	-	-	100	100
Mr. Gavin Mark McIntyre	-	-	100	100
Dr. Foo Fatt Kah	-	-	100	100
Mr. Chua Ser Miang ⁽²⁾	-	-	-	-
Ms. Juliana Lee Kim Lian ⁽³⁾	-	-	-	-
Mr. Lim Beng Chew ⁽⁴⁾	-	-	-	-

Note:

- (1) The Salary and Allowance amounts shown are inclusive of Malaysia Employees Provident Fund, Malaysia Social Security Organisation and Singapore Central Provident Fund.
- (2) Mr. Chua Ser Miang was appointed as a director of the Company on 29 December 2020.
- (3) Ms. Juliana Lee Kim Lian was appointed as a director of the Company on 29 December 2020.
- (4) Mr. Lim Beng Chew was appointed as a director of the Company on 22 February 2021.

There were no termination, retirement and post-employment benefits that was granted to Directors and key management personnel in FY2020.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration amount of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment in the Group operates in.

During FY2020, the Company had four key management personnel (who are not Directors or the Managing Director).

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the Managing Director) in FY2020 is as follows:

Name	Salary (%)⁽¹⁾	Allowance (%)⁽¹⁾	Total (%)
Below S\$250,000			
Ng Kok Hok	100	-	100
Teoh Yee Kian ⁽²⁾	100	-	100
Koh Kang Wee	100	-	100
Chan Poh Guan	100	-	100

- (1) The Salary and Allowance amounts shown are inclusive of Malaysia Employees Provident Fund, Malaysia Social Security Organisation.
- (2) Mr. Teoh Yee Kian ceased to be Head of Operations of the Company on 31 May 2020.

<p>Provision 8.2</p>		<p>The total remuneration paid to the four key management personnel in FY2020 was RM576,112 (equivalent to S\$189,535 based on exchange rate of S\$1 to MYR3.0396 as at 31 December 2020).</p>																					
		<p>There was no employee of the Group who was an immediate family member of a Director or the MD whose remuneration exceeded S\$100,000 in FY2020.</p>																					
		<p>The Company currently has in place a Performance Share Plan as a compensation scheme to promote higher performance goals and recognise exceptional achievement by individuals who have contributed to the Group's growth.</p>																					
		<p>The approval for the allotment and issue of new shares on the vesting of awards under the Performance Share Plan was last obtained at the AGM of the Company on 29 June 2020.</p>																					
		<p>Further information on the Performance Share Plan are set out on pages 73 to 76 of this Annual Report.</p>																					
		<p>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution toward the overall performance of the Group during the financial year under review. Their remuneration is made up of fixed compensations. The fixed compensation consists of an annual base salary and allowances. Any variable compensation is determined based on the level of achievement of corporate and individual performance objectives.</p>																					
		<p>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:</p>																					
		<table border="1"> <thead> <tr> <th data-bbox="571 1010 751 1072">Performance Conditions</th> <th data-bbox="751 1010 1129 1072">Short-term Incentives (Such as performance bonus)</th> <th data-bbox="1129 1010 1465 1072">Long-term Incentives</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="571 1072 1465 1104">Executive Directors</td> </tr> <tr> <td data-bbox="571 1104 751 1279">Qualitative</td> <td data-bbox="751 1104 1129 1279"> <ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices. </td> <td data-bbox="1129 1104 1465 1279"> <ol style="list-style-type: none"> 1. Commitment and industry practices </td> </tr> <tr> <td data-bbox="571 1279 751 1485">Quantitative</td> <td data-bbox="751 1279 1129 1485"> <ol style="list-style-type: none"> 1. Relative financial performance of the Group in terms of profit to its industry peers 2. Performance of the Group in terms of meeting production targets </td> <td data-bbox="1129 1279 1465 1485"> <ol style="list-style-type: none"> 1. Relative financial performance of the Group in terms of profit to its industry peers 2. Performance of the Group in terms of meeting production targets </td> </tr> <tr> <td colspan="3" data-bbox="571 1485 1465 1516">Management Personnel</td> </tr> <tr> <td data-bbox="571 1516 751 1713">Qualitative</td> <td data-bbox="751 1516 1129 1713"> <ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices. </td> <td data-bbox="1129 1516 1465 1713"> <ol style="list-style-type: none"> 1. Commitment and industry practices </td> </tr> <tr> <td data-bbox="571 1713 751 1944">Quantitative</td> <td data-bbox="751 1713 1129 1944"> <ol style="list-style-type: none"> 1. Relative financial performance of the Group in terms of profit to its industry peers 2. Performance of the Group in terms of meeting production targets </td> <td data-bbox="1129 1713 1465 1944"> <ol style="list-style-type: none"> 1. Relative financial performance of the Group in terms of profit to its industry peers 2. Performance of the Group in terms of meeting production targets </td> </tr> </tbody> </table>	Performance Conditions	Short-term Incentives (Such as performance bonus)	Long-term Incentives	Executive Directors			Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices. 	<ol style="list-style-type: none"> 1. Commitment and industry practices 	Quantitative	<ol style="list-style-type: none"> 1. Relative financial performance of the Group in terms of profit to its industry peers 2. Performance of the Group in terms of meeting production targets 	<ol style="list-style-type: none"> 1. Relative financial performance of the Group in terms of profit to its industry peers 2. Performance of the Group in terms of meeting production targets 	Management Personnel			Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices. 	<ol style="list-style-type: none"> 1. Commitment and industry practices 	Quantitative	<ol style="list-style-type: none"> 1. Relative financial performance of the Group in terms of profit to its industry peers 2. Performance of the Group in terms of meeting production targets 	<ol style="list-style-type: none"> 1. Relative financial performance of the Group in terms of profit to its industry peers 2. Performance of the Group in terms of meeting production targets
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<p>The RC has reviewed and satisfied itself that performance conditions were met for FY2020.</p>																							

ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls		
<p>Principle 9 Provision 9.1</p>	<p>The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.</p>	<p>The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objective and can provide only reasonable and not absolute assurance against material misstatements or loss.</p> <p>Risk assessment and evaluation has become an essential part of the business planning and monitoring process. Having identified the risks to the achievement of the Group’s strategic objectives, each business unit is required to document the mitigating actions in place and/or proposed in respect of each significant risk. Risk awareness and ownership of risk treatments are also continuously fostered across the organisation.</p> <p>The Group has formed a Risk Management Steering Committee which is led by the MD, the Chief Financial Officer (“CFO”) and a risk manager who regularly reviews the Group’s operating and business activities to identify new areas of significant business risk as well as appropriate measures to control and mitigate these risks. Similarly, they will identify any risks that may no longer be relevant and remove such risks accordingly. The management continuously reviews all the significant control policies and procedures and proposes an appropriate risk action plan for each identified risk. The Risk Management Steering Committee highlights all significant findings and matters to Directors and AC. The Board is ultimately responsible for the Group’s risk management.</p> <p>On an annual basis, the internal auditor (“IA”), Tricor Axcelasia Sdn Bhd, prepares the internal audit plan taking into consideration the risks identified which is approved by the AC.</p> <p>During FY2020, the AC reviewed the reports submitted by the IA relating to the audits conducted to assess the adequacy and the effectiveness of the Group’s risk management and the internal control systems put in place, including financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls together with recommendation for improvement are reported to the AC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.</p>
<p>Provision 9.2</p>		<p>The Board, with the concurrence of the AC, is of the view that the Company’s internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2020.</p> <p>The bases for the Board’s view are as follows:</p> <ul style="list-style-type: none"> • assurance had been received from the MD and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company’s operations and finances; • based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the key management personnel and the Board; • the risk management plan was deliberated in detail by the Risk Management Steering Committee, to include any new risk identified and to remove any risks that are no longer relevant, and the risk action plan in relation to each risk was also robustly discussed; and • discussion held between the AC and external auditor in the absence of the key management personnel to review and address any potential concerns. <p>The Board has obtained assurance from the MD and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company’s operations and finance in respect of FY2020. The Board has also obtained assurance from the MD and the CFO regarding the adequacy and effectiveness of the company’s risk management and internal control systems.</p>

		<p>In addition, the IA had discussed via electronic means with the AC on 25 February 2021 to brief the AC on the internal controls matters and highlighted to the AC the issues identified and Management responses.</p> <p>The Board has additionally relied on the IA's report in respect of issues to the Company as assurances that the Company's risk management and internal control systems are effective and adequate.</p>
Audit Committee		
<p>Principle 10</p> <p>Provision 10.2</p> <p>Provision 10.3</p> <p>Provision 10.1</p>	<p>The Board has an AC which discharges its duties objectively.</p>	<p>Please refer to the table in Principle 1 on the names of the members and the composition of the AC. The AC comprises three (3) directors, all of whom are independent.</p> <p>The Board considers that Mr. Gavin Mark McIntyre, who has extensive and practical accounting and auditing knowledge and experience, is well qualified to chair the AC. The members of the AC, collectively, have expertise or experience in accounting and related financial management and are qualified to discharge the AC's responsibilities.</p> <p>None of the members of the AC (i) is a former partner or director of the Company's existing auditing firm or audit corporation within the previous 2 years and (ii) holds any financial interest in the auditing firm or auditing corporation.</p> <p>The terms of reference of the AC include, <i>inter alia</i>, the following:</p> <ul style="list-style-type: none"> • to assist the Board in the discharge of its responsibilities on financial reporting matters; • to review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and our Management's response and results of our audits compiled by our internal and external auditors; • to review the half-yearly and annual financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and other statutory/ regulatory requirements; • to review the effectiveness, adequacy, independence, scope and results of the external audit and internal audit function, the Group's internal controls and procedures including accounting and financial controls and procedures and ensure coordination between the internal and external auditors, and the Management, reviewing the assistance given by the Management to the auditors, and discuss problems and concern, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management where necessary); • to make recommendation to the Board on the proposals to the Shareholders on the appointment, re-appointment (taking into consideration the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority ("ACRA")) and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors; • to review significant financial reporting issues and judgements with the CFO and the external auditors so as to ensure the integrity of the financial statements of our Group and any formal announcements relating to our Group's financial performance before their submission to our Board of Directors; • to review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls and risk management systems with the CFO and the internal and external auditor, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors; • to review and approve transactions falling within the scope of Chapter 9 (Interested Person Transactions) and Chapter 10 (Significant Transactions) of the Catalist Rules (if any); • to review any potential conflict of interest; • to review and approve all hedging policies and instruments (if any) to be implemented to our Group; • to review and establish procedures for receipt, retention and treatment of complaints received by our Group, <i>inter alia</i>, criminal offences involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group;

Provision 10.5		<ul style="list-style-type: none"> • to review the assurance from the MD and the CFO on the financial records and financial statements; • to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time; and • to review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. <p>The Company has put into place whistle-blowing framework endorsed by the AC, where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to gm_mcintyre@outlook.com.</p> <p>The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of the Management and full discretion to invite any Executive Director or key management personnel to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.</p> <p>The AC had met and discussed with the external and internal auditors once in the absence of key management personnel in FY2020. Post FY2020, the AC had also discussed via electronic means with the external auditor (“EA”) and IA in the absence of key management personnel on 25 February 2021.</p> <p>The non-audit services rendered during FY2020 related to fees as independent reporting auditors in connection with tax compilation service fees. The tax compilation service fees were not substantial.</p> <p>The AC had reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the external auditor and has recommended the re-appointment of the external auditor at the forthcoming AGM.</p> <p>The fees paid/payable to the external auditor for FY2020 are as follows:</p> <table border="1"> <thead> <tr> <th colspan="3">Fees Paid/Payable to the external auditor for FY2020</th> </tr> <tr> <th></th> <th>RM</th> <th>% of total</th> </tr> </thead> <tbody> <tr> <td>Audit fees</td> <td>187,000</td> <td>87</td> </tr> <tr> <td>Non-Audit Fees</td> <td></td> <td></td> </tr> <tr> <td>- Tax Compilation Service fees</td> <td>29,000</td> <td>13</td> </tr> <tr> <td>Total</td> <td>216,000</td> <td>100</td> </tr> </tbody> </table>	Fees Paid/Payable to the external auditor for FY2020				RM	% of total	Audit fees	187,000	87	Non-Audit Fees			- Tax Compilation Service fees	29,000	13	Total	216,000	100
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Audit fees	187,000	87																		
Non-Audit Fees																				
- Tax Compilation Service fees	29,000	13																		
Total	216,000	100																		
Provision 10.4		<p>During the financial year under review, the Company engaged Tricor Axcelasia Sdn Bhd to conduct an internal control review. The IA reported to the AC on the findings and the Management responses on the findings on 25 February 2021. The AC is satisfied that IA is adequately qualified (given, <i>inter alia</i>, its adherence to standards set by internationally recognised professional bodies) and resourced and has the appropriate standing in the Company to discharge its duties effectively.</p>																		

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11 Provision 11.1	<p>The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and</p>	<p>The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Company's business which could have a material impact on the Company's share price. Shareholders are entitled to attend the general meetings of shareholders and given the opportunity to participate effectively in and vote at general meetings of shareholders and are informed of the rules governing general meetings of shareholders.</p> <p>In compliance with Rule 730A (2) of the Catalist Rules, resolutions tabled at general meetings of shareholders will be put to vote by poll. The detailed voting results, including the total</p>
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Provision 11.2	understandable assessment of its performance, position and prospects.	<p>number of votes cast for or against each resolution tabled, will be announced immediately at the general meeting of shareholders and via SGXNET.</p> <p>The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the Company explains the reasons and material implications in the notice of meeting.</p>																								
Provision 11.3		<p>The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general and extraordinary meetings of shareholders, unless of exigencies. The external auditor is also required to be present to address shareholders’ queries about the conduct of audit and the preparation and content of the independent auditor’s report. The attendance of the Directors of the Company at the Company’s general meeting(s) held during FY2020 are reflected in the table below:</p>																								
		<table border="1" data-bbox="587 629 1490 1312"> <thead> <tr> <th data-bbox="587 629 1091 685">Name of Director</th> <th data-bbox="1091 629 1490 685">General Meeting(s)</th> </tr> </thead> <tbody> <tr> <td data-bbox="587 685 1091 734">Number of meetings held:</td> <td data-bbox="1091 685 1490 734">3</td> </tr> <tr> <td data-bbox="587 734 1091 784">Number of meetings attended:</td> <td data-bbox="1091 734 1490 784"></td> </tr> <tr> <td data-bbox="587 784 1091 842">Dr. Wilson Tay Chuan Hui ⁽¹⁾</td> <td data-bbox="1091 784 1490 842">3</td> </tr> <tr> <td data-bbox="587 842 1091 900">Mr. Lim Chiau Woei</td> <td data-bbox="1091 842 1490 900">3</td> </tr> <tr> <td data-bbox="587 900 1091 958">Mr. Chan Koon Mong ⁽²⁾</td> <td data-bbox="1091 900 1490 958">3</td> </tr> <tr> <td data-bbox="587 958 1091 1016">Ms. Ch’ng Li-Ling ⁽³⁾</td> <td data-bbox="1091 958 1490 1016">3</td> </tr> <tr> <td data-bbox="587 1016 1091 1075">Dr. Foo Fatt Kah ⁽⁴⁾</td> <td data-bbox="1091 1016 1490 1075">3</td> </tr> <tr> <td data-bbox="587 1075 1091 1133">Mr. Gavin Mark McIntyre</td> <td data-bbox="1091 1075 1490 1133">3</td> </tr> <tr> <td data-bbox="587 1133 1091 1191">Mr. Chua Ser Miang ⁽⁵⁾</td> <td data-bbox="1091 1133 1490 1191">-</td> </tr> <tr> <td data-bbox="587 1191 1091 1249">Ms. Juliana Lee Kim Lian ⁽⁵⁾</td> <td data-bbox="1091 1191 1490 1249">-</td> </tr> <tr> <td data-bbox="587 1249 1091 1312">Mr. Lim Beng Chew ⁽⁵⁾</td> <td data-bbox="1091 1249 1490 1312">-</td> </tr> </tbody> </table> <p data-bbox="576 1312 1501 1563">Note: (1) Dr. Wilson Tay Chuan Hui resigned as a director of the Company on 19 January 2021. (2) Mr. Chan Koon Mong resigned as a director of the Company on 19 January 2021. (3) Ms. Ch’ng Li-Ling resigned as a director of the Company on 19 January 2021. (4) Dr. Foo Fatt Kah resigned as a director of the Company on 23 January 2021. (5) Mr. Chua Ser Miang and Ms. Juliana Lee Kim Lian were appointed as Directors on 29 December 2020 while Mr. Lim Beng Chew was appointed as a Director after FY2020 on 22 February 2021.</p>	Name of Director	General Meeting(s)	Number of meetings held:	3	Number of meetings attended:		Dr. Wilson Tay Chuan Hui ⁽¹⁾	3	Mr. Lim Chiau Woei	3	Mr. Chan Koon Mong ⁽²⁾	3	Ms. Ch’ng Li-Ling ⁽³⁾	3	Dr. Foo Fatt Kah ⁽⁴⁾	3	Mr. Gavin Mark McIntyre	3	Mr. Chua Ser Miang ⁽⁵⁾	-	Ms. Juliana Lee Kim Lian ⁽⁵⁾	-	Mr. Lim Beng Chew ⁽⁵⁾	-
Name of Director	General Meeting(s)																									
Number of meetings held:	3																									
Number of meetings attended:																										
Dr. Wilson Tay Chuan Hui ⁽¹⁾	3																									
Mr. Lim Chiau Woei	3																									
Mr. Chan Koon Mong ⁽²⁾	3																									
Ms. Ch’ng Li-Ling ⁽³⁾	3																									
Dr. Foo Fatt Kah ⁽⁴⁾	3																									
Mr. Gavin Mark McIntyre	3																									
Mr. Chua Ser Miang ⁽⁵⁾	-																									
Ms. Juliana Lee Kim Lian ⁽⁵⁾	-																									
Mr. Lim Beng Chew ⁽⁵⁾	-																									
Provision 11.4		<p>The Company’s Constitution allows for absentia voting. The Company does not implement absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactory resolved.</p>																								
Provision 11.5		<p>The Company publishes minutes of all general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.</p>																								
Provision 11.6		<p>The Company does not have a fixed dividend policy. The form, frequency and amount of dividends that the Director may recommend or declare in respect of any particular financial year or period will be subject to, <i>inter alia</i>, the Group’s level of cash and retained earnings, actual and projected financial performance, projected levels of capital expenditure and expansion plans, working capital requirements and general financing condition, and any restrictions on payment of dividends imposed by the Group’s financing arrangements.</p>																								

		The Board has not declared or recommended any dividend for FY2020, as the Group does not have profits available for the declaration of a dividend.
Engagement with Shareholders		
Principle 12 Provision 12.1	The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.	The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected. The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Company's business which could have a material impact on the Company's share price. Shareholders are entitled to attend the general meetings of shareholders and given the opportunity to participate effectively in and vote at general meetings of shareholders and are informed of the rules governing general meetings of shareholders.
Provision 12.2; 12.3		The Company does not have an investor relation policy. However, the Company is committed to good corporate governance and transparency by disclosing to its stakeholders, including its shareholders, in a timely, fair and transparent manner. All material information on the performance and development of the Group and of the Company is disclosed in an accurate and comprehensive manner through SGXNET. Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website at www.angkaalam.com . Mr. Chua Ser Miang is the Lead Independent Director and is available to shareholders at chuasm@outlook.com , where they have concerns and for which contact through the normal channels of communication with management are inappropriate or inadequate.
MANAGING STAKEHOLDER RELATIONSHIPS		
Engagement with Stakeholders		
Principle 13 Provision 13.1; 13.2	The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.	The Company notes that different stakeholders are important to the Company to varying degrees. While some stakeholders can influence the actions of the Company, there are also others that have less or little influence on the Company and yet are impacted by the actions of the Company. The Company considers it to be important to actively engage all its stakeholders and to receive feedback of the impacts or potential impacts of the Company's actions. Having assessed the stakeholders in terms of their impacts on the Company as well as the impact or potential impacts upon the stakeholders by the actions of the Company, it has identified the key stakeholders, the methods of engagement and addressed their concerns accordingly. Further details can be found in the Company's sustainability report in this Annual Report FY2020.
Provision 13.3		As mentioned above, the Company maintains a website (www.angkaalam.com) which allows stakeholders to communicate and engage with the Company. Mr. Chua Ser Miang is the Lead Independent Director and is available to shareholders at chuasm@outlook.com , where they have concerns and for which contact through the normal channels of communication with Management are inappropriate or inadequate.
COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	Rule Description	Company's Compliance or Explanation
711A and 711B	Sustainability Reporting	Under Practice Note 7F (Sustainability Reporting Guide) issued by the SGX-ST, the Board should determine the environmental, social and governance factors (" ESG Factors ") identified as material to the Group's business and ensure that they are monitored and managed. The Board has ultimate responsibility for the Company's sustainability reporting. The Group has continued its ESG Factors assessment during FY2020. The assessment process takes reference from Global Reporting Initiative Standards (" GRI Standards ") reporting guidelines.

		Disclosure on the material ESG Factors identified and assessed during FY2020 has made with reference to the GRI Standards framework. The sustainability report has been incorporated in this Annual Report FY2020.
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance with the Catalist Rules 712 and 715.
1204(8)	Material Contracts	Save as previously announced by the Company via SGXNET, there are no material contracts entered into by the Group involving the interest of any Director or controlling shareholder, which are either still subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of Adequacy of Internal Controls	<p>The Board and the AC are of the opinion that the internal controls are adequate to address the financial, operational, compliance and information technology risks in FY2020 based on the following:</p> <ul style="list-style-type: none"> • internal controls procedures established by the Company; • works performed by the IA and EA during FY2020; • assurance from the MD and CFO; and • reviews done by the various Board Committees and key management personnel.
1204(10C)	AC's comment on internal audit function	The Group's internal audit function is outsourced to Tricor Axcelasia Sdn Bhd, an integrated professional services firm providing tax advisory, business consultancy, technology tool & advisory and business support services. The engagement team is led by its executive director, Joe Lee, has 24 years of experience in internal & financial audit, transformation and cost savings delivery services. He is currently the Procurement Consultancy Service Leader and has managed numerous procurement transformation initiatives, business process improvement review and business process analysis engagements in manufacturing and logistic sectors. Pursuant to its review, the AC is of the view that the Group's internal audit function is independent, effective and adequately resourced.
1204(17)	Interested Person Transaction ("IPT")	<p>The Group has procedures governing all IPTs to ensure that they are properly documented and reported in a timely manner to the AC and they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.</p> <p>The Company does not have a general mandate from its shareholders for IPTs.</p> <p>The Group entered into a deed of settlement with Luminor Pacific Fund 2 Ltd ("Luminor 2") in FY2020 to settle the guaranteed exchangeable bond by way of:</p> <p>(A) issuance of 207,666,667 new ordinary shares ("Shares") in the capital of the Company at the issue price per Share of S\$0.006 which is equivalent to the volume weighted average price ("VWAP") of the Shares traded on the Catalist over the period of five (5) days immediately preceding 28 December 2020 to settle a portion of the aggregate outstanding amount, being the amount of S\$1,246,000;</p> <p>(B) transfer of 10,818,315 AASB ordinary shares held by the Company to Luminor 2 to settle the balance aggregate outstanding amount, being the amount of S\$1,727,272.</p> <p>Besides, following the disposal of AASB Group, the Company had also entered into management services agreement with AASB for a transition period of twelve (12) months to provide management services to AASB in respect of AASB's mining licenses, local government approvals and appointment of contractors. In consideration for the Company providing these management services, AASB will pay to the Company a monthly service fee equivalent to four and a half per cent (4.5%) of AASB's revenue each month. No management services fee was recognised in FY2020 as the disposal of AASB Group was only completed on 28 December 2020.</p> <p>Luminor 2 is managed by Luminor Capital Pte Ltd ("LCPL"), a fund manager headquartered in Singapore. Dr Foo Fatt Kah, the then non-executive Director of the Company is the managing director of LCPL. Dr Foo Fatt Kah holds 50% of the total issued and paid-up share capital of LCPL. Luminor 2 also own more than 30% of AASB after completion transfer of 10,818,315 AASB ordinary shares.</p>

1204(19)	Dealing in Securities	<p>The Company has adopted an internal policy which prohibits the Company, its Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.</p> <p>The Company, its Directors and employees are also expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. In addition, the Company, its Directors and employees are expected not to deal in the Company's securities on short term considerations and they are also prohibited from dealing in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full-year financial statements respectively and ending on the date of the announcement of the relevant results.</p>
1204(21)	Non-sponsor Fees	<p>The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The Continuing Sponsor of the Company is UOB Kay Hian Private Limited ("UOBKH").</p> <p>For FY2020, there are no non-sponsor fees paid to UOBKH.</p>
1204(22)	Use of Proceeds	<p>There were no outstanding proceeds arising from any offerings pursuant to Chapter 8 of the Catalist Rules.</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Gavin Mark McIntyre, Mr. Lim Chiau Woei, Ms. Lee Kim Lian, Juliana, Mr. Chua Ser Miang and Mr. Lim Beng Chew are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on Thursday, 29 April 2021 at 10.30 a.m., (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules of the SGX-ST is set out below:

Name of Director	GAVIN MARK MCINTYRE
Date of first appointment	21 February 2017
Date of last re-appointment	29 June 2020
Age	55
Country of principal residence	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the qualification, work experience and suitability of Mr. Gavin Mark McIntyre for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr. Gavin Mark McIntyre possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Audit Committee, member of the Nominating Committee and Remuneration Committee
Professional qualifications	Accounting, Curtin University
Working experience and occupation(s) during the past 10 years	From April 2018 to present, Director of Aegis Interaktif Asia Pte Ltd From December 2015 to present: Executive Director of Equitasasia Group Pte. Ltd. From March 2013 to November 2015: Director of Censere Singapore Pte Ltd From July 2008 to February 2013: Chief Financial Officer of Adventus Holdings Ltd
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

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Name of Director	GAVIN MARK MCINTYRE
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)	<u>Present</u> Aegis Interaktif Asia Pte Ltd (Director) Equitasasia Pte Ltd (Executive Director) Equitasasia Holdings Pte Ltd (Director) Equitas Financial Services Pte Ltd (Director) Equitasasia Sdn Bhd (Director) Equitasasia Co., Ltd Thailand (Director) Nico Steel Holdings Limited (Independent Director) Equitasasia Limited – Hong Kong (Alternate Director) Xin Dun Shipping (Pte) Ltd (under judicial management) (Director) An He Shipping Pte Ltd (Director) Xin Bo Shipping (Pte) Ltd (under judicial management) (Director) Xin Guang Shipping (Pte) Ltd (Director) Da Guang Tankers (Pte) Ltd (under judicial management) (Director) Da Zhong Tankers (Pte) Ltd (under judicial management) (Director) Dong Sheng Tankers (Pte) Ltd (under judicial management) (Director) Dong Ya Tankers (Pte) Ltd (under judicial management) (Director) Xin An Shipping (Pte) Ltd (under judicial management) (Director) Xin Kang Shipping (Pte) Ltd (under judicial management) (Director) Dafa Shipping (Pte) Ltd (under judicial management) (Director) Dong Jiang Tankers (Pte) Ltd (under judicial management) (Director) Dong Nan Tankers (Pte) Ltd (under judicial management) (Director) Xin Chun Shipping (Pte) Ltd (under judicial management) (Director) Xin Ying Shipping (Pte) Ltd (under judicial management) (Director) Xin Hui Shipping (Pte) Ltd (under judicial managements) (Director)
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Mr. Gavin Mark McIntyre is a director of a group of companies which are currently under judicial management (as set out above). Mr. McIntyre was appointed a director of these companies by the judicial managers in October 2020 and November 2020 in order to assist the judicial managers with the judicial management process.
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years,	No

Name of Director	GAVIN MARK MCINTYRE
<p>judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?</p>	
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— <ul style="list-style-type: none"> (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

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Name of Director	GAVIN MARK MCINTYRE
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.

Name of Director	LIM CHIAU WOEI
Date of first appointment	12 August 2015
Date of last re-appointment	30 April 2019
Age	48
Country of principal residence	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr. Lim Chiau Woei for re-appointment as Managing Director of the Company. The Board has reviewed and concluded that Mr. Lim Chiau Woei possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for overseeing overall strategic directions and expansion plans for the growth and development of the Group, including sourcing investment opportunities to promote the growth of the Group's Business. Maintaining relationships with the Group's customers and suppliers and overseeing the Group's general operations.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director
Professional qualifications	Bachelor of Science in Electrical Engineering, Oklahoma State University; Master of Business Administration (Finance), University of Leicester
Working experience and occupation(s) during the past 10 years	2011 to present – Founder and Director of Angka Alamjaya Sdn Bhd 2015 to present – Managing Director of Anchor Resources Limited 2007 to present – Non-Executive Director of Gabungan Granite Terangganu Sdn Bhd
Shareholding interest in the listed issuer and its subsidiaries	Yes. 272,263,319 shares (direct interest) and 115,415,862 shares (indirect interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

Name of Director	LIM CHIAU WOEI
<p>Other Principal Commitments* Including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)</p>	<p><u>Past</u> Liberty Lane Holding Sdn Bhd (Director, January 2006 – April 2013) Shamrock Unggul Sdn Bhd (Director, September 2011 – March 2016) Konsortium Gabungan Pembalakan Tembat Sdn Bhd (Director, March 2002 – September 2017) Bayaman Development Sdn Bhd (Director, July 2012 – March 2018) EH Hospitality Pte Ltd (Director, October 2016 – August 2018) GGT Premier Sdn Bhd (Director, October 2011 – August 2019) GGT ID Sdn Bhd (Director, September 2011 – August 2019) EH Management Sdn Bhd (Director, July 2016 – September 2019)</p> <p><u>Present</u> Angka Mining Sdn Bhd (Director) Angka Alamjaya Sdn Bhd (Director) Angka Marketing Pte Ltd (Director) Gabungan Granite (Terengganu) Sdn Bhd (Non-Executive Director) GGTM Sdn Bhd (Director) WA Consolidated Private Limited (Director) Sandredge Sdn Bhd (Director) ARL Holdings Sdn Bhd (Director) Silica Valley Sdn Bhd (Director) Stonetrade Sdn Bhd (Director) ARG Consolidated Sdn Bhd (Director) ARS Consolidated Sdn Bhd (Director) AAKG Mining Sdn Bhd (Director)</p>
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years,	No

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Name of Director	LIM CHIAU WOEI
judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– <ul style="list-style-type: none"> (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

Name of Director	LIM CHIAU WOEI
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company?	N.A.
If yes, please provide details of prior experience.	
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	

Name of Director	LEE KIM LIAN, JULIANA
Date of first appointment	29 December 2020
Date of last re-appointment	N.A.
Age	54
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Ms. Lee Kim Lian, Juliana for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Ms. Lee Kim Lian, Juliana possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Nominating Committee, member of the Remuneration Committee and member of the Audit Committee.
Professional qualifications	Bachelor of Laws (Honours), National University of Singapore
Working experience and occupation(s) during the past 10 years	From June 2006 to present, Director of Aptus Law Corporation
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

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Name of Director	LEE KIM LIAN, JULIANA
<p>Other Principal Commitments* Including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)</p>	<p><u>Past</u> Aurilex Pte. Ltd. (Executive Director, April 2004 – January 2017) Aarlex Pte. Ltd. (Executive Director, September 2004 – January 2017) Lee Metal Group Pte Ltd ((formerly Lee Metal Group Ltd), Independent Director, August 2005 – July 2018) Forise International Limited (Independent Director, June 2009 – December 2018) Ardmore Medical Group Limited (Independent Director, July 2019 – September 2019)</p> <p><u>Present</u> Corporate House Pte. Ltd. (Executive Director) Aptus Law Corporation (Executive Director) Nordic Group Limited (Independent Director) Dyna-Mac Holdings Ltd (Independent Director) Uni-Asia Group Limited (Independent Director)</p>
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving	No

Name of Director	LEE KIM LIAN, JULIANA
an allegation of fraud, misrepresentation or dishonesty on his part?	
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

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Name of Director	LEE KIM LIAN, JULIANA
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.

Name of Director	CHUA SER MIANG
Date of first appointment	29 December 2020
Date of last re-appointment	N.A.
Age	52
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (" NC ") and has reviewed and considered the qualification, work experience and suitability of Mr. Chua Ser Miang for re-appointment as Non-Executive Chairman and Lead Independent Director of the Company. The Board has reviewed and concluded that Mr. Chua Ser Miang possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Remuneration Committee, member of the Nominating Committee and member of the Audit Committee.
Professional qualifications	Bachelor's degree in Business Administration, National University of Singapore; Chartered Financial Analyst
Working experience and occupation(s) during the past 10 years	From September 2006 – December 2012, Director of Corporate Finance Department / Corporate Finance advisory of DMG & Partners Securities Pte Ltd From October 2013 – July 2014, Principal Consultant / Business Consultancy of Stamford Management Pte Ltd From January 2013 to December 2020, Director / Corporate advisory of Eastwin Capital Pte Ltd From November 2020 to present, Director / Corporate finance advisory of Crowe Horwath Capital Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

Name of Director	CHUA SER MIANG
<p>Other Principal Commitments* Including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)</p>	<p><u>Past</u> Deskera Holdings Limited (Non-Executive and Independent Director, December 2015 – May 2018) Eastwin Capital Pte Ltd (Executive Director, January 2013 – December 2020) Yamada Green Resources Ltd (Non-Executive and Lead Independent Director, September 2013 – March 2021)</p> <p><u>Present</u> Crowe Horwath Capital Pte Ltd (Director) Aoxin Q&M Dental Group Limited (Non-Executive Chairman and Independent Director) China Knowledge Data Technology Pte. Ltd. (Non-Executive Director)</p>
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in	No

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Name of Director	CHUA SER MIANG
Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– <ul style="list-style-type: none"> (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	Yes in relation to (j)(i). Mr. Chua Ser Miang has served as an independent director of Yamada Green Resources Ltd from September 2013 to March 2021. In September 2017, the then auditors, BDO LLP, made a report to the Ministry of Finance of Singapore relating to the group's financial records for FY2017. Deloitte & Touche Financial Advisory Services Pte Ltd was appointed to perform a review of the bank statements, and the key findings were announced on 1 April 2018. On 21 August 2018, Yamada Green Resources Ltd announced that its bamboo plantations had been disposed of in August 2017, without bringing to the Board's attention and approval. The AC engaged Foo Kon Tan LLP to conduct an investigation into the matter, and the key findings were announced on 28 January 2019. As an independent director, Mr Chua is not involved in the management or the operations of Yamada Green Resources Ltd and he is not a subject of the abovementioned investigations. No in relation to (j)(ii), (iii) and (iv).
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.

Name of Director	LIM BENG CHEW
Date of first appointment	22 February 2021
Date of last re-appointment	N.A.
Age	58
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr. Lim Beng Chew for re-appointment as Executive Director. The Board has reviewed and concluded that Mr. Lim Beng Chew possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Lim Beng Chew's area of responsibility includes managing Company assets, optimising financial operations, ensuring tax compliance, and streamlining daily operations.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director
Professional qualifications	GCE "O" Level
Working experience and occupation(s) during the past 10 years	From 1989 to present, Founder and Chief Executive Officer of Ariki Pte. Ltd From 2017 to present, Founding Partner of Sevens Group of companies
Shareholding interest in the listed issuer and its subsidiaries	Yes. 1,234,452,015 shares (direct interest)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

Name of Director	LIM BENG CHEW
<p>Other Principal Commitments* Including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)</p>	<p><u>Past</u> Kent Holding (S) Pte Ltd (Director, November 1996 – April 2011) Rico Development Pte Ltd (Director, July 2014 – November 2018) ECXX Global Pte Ltd (Director, August 2020 – February 2021)</p> <p><u>Present</u> Ariki Pte. Ltd. (Chief Executive Officer) UB Development Pte Ltd (Director) Cocoland Development Pte Ltd (Director) VL Properties Pte Ltd (Director) NL Properties Pte Ltd (Director) SLWZ Development Pte Ltd (Director) Everland Development Pte Ltd (Director) Seven TK Pte Ltd (Director) Sevens Casa Pte Ltd (Director) Sevens Villa Pte Ltd (Director) Sevens Group (Aries) Pte Ltd (Director) Sevens Group (Taurus) Pte Ltd (Director) Sevens Group (Gemini) Pte Ltd (Director) Sevens Group (Leo) Pte Ltd (Director) Sevens Group (Virgo) Pte Ltd (Director) WA Investment Holdings Limited (Director) Sevens Centurion Investment Limited (Director) Ariki Capital Pte Ltd (Director) Auto Imperial Cars Pte Ltd (Director) Rico Ventures Pte Ltd (Director) Top Dutyfree Pte Ltd (Director) Ariki Asia Limited (Director) Spire Ventures Sdn Bhd (Director) Rico Development Sdn Bhd (Director) Rico Ventures Sdn Bhd (Director) Taiwan Ariki Co Ltd (Director)</p>
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>	
<p>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</p>	<p>No</p>
<p>(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</p>	<p>No</p>
<p>(c) Whether there is any unsatisfied judgment against him?</p>	<p>No</p>
<p>(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?</p>	<p>No</p>
<p>(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory</p>	<p>No</p>

Name of Director	LIM BENG CHEW
requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other	No

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Name of Director	LIM BENG CHEW
regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of directors (“**Board**”) is pleased to present Anchor Resources Limited’s (the “**Company**” or “**ARL**”) sustainability report for financial year ended 31 December 2020 (“**FY2020**”).

This report covers data and information for FY2020 and has been prepared in accordance with the widely recognised Global Reporting Initiative (“**GRI**”) Standards: Core Option as well as on a “Comply and Explain” basis pursuant to Rule 711A, 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The data and information provided have not been verified by an independent third party.

With the full support from the Board, the management establishes the policies and practices to address and manage the material environment, social and governance (“**ESG**”) factors. The Board has considered sustainability issues as part of its strategic formulation, have determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

ARL is one of the companies engaged in mining in Terengganu, Malaysia, being involved in both gold mining and granite dimension stone quarrying. As one of the major players in the mining industry, ARL strives to enhance shareholder value and maintain cordial relationships with the local communities in the areas that ARL operates in. With our continuous efforts in sustainable operating model, ARL looks forward to sustainable growth for our businesses in the coming years.

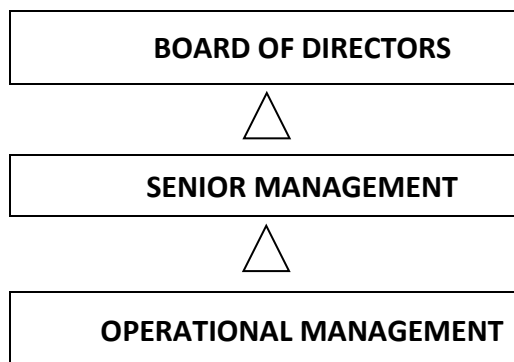
However, on 28 December 2020, the Company disposed the entire issued and paid up share capital of a wholly-owned subsidiary of the Company, Angka Alamjaya Sdn. Bhd. (“**AASB**”) which operates in the gold mining segment, pursuant to the approval of the shareholders of the Company having been obtained at the extraordinary general meeting of the Company. AASB and its wholly-owned subsidiary, Angka Mining Sdn. Bhd., have therefore ceased to be subsidiaries of the Company.

The Board is currently undertaking a strategic review of the Group’s businesses.

SUSTAINABILITY REPORT

SUSTAINABILITY GOVERNANCE STRUCTURE

ARL supports ethical and sustainable business practices leading to a healthy corporate culture. We recognise the importance of a strong sustainability governance structure. Our sustainability governance structure is as depicted below.



The roles of each level of the structure are as follows:

Board:

The Board oversees the formation of strategies and their implementation.

Senior Management:

ARL senior management comprises of the Managing Director and the Chief Financial Officer. They set the strategies and action plans relating to sustainability topics to be presented to the Board for approval.

Operational management:

The operational management team consists of the various heads of department. The team implements and executes the approved strategies and the day-to-day operations and meets on a monthly basis where sustainability topics are discussed alongside other operational matters. The team also reports to Senior Management, the results of operational activities and sustainability topics.

SUSTAINABILITY REPORT

KEY STAKEHOLDER ENGAGEMENT

ARL noted that different stakeholders are important to the Company to varying degrees. While some stakeholders can influence the actions of the Company, there are also others that have less or little influence on the Company and yet are impacted by the actions of the Company. ARL considers it to be important that the Company actively engage all stakeholders and to receive feedback of the impacts or potential impacts of the Company's actions.

Having assessed the stakeholders in terms of their impacts on the Company as well as the impact or potential impacts upon the stakeholders by the actions of the Company, ARL identified the key stakeholders, the methods of engagement and addressed their concerns as tabulated below.

Stakeholder	Method of Engagement	Key Concerns	Key Concerns addressed in the following sections
Government / Authorities / Regulators / Municipals & other Government Linked Bodies	<ul style="list-style-type: none"> • Third party consultants • Meetings when necessary • Correspondences 	<ul style="list-style-type: none"> • Environmental impacts • Regulatory Compliance 	<ul style="list-style-type: none"> • Environmental responsibility
Shareholders	<ul style="list-style-type: none"> • General Meeting, using electronic means • Annual Reports, using electronic means • Company's Announcements 	<ul style="list-style-type: none"> • Financial Performance • Economic performance 	<ul style="list-style-type: none"> • Annual Report 2020
Employees	<ul style="list-style-type: none"> • Meetings, hybrid of physical and online meetings • Health and Safety Activities • Correspondence 	<ul style="list-style-type: none"> • Workplace health & safety • Employee diversity 	<ul style="list-style-type: none"> • Our people • Occupational Health & Safety
Local Communities	<ul style="list-style-type: none"> • Corporate Social Responsibility ("CSR") Activities 	<ul style="list-style-type: none"> • Employment • Financial support 	<ul style="list-style-type: none"> • Corporate Social Responsibility Management
Suppliers & Contractors	<ul style="list-style-type: none"> • Meetings using online on periodic basis • Correspondence 	<ul style="list-style-type: none"> • Local & oversea procurement with quotation requests • Workplace health & safety 	<ul style="list-style-type: none"> • Procurement practices • Occupational Health & Safety

SUSTAINABILITY REPORT

MATERIAL TOPICS AND BOUNDARIES

ARL, in the study and identification of the material topics, is guided by the GRI Reporting framework and reflects the Group's commitments. The interests of the stakeholders were considered along with the overall operations of the Company. ARL determined the materiality of its sustainability topics solely based on the level of ARL's impact on the environmental, social and governance of its area of operation and surroundings. The material topics are expanded upon in the various sections.

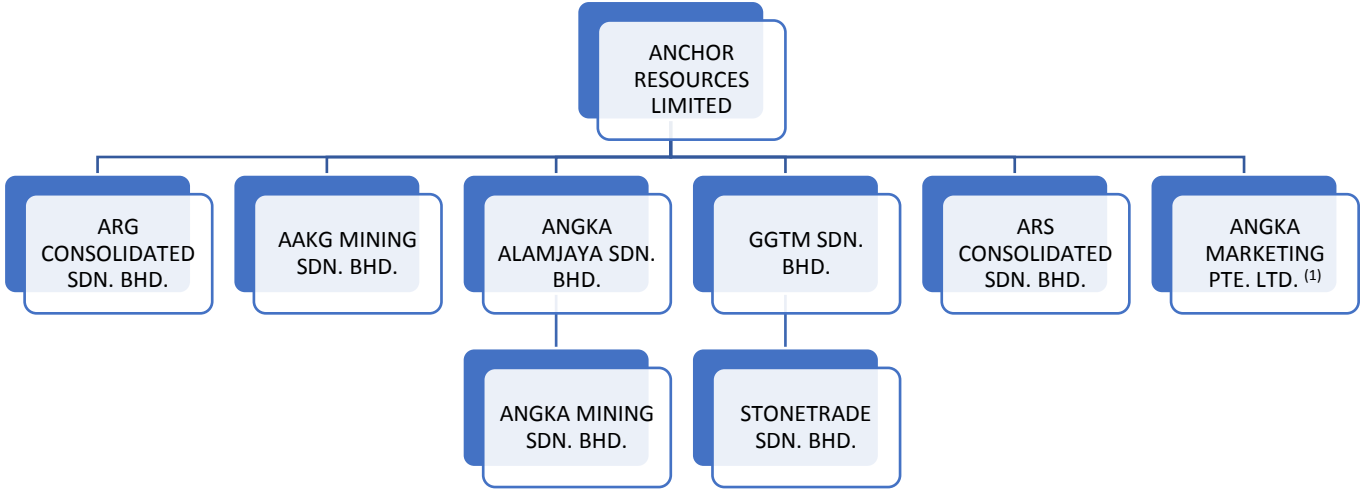
ARL's mining operations have potential impacts on the land, air, water and ecosystems of the surrounding areas as well as significant economic, social and cultural impacts on the local communities in the areas that ARL operates in. Based on the above, ARL has identified its Key Material Topics as below:

Material Topics	Boundaries (Country or Entity)
ENVIRONMENTAL	
GRI 302: Energy	Malaysian Entities
GRI 303: Water	
GRI 306: Effluents & Waste	
GRI 307: Environmental Targets and Compliance	
GRI 308: Supplier Environment Assessment	
SOCIAL	
GRI 401: Employment	Malaysian Entities
GRI 403: Occupational Health & Safety	
GRI 404: Training and Education	
GRI 405: Diversity and Equal Opportunity	
GRI 406: Non-discrimination	
GRI 413: Local Communities	
GOVERNANCE	
GRI 204: Procurement Practices	Malaysian Entities
GRI 205: Anti-corruption	Group-wide

SUSTAINABILITY REPORT

ARL'S GROUP STRUCTURE

The below group structure is prior to disposal of AASB group which was completed on 28 December 2020.



This report focuses on the entities engaged in the mining and quarrying operations which are Angka Alamjaya Sdn. Bhd. (“AASB”) and GGTM Sdn. Bhd. (“GGTM”).

Angka Alamjaya Sdn. Bhd. (“AASB”) & Angka Mining Sdn. Bhd. (“AMSB”) were disposed on 28 December 2020.

(1) Angka Marketing Pte. Ltd. is in the process of being struck off.

SUSTAINABILITY REPORT

Key Material Topics

1. ENVIRONMENTAL RESPONSIBILITY

Our operations are subject to extensive laws and regulations governing environmental protection. All of our operations require a variety of permits and licenses approvals from the government agencies. Key laws and regulations are related to air emissions, noise level, river water quality, waste management and chemicals storage.

As a mining and quarrying company, ARL has a fundamental responsibility to manage the impact of its operations on the environment. To accomplish ARL's environmental policy, we conducted environmental impact assessment and environmental management plan for both Lubuk Mandi Gold Mine and Bukit Chetai Granite Dimension Stone Mine.

We continued to work closely with the environmental consultant to minimise any impact on the environment and to be in compliance with the guidelines from the Department of Environment, Terengganu ("DOE").

ENERGY – DIESEL AND ELECTRICITY

ARL's gold mining and granite dimension stone quarrying operations are energy intensive. Both sites used diesel and electricity in its daily operation. The group is trying to minimise its energy consumption to reduce the carbon footprint in our mining operation.

In AASB gold mining, the diesel and electricity has been used for the activities as below,

- *Earthmoving activities to excavate and transport tailing materials to tailings processing plant.*
- *Tailings processing plant operation to produce semi processed gold concentrate ore from tailing materials.*
- *Mine road maintenance and improvement for the safety of vehicles travelling in the mine.*

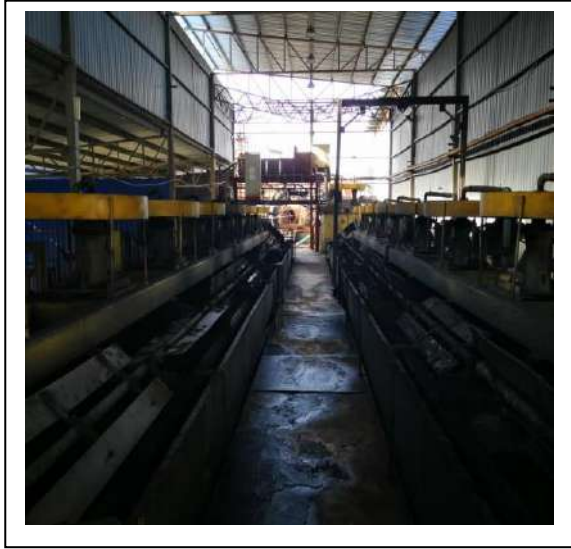
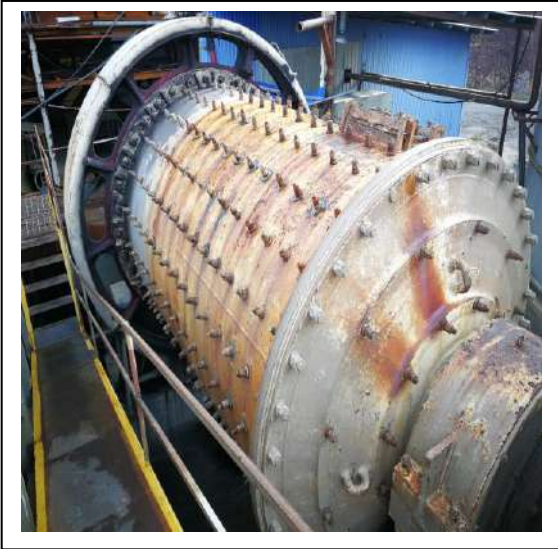


At Lubuk Mandi Gold Mine, tailings retreatment plant uses power supply from Tenaga Nasional Berhad to produce semi processed gold concentrate ore, which greatly reduce the carbon dioxide emission at the site. The usage of electricity in the gold mine decreased 9.9% in FY2020 as compared to FY2019, mainly due to Movement Control Order (MCO) imposed by the Government of Malaysia during FY2020.

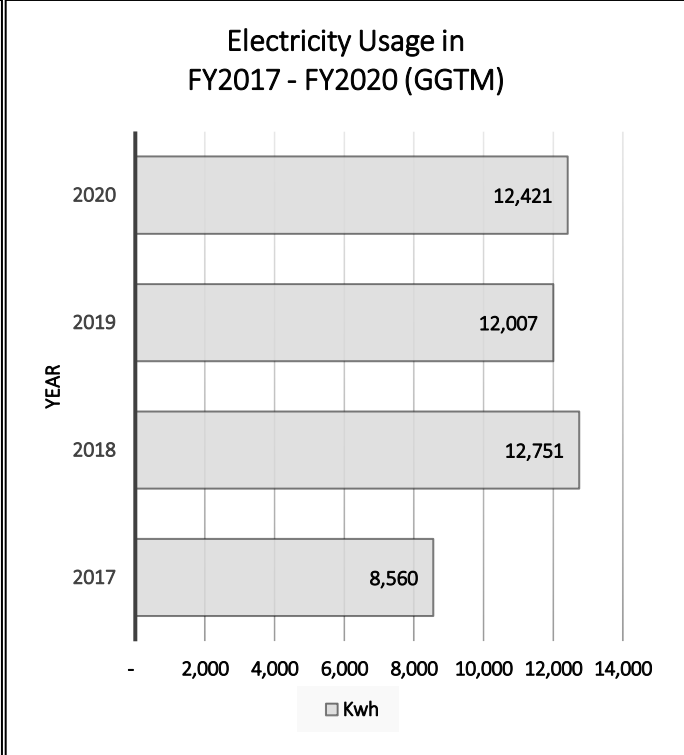
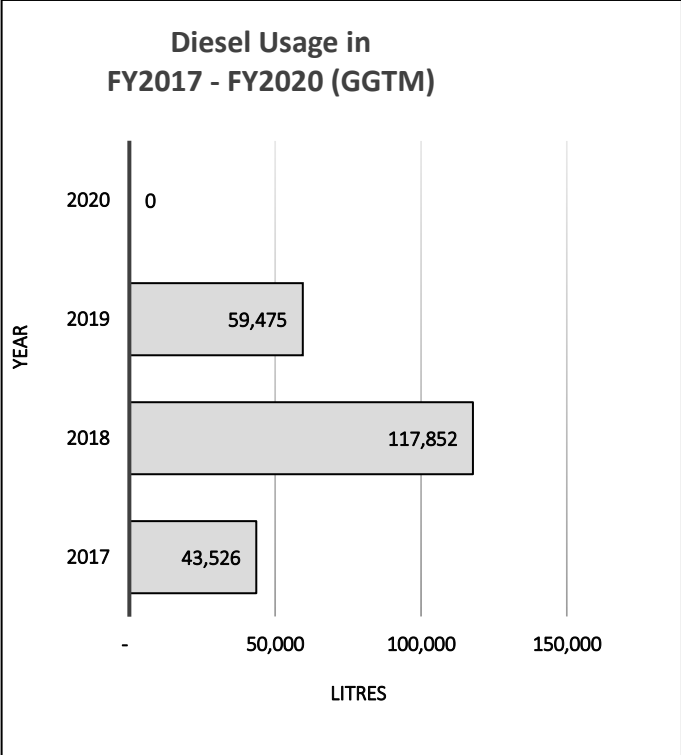
While in GGTM's granite dimension stone operation, the energy usage was increased of 3.4% as compared to FY2019. The energy usage was very minimal, mainly for the basic daily usage as there was no production during the year.

At Lubuk Mandi Gold Mine, the diesel usage was increased by 6.3% mainly due to construction and maintenance of waste dam bund at site. While in Bukit Chetai Granite Dimension Stone Mine, there was no diesel usage in FY2020 as there was no operation due to the workers of China's contractor were not able to return to Malaysia as a result of the COVID-19 travel restrictions.

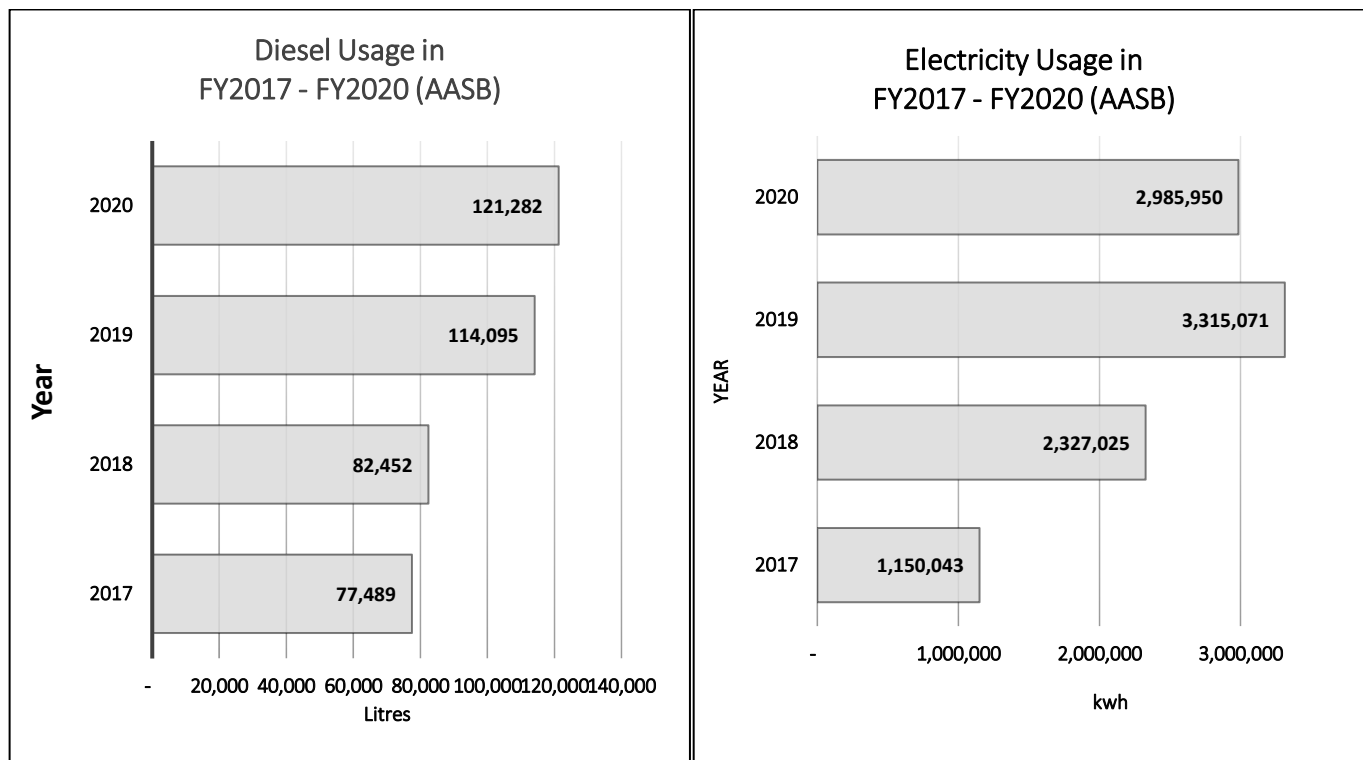
SUSTAINABILITY REPORT



Overall, the group usage of electricity and diesel recorded for the reporting period are 2,998,371 kwh and 121,282 litres respectively. The decrease in the energy consumption in FY2020 was due to MCO implementation during FY2020.



SUSTAINABILITY REPORT



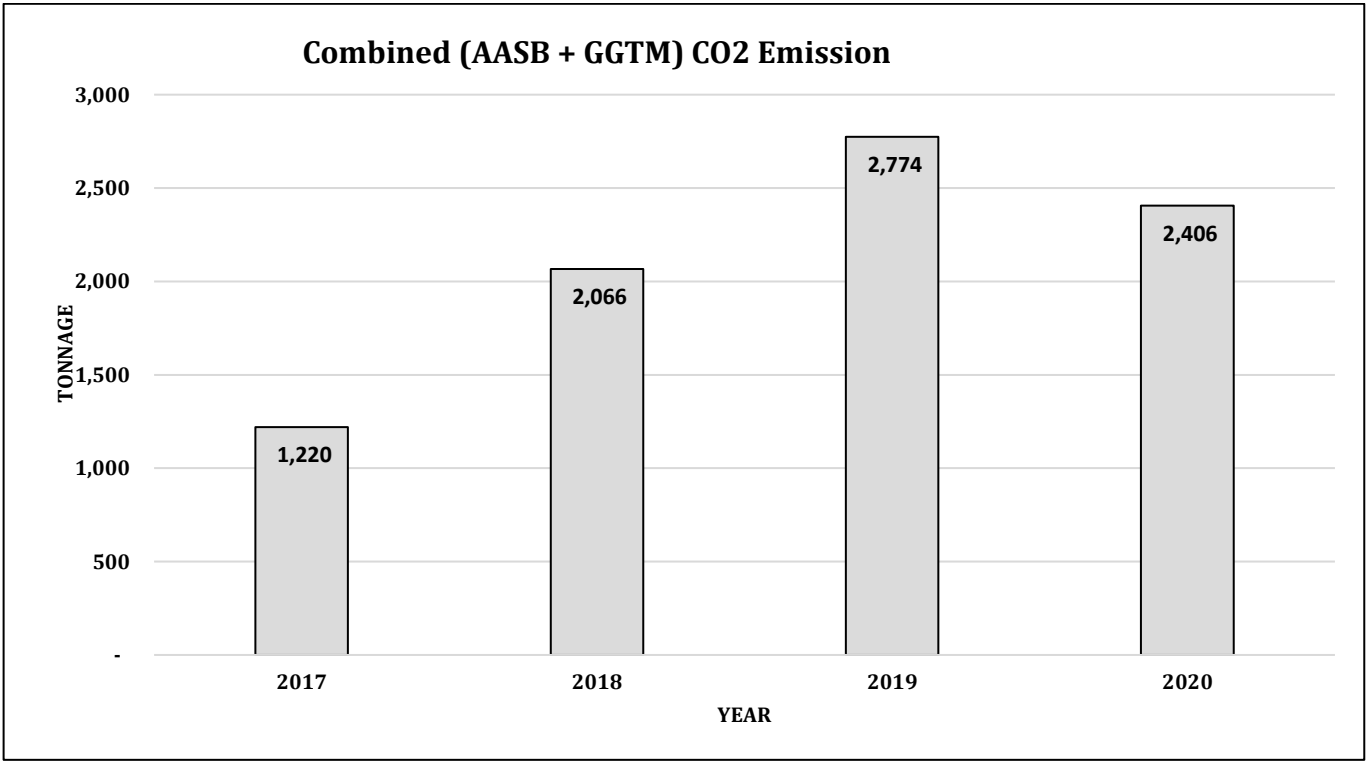
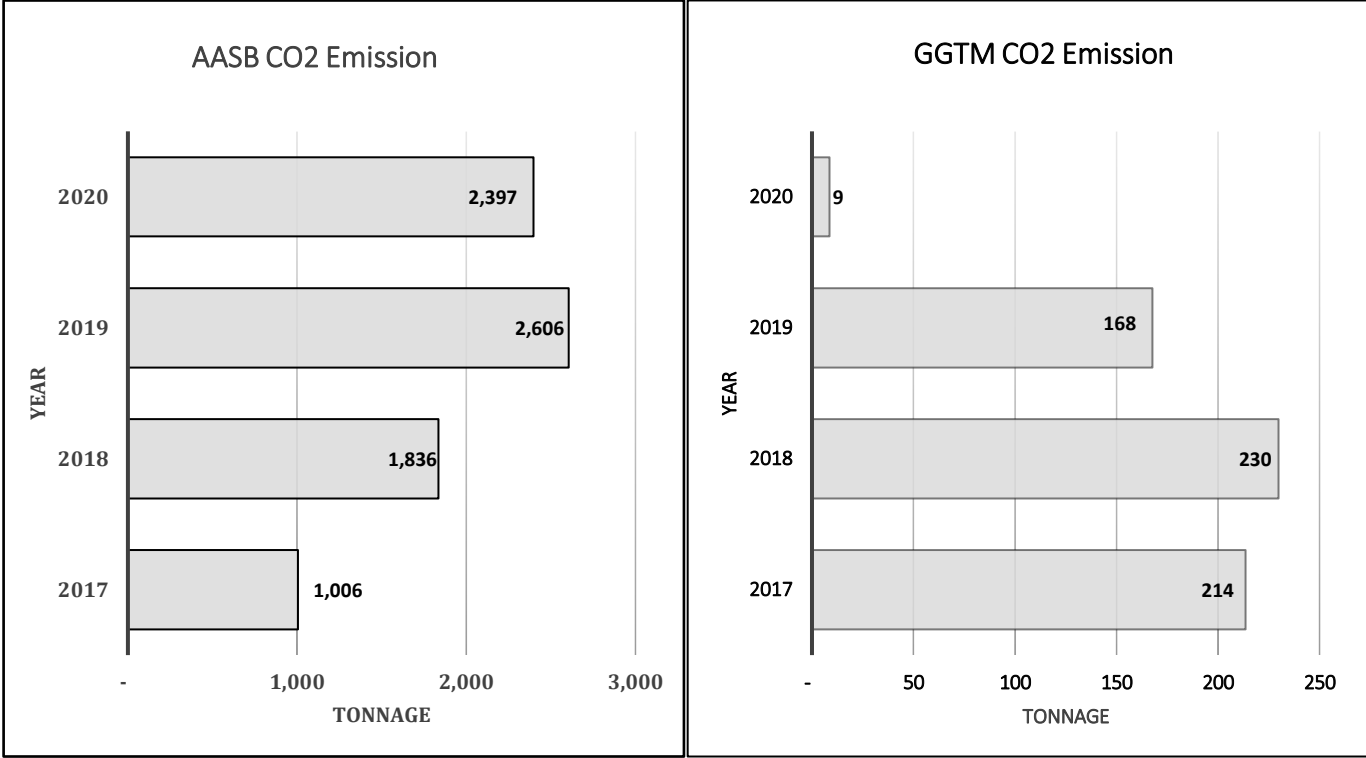
GREENHOUSE GAS EMISSIONS

Our operations require certain energy inputs, which result in a variety of emissions, including greenhouse gas (GHG) emissions. In turn, GHGs are integrally linked to climate change, which is one of the world’s most pressing challenges.

We commit to being part of the global solution to this challenge. By effectively managing our energy needs, we may contribute to the reduction in GHG emissions across the mining sector and collectively help achieve global reduction targets.

The carbon dioxide emission in Lubuk Mandi Gold Mine and Bukit Chetai Granite Mine decreased due to less operation activities in gold mine and no production for granite mine as a result of the MCO and travel restriction implemented by the Government of Malaysia.

SUSTAINABILITY REPORT



SUSTAINABILITY REPORT

WATER & EFFLUENTS

As a mining and quarrying company, ARL recognises the critical importance of water management to ensure the efficient, safe and sustainable use of water and the protection of water resources and ecosystem around its sites. In order not to adversely impact the environment, the gold and granite dimension stone operations of ARL recycle the water that the operations utilise in closed water system. Effluents from both the gold mining and the granite dimension stone operations are stored within the ponds on site.

Water used for the activities of AASB and GGTM are as follows:

Lubuk Mandi Gold Mine (AASB)	Bukit Chetai Granite Dimension Stone Mine (GGTM)
<ul style="list-style-type: none"> • Operations of tailing plant to produce semi processed gold concentrated ore • Hygiene purposes 	<ul style="list-style-type: none"> • Excavation of granite rocks and production of granite blocks • Slabbing and sizing to granite strip-slabs and to granite tiles • Hygiene purposes

During the reporting period, AASB used 23,772 m³ of water (FY2019: 25,705 m³) supplied by Syarikat Air Terengganu Sdn. Bhd. while GGTM captures and utilises rainfall runoff only. AASB utilised closed water systems and stored the effluents within the mines to minimise water withdrawal and to avoid discharging waste water or effluents into the surrounding waterways.

ENVIRONMENTAL TARGETS AND COMPLIANCE

ARL Group complies with local environment laws and regulation where we operate. To monitor and control the environmental issues regularly and timely basis, ARL appointed a licensed third-party environmental consultant, Sukikawa Environmental Sdn. Bhd. ("**Sukikawa**") as our consultant. Sukikawa prepared periodic site inspection report which is required for compliance purpose.

During FY2020, there was no incident of non-compliance with environmental laws and regulations. ARL's has implemented Environmental Quality Management "EQM" that is consistent with local requirement.

SUPPLIER ENVIRONMENT ASSESSMENT

ARL's operations have a weekly meeting with contractors via electronic means to discuss site issues, including the environmental issue. Any environmental concerns are communicated directly to the contractors through site operation manager and actions are taken after consulting Sukikawa.

SUSTAINABILITY REPORT

Environmental Performance in FY2020	
FY 2020 Target	Performance Updates
Zero discharge of waste water or effluents into the surrounding waterways.	Zero waste water or effluents discharge.
Reduce Fuel and electricity consumption.	Mainly due to less operation activities in gold mine and no production for granite mine as a result of the MCO and travel restriction implemented by the Government of Malaysia.

Environmental Target in FY2021	
FY 2021 Target	Action Plan
Zero discharge of waste water or effluents into the surrounding waterways.	Conduct monitoring to ensure zero discharge of waste water.
Reduce fuel and electricity consumption.	Work together with contractors to ensure the fuel is used efficiently.

SUSTAINABILITY REPORT

2. SOCIAL RESPONSIBILITY

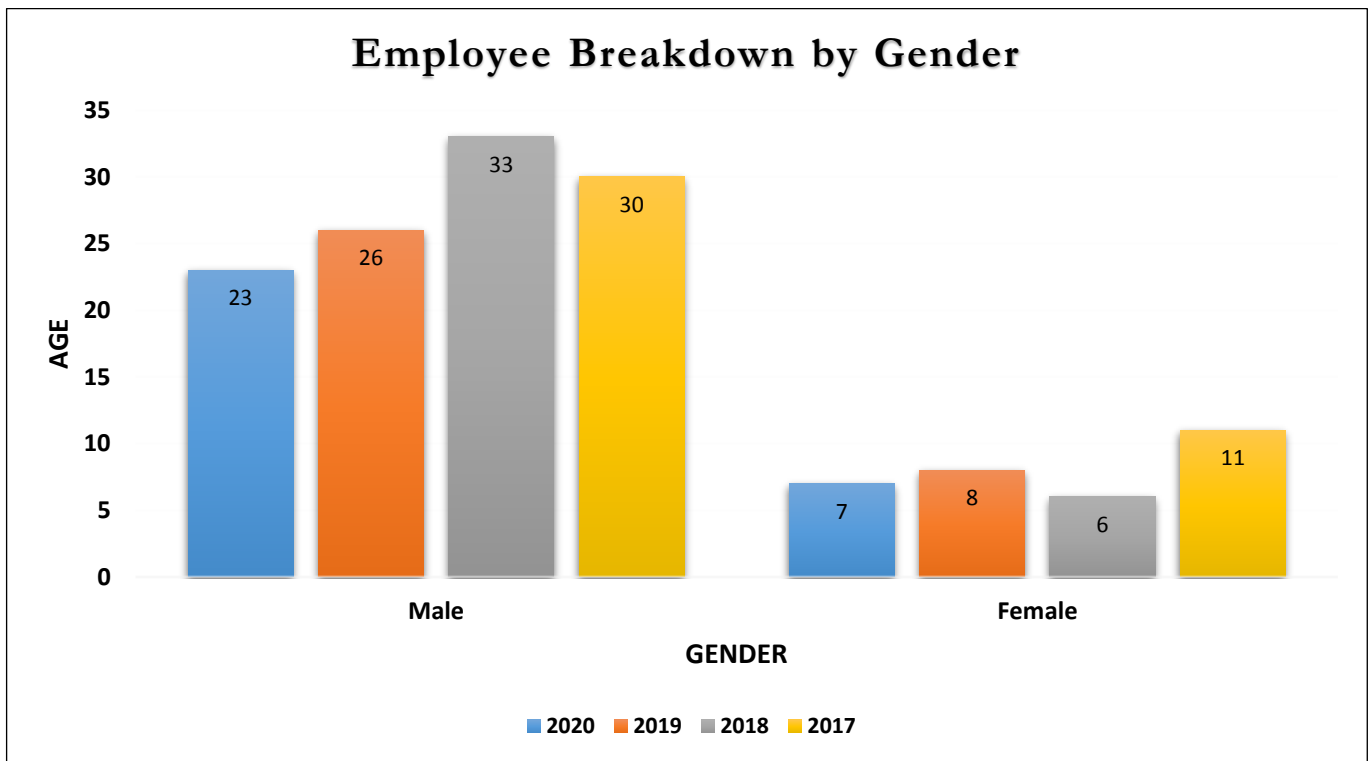
OUR PEOPLE

Employment

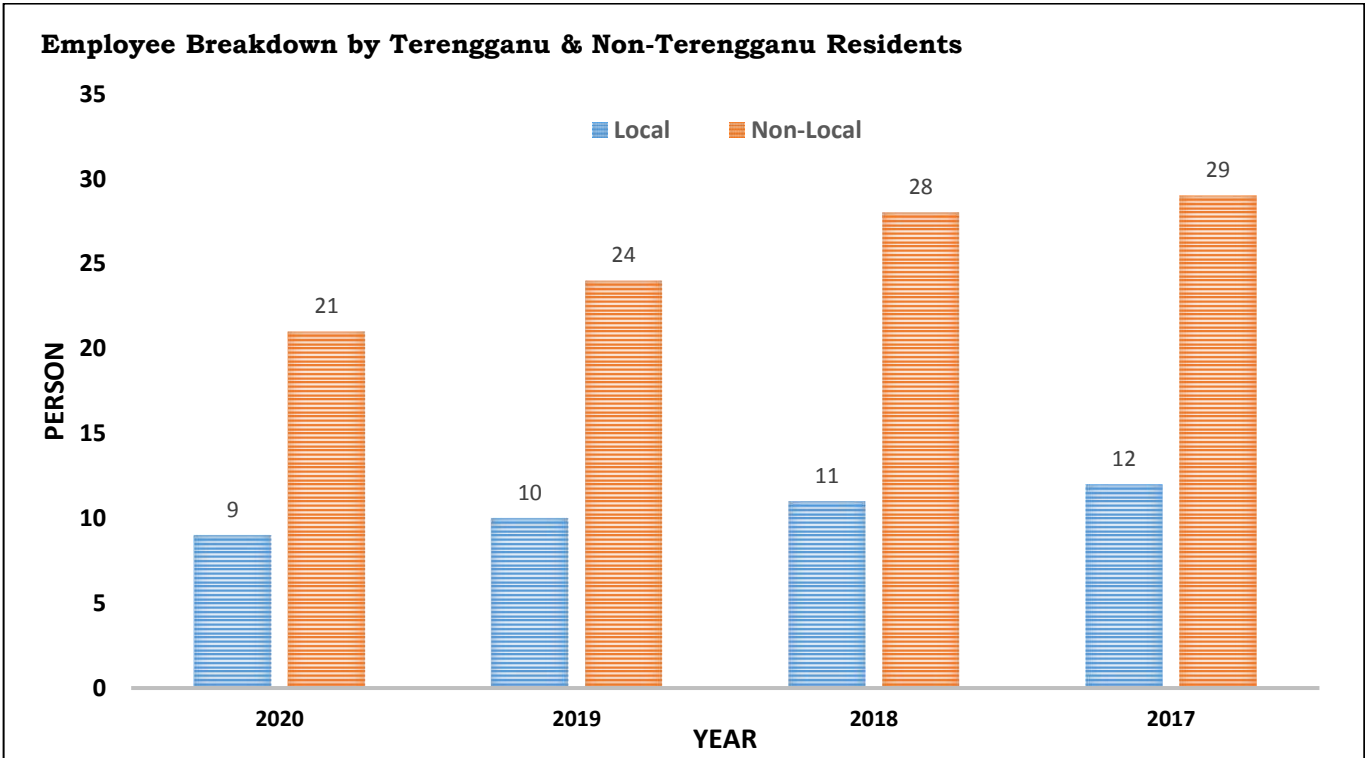
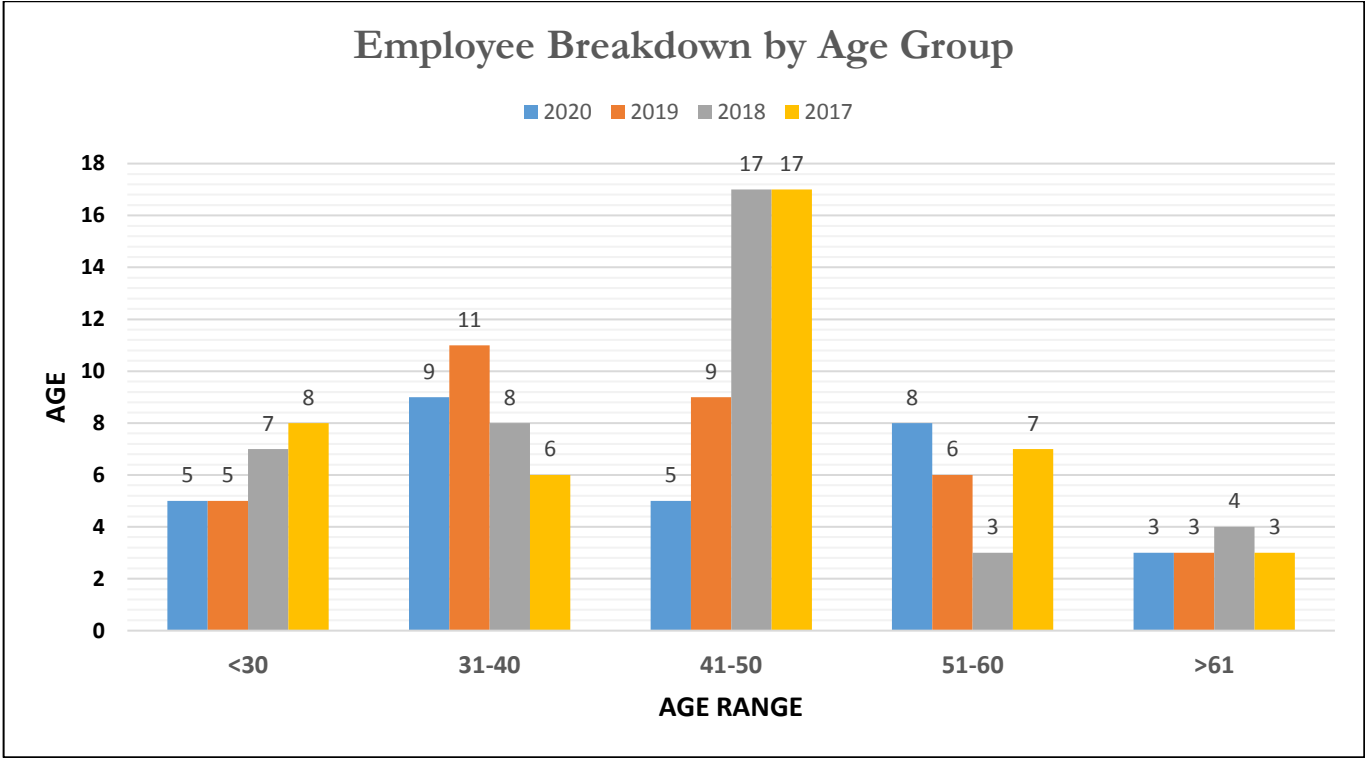
ARL provides equal employment opportunities without discriminating gender, ethnicity, colour, religion, age and nationality. This includes hiring and employment practices such as wages, promotions, rewards and access to training. We are fully committed to maintaining a safe and healthy work environment for our staff.

We seek to continuously improve our safety policies and procedures as well as the implementation of our safety measures and we will provide regular safety education and training to achieve it.

Below graphs are showing the employee profiles by gender, age group and Terengganu residents.



SUSTAINABILITY REPORT



SUSTAINABILITY REPORT

COVID-19

The COVID-19 pandemic has impacted on the whole world economy, including Malaysia. The COVID-19 was first detected in Malaysia in January 2020 and since then has changed the mining industry in Malaysia and continues to have an impact on ARL's operations. ARL responded swiftly and implemented the COVID-19 Standard Operating Procedures ("SOP") as recommended by the Ministry of Health and Ministry of International Trade and Industry, Malaysia. Through the end of December 2020, we are pleased to inform that we recorded zero cases at our Kuala Lumpur headquarters, Lubuk Mandi Gold and Bukit Chetai Granite Dimension Stone Mines.

COVID-19 has also changed the way we engage with stakeholders, avoiding or restricting meetings in person and in large groups. However, we have managed to maintain strong relationships and conducted meetings with vendors by electronic means. The meetings were conducted effectively and efficiently, cutting down costs like travelling expenses.

All the Board of Directors' meetings, Annual General Meeting and Extraordinary General Meetings were conducted by electronic means. The safety and health of the directors are paramount important for the ARL's Board and committees to function smoothly.

Besides, our office also provided staff the necessary equipment and implemented working from home practices during the year to reduce the chances of exposure to COVID-19.

These precautionary actions and planning made a big difference as our employee's safety and health are our utmost priority.

EMPLOYEE BENEFITS AND DEVELOPMENT

ARL aspires to create a work environment where employees remain engaged thus providing employees growth and learning opportunities and drive worker retention. We implement and adhere to best practices regarding employee engagement, including fair remuneration, employee benefits, training and development programs. We comply with local labour regulations and our employees are remunerated above minimum wage.

The impact of COVID-19 has affected every individual, team, function, business, industry and country. During MCO, ARL staff members continued to carry out their duties remotely; when the MCO restrictions were eased, steps were similarly taken to stagger attendance at the office. The staff were also encouraged to use the time spent working at home to upgrade their IT and other skills to prepare for the new work conditions arising from the pandemic such as using electronic means to communicate and hold meetings with external parties at the mine site and government agencies located interstate.

In addition, ARL recognises that timely and effective performance evaluation empowers employees to give their best. As such, manager & their team members meet at least once a year to review their performance.

We take responsibility for the well-being of our employees and provide them with adequate healthcare benefits. Our Malaysian employees are entitled to Group's personal accident and Group hospitalisation, surgical insurance and medical benefits.

In FY2020, our employee turnover rate was 12.60%, which is lower than 22.67% in FY2019.

SUSTAINABILITY REPORT



PROCUREMENT PRACTICES

ARL recognize that one of the primary benefits of our operations is the substantial local business opportunities available for local stakeholders. By maximizing local procurement expenditure, we can play an even greater role as a catalyst for social and economic development in our host communities.

ARL is supportive of local businesses and strives to obtain supplies and services from local merchants, contractors and consultants provided that local merchants are able to offer competitive prices and commercial terms; and that the local contractors and consultants are able to provide competent services or consultancy.

The Company is guided by the Group's "Policies and Procedures for Procurement" document to ensure that cost effective, efficient and sustainable procurement is attained.

During FY2020, ARL has, whenever possible, procured from local businesses and in relation to the mines, the percentage of procurement by ARL is 55.74% from Terengganu suppliers and consultants.

SUSTAINABILITY REPORT

OCCUPATIONAL HEALTH AND SAFETY

There are a variety of safety and health hazards and risks associated with mining operations. If not managed effectively, such risks can have significant consequences for our employees, contractors, communities and our business as a whole.

The health and safety of our people is the highest priority at all our operations and across our entire company. Our commitments are based on a belief that all workers should go home safely after every shift. Our safety policy is applicable to all our employees and contractors and across all of our operations.

All new workers, visitors and suppliers' workers are given a safety briefing by either the certified safety officer or safety supervisors before they are allowed into the mining areas and/or the processing plants. Refresher briefings for the employees are also carried out on, at least, an annual basis. Appropriate personal protective equipment ("PPE") are provided to both our employees and our visitors. Suppliers' workers are required to be equipped with the appropriate PPE. ARL employs safety officers or safety supervisors to maintain safety measures, including putting up safety signage to remind the workers of the safety matters. On an annual basis, ARL reports the Safety and Health status of the mines to the Department of Occupational Safety and Health.

In addition, in compliant with strict COVID-19 guidelines, these procedures also implemented during the year,

- 1) Procedure before / after enter workplace or premises
 - a) Employees /visitor having a temperature more than 37.5 °C or possess symptoms of COVID-19 are not allow to enter the workplace.
 - b) Before entering the workplace, all employee or visitors have to check the temperature.
 - c) Record the temperature in the record book at the office main door.
 - d) Utilise hand sanitizer and ensure the wearing of face mask before entering the workplace.
- 2) Ensure all employee /visitor/vendor wear face mask when entering the workplace.
- 3) Using Hand sanitizer before enter to the work place.
- 4) Make sure there is a social distance at least one meter apart.
- 5) When employees have symptom of COVID-19 (such as fever, cough, shortness of breath, sore throat, headache), the following immediate action shall be taken:
 - a) Inform the employer immediately and contact the health coordinator or a nearby health officer directly.
 - b) Isolate workers with COVID-19 symptoms to a special place and then referred to the hospital for further examination.
 - c) Employees who have direct contact with employees with COVID-19 must also be screened and monitored and will be notified to the Ministry of Health for any further instructions.
 - d) Carry out disinfection work in workplaces and places identified as having contact with employees with COVID-19 symptoms with health agencies.

In FY2020, AASB conducted emergency respond plan training for AASB's staff and contractor. The training comprise emergency respond plan for fire drill, testing/drill for injury, chemical spillage, evacuation, and diesel explosion. The purpose of the training is to ensure all the workers at the site able to handle sudden or unexpected situation during emergency, and prevent fatalities and injuries. ARL achieved zero fatality and zero loss time injury during FY2020.

SUSTAINABILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT

We recognise the importance of establishing sound relationships with our communities. Robust relationships built on a foundation of trust are critical throughout the entire mining cycle, from exploration and development through to operations and closure.

ARL places importance in maintaining good relations with the local communities. Whenever possible, ARL will assist the local communities through provision of financial supports or in any other matter.

ARL has planned to donate some face masks to ARL's adopted school located in Kuala Terengganu. However, this donation drive has yet to be materialised due to the school remain closed during MCO period. We will arrange the donation of face masks once the school is allowed to be re- opened.

Social Performance in FY2020	
FY 2020 Target	Performance Updates
No discriminatory practices on the employment.	There are no discriminatory practices in gender, age, race and religion.
Zero occupational health and safety incidents.	Zero occupational health and safety incidents.
Staff continuous professional development.	Organised motivational talk, encouraged staff to use e-learning platform to upskill their knowledge and provide emergency respond plan trainings to the staff.

Social Target in FY2021	
FY 2021 Target	Action Plans
ARL will continue the current procurement practices.	Continue to support local suppliers / vendors.
ARL will maintain the zero Fatality and zero Lost Time Injury records for FY2021.	Conduct site safety matters discussion in site operation meeting.
ARL aims to continue to engage with the local communities.	Organise contribution to local communities.

SUSTAINABILITY REPORT

3. GOVERNANCE

BUSINESS ETHICS AND ANTI-CORRUPTION

Our Board of Directors mandates a high standard of integrity for all its members and the company. We are devoted to operate our business in line with the highest ethical standards and in compliance with all applicable anti-corruption legal requirements. In line with this commitment, our Managing Director has approved a *Malaysian Anti-Corruption Commission (MACC) Policy (No-Gift Policy (inclusive of Anti-Bribery and Corruption))* and a *Whistle-Blowing Policy* to support our commitment to ethical business conduct.

Our *Malaysian Anti-Corruption Commission (MACC) Policy* addresses anti-corruption compliance and business integrity issues. This policy applies across our entire organization as well as to any individual or entity authorized to do work on our behalf. All directors, officers, and employees are required to acknowledge that they have read and understand this policy. This value has been communicated during formal and informal communications to all employees.

Our *Whistle-blowing policy* outlines framework endorsed by the Audit Committee, where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to gm_mcintyre@outlook.com.

From June 2020, ARL's staff are made compulsory to submit staff's declaration of gift form on a quarterly basis. All the gift, entertainment and corporate hospitality were declared and none of the staff has received the gift, entertainment and corporate hospitality exceeded RM500 which is stated in *the policy*. ARL endeavours to ensure that its high standards are not compromised despite its current challenging operating environment. During the year, there were no cases of bribery activities at Head Office, Lubuk Mandi and Bukit Chetai. There were no instances of corruption involving any business partners that ARL was aware of and as such, there were no contracts that had to be terminated by ARL and that could not be renewed.

Governance Performance in FY2020	
FY 2020 Target	Performance Updates
Zero fraudulent activities.	Zero fraudulent activities reported during the year.

Governance Target in FY2021	
FY 2021 Target	Action Plans
ARL aims for zero fraudulent activities for FY2021.	Achieved zero fraudulent activities on FY2021.

SUSTAINABILITY REPORT

GRI CONTENT INDEX – CORE OPTION

GRI Standard	Disclosure Number and Title	Section Reference	
GRI 102: General Disclosures 2016	102-1:	Name of the organisation	Note 1 to the Financial Statements
	102-2:	Activities, brands, products and services	Financial Review, Operations Review, Group Structure
	102-3:	Location of headquarters	Note 1 to the Financial Statements
	102-4:	Location of operations	Note 1 to the Financial Statements
	102-5:	Ownership and legal form	Note 1 to the Financial Statements
	102-6:	Markets served	Note 32 to the Financial Statements
	102-7:	Scale of the organization	Financial Review, Operations Review Our People
	102-8:	Information on employees and other workers	Our People
	102-9:	Supply chain	Procurement Practices
	102-10:	Significant changes to the organisation and its supply chain	Milestone Achieved
	102-11:	Precautionary principal or approach	Corporate Governance Report
	102-12:	External initiatives	Board Statement
	102-13:	Membership of associations	None
	102-14:	Statement from senior decision maker	Board Statement
	102-16:	Values, principles, standards and norms of behaviour	Board of Directors, Corporate Governance Report and Board Statement
	102-18:	Governance structure	Corporate Governance Report
	102-40:	List of stakeholder groups	Key Stakeholder Engagement
	102-41:	Collective bargaining agreements	N.A.
	102-42:	Identifying and selecting stakeholders	Key Stakeholder Engagement
	102-43:	Approach to stakeholder engagement	Key Stakeholder Engagement
	102-44:	Key topics and concerns raised	Key Material Topics
	102-45:	Entities included in the consolidated financial statements	Note 1 to the Financial Statements
	102-46:	Defining report content and topic boundaries	Board Statement
	102-47:	List of material topics	Material Topics
	102-48:	Restatements of information	No Restatement of Information
	102-49:	Changes in reporting	No Changes in Reporting
	102-50:	Reporting period	1 January 2020 to 31 December 2020
	102-51:	Date of most recent report	15 May 2020
	102-52:	Reporting cycle	Annually
	102-53:	Contact point for questions regarding this report	office@anchorresources.com.sg
102-54:	Claims of reporting in accordance with the GRI Standards	Board Statement	

GRI Standard	Disclosure Number and Title		Section Reference
	102-55:	GRI content index	This section
	102-56:	External assurance	No external assurance
	204-1:	Proportion of Spending on Local Suppliers	Procurement Practices
	205-2:	Communication and Training about Anti-Corruption Policies and Procedures	Governance
GRI 302: Energy	DMA	Disclosure of Management Approach	Energy – Diesel and Electricity
	302-1:	Energy consumption within the organization	
GRI 303: Water and Effluents	303-2:	Management of water discharge-related impacts	Water and Effluents
GRI 306: Effluents & Waste	306-1	Water discharge by quality and destination	Effluents & Waste
GRI 307: Environmental Targets and Compliance	307-1	Non-compliance with environmental laws and regulations	Environmental Compliance
GRI 308: Supplier Environment Assessment	308-1	Supplier Environmental Assessment	Supplier Environmental Assessment
GRI 401: Employment	401-1	New Employee hires and employee turnover	Employment
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
GRI 403: Occupational Health and Safety	403-1:	Occupational health and safety management system	Occupational Health & Safety
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Training and Education
	404-2	Programs for upgrading employee skills and transition assistance programs	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective action taken	Non-Discrimination
GRI 413: Local Communities	413-1	Operation with local community engagement, impact assessment, and development programs	Local Communities

CORPORATE SOCIAL RESPONSIBILITY POLICY STATEMENT

1. Social Responsibility Policy

The Group is committed to being a responsible corporate citizen and consider the physical and human environment when making our business decisions. We endeavor to have a positive impact on the communities in the areas where we operate both socially and economically.

We uphold the following principles and responsibilities of good corporate citizenship in realizing our commitments:

- Provide our staff with comfortable and responsible working conditions and treat them with dignity and respects.
- Strive to achieve high degree of trust with all stakeholders and would conduct our business honestly and ethically. This includes to comply with all applicable laws in places we conduct our businesses.
- Strive to protect human health and preservation of environment in each phase of our operating activity by implementing high standard of environment, health and safety policy.
- Contribute to local community by providing working opportunities, donating to the less fortunate local residents and participating in local community projects.
- Provide sufficient resources to train and develop our staff.

2. Environment, Health and Safety Policy

The Group intends to achieve high standard of compliance with regard to environment, health and safety matters. In achieving this we are committed to the followings:

- Apply safety management in design, planning and development of all projects developments and operations.
- Develop and implement safe working procedures.
- Ensure compliance to all applicable laws related to environment, health and safety.
- Provide continuous training to all staff to elevate their alertness to issues related to environment, health and safety.
- Ensure installation of appropriate system and all chemical are discharged in safe manner and will not bring harm to the environment.
- Conduct audit to ensure that policies and procedures related to environment, health and safety are being adhered to by both internal staff and external contractors.

PERFORMANCE SHARE PLAN (PSP)

Objectives of the PSP

The objectives of the PSP are as follows:

- (a) to foster an ownership culture within our Group which aligns the interests of our employees with the interests of shareholders;
- (b) motivate participants of the PSP to achieve our key financial and operational goals; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with our ambition to become a world-class company.

Summary of PSP

A summary of the rules of the PSP is set out as follows:

(1) *Participants*

Group Executives who have attained the age of 21 years and hold such rank as may be designated by our Remuneration Committee from time to time shall be eligible to participate in the PSP.

Controlling Shareholders of our Company or associates of such Controlling Shareholders who meet the criteria above are also eligible to participate in the PSP if their participation and awards are approved by independent Shareholders in separate resolutions for each such person and for each such award.

The selection of a participant and the number of Shares which are the subject of each Award to be granted to a participant in accordance with the PSP shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria such as his rank, job performance and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort to achieve the performance target(s) within the performance period.

(2) *Administration*

The PSP shall be administered by the Remuneration Committee with such powers and duties conferred to it by the Board. A member of the Remuneration Committee who is also a participant of the PSP must not be involved in its deliberation in respect of the Award granted or to be granted to him.

(3) *Size of PSP*

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of our Company, shall not exceed 15.0% of the total number issued Shares (excluding Shares held by our Company as treasury shares) from time to time.

PERFORMANCE SHARE PLAN (PSP)

(4) Maximum entitlements

Subject to the following, the aggregate number of Shares which may be issued or transferred pursuant to awards granted under the PSP shall be determined by our Remuneration Committee:

- (a) the aggregate number of Shares which may be issued or transferred pursuant to Awards under the PSP to participants who are Controlling Shareholders and their associates shall not exceed 25.0% of the Shares available under the PSP; and
- (b) the number of Shares which may be issued or transferred pursuant to Awards under the PSP to each participant who is a Controlling Shareholder or his associate shall not exceed 10.0% of the Shares available under the PSP.

(5) Awards

Awards represent the right of a participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Shares which are allotted and issued or transferred to a participant pursuant to the release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during a specified period (as prescribed by our Remuneration Committee in the award letter), except to the extent approved by our Remuneration Committee.

(6) Details of Awards

Our Remuneration Committee shall decide, in relation to each award to be granted to a participant:

- (a) the date on which the Award is to be granted;
- (b) the number of Shares which are the subject of the Award;
- (c) the performance target(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- (d) the extent to which Shares, which are the subject of that Award, shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period; and
- (e) any other condition which our Remuneration Committee may determine in relation to that Award.

PERFORMANCE SHARE PLAN (PSP)

(7) Timing of Awards

While our Remuneration Committee has the discretion to grant Awards at any time in the year, it is currently anticipated that awards would in general be made once a year. An award letter confirming the Award and specifying (inter alia) the number of Shares which are the subject of the Award, the prescribed performance target(s), the performance period during which the prescribed performance target(s) are to be attained or fulfilled and the schedule setting out the extent to which Shares will be released on satisfaction of the prescribed performance target(s), will be sent to each participant as soon as reasonably practicable after the making of an Award.

(8) Vesting of Awards

Subject to the applicable laws, our Company will deliver Shares to participants upon vesting of their Awards by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by our Company in treasury.

In determining whether to issue new Shares to participants upon vesting of their awards, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

(9) Termination of Awards

Special provisions in the rules of the PSP deal with the lapse or earlier vesting of awards apply in circumstances which include the termination of the participant's employment, the bankruptcy of the participant and the winding-up of our Company.

(10) Rights of Shares arising

New Shares allotted and issued and existing Shares procured by our Company for transfer on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date of issue or, as the case may be, delivery, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

(11) Duration of the PSP

The PSP shall continue in force at the discretion of our Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the PSP is adopted by our Company in general meeting, provided always that the PSP may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the PSP, any Awards made to participants prior to such expiry or termination will continue to remain valid.

(12) Abstention from voting

Shareholders who are eligible to participate in the PSP are to abstain from voting on any shareholders' resolution relating to the PSP and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

PERFORMANCE SHARE PLAN (PSP)

Adjustments and Alterations to the PSP

The following describes the adjustment events under, and provisions relating to alterations of, the PSP.

1. *Adjustment Events*

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalization of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the PSP,

shall be adjusted by our Remuneration Committee to give such participant the same proportion of the equity capital of our Company as that to which he was previously entitled, in such manner as our Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the participant receives a benefit that a Shareholder of our Company does not receive.

Unless our Remuneration Committee considers an adjustment to be appropriate, (a) the issue of securities as consideration for an acquisition or a private placement of securities; (b) the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by our Shareholders (including any renewal of such mandate) is in force; (c) the issue of Shares or other securities convertible into or with rights to acquire or subscribe for Shares to its employees pursuant to any share option scheme or share plan approved by Shareholders in general meeting, including the PSP; or (d) any issue of Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by our Company, shall not normally be regarded as a circumstance requiring adjustment.

2. *Modifications to the PSP*

The PSP may be modified from time to time by a resolution of our Remuneration Committee subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification shall adversely affect the rights attached to any Award prior to such modification or alteration except with the consent in writing of such number of participants who, if their Awards were released to them upon the performance conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would be issued or transferred in full of all outstanding Awards under the PSP.

No alteration shall be made to particular rules of the PSP to the advantage of the holders of the Awards except with the prior approval of Shareholders in general meeting.

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DIRECTORS' STATEMENT

The Directors of Anchor Resources Limited (the "Company") present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2020 and the statement of financial position of the Company as at 31 December 2020.

1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, and with reference to Note 4 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Lim Chiau Woei	
Gavin Mark McIntyre	
Chua Ser Miang	(Appointed on 29 December 2020)
Juliana Lee Kim Lian	(Appointed on 29 December 2020)
Lim Beng Chew	(Appointed on 22 February 2021)

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), none of the Directors of the Company who held office at the end of the financial year had any interests in the shares or debentures of the Company or its related corporations except as follows:

Name of directors	Shareholdings registered in name of Director or nominee		Shareholdings in which Director is deemed to have an interest	
	Balance at 1 January 2020	Balance at 31 December 2020	Balance at 1 January 2020	Balance at 31 December 2020
Company				
Ordinary shares				
Lim Chiau Woei	306,263,319	306,263,319	115,415,862	115,415,862
Chan Koon Mong (Resigned on 19 January 2021)	3,496,625	3,496,625	1,597,222	1,597,222
Foo Fatt Kah (Resigned on 23 January 2021)	-	-	-	207,666,667

By virtue of Section 7 of the Act, Mr. Lim Chiau Woei is deemed to have an interest in the shares of all wholly-owned subsidiaries of the Company as at the beginning and end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of Directors' Shareholdings, the Directors' interest as at 21 January 2021 in the shares of the Company have not changed from those disclosed as at 31 December 2020, except for Foo Fatt Kah's deemed interest in the shares of the Company is Nil as at 21 January 2021 due to the disposal of 207,666,667 ordinary shares pursuant to a share sale and purchase agreement dated 8 January 2021 entered into between a third party and Luminor 2. Luminor 2 is a company incorporated in Singapore engaged in the business of investment holding. It is managed by Luminor Capital Pte. Ltd. ("LCPL"), a fund manager headquartered in Singapore. Foo Fatt Kah is the managing director of LCPL and holds fifty per cent (50%) of the total issued and paid-up share capital of LCPL.

5. Share plans

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

Performance Share Plan ("PSP")

Pursuant to an Extraordinary General Meeting of the Company held on 22 September 2015, the Anchor Resources Performance Share Plan ("PSP") was established.

DIRECTORS' STATEMENT

5. Share plans (Continued)

Performance Share Plan ("PSP") (Continued)

The PSP is administered by the Remuneration Committee ("RC") with such powers and duties conferred to it by the Board. The members of the Remuneration Committee as at the date of the report are Chua Ser Miang, Juliana Lee Kim Lian and Gavin Mark McIntyre. A member of the Remuneration Committee who is also a participant of the PSP must not be involved in its deliberation in respect of the Awards granted or to be granted to him.

The salient features of the PSP is as follows:

- (a) to foster an ownership culture within our Group which aligns the interests of our employees with the interests of shareholders;
- (b) motivate participants of the PSP to achieve our key financial and operational goals; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with our ambition to become a world-class company.

A summary of the Rules of the PSP is set out as follows:

Participants

Group Executives who have attained the age of 21 years and hold such rank as may be designated by the Remuneration Committee from time to time shall be eligible to participate in the PSP.

Controlling shareholders of the Company or associates of such controlling shareholders who meet the criteria above are also eligible to participate in the PSP if their participation and awards are approved by independent shareholders in separate resolutions for each such person and for each such award.

The selection of a participant and the number of Shares which are the subject of each Award to be granted to a participant in accordance with the PSP shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as his rank, job performance and potential for future development, his contribution to the success and development of the Group and, if applicable, the extent of effort to achieve the performance target(s) within the performance period.

Size of PSP

The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of the Company, shall not exceed 15.0% of the total number issued Shares (excluding Shares held by the Company as treasury shares) from time to time.

Maximum entitlements

Subject to the following, the aggregate number of Shares which may be issued or transferred pursuant to awards granted under the PSP shall be determined by the Remuneration Committee:

- (a) the aggregate number of shares which may be issued or transferred pursuant to Awards under the PSP to participants who are controlling shareholders and their associates shall not exceed 25.0% of the Shares available under the PSP; and
- (b) the number of Shares which may be issued or transferred pursuant to Awards under the PSP to each participant who is a Controlling Shareholder or his associate shall not exceed 10.0% of the Shares available under the PSP.

DIRECTORS' STATEMENT

5. Share plans (Continued)**Performance Share Plan ("PSP") (Continued)***Awards*

Awards represent the right of a participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Shares which are allotted and issued or transferred to a participant pursuant to the release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during a specified period (as prescribed by the Remuneration Committee in the award letter), except to the extent approved by the Remuneration Committee.

Details of Awards

The Remuneration Committee shall decide, in relation to each Award to be granted to a participant:

- (a) the date on which the Award is to be granted;
- (b) the number of Shares which are the subject of the Award;
- (c) the performance target(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- (d) the extent to which Shares, which are the subject of that Award, shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period; and
- (e) any other condition which the Remuneration Committee may determine in relation to that Award.

Timing of Awards

While the Remuneration Committee has the discretion to grant Awards at any time in the year, it is currently anticipated that Awards would in general be made once a year. An Award letter confirming the Award and specifying, inter alia, the number of shares which are the subject of the Award, the prescribed performance target(s), the performance period during which the prescribed performance target(s) are to be attained or fulfilled and the schedule setting out the extent to which Shares will be released on satisfaction of the prescribed performance target(s), will be sent to each participant as soon as reasonably practicable after the making of an Award.

Vesting of Awards

Subject to the applicable laws, the Company will deliver Shares to participants upon vesting of their Awards by way of either an issue of new Shares; or a transfer of Shares then held by the Company in treasury.

In determining whether to issue new Shares to participants upon vesting of their Awards, the Company will take into account factors such as, but not limited to, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of issuing new Shares or delivering existing Shares.

Termination of Awards

Special provisions in the rules of the PSP dealing with the lapse or earlier vesting of Awards apply in circumstances which include the termination of the participant's employment, the bankruptcy of the participant and the winding-up of the Company.

DIRECTORS' STATEMENT

5. Share plans (Continued)**Performance Share Plan ("PSP") (Continued)***Rights of shares arising*

New Shares allotted and issued and existing Shares procured by the Company for transfer on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date of issue or, as the case may be, delivery, and shall in all other respects rank pari passu with other existing Shares then in issue.

Duration of PSP

The PSP shall continue in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the PSP is adopted by the Company in general meeting, provided always that the PSP may continue beyond the above stipulated period with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the PSP, any Awards made to participants prior to such expiry or termination will continue to remain valid.

Abstention from voting

Shareholders who are eligible to participate in the PSP are to abstain from voting on any shareholders' resolution relating to the PSP and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

At the end of the financial year, none of the Directors of the Company had any interests pursuant to the PSP.

DIRECTORS' STATEMENT

6. Audit committee

The Audit Committee comprises the following members, who are all non-Executive and Independent Directors. The members of the Audit Committee at the date of this statement are:

Gavin Mark McIntyre (Chairman)
Chua Ser Miang
Juliana Lee Kim Lian

The Audit Committee performed the functions specified in Section 201B(5) of the Act and the Singapore Code of Corporate Governance, including the following:

- (i) reviewing the audit plans and results of the external audits;
- (ii) reviewing the audit plans and results of the internal auditors' examination and evaluation of the Group's system of internal controls;
- (iii) reviewing the Group's financial and operating results and accounting policies;
- (iv) reviewing the half yearly and full year results announcements;
- (v) reviewing the consolidated financial statements of the Group, the statement of financial position of the Company and the external auditor's report on those financial statements before their submission to the Directors of the Company;
- (vi) ensuring the co-operation and assistance given by the management to the Group's internal and external auditors;
- (vii) making recommendation to the Board of Directors on the re-appointment of the Group's internal and external auditors; and
- (viii) reviewing the Interested Person Transactions as required and defined in Chapter 9 of the Rules of Catalist of SGX-ST and ensuring that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company.

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the external auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Lim Chiau Woei
Director

Lim Beng Chew
Director

6 April 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Anchor Resources Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Anchor Resources Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 91 to 157, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

To the Members of Anchor Resources Limited

Key Audit Matters	Audit Response
<p>1 Mining Operations</p>	

The Group operates mining and production of granite at Bukit Chetai Mine located in Terengganu, Malaysia. As at 31 December 2020, the assets related to mining operations ("Mining Assets") mainly comprise the following:

1. Mine properties
2. Property, plant and equipment
3. Investment in a subsidiary of the Company

Mine properties and property, plant and equipment form a significant component of the Group's assets, i.e. 37.9% of the Group's total assets as at 31 December 2020. Mine properties represent those capitalised exploration, evaluation and development costs incurred for the mine. The Group amortises the granite mine properties based on a straight-line method over the concession period of the mine properties. Property, plant and equipment are mainly those on-site processing facilities and infrastructure.

As the Group's granite mining business segment incurred operating losses for the financial year ended 31 December 2020, management determined if there is impairment losses based on the value-in-use ("VIU") by estimating the expected present value of future cash flows from the Group's granite mining operation.

In addition, management also determined that there are indications of impairment on the investment in the subsidiary operating the mine as its net assets are lower than the costs of investment.

Based on the recoverable amount determined by management, impairment loss on the cost of investment in the subsidiary operating the granite mine of approximately RM31,848,000 was recognised in the Company's profit or loss.

We performed the following audit procedures, amongst others:

- Read the Independent Qualified Person's Reports ("IQPR") issued by the independent external specialists to obtain an understanding of the report.
- Assessed the reasonableness of the amortisation policy which is based on a straight-line method over the concession period of the granite mine.
- Checked the mathematical accuracy of management's computation of the VIU of the CGU and discussed with management to understand the basis for the key assumptions made.
- Evaluated the reasonableness of significant judgements and key assumptions used in the VIU by checking against relevant underlying data including current developments to the COVID-19 situation and performing sensitivity analysis.

INDEPENDENT AUDITOR’S REPORT

To the Members of Anchor Resources Limited

Key Audit Matters	Audit Response
<p>1 Mining Operations (Continued)</p> <p>We focused on this area as a key audit matter due to the inherent subjectivity in management’s judgement in:</p> <ul style="list-style-type: none"> determining the VIU of the granite cash generating unit (“CGU”) which involves key assumptions on granite prices, future production volumes and discount rates, amongst others. applying the straight-line amortisation policy over the concession period of the granite mine. <p>In addition, the recoverable ore reserves of the mine are another key inputs to the VIU, for which management has engaged independent external specialists to assist in the estimations.</p> <hr/> <p>Refer to Notes 3.1, 3.2(i), 3.2(iii), 5, 6 and 7 of the accompanying financial statements.</p>	<p>We performed the following audit procedures, amongst others: (Continued)</p> <ul style="list-style-type: none"> Assessed the appropriateness of the cash flow projection periods used in the VIU of the granite mine. Engaged our internal valuation specialist to evaluate the reasonableness of the discount rate used. Evaluated the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Anchor Resources Limited

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Anchor Resources Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

To the Members of Anchor Resources Limited

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Lee Yu-Min.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
6 April 2021

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	3,232	15,982	-	4
Mine properties	6	1,269	14,963	-	-
Investments in subsidiaries	7	-	-	69,921	116,657
		<u>4,501</u>	<u>30,945</u>	<u>69,921</u>	<u>116,661</u>
Current assets					
Inventories	8	317	651	-	-
Trade and other receivables	9	4,337	7,400	1,860	15,664
Prepayments		93	152	11	9
Cash and cash equivalents	10	2,635	1,735	1,258	2
		<u>7,382</u>	<u>9,938</u>	<u>3,129</u>	<u>15,675</u>
Total assets		<u><u>11,883</u></u>	<u><u>40,883</u></u>	<u><u>73,050</u></u>	<u><u>132,336</u></u>
EQUITY AND LIABILITIES					
Equity					
Share capital	11	265,102	257,987	265,102	257,987
Merger reserve	12	(118,294)	(102,649)	-	-
Currency translation reserve	13	26	22	-	-
Accumulated losses		(152,517)	(150,192)	(203,420)	(148,000)
Total (deficit)/equity		<u>(5,683)</u>	<u>5,168</u>	<u>61,682</u>	<u>109,987</u>
Non-current liabilities					
Lease liabilities	14	488	1,021	-	-
Borrowings	15	-	4,458	-	4,458
		<u>488</u>	<u>5,479</u>	<u>-</u>	<u>4,458</u>
Current liabilities					
Trade and other payables	16	5,949	10,893	505	7,415
Lease liabilities	14	266	485	-	-
Borrowings	15	10,863	18,858	10,863	10,476
		<u>17,078</u>	<u>30,236</u>	<u>11,368</u>	<u>17,891</u>
Total liabilities		<u>17,566</u>	<u>35,715</u>	<u>11,368</u>	<u>22,349</u>
Total equity and liabilities		<u><u>11,883</u></u>	<u><u>40,883</u></u>	<u><u>73,050</u></u>	<u><u>132,336</u></u>

The accompanying notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020 RM'000	2019 RM'000
Revenue	17	134	245
Other income	18	281	12
Changes in inventories		(100)	(71)
Contractors expenses		-	(225)
Royalty fees		(126)	(128)
Depreciation and amortisation expenses	19	(679)	(680)
Employee benefits expense	20	(1,751)	(3,394)
Lease expenses	21	(31)	(118)
Other expenses		(2,757)	(3,516)
Loss allowance on third party trade receivables		(513)	(579)
Finance costs	22	(2,282)	(3,827)
Loss before income tax from continuing operations	23	(7,824)	(12,281)
Income tax expense	24	-	-
Loss from continuing operations		(7,824)	(12,281)
Loss from discontinued operations, net of tax	25	(10,146)	(3,537)
Loss for the financial year		(17,970)	(15,818)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		4	(6)
Other comprehensive income for the financial year, net of tax		4	(6)
Total comprehensive income for the financial year		(17,966)	(15,824)
<u>Loss attributable to owners of the parent</u>			
Loss from continuing operations, net of tax		(7,824)	(12,281)
Loss from discontinued operations, net of tax	25	(10,146)	(3,537)
		(17,970)	(15,818)
<u>Total comprehensive income attributable to owners of the parent</u>			
Loss from continuing operations, net of tax		(7,820)	(12,287)
Loss from discontinued operations, net of tax		(10,146)	(3,537)
		(17,966)	(15,824)
Loss per share attributable to owners of the Company (RM sen)			
- Basic and diluted, continuing operations	26	(0.59)	(1.03)
- Basic and diluted, discontinued operations	26	(0.77)	(0.30)

The accompanying notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	Share capital RM'000	Merger reserve RM'000	Currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000
Balance at 1 January 2020		257,987	(102,649)	22	(150,192)	5,168
Loss for the financial year		-	-	-	(17,970)	(17,970)
Other comprehensive income for the financial year:						
Foreign currency translation differences		-	-	4	-	4
Total comprehensive income for the financial year		-	-	4	(17,970)	(17,966)
Contribution by owners of the parent:						
Issuance of new ordinary shares	11	7,115	-	-	-	7,115
Merger reserve transferred on disposal of subsidiaries		-	(15,645)	-	15,645	-
Total transactions with owners		7,115	(15,645)	-	15,645	7,115
Balance at 31 December 2020		265,102	(118,294)	26	(152,517)	(5,683)

The accompanying notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	Share capital RM'000	Merger reserve RM'000	Currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000
Balance at 1 January 2019		248,600	(102,649)	28	(134,374)	11,605
Loss for the financial year		-	-	-	(15,818)	(15,818)
Other comprehensive income for the financial year:						
Foreign currency translation differences		-	-	(6)	-	(6)
Total comprehensive income for the financial year		-	-	(6)	(15,818)	(15,824)
Contribution by owners of the parent:						
Issuance of new ordinary shares	11	9,387	-	-	-	9,387
Total transactions with owners		9,387	-	-	-	9,387
Balance at 31 December 2019		257,987	(102,649)	22	(150,192)	5,168

The accompanying notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020 RM'000	2019 RM'000
Operating activities			
Loss before income tax from continuing operations		(7,824)	(12,281)
Loss before income tax from discontinued operations		(10,146)	(3,537)
Loss before income tax, total		<u>(17,970)</u>	<u>(15,818)</u>
Adjustments for:			
Depreciation and amortisation expenses	19	2,775	2,792
Interest expenses	22	2,308	3,871
Interest income	18	(8)	(9)
Loss allowance on third party trade receivables	23	5,081	1,239
Gain on disposal of property, plant and equipment		(3)	-
Loss on disposal of subsidiaries	25	4,325	-
Plant and equipment written off	23	19	2
Unrealised foreign exchange differences		362	(338)
Operating cash flows before working capital changes		<u>(3,111)</u>	<u>(8,261)</u>
Working capital changes:			
Inventories		195	662
Trade and other receivables		(2,904)	(1,532)
Prepayments		13	59
Trade and other payables		699	1,123
Cash used in operations		<u>(5,108)</u>	<u>(7,949)</u>
Income tax refunded		-	450
Net cash used in operating activities		<u>(5,108)</u>	<u>(7,499)</u>
Investing activities			
Purchase of property, plant and equipment	5	(361)	(160)
Proceeds from disposal of property, plant and equipment		3	-
Proceeds from disposal of subsidiaries	25	1,943	-
Additions to mine properties	6	-	(224)
Interest received		8	9
Net cash generated from/(used in) investing activities		<u>1,593</u>	<u>(375)</u>

The accompanying notes form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020 RM'000	2019 RM'000
Financing activities			
Interest paid		(91)	(1,920)
Proceeds from issuance of new ordinary shares		-	9,387
Proceeds from unsecured loan	A	10,689	-
Proceeds from issuance of non-guaranteed bond	A	-	2,668
Repayment of lease obligations	14	(354)	(464)
Repayment of guaranteed bond	A	(5,812)	(7,345)
Net cash generated from financing activities		<u>4,432</u>	<u>2,326</u>
Net changes in cash and cash equivalents		917	(5,548)
Exchange difference on cash and cash equivalents		(17)	130
Cash and cash equivalents at beginning of financial year		<u>1,735</u>	<u>7,153</u>
Cash and cash equivalents at end of financial year	10	<u>2,635</u>	<u>1,735</u>

The accompanying notes form an integral part of these financial statements.

ANCHOR RESOURCES LIMITED

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

Note A: Reconciliation of liabilities arising from financing activities

	1 January 2020 RM'000	Proceeds from drawdown of loan RM'000	Principal repayment RM'000	Interest paid RM'000	Interest expense RM'000	Non-cash changes				31 December 2020 RM'000
						Extension fee RM'000	Settlement via issuance of shares RM'000	Disposal of subsidiaries RM'000	Foreign exchange differences RM'000	
Guaranteed bonds	7,647	-	(5,812)	(31)	855	647	(3,338)	-	32	-
Exchangeable bond	8,382	-	-	-	661	-	(3,777)	(5,268)	2	-
Non-guaranteed bonds	7,287	-	-	-	507	-	-	(7,816)	22	-
Unsecured term loan	-	10,689	-	-	225	-	-	-	(51)	10,863
Total	23,316	10,689	(5,812)	(31)	2,248	647	(7,115)	(13,084)	5	10,863

	1 January 2019 RM'000	Proceeds received net of transaction costs RM'000	Principal repayment RM'000	Interest paid RM'000	Non-cash changes			31 December 2019 RM'000
					Interest expense RM'000	Foreign exchange differences RM'000		
Guaranteed bonds	13,657	(61)	(7,345)	(883)	2,261		18	7,647
Exchangeable bond	7,916	-	-	(304)	755		15	8,382
Non-guaranteed bonds	4,444	2,729	-	(620)	742		(8)	7,287
Total	26,017	2,668	(7,345)	(1,807)	3,758		25	23,316

The accompanying notes form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General corporate information

Anchor Resources Limited (the “Company”) is a public limited liability company, incorporated and domiciled in Singapore and its registered office and principal place of business are 80 Robinson Road #17-02, Singapore 068898 and C-3A-9-10, 11 & 12, Block C, Pusat Komersial Southgate, No. 2, Jalan Dua, Off Jalan Chan Sow Lin, 55200, Kuala Lumpur Wilayah Persekutuan, Malaysia respectively. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The registration number of the Company is 201531549N.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The Company’s ultimate controlling party is Lim Chiau Woei, who is a Director of the Company as at 31 December 2020 and 31 December 2019. Subsequent to the financial year end, on 9 February 2021, Lim Beng Chew, who is a Director of the Company, became the Company’s ultimate controlling party.

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2020 were authorised for issue in accordance with a Directors’ resolution dated 6 April 2021.

2. Significant accounting policies**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”). The financial statements are prepared under the historical cost convention, except as disclosed in the accounting policies below and on a going concern basis as referred to in Note 4 to the financial statements.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Ringgit Malaysia (“RM”) which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand (“RM’000”) as indicated.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group’s application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have significant effect on the financial statements are disclosed in Note 3 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

2. Significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2020

The standards, amendments to standards, and interpretations, issued by Accounting Standards Council Singapore (“ASC”) that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant to the Group’s business activities or require accounting which is consistent with the Group’s current accounting policies.

SFRS(I)s issued but not yet effective

There are a number of standards, amendments to standards, and interpretations, which have been issued by the ASC that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

	Effective date (annual periods beginning on or after)
SFRS(I) 9, SFRS(I) 1-39, : Interest Rate Benchmark Reform - Phase 2 SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 (Amendments)	1 January 2021
SFRS(I) 16 (Amendments) : Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
SFRS(I) 3 (Amendments) : Reference to the Conceptual Framework	1 January 2022
SFRS(I) 1-16 (Amendments) : Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
SFRS(I) 1-37 (Amendments) : Onerous Contract - Costs of Fulfilling a Contract	1 January 2022
Various : Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
SFRS(I) 17 : Insurance Contracts	1 January 2023
SFRS(I) 1-1 (Amendments) : Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 10 and SFRS(I) 1-28 : Sale or Contribution of Assets between an Investor and (Amendments) its Associate or Joint Venture	To be determined

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are consolidated from the date on which the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that there may be a change in the elements of control.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners). The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Acquisitions under common control

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or to recognise any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group's equity. Any difference between the consideration paid for the acquisition and share capital of acquirees is recognised directly to equity as merger reserve.

2.3 Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Investments in subsidiaries are accounted for at cost, less any impairment loss, in the Company's statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

2. Significant accounting policies (Continued)**2.4 Property, plant and equipment**

All items of property, plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure on an item of property, plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Other items of property, plant and equipment are subsequently carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives as follows:

	Years
Buildings	20
Furniture and fittings	5
Office equipment	5
Motor vehicles	5
Renovation	5
Plant and machinery	10
Road and infrastructure	20
Electrical installation works	5
Tools and equipment	5

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.5 Mine properties

When production commences, carried forward development assets are transferred to mine properties and the accumulated costs for the relevant area of interest will then be amortised over the life of the area.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (Continued)

2.5 Mine properties (Continued)

(i) Granite mine

Amortisation for granite mine properties is based on straight-line method over the concession period of the mine properties of 17 years (2019: 18 years).

(ii) Gold mine (Discontinued operation Note 25)

Amortisation for gold mine properties is according to the rate of depletion, on a unit-of-production basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is applied. The unit of account for run of mines costs are recoverable ounces of gold for gold mine.

The unit-of-production rate and straight-line method for the amortisation of mine properties takes into account expenditure incurred to date, together with sanctioned future development expenditure.

2.6 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average basis and includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business, less estimated costs incurred in marketing and distribution. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

2. Summary of significant accounting policies (Continued)**2.8 Financial instruments**

The Group recognises a financial asset or a financial liability in its statements of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Loss allowances for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such allowances are recorded in a separate allowance account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated allowance.

Loss allowances for receivables from other financial assets are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the allowance is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's and the Company's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments, advance payments to suppliers and goods and services tax ("GST")) and cash and cash equivalents in the statements of financial position.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (Continued)

2.8 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group and the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Company classifies ordinary shares as equity instruments.

Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost, and financial liabilities at fair value through profit or loss.

Trade and other payables

Trade and other payables are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Group and the Company, and are subsequently measured at amortised cost using the effective interest method.

Guaranteed and non-guaranteed bonds

Guaranteed and non-guaranteed bonds are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Exchangeable bond

The exchangeable bond is a hybrid contract stated initially at fair value and subsequently carried at amortised cost as the embedded derivative which is the conversion feature is of insignificant value and does not modify the cash flows that otherwise would be required by the contract, except for the amount of change in fair value attributable to change in credit risk of that liability which is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch.

Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

2. Summary of significant accounting policies (Continued)**2.8 Financial instruments (Continued)****Financial liabilities and equity instruments (Continued)****Financial liabilities (Continued)*****Financial guarantee contracts* (Continued)**

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

- a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.9 Cash and bank balances

Cash and bank balances in the consolidated statement of financial position comprise cash on hand, demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the consolidated statement of cash flows, cash and cash equivalents also includes bank overdrafts and excludes any pledged deposits. In the consolidated statement of financial position, bank overdrafts are presented within borrowings under current liabilities.

2.10 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers is based on fixed amounts. The Group's revenue is derived from the fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

Sale of goods

Revenue from sale of semi-processed gold concentrate ore, processed gold ore, granite and aggregate are recognised at a point in time when the Group satisfies a performance obligation by transferring control of a promised good to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation. There is limited judgement needed to identify when the point of control passes to customers. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay within a credit term of 30 to 90 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (Continued)

2.11 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as expenses in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for estimated liability for unutilised annual leave as a result of services rendered by employees up to the end of the reporting period.

2.12 Leases

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets in "Property, plant and equipment" and lease liabilities separately from other liabilities in the consolidated statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

2. Summary of significant accounting policies (Continued)

2.12 Leases (Continued)

As lessee (Continued)

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset.

	Years
Buildings	4
Motor vehicles	5
Plant and machinery	10

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.6 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

2. Summary of significant accounting policies (Continued)**2.12 Leases (Continued)**

As lessee (Continued)

Subsequent measurement (Continued)

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;
- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group has elected to account for the entire contract as a lease. The Group does not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

2. Summary of significant accounting policies (Continued)**2.14 Taxes**

Income tax expense comprise current tax expense and deferred tax expense.

Current income tax

Current income tax expense is the amount of income tax payable in respect of the taxable profit for a period. Current income tax liabilities for the current and prior periods shall be measured at the amount expected to be paid to the taxation authorities, using the tax rates and interpretation to applicable tax laws in the countries where the Group operates, that have been enacted or substantively enacted by the end of the reporting period. Management evaluates its income tax provisions on periodical basis.

Current income tax expenses are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases of asset and liabilities, except when the temporary difference arises from the initial recognition of goodwill or other assets and liabilities that is not a business combination and affects neither the accounting profit nor taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates expected to apply for the period when the asset is realised or the liability is settled, based on tax rate and tax law that have been enacted or substantially enacted by the end of reporting period. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. Summary of significant accounting policies (Continued)

2.14 Income tax (Continued)

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales taxation that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.15 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on re-translation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Ringgit Malaysia using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the financial year, unless exchange rates fluctuated significantly during that financial year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the currency translation reserve.

On disposal of a foreign operation, the accumulated currency translation reserve relating to that operation is reclassified to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

2. Summary of significant accounting policies (Continued)**2.16 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Chief Executive Officer who make strategic decisions.

2.17 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair value can be reliably determined.

2.18 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants related to asset are deducted against the carrying amount of the asset.

Government grants related to expenses are accounted for in the year where the related costs it intends to compensate is incurred and recognised in the profit or loss. Such government grants are presented under "Other income".

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

2. Summary of significant accounting policies (Continued)

2.19 Provisions (Continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The increase in the provision due to the passage of time is recognised as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.20 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell. The assets are not depreciated or amortised while classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single co-ordinated plan to dispose of a separate major line or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)**3.1 Critical judgements made in applying the accounting policies**

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Group's accounting policies and which have a significant effect on the amounts recognised in the financial statements:

Impairment of assets relating to mining operations

The Group assesses the assets relating to the mining operations at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions including historical, current and future prices, recoverable ore reserve of the mine, discount rate, operating costs, future capital requirements and operating performance (which includes production and sales volumes). In estimating the recoverable ore reserve of the mine, management relied on the Independent Qualified Person's Report ("IQPR") issued by the independent valuer. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of the assets.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below.

(i) Amortisation of mine properties

Granite mine properties are amortised based on straight-line method over the concession period of the granite mine. Management reviews the basis of amortisation and revises the estimates of the recoverable reserves of the mines and remaining useful life and residual values of mine properties at the end of each financial year. Any changes in estimates of the recoverable reserve of the mine and, the useful life and residual values of the mine properties would impact the amortisation charges and consequently affect the Group's financial performance. The carrying amount of the Group's mine properties as at 31 December 2020 is disclosed in Note 6 to the financial statements.

(ii) Non-trade receivable due from a subsidiary

Management determines whether there is significant increase in credit risk of the subsidiary since initial recognition. Management considers various operating performance and projected cash flows of the subsidiary. A credit impaired loss allowance on non-trade receivable of RM3,740,000 was recognised in the Company's profit or loss as at 31 December 2020. The carrying amounts of other receivables due from subsidiary as at 31 December 2020 are disclosed in Note 9 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)**3.2 Key sources of estimation uncertainty (Continued)****(iii) Impairment of investments in subsidiaries**

At the end of each financial year, an assessment is made on whether there is indication that the investments in subsidiaries are impaired. The management's assessment for impairment on investment in a subsidiary is based on the estimation of the value-in-use of the CGUs by forecasting the expected future cash flows over the concession period, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 December 2020 is as disclosed in Note 7 to the financial statements.

4. Going concern

The Group's and Company's current liabilities exceeded its current assets by approximately RM9,696,000 and RM8,239,000 respectively as at 31 December 2020. As at that date, the Group's total liabilities exceeded its total assets by RM5,683,000. The Group incurred a net loss of approximately RM17,970,000 and had negative cash flows from operating activities of approximately RM5,108,000 for the financial year ended 31 December 2020. As at that date, the Group and the Company have cash and cash equivalents of approximately RM2,635,000 and RM1,258,000 respectively and the Group has borrowings of approximately RM10,863,000.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as going concerns, which is highly dependent on the Group's and Company's ability to obtain funding and generate sufficient cash flows from operations.

The Directors of the Company are of the opinion that no material uncertainty exists and the going concern basis is appropriate in the preparation of the financial statements based on the following:

- (a) Management has prepared a cash flow forecast which shows that the Company and the Group will have adequate funds for its operational requirements and to meet their debt obligations as and when they fall due for at least 12 months from the end of the financial year, having taken account of the funds available and cash flows to be generated from the operations and the potential effects of COVID-19 pandemic;
- (b) Subsequent to the financial year end, the Group and Company have settled the term loan as detailed in Note 31.2 to the financial statements. The Group and Company have no borrowings subsequent to the settlement of its term loan;
- (c) On 25 January 2021, the Kuala Lumpur High Court judge decided in favour of GGTM Sdn. Bhd. ("GGTM") and the said Adjudication Decision was successfully set aside as disclosed in Note 30 to the financial statements. Accordingly, there are no pending suits and liabilities against its subsidiary company, GGTM; and
- (d) Continued financial support from two Directors, Mr. Lim Chiau Woei and Mr. Lim Beng Chew, who have undertaken to provide adequate funds to enable the Group to meet its payment obligations as they fall due.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

5. Property, plant and equipment

	Buildings	Furniture and fittings	Office equipment	Motor vehicles	Renovation	Plant and machinery	Road and infrastructure	Electrical installation works	Tools and equipment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
2020										
Cost										
Balance at 1 January 2020	6,955	123	677	1,424	560	13,747	1,372	54	23	24,935
Additions	-	1	24	-	-	544	-	-	-	569
Written off	-	-	(27)	-	-	-	-	-	-	(27)
Disposal	-	-	-	(56)	-	-	-	-	-	(56)
Disposal of subsidiaries	(5,903)	(72)	(627)	(965)	(474)	(10,855)	(1,352)	-	-	(20,248)
Balance at 31 December 2020	1,052	52	47	403	86	3,436	20	54	23	5,173
Accumulated depreciation and impairment losses										
Balance at 1 January 2020	1,521	108	563	760	438	5,243	288	19	13	8,953
Depreciation for the financial year	441	10	61	251	57	1,344	68	10	3	2,245
Written off	-	-	(8)	-	-	-	-	-	-	(8)
Disposal	-	-	-	(56)	-	-	-	-	-	(56)
Disposal of subsidiaries	(1,829)	(70)	(574)	(712)	(426)	(5,229)	(353)	-	-	(9,193)
Balance at 31 December 2020	133	48	42	243	69	1,358	3	29	16	1,941
Carrying amount										
Balance at 31 December 2020	919	4	5	160	17	2,078	17	25	7	3,232

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5. Property, plant and equipment (Continued)

Group	Buildings	Furniture and fittings	Office equipment	Motor vehicles	Renovation	Plant and machinery	Road and infrastructure	Electrical installation works	Tools and equipment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2019										
Cost										
Balance at 1 January 2019	6,417	114	644	1,225	522	13,747	1,351	53	23	24,096
Adoption of SFRS(I) 16	469	-	-	-	-	-	-	-	-	469
At 1 January 2019 (restated)	6,886	114	644	1,225	522	13,747	1,351	53	23	24,565
Additions	69	10	33	199	38	-	21	1	4	375
Written off	-	(1)	-	-	-	-	-	-	(4)	(5)
Balance at 31 December 2019	6,955	123	677	1,424	560	13,747	1,372	54	23	24,935
Accumulated depreciation and impairment losses										
Balance at 1 January 2019	1,085	87	452	505	357	3,903	220	8	12	6,629
Depreciation for the financial year	436	22	111	255	81	1,340	68	11	3	2,327
Written off	-	(1)	-	-	-	-	-	-	(2)	(3)
Balance at 31 December 2019	1,521	108	563	760	438	5,243	288	19	13	8,953
Carrying amount										
Balance at 31 December 2019	5,434	15	114	664	122	8,504	1,084	35	10	15,982

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**
5. Property, plant and equipment (Continued)

	Company	
	2020	2019
	RM'000	RM'000
Office equipment		
Cost		
Balance at beginning of financial year	7	7
Additions	15	-
Written off	(22)	-
Balance at end of financial year	<u>-</u>	<u>7</u>
Accumulated depreciation		
Balance at beginning of financial year	3	2
Depreciation for the financial year	2	1
Written off	(5)	-
Balance at end of financial year	<u>-</u>	<u>3</u>
Carrying amount		
Balance at end of financial year	<u>-</u>	<u>4</u>

Right-of-use of assets under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed below and disclosures relating to lease arrangements are included under Note 14 to the financial statements.

Right-of-use assets classified within property, plant and equipment

	Buildings	Motor	Plant and	Total
	RM'000	vehicles	machinery	RM'000
	RM'000	RM'000	RM'000	RM'000
Group				
Cost				
Balance at 1 January 2020	538	1,243	963	2,744
Additions	-	-	208	208
Disposal of subsidiaries	(387)	(848)	(208)	(1,443)
Balance at 31 December 2020	<u>151</u>	<u>395</u>	<u>963</u>	<u>1,509</u>
Accumulated depreciation				
Balance at 1 January 2020	138	584	199	921
Depreciation charged	143	248	98	489
Disposal of subsidiaries	(203)	(593)	(2)	(798)
Balance at 31 December 2020	<u>78</u>	<u>239</u>	<u>295</u>	<u>612</u>
Carrying amount				
Balance at 31 December 2020	<u>73</u>	<u>156</u>	<u>668</u>	<u>897</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

5. Property, plant and equipment (Continued)

Right-of-use assets classified within property, plant and equipment (Continued)

	Buildings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Total RM'000
Group				
Cost				
Balance at 1 January 2019				
- recognition arising from SFRS(I) 16	469	-	-	469
- reclassifications	-	1,044	963	2,007
Additions	69	199	-	268
Balance at 31 December 2019	538	1,243	963	2,744
Accumulated depreciation				
Balance at 1 January 2019	-	335	103	438
Depreciation charged	138	249	96	483
Balance at 31 December 2019	138	584	199	921
Carrying amount				
Balance at 31 December 2019	400	659	764	1,823

The Group leases a number of buildings (i.e. office premises), motor vehicles and plant and machinery in Malaysia with fixed payments over the lease terms.

As at 31 December 2020, included in the Group's property, plant and equipment are items with aggregate net carrying value of approximately RM825,000 (2019: RM1,424,000) purchased under lease arrangements.

Impairment assessment for property, plant and equipment is disclosed in Note 6 to the financial statements. The Group has also reassessed the useful lives of its property, plant and equipment and determined that no change in the useful lives was required.

For the purpose of consolidated statement of cash flows, the Group's additions to property, plant and equipment were financed as follows:

	Group	
	2020 RM'000	2019 RM'000
Additions to property, plant and equipment	569	375
Acquired under lease arrangements	(208)	(215)
Cash payments for acquisition of property, plant and equipment	361	160

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

6. Mine properties

	Group	
	2020	2019
	RM'000	RM'000
Cost		
Balance at beginning of financial year	17,001	16,777
Additions	-	224
Disposal of subsidiaries	(15,093)	-
Balance at end of financial year	1,908	17,001
Accumulated amortisation		
Balance at beginning of financial year	2,038	1,573
Amortisation for financial year	530	465
Disposal of subsidiaries	(1,929)	-
Balance at end of financial year	639	2,038
Carrying amount		
Balance at end of financial year	1,269	14,963

Property, plant and equipment and mine properties

Property, plant and equipment and mine properties are allocated to the cash-generating units (“CGU”) that are expected to benefit from the assets acquired. The Group tests the CGUs annually for impairment or more frequently when there are indications that the CGUs might be impaired.

There are indications of impairment as the Granite business CGU has incurred operating losses in current financial year. However, based on the recoverable amount determined by management using the inputs as presented below, no impairment loss is required.

Impairment testing

The recoverable amount of the mentioned CGU is determined from value-in-use calculations.

For value-in-use calculations, the recoverable amount is determined by applying the discounted cash flow model using cash flow projections based on financial budget and forecasts approved by the management covering a period of 17 years (2019: 18 years). Management is of the opinion that the period of 17 years used in the cash flow projections is more reflective of the recoverable reserves of the mine and remaining life of the mine in which the CGU is operating in. The terminal year value is not relevant for this calculation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

6. Mine properties (Continued)

The key assumptions for these value-in-use calculations are those regarding the discount rates and growth rates as stated below:

	2020		2019	
	Discount rate %	Average growth rate %	Discount rate %	Average growth rate %
Gold mining	*	*	9.4	77.1
Granite mining	14.4	13.8	9.4	14.3

* The gold mining business was disposed during the financial year as disclosed in Note 25 to the financial statements.

7. Investments in subsidiaries

	Company	
	2020 RM'000	2019 RM'000
Unquoted equity investments, at cost	139,132	192,686
Less: Accumulated impairment losses	(69,211)	(76,029)
	<u>69,921</u>	<u>116,657</u>
Accumulated impairment losses		
Balance at beginning of financial year	76,029	20,929
Impairment loss for financial year	31,880	55,100
Write off of impairment loss due to disposal of subsidiary	(38,698)	-
Balance at end of financial year	<u>69,211</u>	<u>76,029</u>

As at the end of the reporting period, the Company carried out a review of the investment in subsidiaries, having regards for indicators of impairment on investment in GGTM Sdn. Bhd. ("GGTM") and Angka Marketing Pte. Ltd. ("AMPL") due to the losses reported by both subsidiaries.

An impairment loss of approximately RM31,880,000 (2019: RM55,100,000) was recognised in the Company's profit or loss for the financial year ended 31 December 2020.

The review of the recoverable amount of these subsidiaries resulted in the following:

- (a) Additional impairment loss of RM31,848,000 (2019: RM37,331,000) in the investment in GGTM, (granite business segment);
- (b) Full impairment loss of RM32,000 (2019: RM Nil) in the investment in AMPL as the subsidiary in the process of striking off; and
- (c) Impairment loss of RM38,698,000 (2019: RM Nil) in the investment in AASB was written off following the disposal of AASB and discontinuation of operations in the gold mining segment.

The recoverable amount of investment in GGTM of approximately RM69,621,000 (2019: RM101,469,000) is determined from value-in-use calculations and key assumptions used as disclosed in Note 6 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**
7. Investments in subsidiaries (Continued)

The particulars of the subsidiaries are as follows:

Name of company (Principal place of business)	Proportion of ownership interest held		Principal activities
	2020 %	2019 %	
<i>Held by the Company</i>			
Angka Alamjaya Sdn. Bhd. ⁽¹⁾⁽³⁾ (Malaysia)	-	100	Gold and related mineral mining, consultant and contractor of natural resources
GGTM Sdn. Bhd. ⁽¹⁾ (Malaysia)	100	100	Exploration, mining and production of dimension stone granites for sales as well as architectural stone and interior fit-out
Angka Marketing Pte. Ltd. ⁽²⁾ (Singapore)	100	100	In the process of striking off
ARS Consolidated Sdn. Bhd. ⁽¹⁾ (Malaysia)	100	-	General trading, granite producer & sales of granite and related products etc
ARG Consolidated Sdn. Bhd. ⁽¹⁾ (Malaysia)	100	-	General trading, gold producer & sales of gold products etc
AAKG Mining Sdn. Bhd. ⁽¹⁾ (Malaysia)	100	-	Gold and related mineral mining, consultant and contractor of natural resources
<i>Held by Angka Alamjaya Sdn. Bhd.</i>			
Angka Mining Sdn. Bhd. ⁽¹⁾ (Malaysia)	-	100	Gold and related mining consultancy
<i>Held by GGTM Sdn. Bhd.</i>			
Stonetrade Sdn. Bhd. ⁽¹⁾ (Malaysia)	100	100	Exploration, quarrying activities, construction, manufacturing, processing, cutting and polishing of dimension stone, granite stone, marble, aggregates and related products

⁽¹⁾ Audited by BDO PLT, Malaysia, a member firm of BDO International Limited

⁽²⁾ Not required to be audited as the subsidiary is in the process of striking off

⁽³⁾ Angka Alamjaya Sdn. Bhd. and its subsidiary were disposed as disclosed in Note 25 to the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7. Investments in subsidiaries (Continued)

During the financial year,

- (a) The Group incorporated three subsidiaries in Malaysia as detailed below:
- (i) ARS Consolidated Sdn. Bhd. (“ARSSB”) through the subscription of 300,001 new ordinary shares in the capital of ARSSB at an issue price of RM1.00 per share and for a total cash consideration of RM300,001. As at year end, the share subscription remains due and payable as disclosed in Note 16 to the financial statements.
 - (ii) ARG Consolidated Sdn. Bhd. (“ARGSB”) through the subscription of 1 new ordinary share in the capital of ARGSB at an issue price of RM1.00 per share and for a total cash consideration of RM1.
 - (iii) AAKG Mining Sdn. Bhd. (“AAKG”) through the subscription of 1 new ordinary share in the capital of AAKG at an issue price of RM1.00 per share and for a total cash consideration of RM1.
- (b) On 13 April 2020, the Company subscribed to additional 14,560,000 ordinary shares of Angka Alamjaya Sdn. Bhd. (“AASB”) at an issue price of RM1.00 per share settled by way of capitalisation of amount of RM14,560,000 owing from AASB.
- (c) Pursuant to the deed of settlement with the holders of the Non-Guaranteed Bond I (“NGB I”), Non-Guaranteed Bond II (“NGB II”) and Exchangeable Bond (“EB”), the Company had on 28 December 2020 transferred the ordinary shares of AASB to the bond holders as detailed below:
- (i) 9,628,827 ordinary shares of AASB were transferred to the bond holder for the settlement of the NGB I amounting to S\$1,537,000 (approximately RM4,689,000).
 - (ii) 6,421,655 ordinary shares of AASB were transferred to the bond holder for the settlement of the NGB II amounting to S\$1,025,000 (approximately RM3,127,000).
 - (iii) 10,818,315 ordinary shares of AASB were transferred to the bond holder as part settlement of the EB amounting to S\$1,727,000 (approximately RM5,268,000).

On completion of the transfers, AASB and its wholly-owned subsidiary, Angka Mining Sdn. Bhd. ceased to be subsidiaries of the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

8. Inventories

	Group	
	2020 RM'000	2019 RM'000
Raw materials	185	382
Consumables	132	269
	317	651

9. Trade and other receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade receivables - third parties	4,170	6,727	-	-
Less: Loss allowance	(1,154)	(1,301)	-	-
Sub-total	3,016	5,426	-	-
Other receivables				
- third parties	1,199	1,537	-	-
- subsidiaries ^{(a)(b)}	-	-	5,600	15,664
Less: Loss allowance	-	-	(3,740)	-
Advance payments to suppliers				
- third parties	-	11	-	-
GST recoverable, net	3	3	-	-
Deposits	119	423	-	-
	1,321	1,974	1,860	15,664
	4,337	7,400	1,860	15,664

(a) The amount due from subsidiary AASB in the current financial year was partially settled by way of capitalisation amount of RM14,560,000 as disclosed in Note 7(b) to the financial statements.

(b) During the current financial year, the amount due from Angka Marketing Pte. Ltd. ("AMPL") arises from the settlement of Exchangeable Bond on behalf of AMPL through issuance of Anchor's 207,666,667 (S\$0.006) ordinary shares for a total consideration of RM3,800,000 (S\$ 1,246,000 @ 3.05). The Company recorded an impairment loss of RM3,740,000 as at end of financial year as the subsidiary is in the process of striking off as disclosed in Note 7 to the financial statements. Please refer to Note 15(iii)(a) for further details on the settlement of the Exchangeable Bond.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

9. Trade and other receivables (Continued)

Included in trade receivables at 31 December 2020 are retention sum of RM1,455,000 (2019: RM1,455,000) relating to contract works. Retention sums are unsecured, interest-free and are expected to be collected within the normal operating cycle.

The non-trade amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand. In respect of this amount due from subsidiary, the management has assessed that based on discounted cashflows for the next two years, the amount is subject to immaterial expected credit loss impairment.

Advance payments to suppliers are for operating expenses and purchase of plant and equipment.

Deposits mainly relate to refundable rental deposits for office premises and equipment and mining concession rights.

The lifetime expected loss allowance for the Group's trade receivables is as follows:

	Current RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 120 days past due RM'000	Total RM'000
2020					
Expected loss rate	0%	0%	0%	28%	
Gross carrying amount					
- Trade receivables	3	-	-	4,167	4,170
Loss allowance	-	-	-	1,154	1,154
2019					
Expected loss rate	0%	0%	0%	20%	
Gross carrying amount					
- Trade receivables	114	85	92	6,436	6,727
Loss allowance	-	-	-	1,301	1,301

Movement in the loss allowance for trade receivables is as follows:

	Group	
	2020 RM'000	2019 RM'000
Balance at beginning of financial year	1,301	62
Loss allowance recognised during the financial year (Note 23)	513	1,239
Disposal of subsidiaries	(660)	-
Balance at end of financial year	1,154	1,301

The Group applies the simplified approach to measure the expected credit losses for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**
9. Trade and other receivables (Continued)

The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

Other receivables from third parties are considered to be a low credit risk and subject to immaterial credit loss. Credit risk for these assets has not increased significantly since their initial recognition.

The currency profiles of trade and other receivables as at the end of the reporting period are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	4,337	7,385	1,860	15,664
United States dollar	-	15	-	-
	<u>4,337</u>	<u>7,400</u>	<u>1,860</u>	<u>15,664</u>

10. Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fixed deposits	322	300	-	-
Bank balances	2,313	1,435	1,258	2
	<u>2,635</u>	<u>1,735</u>	<u>1,258</u>	<u>2</u>

Fixed deposits bear an effective interest rate of 2.65% (2019: 3.15%) per annum with maturity of one (2019: one) month during the financial year.

The currency profiles of cash and cash equivalents as at the end of the reporting period are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	1,375	1,702	-	-
Singapore dollar	1,260	33	1,258	2
	<u>2,635</u>	<u>1,735</u>	<u>1,258</u>	<u>2</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

11. Share capital

	Group and Company		2020 RM'000	2019
	2020	2019		
	Number of ordinary shares			
Issued and fully-paid:				
At beginning of financial year	1,244,282,813	1,046,948,355	257,987	248,600
Issuance of new shares	419,710,303	197,334,458	7,115	9,387
At end of financial year	<u>1,663,993,116</u>	<u>1,244,282,813</u>	<u>265,102</u>	<u>257,987</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

During the financial year, 419,710,303 new ordinary shares amounting to approximately RM7,115,000 were issued for the settlement of Group and Company's borrowings as disclosed in Note 15 to the financial statements.

In the previous financial year,

- (a) On 17 January 2019, the Company increased its issued and fully paid-up share capital by way of placement and issuance of 43,478,261 new ordinary shares at an issue price of S\$0.023 per ordinary share for cash consideration of approximately S\$932,000 (approximately RM2,825,600).
- (b) On 2 May 2019, the Company increased its issued and fully paid-up share capital by way of placement and issuance of 153,856,197 new ordinary shares at an issue price of S\$0.015 per ordinary share for cash consideration of approximately S\$2,159,000 (approximately RM6,561,800).

12. Merger reserve

Merger reserve represents the differences between the consideration paid and the issued share capital of subsidiaries acquired under common control that are accounted for by applying the "pooling-of-interest" method. Upon disposal of a subsidiary acquired under common control, the related merger reserve will be transferred to accumulated losses.

13. Currency translation reserve

The currency translation reserve of the Group represents foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. This is non-distributable and the movements in this account are set out in the statements of changes in equity.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

14. Lease liabilities

	Group	
	2020	2019
	RM'000	RM'000
At 1 January	1,506	-
- Finance lease liabilities under SFRS(I) 1-17	-	1,283
- Adoption of SFRS(I) 16	-	472
	<u>1,506</u>	<u>1,755</u>
Additions (Note 5)	208	215
Interest expenses	60	113
Lease payments		
- Principal portion	(354)	(464)
- Interest portion	(60)	(113)
Disposal of subsidiaries	(606)	-
At 31 December	<u><u>754</u></u>	<u><u>1,506</u></u>

The maturity analysis of lease liabilities of the Group at each reporting date are as follows:

	Group	
	2020	2019
	RM'000	RM'000
Minimum lease payments due		
- Not later than one financial year	312	565
- Between one financial year and five financial years	520	1,068
- Later than five financial years	5	35
	<u>837</u>	<u>1,668</u>
Less: Future interest expense	(83)	(162)
Present value of lease liabilities	<u><u>754</u></u>	<u><u>1,506</u></u>
Presented in consolidated statement of financial position:		
- Non-current	488	1,021
- Current	<u>266</u>	<u>485</u>
	<u><u>754</u></u>	<u><u>1,506</u></u>

The lease term ranges from 1 to 6 (2019: 1 to 6) years for the financial year ended 31 December 2020. The effective interest rates for the lease liabilities ranges from 5.14% to 8.29% (2019: 5.14% to 9.24%) per annum for the financial year ended 31 December 2020.

Interest rates are fixed at the contract date and thus do not expose the Group to fair value interest rate risk. All finance lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under leases are secured by the leased assets, which will revert to the lessors in the event of default by the Group.

The currency profile of lease liabilities as at the end of the reporting period is Ringgit Malaysia.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

14. Lease liabilities (Continued)

As disclosed in Note 29.1 to the financial statements, the Company has issued corporate guarantee to a bank in respect of the lease arrangements amounting to RM876,000 which is granted to one of its subsidiaries, GGTM.

15. Borrowings

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities				
Secured				
Non-guaranteed bond I	-	4,458	-	4,458
Current liabilities				
Secured				
Non-guaranteed bond II	-	2,829	-	2,829
Guaranteed bond II	-	2,221	-	2,221
Guaranteed bond III	-	5,426	-	5,426
	-	10,476	-	10,476
Unsecured				
Exchangeable bond	-	8,382	-	-
Unsecured term loan	10,863	-	10,863	-
	10,863	18,858	10,863	10,476
	10,863	23,316	10,863	14,934

(i) Settlement of Guaranteed Bond II ("GB II")

On 16 June 2020, the Company had issued 26,250,000 new ordinary shares to the GB II bond holders at an issue price of S\$0.005 per share for the payments of extension fee and interest payable amounting to S\$60,000 and S\$71,000, (equivalent to RM171,000 and RM207,000, net of transaction cost of RM25,000) respectively pursuant to the Variation Agreement dated 3 April 2020 to extend the repayment for the principal amount of S\$750,000 (equivalent to RM2,273,000) due and payable by the Company from 3 April 2020 to 3 October 2020.

Subsequently, the Company has further entered into deeds of variation and settlement agreements on 12 July 2020 to settle the GB II by way of (i) cash payment; and/or (ii) the issuance of new shares in the capital of the Company at an issue price of S\$0.0055 per Share.

On 25 September 2020, the Company had issued 136,363,636 new ordinary shares to the GB II holders at an issue price of S\$0.0055 per share valued at S\$750,000 (approximately RM2,225,000, net of transaction cost of RM49,000) pursuant to the approval of the shareholders of the Company having been obtained for the repayment of Guaranteed Bond II at the extraordinary general meeting of the Company held on 25 September 2020.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

15. Borrowings (Continued)**(ii) Settlement of Guaranteed Bond III**

On 16 June 2020, the Company had issued 49,430,000 new ordinary shares to the GB III bond holder at an issue price of S\$0.005 per share for the payments of extension fee and interest payable amounting to S\$152,000 and S\$95,000 (equivalent to RM452,000 and RM283,000, net of transaction cost of RM25,000) respectively pursuant to the Variation Agreement dated 3 April 2020 to extend the repayment for the principal amount of S\$1,903,000 (equivalent to RM5,812,000) due and payable by the Company from 3 April 2020 to 3 October 2020. On 19 October 2020, fully redeemed GB III through cash payment amounting to S\$1,913,000 (equivalent to RM5,843,000).

(iii) Settlement of Non-Guaranteed Bond I (“NGB I”), Non-Guaranteed Bond II (“NGB II”) and Exchangeable Bond (“EB”)

The Company had entered into a deed of settlement with the holders of the NGB I, NGB II and EB by way of issuance of up to 207,666,667 new shares in the capital of the Company and disposal of Angka Alamjaya Sdn. Bhd. (“AASB”) as disclosed in Note 7(c) to the financial statements.

Pursuant to the approval of the shareholders of the Company for the Settlement Share Issue at the extraordinary general meeting of the Company held on 28 December 2020, the Company has fully redeemed the NGB I, NGB II and EB by way of the following:

(a) Redemption of EB,

- (i) Transfer of 10,818,315 ordinary shares of AASB to Luminor 2 as part settlement of the EB amounting to S\$1,727,000 (approximately RM5,268,000); and
- (ii) Issuance of 207,666,667 new ordinary shares of the Company at an issue price of S\$0.006 per share as part payment of the EB amounting to S\$1,246,000 (approximately RM3,777,000, net of transaction cost of RM24,000) in accordance with Luminor Deed of Settlement on 29 April 2020.

(b) Redemption of NGB I, NGB II,

- (i) Transfer of 6,421,655 ordinary shares of AASB to bond holders for the settlement of the NGB II amounting to S\$1,025,000 (approximately RM3,127,000); and
- (ii) Transfer of 9,628,827 ordinary shares of AASB to bond holders for the settlement of the NGB I amounting to S\$1,537,000 (approximately RM4,689,000).

The NGB I, NGB II and EB have been fully redeemed by Company after approval granted by shareholders of the Company in extraordinary general meeting on 28 December 2020.

15.1 Unsecured term loan

The Company had on 16 October 2020 entered into a loan agreement with Lim Beng Chew, Tang Yao Zhi, Tan Soo Kia and Lee Teck (collectively, the “Lenders”) for an unsecured term loan of S\$3,500,000 which bears interest at 10% per annum and is repayable within 4 months from date of agreement 16 October 2020.

On 16 October 2020, the Company had drawn down the unsecured term loan of S\$3,500,000 (approximately RM10,689,000).

On 30 December 2020, the Company entered into deeds of settlement with the Lenders to repay the unsecured term loan as disclosed in Note 31.2 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
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15. Borrowings (Continued)**15.2 Non-guaranteed bond I (“NGB I”)**

The non-guaranteed non-convertible bond, which is due in September 2021, carries fixed interest rate of 9.0% per annum. The effective interest rate is 9.3% per annum.

The NGB I is denominated in Singapore dollar (“S\$”).

The salient features of the NGB I are as follows:

- (i) NGB I will mature on the third anniversary from the date the NGB I is issued (“NGB I Issue Date”) (“NGB I Maturity Date”).
- (ii) Unless previously redeemed, purchased and cancelled or extended, the Company will be required to redeem all outstanding NGB I on the NGB I Maturity Date at 100.0% of its principal amount, together with all accrued but unpaid interest thereon.
- (iii) The NGB I will constitute direct, unsubordinated and unconditional obligations of the Company. The NGB I shall at all times rank pari passu and without any preference or priority among themselves.

The payment obligations of the Company under the NGB I 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.

On 29 April 2020, the Group had entered into a deed of settlement as disclosed in Note 15(iii) to the financial statements.

15.3 Non-guaranteed bond II (“NGB II”)

The non-guaranteed non-convertible bond, which was due in December 2019, carries fixed interest rate of 20.0% per annum, has extended its maturity date to June 2020.

The NGB II is denominated in Singapore dollar (“S\$”).

The salient features of the NGB II are as follows:

- (i) NGB II will mature on 25 June 2020.
- (ii) Unless previously redeemed, purchased and cancelled or extended, the Company will be required to redeem all outstanding NGB II on the NGB II Maturity Date at 100.0% of its principal amount, together with all accrued but unpaid interest thereon.
- (iii) The NGB II will constitute direct, unsubordinated and unconditional obligations of the Company. The NGB II shall at all times rank pari passu and without any preference or priority among themselves.

The payment obligations of the Company under the NGB II 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.

On 29 April 2020, the Company had entered into a deed of settlement as disclosed in Note 15(iii) to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
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15. Borrowings (Continued)**15.4 Exchangeable bond (“EB”)**

The exchangeable bond which was due and convertible into new fully paid shares capital of the Company in August 2019, carries fixed interest rate of 5.0% per annum. The effective interest rate is 19.9% per annum.

On 8 April 2019, the Group extended the repayment date for the amount of S\$2,645,000 (equivalent to RM7,916,000) due and payable by the Group from 25 August 2019 to 30 June 2020 subject to parties successful negotiating the terms and conditions for the extension.

The EB is denominated in Singapore dollar (“S\$”).

The salient features of the EB are as follows:

- (i) Unless previously converted, Luminor Pacific Fund 2 Ltd. (“Luminor 2”), the holder of the EB, may elect on the EB Maturity Date either to (i) redeem all outstanding Bonds; or (ii) exchange all the outstanding Bonds;

If Luminor 2 elects to redeem all outstanding Bonds on the EB Maturity Date, within seven (7) business days of the EB Maturity Date, Angka Marketing Pte. Ltd. (“EB Subsidiary”) shall pay to Luminor 2 an amount equivalent to (i) the principal amount of the outstanding Bonds held by it; plus (ii) a premium that would generate for Luminor 2 a 15.0% per annum cumulative return from the EB Issue Date to the EB Maturity Date.

- (ii) The Exchange Price shall be equal to 90.0% of the VWAP of the Shares traded on the SGX-ST for the five (5) days prior to: (i) the date Luminor 2 exercises its right to exchange the EB (“Exchange Right”); or the (ii) the date of the EB Subscription Agreement (whichever is lower), provided that such price being not more than a 10.0% discount to the VWAP for trades done on the Shares on the SGX-ST on the date of the EB Subscription Agreement (or if trading is not available for a full market day, the VWAP for trades done on the preceding market day up to the date of the EB Subscription Agreement), subject to adjustment in accordance with the EB Terms and Conditions.
- (iii) The EB constitute direct, unsubordinated, unconditional and unsecured obligations of the EB Subsidiary. The EB shall at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the EB Subsidiary under the EB shall, save for such exceptions as may be provided by applicable laws, at all times rank senior to all of the EB Subsidiary’s other present and future unsecured and unsubordinated obligations.
- (iv) Upon the occurrence of any event of default specified in the EB Terms and Conditions, Luminor 2 will be entitled to exercise its right to redeem the Bonds, at a price equal to (i) the outstanding principal amount plus (ii) a premium that would generate for Luminor 2 a 20.0% per annum cumulative return from the EB Issue Date to the date notice of default is given by Luminor 2.

On 29 April 2020, the Company had entered into a deed of settlement as disclosed in Note 15(iii) to the financial statements.

Luminor 2 is managed by Luminor Capital Pte. Ltd. (“LCPL”), a fund manager headquartered in Singapore. Foo Fatt Kah, the then non-executive Director of the Company is the managing director of LCPL. Foo Fatt Kah holds 50% of the total issued and paid-up share capital of LCPL.

**NOTES TO THE FINANCIAL STATEMENTS
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15. Borrowings (Continued)**15.5 Guaranteed bond II (“GB II”)**

The guaranteed first-tranche non-convertible bond, which was due in April 2019, carries fixed interest rate of 20.0% per annum and guaranteed by the Managing Director. The effective interest rate is 28.6% per annum.

The GB II is denominated in Singapore dollar (“S\$”).

The salient features of the GB II are as follows:

- (i) GB II will mature on the first anniversary from the date the GB II is issued (“GB II Issue Date”) (“GB II Maturity Date”).
- (ii) Unless previously redeemed, purchased and cancelled or extended, the Company will be required to redeem all outstanding GB II on the GB II Maturity Date at 100.0% of its principal amount, together with all accrued but unpaid interest thereon.
- (iii) The GB II will constitute direct, unsubordinated and unconditional obligations of the Company. The GB II shall at all times rank pari passu and without any preference or priority among themselves.

The payment obligations of the Company under the GB II 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.

In connection with the subscription of the First Tranche Bonds by the First Tranche Subscribers, the Company has also agreed to issue 47,000,000 free warrants (the “First Tranche Warrants”) to the First Tranche Subscribers in their pro-rata proportion to their respective subscription of the First Tranche Bonds, with each First Tranche Warrant carrying the right to subscribe for one new ordinary share in the capital of the Company (each, a “First Tranche Warrant Share”, collectively, the “First Tranche Warrant Shares”) at an exercise price of S\$0.032 for each First Tranche Warrant Share, subject to the terms and conditions of the First Tranche Warrants as set out in the Warrant Instrument. 8,500,000 new ordinary shares in the capital of the Company have been allotted and issued by the Company on 7 September 2018 arising from the exercise of 8,500,000 First Tranche Warrants. As at 31 December 2019, the Group has 38,500,000 First Tranche Warrants remain outstanding.

On 11 December 2018, the Company entered into a Repayment and Subscription Agreement to vary the terms of repayment under the First Tranche Bonds, coupled with an option for each Investor to subscribe for 16,304,347 new ordinary shares in the capital of the Company. Where the options are exercised by both Investors within the prescribed exercise period commencing from 3 April 2019 to 3 April 2020, the Company will allot and issue, an aggregate of 32,608,694 new Shares. Under the Repayment and Subscription Agreement, the Company will pay to each Investor S\$375,000 (equivalent to RM1,125,000) on 3 April 2019 and S\$375,000 (equivalent to RM1,125,000) on 3 April 2020. Upon entry into the Repayment and Subscription Agreement: (a) the First Guaranteed Subscription Agreement will terminate and cease to have any effect whatsoever; and (b) there are no rights nor claims, whether accrued or otherwise, arising out of or in connection with the First Tranche Bonds (save that the warrants issued in connection with the First Guaranteed Subscription Agreement will continue to subsist in accordance with the terms and conditions of the said warrants).

**NOTES TO THE FINANCIAL STATEMENTS
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15. Borrowings (Continued)**15.5 Guaranteed bond II (“GB II”) (Continued)**

On 3 April 2019, the Company entered into an agreement to extend the repayment date under the Repayment and Subscription Agreement for the amount of S\$375,000 (equivalent to RM1,125,000) due and payable by the Company to each Investor from 3 April 2019 to 3 May 2019. The Company has paid to each investor S\$375,000 on 3 May 2019. The maturity date is on 3 April 2020.

On 3 April 2020, the Company entered into a Variation Agreement to extend the repayment date under the Repayment and Subscription Agreement for the amount of S\$375,000 (equivalent to RM1,110,500) due and payable by the Company to each Investor from 3 April 2020 to 3 October 2020.

The GB II was settled during the year as disclosed in Note 15(i) to the financial statements.

15.6 Guaranteed bond III (“GB III”)

The guaranteed second-tranche non-convertible bond, which was due in April 2019, carries fixed interest rate of 10.0% per annum and guaranteed by the Managing Director. The effective interest rate is 26.3% per annum.

On 3 April 2019, the Company issued guaranteed non-convertible bonds of S\$1,903,000 (equivalent to RM5,426,000) to exchange 50% of principal amount of Second Tranche Bonds (i.e. S\$1,655,000) (equivalent to RM4,965,000). The bonds issued has not resulted in any new cash proceeds for the Company as subscription price of the bonds payable is used to settle the GB III. In respect of the remaining 50% of the principal amount of the Second Tranche Bonds that is not being exchanged, and paid on 3 May 2019. The maturity date is on 3 April 2020.

The GB III is denominated in Singapore dollar (“S\$”).

The salient features of the GB III are as follows:

- (i) GB III will mature on the first anniversary from the date the GB III is issued (“GB III Issue Date”) (“GB III Maturity Date”).
- (ii) Unless previously redeemed, purchased and cancelled or extended, the Company will be required to redeem all outstanding GB III on the GB III Maturity Date at 100.0% of its principal amount, together with all accrued but unpaid interest thereon.
- (iii) The GB III will constitute direct, unsubordinated and unconditional obligations of the Company. The GB III shall at all times rank pari passu and without any preference or priority among themselves.

The payment obligations of the Company under the GB III 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.

NOTES TO THE FINANCIAL STATEMENTS
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15. Borrowings (Continued)

15.6 Guaranteed bond III (“GB III”) (Continued)

In connection with the subscription of the Second Tranche Bonds by the Second Tranche Subscribers, the Company has also agreed to issue 90,000,000 free warrants (the “Second Tranche Warrants”) to the Second Tranche Subscribers, with each Second Tranche Warrant carrying the right to subscribe for one new ordinary share in the capital of the Company (each, a “Second Tranche Warrant Share”, collectively, the “Second Tranche Warrant Shares”) at an exercise price of S\$0.032 for each Second Tranche Warrant Share, subject to the terms and conditions of the Second Tranche Warrants as set out in the Warrant Instrument. As at 31 December 2019, the Group has 90,000,000 Second Tranche Warrants remain outstanding.

On 3 April 2020, the Company entered into a Variation Agreement to extend the repayment date under the Repayment and Subscription Agreement for the amount of S\$1,903,000 (equivalent to RM5,812,000) due and payable by the Company to the Investor from 3 April 2020 to 3 October 2020. On 19 October 2020, GB III was fully redeemed through cash payment amounting to S\$1,913,000 (equivalent to RM5,843,000) as disclosed in Note 15(ii) to the financial statements.

16. Trade and other payables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade payables				
- third parties	3,037	3,121	-	-
Non-trade payables				
- third parties	1,932	4,328	20	815
- subsidiaries	-	-	300	5,290
Accrued expenses	980	3,444	185	1,310
	5,949	10,893	505	7,415

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 60 days’ (2019: 30 to 60 days’) terms.

The non-trade amounts due to third parties and subsidiaries are unsecured, non-interest bearing and repayable on demand.

The currency profiles of trade and other payables as at the end of the reporting period are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	5,782	8,228	353	-
Singapore dollar	167	2,139	152	7,415
United States dollar	-	526	-	-
	5,949	10,893	505	7,415

**NOTES TO THE FINANCIAL STATEMENTS
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17. Revenue
Disaggregation of revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data; and
- enable users to understand the relationship with revenue segment information provided in Note 28 to the financial statements.

	Continuing operations		Group Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary geographical markets						
Malaysia	85	-	-	-	85	-
Indonesia	49	192	-	-	49	192
China	-	53	5,561	4,453	5,561	4,506
	<u>134</u>	<u>245</u>	<u>5,561</u>	<u>4,453</u>	<u>5,695</u>	<u>4,698</u>
Timing of transfer of goods and services						
Point in time	<u>134</u>	<u>245</u>	<u>5,561</u>	<u>4,453</u>	<u>5,695</u>	<u>4,698</u>
Type of goods or services						
Sale of goods	<u>134</u>	<u>245</u>	<u>5,561</u>	<u>4,453</u>	<u>5,695</u>	<u>4,698</u>

18. Other income

	Continuing operations		Group Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	8	9	-	-	8	9
Royalty	-	-	880	960	880	960
Rental	43	-	9	-	52	-
Government grant	79	-	76	-	155	-
Insurance claim	96	-	-	-	96	-
Others	55	3	53	6	108	9
	<u>281</u>	<u>12</u>	<u>1,018</u>	<u>966</u>	<u>1,299</u>	<u>978</u>

NOTES TO THE FINANCIAL STATEMENTS
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19. Depreciation and amortisation expenses

	Continuing operations		Group Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	535	536	1,710	1,791	2,245	2,327
Amortisation of mine properties	144	144	386	321	530	465
	<u>679</u>	<u>680</u>	<u>2,096</u>	<u>2,112</u>	<u>2,775</u>	<u>2,792</u>

20. Employee benefits expense

	Continuing operations		Group Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Salaries, wages, bonuses and other benefits	1,698	3,283	1,344	1,566	3,042	4,849
Contributions to defined contribution plans	53	111	168	143	221	254
	<u>1,751</u>	<u>3,394</u>	<u>1,512</u>	<u>1,709</u>	<u>3,263</u>	<u>5,103</u>

Included in employee benefits expense are the remuneration of Directors of the Company and a subsidiary and key management personnel of the Group as set out in Note 27 to the financial statements.

21. Lease expenses

	Continuing operations		Group Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lease expenses						
- short term leases	30	116	20	22	50	138
- low asset value	1	2	4	2	5	4
	<u>31</u>	<u>118</u>	<u>24</u>	<u>24</u>	<u>55</u>	<u>142</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**
22. Finance costs

	Continuing operations		Group Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest expense						
- lease liabilities	34	69	26	44	60	113
- guaranteed bonds	855	2,261	-	-	855	2,261
- exchangeable bonds	661	755	-	-	661	755
- non-guaranteed bonds	507	742	-	-	507	742
- unsecured term loan	225	-	-	-	225	-
	2,282	3,827	26	44	2,308	3,871

23. Loss before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Continuing operations		Group Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Other expenses</i>						
Audit fees paid/payable to:						
- auditors of the Company	147	135	-	-	147	135
- other auditors	16	13	24	23	40	36
Non-audit fees paid/payable to:						
- auditors of the Company	13	17	-	-	13	17
- other auditors	9	6	7	7	16	13
Foreign exchange loss/(gain), net	58	36	(1)	72	57	108
Plant and equipment written off	19	2	-	-	19	2
Professional fees	1,742	1,020	145	231	1,887	1,251
Repair and maintenance	115	82	26	25	141	107
Security charges	26	-	97	103	123	103
Travelling and accommodation	19	218	41	79	60	297
Utilities	10	9	834	1,067	844	1,076
Loss allowance on third party trade receivables	513	579	4,568	660	5,081	1,239

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24. Income tax

	Continuing operations		Group Discontinued operations		Total	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current income tax						
- over provision in prior financial year	-	-	-	-	-	-

The Group has significant operations in Malaysia, for which the corporate income tax rate applicable is 24% (2019: 24%). The Company's corporate income tax rate in Singapore is 17% (2019: 17%).

The income tax expense varied from the amount of income tax expense determined by applying the applicable income tax rate of 17% (2019: 17%) to loss before income tax as a result of the following differences:

	Group	
	2020	2019
	RM'000	RM'000
Loss before income tax from continuing operations	(7,824)	(12,281)
Loss before income tax from discontinued operations	(10,146)	(3,537)
	<u>(17,970)</u>	<u>(15,818)</u>
Income tax calculated at Singapore's statutory income tax rate of 17% (2019: 17%)	(3,055)	(2,689)
Effect of different tax rate in other countries	(548)	(586)
Tax effect of non-deductible expenses for income tax purposes	3,241	1,501
Deferred tax assets not recognised	362	1,774
	<u>-</u>	<u>-</u>

Unrecognised deferred tax assets

	Group	
	2020	2019
	RM'000	RM'000
Balance at beginning of financial year	9,164	7,390
Disposal of subsidiaries	(7,538)	-
Amount not recognised during the financial year	362	1,774
Balance at end of financial year	<u>1,988</u>	<u>9,164</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

24. Income tax (Continued)

Unrecognised deferred tax assets are attributable to the following:

	Group	
	2020	2019
	RM'000	RM'000
Property, plant and equipment and mine properties	(329)	(4,633)
Provision for doubtful debts	124	-
Unutilised tax losses	1,558	11,342
Unabsorbed capital allowances	635	2,455
	1,988	9,164

As at 31 December 2020, the Group has unutilised tax losses and unabsorbed capital allowances of approximately RM6,493,000 (2019: RM47,257,000) and RM2,644,000 (2019: RM10,230,000) respectively available for offset against future taxable profits and subject to the agreement by the tax authorities and provisions of the tax legislations of the respective countries in which the Group operates.

These deferred tax assets have not been recognised as it is not certain whether future taxable profits will be available against which the Group can utilise these benefits. Accordingly, these deferred tax assets have not been recognised in the financial statements in accordance with the accounting policy in Note 2.14 to the financial statements.

The unutilised tax losses of Malaysian subsidiaries may be carried forward for a maximum period of 7 years and the unutilised tax losses of Singapore subsidiary may be carried indefinitely subject to the conditions imposed by the law.

The expiry dates of the unutilised tax losses of the Malaysian subsidiaries are as follows:

	Group	
	2020	2019
	RM'000	RM'000
Expiring on 31 December 2025	3,330	38,806
Expiring on 31 December 2026	2,486	8,451
Expiring on 31 December 2027	676	-
	6,492	47,257

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

25. Discontinued operations

On 28 December 2020, the Company completed the settlement of bonds as disclosed in Note 15(iii) to the financial statements. The bonds were settled by way of transfer of the entire issued and paid up share capital of a wholly-owned subsidiary of the Company, Angka Alamjaya Sdn. Bhd. (“AASB”) to the bond holders. AASB and its wholly-owned subsidiary, Angka Mining Sdn. Bhd., have therefore ceased to be subsidiaries of the Company as at that date.

In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the results from AASB and its subsidiary were presented separately on the consolidated statement of comprehensive income as “Discontinued operations”. Comparative figures have been re-presented to reflect the discontinued operations in the consolidated statement of comprehensive income. The operations were part of the Group’s gold mining segment.

The results of the discontinued operations are as follows:

	Group	
	2020	2019
	RM’000	RM’000
Revenue	5,561	4,453
Other income	1,018	966
Raw materials and consumables used	(310)	(631)
Changes in inventories	-	(225)
Contractors expenses	(1,112)	(890)
Royalty fees	(1,142)	(649)
Depreciation and amortisation expenses	(2,096)	(2,112)
Employee benefits expenses	(1,512)	(1,709)
Lease expenses	(24)	(24)
Other expenses	(1,610)	(2,012)
Loss allowance on third party trade receivables	(4,568)	(660)
Finance costs	(26)	(44)
Loss before income tax from discontinued operations	(5,821)	(3,537)
Income tax expense	-	-
Loss after income tax from discontinued operations	(5,821)	(3,537)
Loss on disposal of subsidiaries	(4,325)	-
Loss from discontinued operations, net of tax	(10,146)	(3,537)

The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	2020	2019
	RM’000	RM’000
Operating cash inflows	543	424
Investing cash outflows	(343)	(378)
Financing cash outflows	(221)	(269)
Total cash outflows	(21)	(223)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

25. Discontinued operations (Continued)

Disposal of net identifiable assets of subsidiaries:

	Group 2020 RM'000
Property, plant and equipment	11,055
Mine properties	13,164
Inventories	139
Trade and other receivables	905
Prepayments	46
Cash and cash equivalents	24
Lease liabilities	(606)
Trade and other payables	(5,351)
Net identifiable assets derecognised	<u>19,376</u>
Loss on disposal of subsidiaries (Note 7)	<u>(4,325)</u>
<u>Net cashflows on disposal of subsidiaries</u>	
Total disposal consideration	15,051
Less: Settlement of bonds	(13,084)
Less: Cash and cash equivalents of subsidiaries	(24)
Net cash inflows on disposal of subsidiaries	<u>1,943</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. Loss per share

The calculation for loss per share is based on:

	Continuing operations RM'000	2020 Discontinued operations RM'000	Total RM'000	Continuing operations RM'000	2019 Discontinued operations RM'000	Total RM'000
<i>Numerator</i>						
Loss attributable to owners of the parent	(7,824)	(10,146)	(17,970)	(12,281)	(3,537)	(15,818)
<i>Denominator</i>						
Weighted average number of ordinary shares in issue during the financial year	1,324,213,477	1,324,213,477	1,324,213,477	1,191,794,057	1,191,794,057	1,191,794,057
<i>Loss per share (RM sen)</i>						
Basic/diluted loss per share	(0.59)	(0.77)	(1.36)	(1.03)	(0.30)	(1.33)

The calculations of basic loss per share for the relevant periods are based on loss attributable to owners of the Company for the financial years ended 31 December 2020 and 31 December 2019 divided by the weighted average number of ordinary shares in the relevant periods.

Diluted loss per share is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the shares conversion would be to decrease the loss per share.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

27. Significant related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the Group and the Company with their related parties during the financial year:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
With a Director of the Company				
Payments of lease liabilities	140	148	-	-
With subsidiaries				
Payment on behalf of	-	-	479	319
Payment on behalf by	-	-	318	178
Advances to subsidiaries	-	-	1,244	3,081
Capitalisation of amount owing from a subsidiary as equity	-	-	14,560	-

As at 31 December 2020 and 31 December 2019, the outstanding balances in respect of the above transactions are disclosed in Notes 9 and 16 to the financial statements.

As disclosed in Note 15(iii) to the financial statements, the exchangeable bond held by Luminor 2 (of which a Director of the Company has deemed interest) was redeemed on 28 December 2020.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

27. Significant related party transactions (Continued)

Compensation of key management personnel

Key management personnel are directors of the Company and subsidiaries and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly, or indirectly.

The remuneration of Directors and other members of the key management personnel of the Group and the Company during the financial year was as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
- short-term employee benefits	1,023	1,678	987	1,642
- post-employment benefits	24	33	19	28
- Directors' fees	511	738	293	486
	1,558	2,449	1,299	2,156
	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Directors of the subsidiaries				
- director's fees	126	182	-	-
	126	182	-	-
	Group		Group	
			2020	2019
			RM'000	RM'000
Key management personnel				
- short-term employee benefits			513	675
- post-employment benefits			63	70
			576	745

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

28. Segment information**Business segments**

For management purposes, the Group is organised into business units based on their products and services. The Group's reportable segments are as follows:

- (i) Gold mining - exploration, mining and production of gold (Note 25 Discontinued operations).
- (ii) Granite business - exploration, mining, quarry extraction, processing and sales of granite products and dimension stone granites as well as architectural stone and interior fit-out.
- (iii) Corporate & others - investment holding company as well as business and management consulting services.

Except as indicated above, no operating segments has been aggregated to form the above reportable segment. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses.

Segment revenue and expenses include transfers between business segments that are eliminated on consolidation.

Geographical information

During the financial year ended 31 December 2020 and 2019, the Group operated mainly in Malaysia and all non-current assets were located in Malaysia. Accordingly, an analysis of assets and profits of the Group by geographical distribution has not been presented. Disintegration of revenue based on primary geographical markets has been disclosed in Note 17 to the financial statements.

Major customers

During the financial year ended 31 December 2020, the revenue from one customer of the Group's granite segment amounting to approximately RM85,000 (2019: RM194,000) and representing 63% (2019: 79%) of the Group's total revenue arising from continuing operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. Segment information (Continued)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

	Gold mining 2020 RM'000	Granite business 2020 RM'000	Corporate & others 2020 RM'000	Total 2020 RM'000	Gold mining 2019 RM'000	Granite business 2019 RM'000	Corporate & others 2019 RM'000	Total 2019 RM'000
Revenue								
Continuing operations	-	134	-	134	-	245	-	245
Discontinued operations	5,561	-	-	5,561	4,453	-	-	4,453
	5,561	134	-	5,695	4,453	245	-	4,698
Results								
Operating loss	-	(1,962)	(3,588)	(5,550)	-	(4,781)	(3,682)	(8,463)
Interest income	-	8	-	8	-	9	-	9
Interest expenses	-	(34)	(2,248)	(2,282)	-	(69)	(3,758)	(3,827)
Loss before income tax	-	(1,988)	(5,836)	(7,824)	-	(4,841)	(7,440)	(12,281)
Income tax expense	-	-	-	-	-	-	-	-
Loss after income tax from continuing operations	-	(1,988)	(5,836)	(7,824)	-	(4,841)	(7,440)	(12,281)
Loss from discontinued operations, net of tax (Note 25)	(10,146)	-	-	(10,146)	(3,537)	-	-	(3,537)
Loss for the financial year	(10,146)	(1,988)	(5,836)	(17,970)	(3,537)	(4,841)	(7,440)	(15,818)

**NOTES TO THE FINANCIAL STATEMENTS
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28. Segment information (Continued)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

	Gold mining 2020 RM'000	Granite business 2020 RM'000	Corporate & others 2020 RM'000	Total 2020 RM'000	Gold mining 2019 RM'000	Granite business 2019 RM'000	Corporate & others 2019 RM'000	Total 2019 RM'000
Segment assets	-	10,570	1,313	11,883	29,233	11,606	44	40,883
Segment liabilities	-	6,460	11,106	17,566	4,032	6,227	25,456	35,715
Other segment information								
Additions to non-current assets								
- Property, plant and equipment	554	-	15	569	369	6	-	375
- Mine properties	-	-	-	-	224	-	-	224
Depreciation and amortisation expenses	(2,096)	(677)	(2)	(2,775)	(2,112)	(679)	(1)	(2,792)
Loss allowance for trade receivables	(4,568)	(513)	-	(5,081)	(660)	(579)	-	(1,239)
Loss on disposal of subsidiaries	(4,325)	-	-	(4,325)	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
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29. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose them to credit risks, market risks (including foreign currency risks) and liquidity risks arising in the ordinary course of business. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. If necessary, market risk exposures are measured using sensitivity analysis indicated below.

29.1 Credit risks

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and generally does not require collaterals.

The Group and the Company do not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except the Group and the Company have trade receivables from a third party and non-trade receivables from its subsidiaries amounting to approximately RM2,973,000 (2019: RM3,214,000) and RM1,860,000 (2019: RM15,664,000), respectively. Further disclosures regarding trade and other receivables are provided in Note 9 to the financial statements.

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for impairment losses, represents the Group's and the Company's maximum exposure to credit risks.

As the Group and the Company do not hold any collateral, the carrying amount of financial assets represents the maximum exposure to credit risk, except as follows:

	Company	
	2020	2019
	RM'000	RM'000
Corporate guarantee provided to banks for banking facilities of subsidiary which were utilised at end of reporting period (Note 14)	876	876

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

29. Financial instruments, financial risks and capital management (Continued)

29.1 Credit risks (Continued)

The Group's and the Company's major classes of financial assets are trade and other receivables and cash and cash equivalents.

Credit risk also arises from bank balances and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "BBB+" are accepted.

Cash and cash equivalents

The cash and cash equivalents as at the end of the reporting period are held with the financial institutions with the following credit ratings:

		Group		Company	
	Rating	Bank balances RM'000	Short-term deposits RM'000	Rating	Bank balances RM'000
2020					
International banks	BBB+	1,053	322	BBB+	-
Local banks	AA-	1,260	-	AA-	1,258
		<u>2,313</u>	<u>322</u>		<u>1,258</u>
2019					
International banks	A-	1,404	300	A-	-
Local banks	AA-	31	-	AA-	2
		<u>1,435</u>	<u>300</u>		<u>2</u>

The credit ratings above are derived from Fitch Ratings. The Board of Directors monitors the credit ratings of counterparties regularly. Impairment of cash and cash equivalents has been measured based on 12-month expected credit loss model. At the reporting date, the Group and Company did not expect any credit losses from non-performance by the counterparties.

For the corporate guarantee issued, the Company has assessed that this subsidiary has sufficient financial capabilities to meet its contractual cash flows obligation in the near future hence, does not expect any material loss allowance under 12-month expected credit loss model.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. Financial instruments, financial risks and capital management (Continued)

29.2 Market risks

Foreign currency risks

The Group incurs foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The Group transacts business in various foreign currencies and therefore is exposed to foreign exchange risk mainly from Singapore dollar and United States dollar transactions.

As at the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective entities' functional currency are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Monetary assets				
Singapore dollar	1,260	33	1,258	2
United States dollar	-	15	-	-
Monetary liabilities				
Singapore dollar	11,030	25,455	11,015	22,349
United States dollar	-	526	-	-

The Group has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

Exposure to foreign currency risk is monitored on an ongoing basis in accordance with the Group's risk management policies to ensure that the net exposure is at an acceptable level.

Foreign currency sensitivity analysis

The following table details the sensitivity to a 1% change in Singapore dollar and a 2% change in United States dollar (2019: a 1% change in Singapore dollar and a 1% change in United States dollar) respectively against the functional currency of entities within the Group. The sensitivity rates above were used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation as at the end of the reporting period for 1% and 2% (2019: 1% and 1%) respectively, change in foreign currency rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. Financial instruments, financial risks and capital management (Continued)

29.2 Market risks (Continued)

Foreign currency sensitivity analysis (Continued)

The sensitivity analysis assumes an instantaneous change in the foreign currency exchange rates from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which is denominated in Singapore dollar and United States dollar are included in the analysis. Consequentially, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

	Profit or loss			
	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<i>Singapore dollar</i>				
Strengthens against Ringgit Malaysia	(98)	(254)	(98)	(223)
Weakens against Ringgit Malaysia	98	254	98	223
<i>United States dollar</i>				
Strengthens against Ringgit Malaysia	-	(5)	-	-
Weakens against Ringgit Malaysia	-	5	-	-

29.3 Liquidity risks

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to ensure that all payment needs are met. As part of overall prudent liquidity management, the Group and the Company minimise liquidity risk by ensuring the availability of funding through equity and maintain sufficient levels of cash to meet working capital requirements. The Company obtained a letter of financial support from the Director of the Company as disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. Financial instruments, financial risks and capital management (Continued)

29.3 Liquidity risks (Continued)

Contractual maturity analysis

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group is expected to pay. The table includes both expected interest and principal cash flows.

	Within one financial year RM'000	After one financial year but within five financial years RM'000	More than five financial years RM'000	Total RM'000
Group				
2020				
<u>Financial liabilities</u>				
Trade and other payables	5,949	-	-	5,949
Lease liabilities	312	520	5	837
Unsecured term loan	11,035	-	-	11,035
	<u>17,296</u>	<u>520</u>	<u>5</u>	<u>17,821</u>
2019				
<u>Financial liabilities</u>				
Trade and other payables	10,893	-	-	10,893
Lease liabilities	565	1,068	35	1,668
Non-guaranteed bonds	3,111	5,178	-	8,289
Guaranteed bonds	8,068	-	-	8,068
Exchangeable bond	8,863	-	-	8,863
	<u>31,500</u>	<u>6,246</u>	<u>35</u>	<u>37,781</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

29. Financial instruments, financial risks and capital management (Continued)

29.3 Liquidity risks (Continued)

Contractual maturity analysis (Continued)

	Within one financial year RM'000	After one financial year but within five financial years RM'000	Total RM'000
Company			
2020			
<u>Financial liabilities</u>			
Non-trade payables	505	-	505
Unsecured term loan	11,035	-	11,035
	<u>11,540</u>	<u>-</u>	<u>11,540</u>
Financial guarantee contracts	876	-	876
2019			
<u>Financial liabilities</u>			
Non-trade payables	7,415	-	7,415
Guaranteed bonds	8,068	-	8,068
Non-guaranteed bonds	3,111	5,178	8,289
	<u>18,594</u>	<u>5,178</u>	<u>23,772</u>
Financial guarantee contracts	876	-	876

The disclosed amounts for the financial corporate guarantee represent the maximum amount of issued financial guarantees in the earliest period for which the guarantee could be called upon in the contracted maturity analysis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. Financial instruments, financial risks and capital management (Continued)

29.4 Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value. As mentioned in Note 4 to the financial statements, the Group is dependent on continued financial support from its two directors, Mr. Lim Chiau Woei and Mr. Lim Beng Chew.

The management reviews the capital structure to ensure that the Group and the Company are able to service any debt obligations (including principal repayment and interest) based on their operating cash flows. Upon review, the Group and the Company will balance their overall capital structure through new share issues and the issue of new debt or the redemption of existing debt, if necessary. The Group's and the Company's overall strategy remains unchanged from 31 December 2019.

The Group and the Company monitor capital based on a gearing ratio, which is net debt divided by total equity plus net debt. The Group and the Company include within net debt, trade and other payables, borrowings and lease liabilities less cash and cash equivalents. Total equity comprises of share capital plus reserves.

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Trade and other payables	5,949	10,893	505	7,415
Borrowings	10,863	23,316	10,863	14,934
Lease liabilities	754	1,506	-	-
Less: Cash and cash equivalents	(2,635)	(1,735)	(1,258)	(2)
Net debt	14,931	33,980	10,110	22,347
Total equity	(5,683)	5,168	61,682	109,987
Total capital	(5,683)	5,168	61,682	109,987
Capital and net debt	9,248	39,148	71,792	132,334
Gearing ratio	161.45%	86.80%	14.08%	16.89%

29.5 Fair values of financial assets and financial liabilities

The carrying amounts of the Group's and the Company's current financial assets and current financial liabilities approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

29. Financial instruments, financial risks and capital management (Continued)

29.6 Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Financial assets at amortised cost				
Trade and other receivables (excluding advance payments and goods and services tax recoverable, net)	4,334	7,386	1,860	15,664
Cash and cash equivalents	2,635	1,735	1,258	2
	<u>6,969</u>	<u>9,121</u>	<u>3,118</u>	<u>15,666</u>
Financial liabilities at amortised cost				
Trade and other payables	5,949	10,893	505	7,415
Lease liabilities	754	1,506	-	-
Borrowings	10,863	23,316	10,863	14,934
	<u>17,566</u>	<u>35,715</u>	<u>11,368</u>	<u>22,349</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

30. Contingent liabilities

The Company's wholly-owned subsidiary, GGTM had on 22 July 2016 entered into a joint venture consortium agreement with Eco Interiors International Sdn. Bhd. to form an unincorporated joint venture consortium, GGT Manufacturing Eco JV ("Consortium") to carry out the interior fit out business. The Consortium had appointed Eco Group International Sdn Bhd ("EGI") as contractor in relation to the interior design, construction work and services for a particular hotel project. Consortium is involved in a contractor's progress claim dispute with EGI. A summary of the dispute is as follows:

On 28 November 2019, EGI had obtained a decision ("Adjudication Decision") pursuant to the Construction Industry Payment and Adjudication Act 2012 of Malaysia and the Asian International Arbitration Centre Adjudication Rules & Procedure (the "CIPAA Proceedings") against the Consortium for a sum of RM5,478,824.20. This sum encompasses an estimated 70 variation claims for a certain project which has been challenged by the Consortium. GGTM was not a party to the CIPAA Proceedings or the Adjudication Decision. The Adjudication Decision is interim in nature and can be set out aside on specific grounds.

The Consortium has disputed all claims by EGI for the project. In order to set aside the Adjudication Decision, the Consortium filed an application with the High Court of Malaya at Kuala Lumpur (the "High Court") on 17 December 2019. In addition, on 13 February 2020, GGTM and the Consortium issued a notice of arbitration on, *inter alia*, EGI to conclusively settle the dispute through arbitration at Asian International Arbitration Centre.

EGI attempted to execute the Adjudication Decision against GGTM by serving upon GGTM a statutory notice of demand on 30 January 2020. However, on 19 February 2020, the High Court granted a temporary fortuna injunction in favour of GGTM to prevent EGI from presenting a winding up petition, pending disposal of arbitration proceedings. On 9 March 2020, the High Court granted the fortuna injunction in full and dismissed EGI's application to set aside the temporary fortuna injunction. In dismissing EGI's application to set aside the temporary fortuna injunction and in granting the permanent fortuna injunction, the High Court judge observed that the Adjudication Decision ought not to have been given against the Consortium, it being an unincorporated joint venture.

Subsequent to the financial year, on 25 January 2021, the Kuala Lumpur High Court judge decided in favour of GGTM and the said Adjudication Decision was successfully set aside. The corresponding application to enforce the said Adjudication Decision filed by EGI was dismissed by the Kuala Lumpur High Court judge. No costs were awarded against both parties. As a result of those decisions, there are no pending suits against GGTM and no liabilities against GGTM.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

31. Events after the reporting period**31.1 Impact of COVID-19 outbreak on the Group's operations**

On 30 January 2020, the World Health Organisation announced that the novel Coronavirus ("COVID-19") Outbreak as a global health emergency and has impacted adversely the economic activities globally, which included Malaysia where the Group operates. The Group had taken precautionary measures and implemented operational protocols in its operations in Malaysia and Singapore since January 2020 in response to the growing concerns over the COVID-19 outbreak. All precautions are taken to ensure the safety and well-being of its operational employees.

Since 18 March 2020, the Malaysian Government has implemented various Movement Control Order ("MCO") to curb the spread of the COVID-19. All business, social, or other activities that cannot be conducted through telecommuting from home was suspended. During the Recovery MCO period, economic and social activities resumed with safe management measures implemented resulting in a gradual recovery of the economic activities. Malaysia entered into the third wave of the COVID-19 pandemic in October 2020 where certain states were placed under various movement control restrictions. Amid surging COVID-19 cases reaching record high daily figures, the Malaysia government has reinstated MCO in five states for two weeks starting 13 January 2021 to 26 January 2021.

The workers of GGTM's contractor for the granite mining operations are still currently unable to return to Malaysia due to the COVID-19 travel restrictions put in place by the Malaysian Government. As such, there will be no material development at the Bukit Chetai granite mine until the return of the workers.

As at the date of the financial statements, the Group expects such event to be temporary in nature. On successful securing material contracts in Malaysia and overseas, management will source for contractors locally and overseas to re-commence the extraction and operation of the granite mine.

31.2 Settlement of Unsecured Term Loan

On 30 December 2020, the Company entered into deeds of settlement with the lenders to repay the unsecured term loan of S\$3,500,000 including accrued interest (Note 15.1) via issuance and allotment of 2,427,293,288 new ordinary shares of the Company ("Settlement Shares") at a mutually agreed issue price of S\$0.00149 per share ("Settlement Share Issue").

In relation to the settlement of term loan, an introducer fee of S\$262,500 is payable by way of issuance of 176,174,497 new ordinary shares of the Company at an issue price of S\$0.00149 per share ("Introducer Share Issue").

Pursuant to approval of the shareholders of the Company having been obtained at the extraordinary general meeting of the Company held on 9 February 2021, the Settlement Share Issue and Introducer Share Issue were completed upon the issue and allotment of the new ordinary shares to the parties.

SUMMARY OF MINERAL RESERVES AND RESOURCES



E-30-05, Block E, I-R/i-C, Section 7
40000, Shah Alam, Selangor, Malaysia

Date of Report: 26 February 2021

BUKIT CHETAH GRANITE QUARRY,
HULU TERENGGANU, TERENGGANU STATE,
MALAYSIA

PREPARED FOR:



Anchor Resources Limited
Kuala Lumpur, Malaysia

Bukit Chetai Annual Statement of Mineral Reserves and Resources
at 31 December 2020

Summary of Mineral Reserves and Resources at December 2020				
Category	Mineral Type	License Gross Volume (Mnm ³)	GGTM Net Volume (Mnm ³)	Change at 31 December (%)
Ore Reserves at 31 December 2020				
Proved	White Granite	57.420	57.420	
	Green Granite			
Probable	White Granite	3.899	3.899	0.000%
	Green Granite	3.067	3.067	0.000%
Total Reserve		64.386	64.386	0.000%
*Mineral Resources at 31 December 2020				
Measured	White Granite	88.340	88.340	
	Green Granite			
Indicated	White Granite	5.999	5.999	0.000%
	Green Granite	4.717	4.717	0.000%
Total Resource		99.057	99.057	0.000%

**Mineral Resources are Reported inclusive of the Mineral Reserves*

Name of Qualified Person:

Kevin J. Wright, C. Eng, C, Env, FIMMM

Under Clause 11 of JORC Code, the Australian Stock Exchange (ASX) International Reciprocity of Competent Persons from Recognised Professional Organisations, includes Fellow Members of the Institute of Materials, Minerals and Mining (FIMMM).

STATISTICS OF SHAREHOLDINGS

AS AT 26 MARCH 2021

Number of shares issued	:	4,267,460,901
Class of Equity Security	:	Ordinary shares
Voting Rights of Ordinary Shareholders	:	1 vote for each ordinary share
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 99	17	1.55	896	0.00
100 – 1,000	60	5.46	43,617	0.00
1,001 – 10,000	50	4.55	343,082	0.01
10,001 – 1,000,000	838	76.25	171,870,623	4.03
1,000,001 and above	134	12.19	4,095,202,683	95.96
Total	1,099	100.00	4,267,460,901	100.00

SHAREHOLDING HELD IN HANDS OF PUBLIC

As at 26 March 2021, approximately 32.44% of the issued ordinary shares of the Company is held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “Catalist Rules”). Accordingly, Rule 723 of the Catalist Rules is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	Lim Beng Chew	1,234,452,015	28.93
2	Tang Yao Zhi (Chen Yaozhi)	617,226,008	14.46
3	Tan Soo Kia	426,510,106	9.99
4	Lim Chiau Woei	272,263,319	6.38
5	Luminor Pacific Fund 1 Ltd (In Members' Voluntary Liquidation)	217,651,724	5.10
6	Chua Chye Joo Andrew	207,666,667	4.87
7	Lee Teck	149,105,159	3.49
8	WA Consolidated Private Limited	115,415,862	2.71
9	Phillip Securities Pte Ltd	97,804,946	2.29
10	Koh Ah Luan	82,554,886	1.94
11	CGS-CIMB Securities (Singapore) Pte Ltd	63,450,257	1.49
12	Koh Kai Jok	43,681,818	1.02
13	OCBC Securities Private Ltd	38,999,000	0.91
14	Tan Beng Kiat	34,331,913	0.81
15	Maybank Kim Eng Securities Pte. Ltd	33,017,618	0.78
16	UOB Kay Hian Pte Ltd	29,790,708	0.70
17	Tan Ong Huat	21,000,000	0.49
18	DBS Nominees Pte Ltd	20,567,700	0.48
19	Chan Soo Chee	19,391,565	0.45
20	IFast Financial Pte Ltd	16,649,300	0.39
	Total	3,741,530,571	87.68

STATISTICS OF SHAREHOLDINGS

AS AT 26 MARCH 2021

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 26 MARCH 2021

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Lim Beng Chew	1,234,452,015	28.93	-	-
Tang Yao Zhi (Chen Yaozhi)	617,226,008	14.46	-	-
Tan Soo Kia	426,510,106	9.99	-	-
Lim Chiau Woei ⁽¹⁾	272,263,319	6.38	115,415,862	2.70
Luminor Pacific Fund 1 Ltd (In Members' Voluntary Liquidation)	217,651,724	5.10	-	-

(1) WA Consolidated Private Limited is a private investment holding company incorporated in Singapore wholly owned by Mr. Lim Chiau Woei. As such, Mr. Lim Chiau Woei are deemed interested in all the shares held by WA Consolidated Private Limited by virtue of his interest in WA Consolidated Private Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held by way of electronic means, on Thursday, 29 April 2021 at 10.30 a.m., for the following purposes, as set out below.

This Notice has been made available on SGXNet. A printed copy of this Notice will NOT be despatched to members.

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended 31 December 2020 and the Statement of Financial Position of the Company as at 31 December 2020 together with the Independent Auditors' Report thereon. **(Resolution 1)**
2. To re-elect Mr. Gavin Mark McIntyre, a Director retiring by rotation pursuant to Article 114 of the Company's Constitution. **(Resolution 2)**
(See Explanatory Note (i))
3. To re-elect Mr. Lim Chiau Woei, a Director retiring by rotation pursuant to Article 114 of the Company's Constitution. **(Resolution 3)**
(See Explanatory Note (ii))
4. To re-elect Ms. Lee Kim Lian, Juliana, a Director retiring pursuant to Article 118 of the Company's Constitution. **(Resolution 4)**
(See Explanatory Note (iii))
5. To re-elect Mr. Chua Ser Miang, a Director retiring pursuant to Article 118 of the Company's Constitution. **(Resolution 5)**
(See Explanatory Note (iv))
6. To re-elect Mr. Lim Beng Chew, a Director retiring pursuant to Article 118 of the Company's Constitution. **(Resolution 6)**
(See Explanatory Note (v))
7. To approve the payment of Directors' Fees of S\$105,000 for the financial year ending 31 December 2021, to be paid quarterly in arrears. **(Resolution 7)**
8. To re-appoint Messrs BDO LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**
9. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

10. GENERAL MANDATE TO ISSUE SHARES OR CONVERTIBLE SECURITIES

“That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”) and notwithstanding the provisions of the Constitution of the Company, authority be and is hereby given to the Directors of the Company (the “Directors”) to:

(Resolution 9)

- (a)
 - (i) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or
 - (ii) make or grant offers, agreements or options (collectively, “instruments”) that may or would require shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force, provided that:
 - (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of shares to be granted other than on a pro-rata basis to shareholders of the Company with registered addresses in Singapore (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company (as calculated in accordance with sub-paragraph (ii) below);
 - (ii) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company shall be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time of the passing of this Resolution, after adjusting for:
 - (1) new shares arising from the conversion or exercise of any convertible securities;
 - (2) new shares arising from exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

NOTICE OF ANNUAL GENERAL MEETING

(3) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (b)(ii)(1) or (b)(ii)(2) above are only to be made in respect of new shares arising from convertible securities, share options or Share awards which were issued and outstanding or subsisting at the time this Resolution is passed;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”
(See *Explanatory Note (vi)*)

11. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE ANCHOR RESOURCES EMPLOYEE PERFORMANCE SHARE PLAN

That approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards granted or to be granted under the Anchor Resources Employee Performance Share Plan (the “**Plan**”), provided that the aggregate number of ordinary shares to be issued pursuant to the Plan and any other share-based incentive schemes of the Company shall not exceed fifteen per cent. (15%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company from time to time.

(See *Explanatory Note (vii)*)

(Resolution 10)

By Order of the Board

Ong Beng Hong
Tan Swee Gek

Joint Company Secretaries

Date: 7 April 2021

Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Mr. Gavin Mark McIntyre, upon re-election as Director of the Company, will remain as an Independent Director of the Company, Chairman of the Audit Committee, and a member of the Remuneration Committee and Nominating Committee. The Board considers Mr. Gavin Mark McIntyre to be independent for the purposes of Rule 704(7) of the Catalist Rules.
- (ii) Mr. Lim Chiau Woei, upon re-election as Director of the Company, will remain as the Managing Director of the Company.
- (iii) Ms. Lee Kim Lian, Juliana, upon re-election as Director of the Company, will remain as an Independent Director of the Company, Chairman of the Nominating Committee, member of the Remuneration Committee and Audit Committee. The Board considers Ms. Lee Kim Lian, Juliana to be independent for the purposes of Rule 704(7) of the Catalist Rules.
- (iv) Mr. Chua Ser Miang, upon re-election as Director of the Company, will remain as the Lead Independent Director, Chairman of the Remuneration Committee, and a member of the Nominating Committee and Audit Committee. The Board considers Mr. Chua Ser Miang to be independent for the purposes of Rule 704(7) of the Catalist Rules.
- (v) Mr. Lim Beng Chew upon re-election as Director of the Company, will remain as an Executive Director of the Company.
- (vi) The Ordinary Resolution 9 proposed in item 10 above, if passed, is to empower the Directors to issue shares in the capital of the Company and/or instruments (as defined above). The aggregate number of shares to be issued pursuant to this Resolution 9 (including shares to be issued in pursuance of instruments made or granted) shall not exceed one hundred per cent. (100%) of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, with a sub-limit of fifty per cent. (50%) for shares issued other than on a pro-rata basis (including shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) to shareholders with registered addresses in Singapore. For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares excluding treasury shares of the Company will be calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time of the passing of this Resolution 9, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities; (ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution 9, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (iii) any subsequent bonus issue, consolidation or subdivision of shares.
- (vii) The Ordinary Resolution 10 proposed in item 11 above, is to authorise the Directors to allot and issue shares upon the vesting of awards under the Plan.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting (“AGM”) are set out in the Company’s announcement dated 7 April 2021 entitled “Important Notice to Shareholders Regarding the Company’s Annual General Meeting on 29 April 2021” which has been uploaded together with this Notice of AGM on SGXNet on the same day.

In particular, the AGM will be held by way of electronic means and a member will be able to watch the proceedings of the AGM through a “live” webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone. In order to do so, a member who wishes to watch the “live” webcast or listen to the “live” audio feed must pre-register by 11.00 a.m. on 26 April 2021, at the URL <https://www.bigmarker.com/AAP/ARL-AGM-EGM-2021-Shareholder-Registration>. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 28 April 2021. Members who have received the email instructions must not forward the email instructions to other persons who are not members or who are not entitled to attend the AGM. This is to avoid any technical disruption or overload to the “live” webcast or “live” audio feed.

Members may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 11.00 a.m. on 26 April 2021:

- (a) via the pre-registration website at the URL <https://www.bigmarker.com/AAP/ARL-AGM-EGM-2021-Shareholder-Registration>;
- (b) in hard copy by sending by post and lodging the same at the Registered Office of the Company at 80 Robinson Road #17-02, Singapore 068898; or
- (c) by email to info@anchorresources.com.sg.

Members will need to identify themselves when posing questions by email or by mail by providing the following details:

- (a) the member’s full name as it appears on his/her/its CDP/CPF/SRS share records;
- (b) the member’s NRIC/Passport/UEN number;
- (c) the member’s contact number and email address; and
- (d) the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members either before or during the AGM.

Please note that members will not be able to ask questions at the AGM “live” during the webcast and the audio feed, and therefore it is important for members to submit their questions in advance of the AGM.

2. **A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.** In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. The accompanying proxy form for the AGM has been made available on SGXNet.
3. The Chairman of the AGM, as proxy, need not be a member of the Company. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:
 - (a) if sent by post, be deposited at the Share Registrar’s Office, B.A.C.S Private Limited, 8 Robinson Road #03-00, ASO Building, Singapore 048544; or
 - (b) if submitted by email, be received by the Share Registrar’s Office at main@zicoholdings.com,

in either case, not less than 48 hours before the time for holding the AGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

4. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a Company, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
5. In the case of a member whose shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
6. Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including CPF and SRS investors, and who wish to participate in the AGM ("**Relevant Intermediary Participants**") by (a) observing and/or listening to the AGM proceedings via the "live" webcast or the "live" audio feed in the manner provided in Note 1 above; (b) submitting questions in advance of the AGM in the manner provided in Note 1 above; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.30 a.m. on 19 April 2021.
 - * A Relevant Intermediary is:
 - (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
7. The Annual Report for the financial year ended 31 December 2020 has been made available on SGXNet.

PERSONAL DATA PRIVACY:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof or submitting any details of Relevant Intermediary Participants in connection with the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and the publication of the names and the comments of the members of the AGM, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the Relevant Intermediary Participants to the Company (or its agents or service providers), the member has obtained the prior consent of such Relevant Intermediary Participants for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of the Relevant Intermediary Participants for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ANCHOR RESOURCES LIMITED

(Incorporated in Singapore)
(Registration No. 201531549N)

PROXY FORM – ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

This form of proxy has been made available on SGXNet.
A printed copy of this form of proxy will NOT be despatched to members.

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 7 April 2021 entitled "Important Notice to Shareholders Regarding the Company's Annual General Meeting on 29 April 2021" which has been uploaded together with the Notice of Annual General Meeting dated 7 April 2021 on SGXNet on the same day.
2. A member will not be able to attend the Annual General Meeting in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting. In appointing the Chairman as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF/SRS investors who wish to vote should contact their respective CPF Agent Banks or SRS Operators to submit their votes by 10.30 a.m. on 19 April 2021.

I/We, _____ (Name)

of _____ (Address)

being a member/members of ANCHOR RESOURCES LIMITED (the "Company"), hereby appoint the Chairman of the Annual General Meeting ("AGM") as my/our proxy to attend, speak and to vote for me/us on my/our behalf at the AGM of the Company to be held by way of electronic means on Thursday, 29 April 2021 at 10.30 a.m. and at any adjournment thereof.

I/We direct the Chairman of the AGM as my/our proxy to vote for or against the Resolutions, or to abstain from voting on the Resolutions, to be proposed at the AGM as indicated hereunder.

No.	Resolutions	For	Against	No. of votes abstaining
ORDINARY BUSINESS				
1.	Adoption of the Directors' Statement and the Audited Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended 31 December 2020 and the Statement of Financial Position of the Company as at 31 December 2020 together with the Independent Auditors' Report thereon. (Resolution 1)			
2.	Re-election of Mr. Gavin Mark McIntyre as a Director of the Company (Resolution 2)			
3.	Re-election of Mr. Lim Chiau Woei as a Director of the Company (Resolution 3)			
4.	Re-election of Ms. Lee Kim Lian, Juliana as a Director of the Company (Resolution 4)			
5.	Re-election of Mr. Chua Ser Miang as a Director of the Company (Resolution 5)			
6.	Re-election of Mr. Lim Beng Chew as a Director of the Company (Resolution 6)			
7.	Payment of Directors' Fees of S\$105,000 for the financial year ending 31 December 2021, to be paid quarterly in arrears (Resolution 7)			
8.	Re-appointment of Messrs BDO LLP as Auditors of the Company (Resolution 8)			
SPECIAL BUSINESS				
9.	Authority for Directors to allot and issue new shares (Resolution 9)			
10.	Authority for Directors to allot and issue shares on the vesting of awards under the Anchor Resources Employee Performance Share Plan (Resolution 10)			

* If you wish to exercise all your votes "For" or "Against" the relevant resolution or to abstain from voting on the resolution in respect of all your votes, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise some and not all of your votes "For" and/or "Against" the relevant resolution and/or to abstain from voting in respect of the resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2021

Total Number of
Shares held

Signature(s) of member(s)
or Common Seal of Corporate Shareholder

IMPORTANT (PLEASE READ THE NOTES)

Notes:

1. A member will not be able to attend the AGM in person. If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
2. The Chairman of the AGM, as proxy, need not be a member of the Company.
3. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
4. The instrument appointing a proxy, must:
 - (a) if sent by post, be deposited at the Share Registrar's Office, B.A.C.S. Private Limited, 8 Robinson Road #03-00, ASO Building, Singapore 048544; or
 - (b) if submitted by email, be received by the Share Registrar's Office at main@zicoholdings.com.

in either case, not less than 48 hours before the time for holding the AGM, and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. If sent by post, the instrument appointing the Chairman of the AGM as proxy of an individual must be under the hand of the appointor or of his/her attorney duly authorised in writing and the instrument appointing the Chairman of the AGM as proxy of a corporation must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

Where an instrument appointing the Chairman of the AGM as proxy is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his/her duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
 - (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.
6. Where an instrument appointing the Chairman of the AGM as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the AGM as proxy, failing which the instrument may be treated as invalid.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 7 April 2021.



ANCHOR RESOURCES LIMITED

*Company Registration Number 201531549N
Incorporated in the Republic of Singapore on 12 August 2015*

