

CHASWOOD RESOURCES HOLDINGS LTD.
(Company Registration No. 200401894D)
(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF 23,787,412 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF CHASWOOD RESOURCES HOLDINGS LTD.

1. BACKGROUND

The Board of Directors (the “**Board**” or “**Directors**”) of Chaswood Resources Holdings Ltd. (“**Company**” and together with its subsidiaries the “**Group**”) wishes to announce that the Company had on 9 December 2015 entered into a subscription agreement (the “**Subscription Agreement**”) with Posh Corridor Sdn. Bhd. (“**Posh Corridor**”) and Andrew Roach Reddy (the “**Subscribers**”) pursuant to which the Company has agreed to allot and issue an aggregate of 23,787,412 new ordinary shares in the share capital of the Company (the “**Placement Shares**”) and the Subscribers have agreed to subscribe for the Placement Shares, at an issue price of S\$0.051 per Placement Share (the “**Placement Price**”), amounting to an aggregate consideration of approximately S\$1,213,158, and on the terms and conditions of the Subscription Agreement (the “**Proposed Placement**”).

2. INFORMATION ON THE SUBSCRIBERS

The information relating to the Subscribers are set out below:

Subscriber	Background	Number of Placement Shares subscribed for	Total number of Placement Shares as a percentage of the existing share capital of the Company⁽¹⁾	Total number of Placement Shares as a percentage of the enlarged share capital of the Company⁽²⁾
Posh Corridor	An investment holding company and currently a substantial shareholder of the Company	17,530,961	7.7%	7.0%
Andrew Roach Reddy	Currently the Managing Director and a substantial shareholder of the Company	6,256,451	2.8%	2.5%

Notes:

- (1) Based on the number of Placement Shares subscribed for divided by the existing issued and paid-up share capital of 226,817,819 shares in the Company before the Proposed Placement.
- (2) Based on the number of Placement Shares subscribed for divided by the enlarged issued and paid-up share capital of 250,605,231 shares in the Company after the Proposed Placement.

3. SUBSCRIPTION AGREEMENT

3.1 Placement Shares

There will not be any prospectus or offer information statement issued in connection with the Proposed Placement as the Proposed Placement will be made pursuant to exemptions under Section 272B of the Securities and Futures Act (Chapter 289).

The Placement Shares shall be issued unencumbered and free from any security interests, claims (including pre-emptive rights) or liens and will be freely transferable and shall rank *pari passu* in all respects with all existing ordinary shares of the Company (the "**Shares**"), except that such Placement Shares shall not be entitled to any dividends, rights, allotments or other distributions, the record date of which is before the date of completion of the Proposed Placement (the "**Completion Date**").

Upon the allotment and issue of the Placement Shares, the Company's issued and paid-up share capital will increase from 226,817,819 Shares as at the date of this announcement, to 250,605,231 Shares. The Placement Shares represent approximately 10.5% of the existing issued and paid-up share capital of the Company as at the date of this announcement, and approximately 9.5% of the enlarged issued and paid-up share capital of the Company after the Proposed Placement.

3.2 **Placement Price**

The Placement Price represents a premium of approximately 5% to the volume weighted average price of S\$0.049 for trades done on the Shares on Catalist on 7 December 2015 (being the full market day preceding the date of the Subscription Agreement on which the Shares were traded on Catalist).

On 9 December 2015, Posh Corridor and Andrew Roach Reddy entered into separate loan agreements with the Company pursuant to which Posh Corridor and Andrew Roach Reddy will grant interest-free shareholder loans of S\$894,079 and S\$319,079, respectively, to the Company (the "**Shareholders' Loans**"). The maturity date of the Shareholders' Loans is the date falling 12 months from the date of disbursement of the Shareholders' Loans. Pursuant to the terms of the Subscription Agreement, the aggregate consideration for the Placement Shares payable by the Subscribers to the Company will be offset against the Shareholders' Loans.

3.3 **Conditions**

The completion of the Proposed Placement is conditional upon, *inter alia*, the following:

- (i) the listing and quotation notice of the Placement Shares on Catalist being obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**");
- (ii) the approval of the shareholders of the Company (the "**Shareholders**") being obtained at an extraordinary general meeting ("**EGM**") for the issue of the Placement Shares at the Placement Price to the Subscribers pursuant to the relevant provisions of Section B: Rules of Catalist of the SGX-ST Listing Manual (the "**Catalist Rules**");
- (iii) the issue and subscription of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreement by any applicable legislative, executive or regulatory body or authority of Singapore; and
- (iv) the Company and the Subscribers not being in breach of any of the undertakings and the covenants in the Subscription Agreement at the Completion Date.

4. **RULE 812 OF THE CATALIST RULES AND ADDITIONAL LISTING APPLICATION**

Rule 812(1) and Rule 812(2) of the Catalist Rules provide that an issue must not be placed to any of the following persons unless specific shareholders' approval is obtained for such placement:

- (a) The issuer's directors and substantial shareholders;
- (b) Immediate family members of the directors and substantial shareholders;

- (c) Substantial shareholders, related companies (as defined in Section 6 of the Companies Act, Cap. 50), associated companies and sister companies of the issuer's substantial shareholders;
- (d) Corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%; and
- (e) Any person who, in the opinion of the SGX-ST, falls within category (a) to (d).

In view that the Subscribers are director and/or substantial shareholders of the Company, the Proposed Placement is subject to Shareholders' approval at an EGM.

In addition, CIMB Bank Berhad, Singapore Branch, acting as sponsor to the Company, will be submitting an additional listing confirmation to the SGX-ST on behalf of the Company for the listing of and quotation for the Placement Shares on Catalist. An announcement will be made in due course to notify the Shareholders when the listing and quotation notice is obtained.

5. INTERESTED PERSON TRANSACTIONS

Under Chapter 9 of the Catalist Rules, (i) an immediate announcement is required in respect of a transaction between the Group and its interested persons if the value of that transaction equals to or exceeds 3% of the latest audited net tangible assets ("**NTA**") of the Group; and (ii) Shareholders' approval is required in respect of a transaction between the Group and its interested persons if the value of that transaction equals to or exceeds 5% of the latest audited NTA of the Group.

Posh Corridor is a substantial shareholder of the Company, holding 62.37% of the total issued and paid-up share capital of the Company as at the date of this announcement. Andrew Roach Reddy is the Managing Director and a substantial shareholder of the Company, holding 22.95% of the total issued and paid-up share capital of the Company as at the date of this announcement. Posh Corridor and Andrew Roach Reddy are therefore interested persons and their subscription of Placement Shares pursuant to the Subscription Agreement are interested person transactions under Chapter 9 of the Catalist Rules.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**"), the NTA of the Group is approximately RM19.82 million (or approximately S\$7.05 million at an exchange rate of S\$1 to RM2.8108).

The aggregate consideration of the Placement Shares subscribed by Posh Corridor is approximately S\$894,079 representing 12.7% of the NTA of the Group for FY2014. As such, the subscription of Placement Shares by Posh Corridor is an interested person transaction that requires the Company to seek the approval of its Shareholders at an EGM under Rule 906 of the Catalist Rules.

The aggregate consideration of the Placement Shares subscribed by Andrew Roach Reddy is approximately S\$319,079, representing approximately 4.5% of the NTA of the Group for FY2014. As such, the subscription of Placement Shares by Andrew Roach Reddy is an interested person transaction that requires the Company to make an immediate announcement under Rule 905 of the Catalist Rules.

The total value of interested person transactions (excluding transactions less than S\$100,000) entered into by the Group with Posh Corridor and its associates (as defined in the Catalist Rules) for the current financial year ending 31 December 2015 up to the date of this announcement is approximately S\$1,078,831. The total value of interested person transactions above S\$100,000 entered by the Group with interested persons for the current financial year ending 31 December 2015 up to the date of this announcement is approximately S\$1,397,910.

Datuk Jared Lim Chih Li and Ng Teck Wah who are the non-executive Directors of the Company and directors of Posh Corridor as well as Andrew Roach Reddy, have abstained from voting on the resolutions of the Board relating to the Proposed Placement.

6. RATIONALE AND USE OF PROCEEDS

The net proceeds to be raised by the Company from the Proposed Placement (after deducting estimated expenses of S\$65,700) are approximately S\$1.15 million (the “**Net Proceeds**”). The Company intends to utilise the entire Net Proceeds as working capital for the purposes of (i) settling the Group’s general overheads, (ii) settling amounts owing to trade creditors and other operating expenses, which are or were incurred in the normal course of business of the Group and (iii) repayment of loans.

The Company has considered other fund raising alternatives such as right issue and redeemable exchangeable bonds and, based on the comparison of the various alternatives, the Proposed Placement is considered to be more time and cost efficient. The Subscribers are existing substantial shareholders of the Company. The Placement Shares are placed to the Subscribers as they have indicated an interest to increase their respective investments in the Company and at a premium of approximately 5% to the volume weighted average price of S\$0.049 for trades done on the Shares on Catalist on 7 December 2015 (being the full market day preceding the date of the Subscription Agreement on which the Shares were traded on Catalist), which is in line with the Subscribers’ confidence and commitment to the growth of the Group.

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be placed as deposits with financial institutions and/or invested in short term money market or debt instruments or for any other purpose on a short term basis as the Directors may in their absolute discretion deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company’s interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company’s annual report.

7. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that, after taking into consideration:

- (i) the present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements. The Directors, however, believe that the Net Proceeds will enable the Group to better manage its current working capital requirements; and
- (ii) the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8. FINANCIAL EFFECTS

For the purposes of this section, the following assumptions apply:

- (i) the financial effects of the Proposed Placement on the NTA per Share and loss per Share of the Group are set out below and are prepared purely for illustration only and do not reflect the actual future financial position of the Company and of the Group. The financial effects have been computed based on the audited consolidated financial statements of the Group for FY2014; and
- (ii) the financial effects of the Proposed Placement have been translated using the exchange rate of S\$1 to RM2.8108.

8.1 NTA

The effects of the Proposed Placement on the NTA per Share of the Group as at 31 December 2014, assuming that the Proposed Placement had been effected at the end of FY2014 are as follows:

As at 31 December 2014	Before the Proposed Placement	After the Proposed Placement
NTA (RM'000)	19,824	19,639 ⁽¹⁾
Number of Shares ('000)	226,818	250,605
NTA per share (RM sen)	8.74	7.84

Notes:

- (1) After deducting the estimated expenses for the Proposed Placement of approximately RM0.185 million (equivalent to approximately S\$0.066 million converted at the exchange rate of S\$1 to RM2.8108).

8.2 Loss per Share

The effects of the Proposed Placement on the loss per Share of the Group for FY2014, assuming that the Proposed Placement had been effected at the beginning of FY2014 are as follows:

FY2014	Before the Proposed Placement	After the Proposed Placement
Loss attributable to the Shareholders (RM'000)	(12,311)	(12,496) ⁽¹⁾
Weighted average number of Shares ('000)	226,818	250,605
Loss per Share (RM sen)	(5.43)	(4.99)

Notes:

- (1) After deducting the estimated expenses for the Proposed Placement of approximately RM0.185 million (equivalent to approximately S\$0.066 million converted at the exchange rate of S\$1 to RM2.8108).

9. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee of the Company, after taking into consideration the rationale for the Proposed Placement, is of the opinion that the Proposed Placement is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority Shareholders.

Ng Teck Wah, a member of the Audit Committee of the Company, had abstained from making any recommendations as he is deemed to be interested in the Proposed Placement.

10. CIRCULAR AND EGM

The Company will be convening an EGM to seek Shareholders' approval for the Proposed Placement, and a circular containing, *inter alia*, the notice of the EGM and details of the Proposed Placement will be despatched to the Shareholders in due course.

11. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Posh Corridor, Datuk Jared Lim Chih Li, Ng Teck Wah and Andrew Roach Reddy who are interested in the Proposed Placement, none of the Directors (other than in his capacity as a director or shareholder of the Company) or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Placement.

The Subscribers and their associates will abstain from voting on the ordinary resolution relating to the Proposed Placement at the EGM.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

ANDREW ROACH REDDY
Managing Director
9 December 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST and Sponsor assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Eric Wong (Director, Investment Banking), CIMB Bank Berhad, Singapore Branch, 50 Raffles Place #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.