

**CHASWOOD RESOURCES HOLDINGS LTD.**  
(Incorporated in Singapore)  
(Company Registration No. 200401894D)

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**ENTRY INTO SALE AND PURCHASE AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF HK AEROSPACE BEIDOU NEW ENERGY TECHNOLOGY CO. LTD.**

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*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcement dated 24 November 2021.*

**1. INTRODUCTION**

The Board of Directors (the "**Board**" or the "**Directors**") of Chaswood Resources Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 27 December 2021 entered into a Sale and Purchase Agreement (the "**SPA**") with Techna-X Berhad ("**Techna-X**"), a Malaysian listed company on the Main Board of Bursa Malaysia, Dr. Wan Muhamad Hasni bin Wan Sulaiman, Nong You Hua and Satriya bin Suetoh (collectively, the "**Vendors**"), in relation to the proposed acquisition of the entire issued and paid-up share capital of HK Aerospace Beidou New Energy Technology Co., Ltd. (the "**Target**"), a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China (HKSAR) and a substantially-owned subsidiary of Techna-X, by the Company (hereinafter referred to as the "**Proposed Acquisition**").

Under the SPA, the Company shall acquire the entire issued and paid-up share capital of the Target (the "**Sale Shares**") from the Vendors, for a consideration of S\$678,570,000 (equivalent to approximately USD500,000,000 based on the agreed exchange rate of USD1.00: S\$1.35714) (the "**Consideration**"), subject to adjustments if applicable. In consideration for the Sale Shares, the Company shall allot and issue such number of new fully-paid up ordinary shares (the "**Shares**") in its capital (the "**Consideration Shares**") at a pre-consolidation issue price of S\$0.038 each (the "**Pre-Consolidation Issue Price**") to the Vendors.

The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover (the "**RTO**") of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and is subject to, *inter alia*, the approval of shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting (the "**EGM**") to be convened and the approval of the SGX-ST.

**2. INFORMATION ON THE TARGET AND THE VENDOR**

*The information in this section relating to the Target and Techna-X is based on information provided by and/or representations made by Techna-X. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below. The sole responsibility of the Company and the Directors in this regard has been limited to ensuring that such information has been properly extracted and reproduced in the context that the information has been disclosed in this announcement.*

The Target was incorporated on 12 May 2017 with an issued and paid-up capital of HKD200,000. The current directors of the Target are Dr Wan Muhammad Hasni Bin Wan Sulaiman, Nong You Hua and Satriya Bin Suetoh. As at the date of this announcement, shareholders of the Target are Techna-X

(50%), Dr Wan Muhammad Hasni Bin Wan Sulaiman (25%), Nong You Hua (15%) and Satriya Bin Suetoh (10%).

The Target is believed to be the first company in the world to use rare metal Ruthenium base in its ultra-capacitor as well as a complete patent field and strategy in ruthenium ultra-capacitor technology to develop its own proprietary systems. The Target together with its subsidiaries have the intellectual property, global marketing and distribution rights of the ultra-capacitor technology to a range of industries for energy storage and Ruthenium Super Batteries (“RSB”). Its manufacturing operations are in the People’s Republic of China (“China”) and undertakes further research and development in international collaborations related to the ultra-capacitor technology.

The Target and the below mentioned subsidiaries are collectively referred to as the “Target Group”.

No.	Name of Subsidiary	Date and Place of Incorporation	Date of commencement of business operations	Principal Activity	Shareholders/Register Investors
1.	Guangxi Zhongcheng Huatai Industrial Co. Ltd.	29.10.2009, Guangxi China.	October 2009	Investment holding company for the purposes of holding the operations in China	1) HK Aerospace Beidou NewEnergy Industry Technology Co Ltd (80%) 2) Nong You Hua(10%) 3) Chen Jiuxiong (10%)
2.	Guangxi Aerospace Beidou IOT Technology Co. Ltd.	13.05.2014, Guangxi, China	May 2014	Involves in IOT and technical internet research	Guangxi Zhongcheng Huatai Industrial Co Ltd. (100%)
3.	Guangxi Aerospace Beidou Weixin Medical Technology Co. Ltd.	24.03.2021, Guangxi, China.	March 2021	JV Company with the Nanning Liangqing People’s Government for ASEAN Health Testing Centre Project	1) Guangxi Aerospace Beidou IOT Technology Co. Ltd. (51%) 2) Guangxi Qinghai Construction Development Co. Ltd. (49%)
4.	Guangxi Aerospace Beidou New Energy Industry Technology Co. Ltd.	14.08.2014, Guangxi, China	August 2014	It holds the manufacturing facility of the Target Group in the Guangdong- Guangxi Inter-provincial Pilot Cooperation special Zone	1) Guangxi Aerospace Beidou IOT Technology Co. Ltd. (41.8%) 2) Shen Zhen Qianhaizhong Henghuaying Petrochemical Co. Ltd. (43.9%) 3) Xianning Qiandao Fengyue Investment Management Holding (14.3%)
5.	Guangxi Aerospace Beidou High Energy Battery Co. Ltd.	10.11.2015, Guangxi, China	November 2015	R&D and Manufacturing of Batteries with its application products for global sales.	1) Guangxi Aerospace Beidou IOT Technology Co. Ltd. (20.0%) 2) Song Zhiyu (40.0%) 3) Nong Shuaijun (40.%)

Techna-X’s main business is in providing intelligent digital ecosystem and energy storage solutions with its core technologies include mobile data, Internet Of Things, digital infrastructure, deep analytics, business intelligence, super batteries and ultra-capacitor technology with a joint venture to develop low-voltage electric mobility systems. Techna-X has an internal digital ecosystem of players providing core technologies that are required by the modern market and Techna-X is also in food and beverage business driven by technology. As at the date of this announcement, the Executive Chairman of Techna-X is Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja’afar who has a shareholding of approximately

0.59% in Techna-X. The Managing Director of Techna-X is Liu Guodong and the Executive Director is Y. Bhg. Datuk Lim Chih Li @ Lin Zhili, Jared who has a direct shareholding of approximately 0.09% in Techna-X. Independent Non-Executive Directors are Ms. Lim See Tow, Mr Zhai Baoxing and Mr Balraj Singh Pannu.

The introducer of the Target to the Company is Datuk Lim Chih Li @ Lin Zhili, Jared, Executive Director of Techna-X and a controlling shareholder of the Company. No introducer fee or finder's fee is payable by the Company to Datuk Lim Chih Li @ Lin Zhili, Jared for the Proposed Acquisition.

The Company had disposed certain subsidiaries which owned the TGI Friday's in Malaysia, Beijing and Teh Tarik Place businesses to Techna-X, which was then known as Sino Hua-An International Berhad in December 2019.

To the best knowledge of the Company, save as disclosed above, the Vendors and directors of Techna-X and shareholders of Techna-X do not hold any Shares in the Company or have had any previous business, commercial, trade dealings with the Company, and its directors or substantial shareholders.

### **3. SALIENT TERMS OF THE SPA**

#### **3.1 The Proposed Acquisition**

Pursuant to the SPA, the Company shall acquire the Sale Shares from the Vendors, representing the entire issued and paid-up ordinary share capital of the Target, for the Consideration. Upon Completion, the Target will become a subsidiary of the Company.

The Consideration was agreed on a willing-buyer and willing-seller basis, after substantive negotiations with the Vendors. The Company will appoint an independent qualified valuer to prepare a valuation report in respect of the Target. In the event that the valuation of the Target Group pursuant to the Valuation Report ("**Valuation**") is less than S\$678,570,000, the Parties agree to renegotiate this Agreement in good faith to adjust the Consideration, provided that the Consideration shall not be lower than 105% of the Valuation. Where the valuation report states a valuation range, the Valuation shall be deemed to be the mean between the highest and lowest values.

Based on the audited financial statements of the Target Group for the financial year ended 31 December 2020, the net asset value of the Target Group was approximately S\$15,995,000. The net tangible liability of the Target Group was approximately S\$6,423,000. There is no open market for the Sale Shares of the Target Group.

The Sale Shares shall be acquired from the Vendors free from encumbrances and with all rights, dividends, entitlements and advantages as of and including the date of completion of the Proposed Acquisition (the "**Completion**") (the "**Completion Date**").

#### **3.2 The Issuance of the Consideration Shares**

In consideration for the Sale Shares, the Company shall allot and issue such number of new fully-paid up Consideration Shares at the Issue Price (as defined below) to the Vendors, fractional entitlements to be disregarded. The Consideration Shares will be allotted free from encumbrances and shall rank *pari passu* in all respects with the then-issued Shares save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Consideration Shares.

For the avoidance of doubt, all Consideration Shares shall be subject to the moratorium requirements under Rule 422 of the Catalist Rules, or as otherwise required by the SGX-ST or the Full Sponsor

(defined below). The Company is in the midst of discussion for the appointment of Full Sponsor and announcement will be made upon finalisation of appointment of Full Sponsor.

The Pre-Consolidation Issue Price of S\$0.038 for each Consideration Share represents a premium of approximately 322% over the volume weighted average price of S\$0.009 per Share for trades done on the Catalist Board of the SGX-ST on 28 February 2018, being the last full market day prior to the suspension of trading of the Shares.

By way of illustration, assuming the following:

- a. the Proposed Share Consolidation (as defined below) has been completed;
- b. the Consideration derived from the valuation is S\$678.57 million;
- c. no compliance placement is undertaken;
- d. the SOA (as defined below) is completed in accordance with its terms and 40,511,144 Consolidated Shares (as defined below) are issued pursuant thereto. Shares to be issued under SOA are based on estimates and further details on the Shares to be issued under SOA will be announced at later date; and
- e. save as set out above, there is no further share issuance prior to Completion, the number of Consideration Shares to be issued based on the post-consolidation issue price of S\$0.38 is 1,785,710,526 Shares. The Company will have an enlarged issued share capital of 1,851,282,193 Consolidated Shares after the Proposed Share Consolidation, the issuance of the Consideration Shares and 40,511,144 Consolidated Shares pursuant to the SOA. The number of Consideration Shares to be issued in this illustration represent approximately 96.46% of the Company's enlarged share capital after Completion.

For the avoidance of doubt, Shareholders are to note that the above computation is for illustrative purposes only and, amongst others, the actual amounts of Shares to be issued are subject to change.

### 3.3 The Proposed Share Consolidation

Under the Catalist Rules, the resulting issue price of the Consideration Shares must not, *inter alia*, be lower than the prescribed minimum price of S\$0.20.

In order to ensure compliance with the aforementioned rule, the Parties have agreed to a proposed share consolidation of every ten (10) existing Shares of the Company into one (1) consolidated Share (a "**Consolidated Share**") (the "**Proposed Share Consolidation**"). To that end, upon the execution of the Proposed Share Consolidation, the Pre-Consolidation Issue Price shall be adjusted to S\$0.38 per Consolidated Share (the "**Post-Consolidation Issue Price**" and together with the Pre-Consolidation Issue Price where the context so permits, the "**Issue Price**").

### 3.4 Adjustments to the Consideration

The Consideration payable may also be subject to further adjustments, by mutual agreement between the Parties in consultation with the full sponsor to be appointed in respect of the RTO (the "**Full Sponsor**"), so as to allow a compliance placement to take place concurrently with or shortly after Completion at the same Issue Price per Consolidated Share.

### 3.5 Funding of Costs and Expenses

The parties agreed that all fees, costs and expenses incurred by the parties in connection with the RTO (the "**RTO Costs**") will be borne by the Purchaser subject to the following:

- 3.5.1 prior to Completion, the Vendors agree to pay for the RTO Costs on behalf of the Purchaser;
- 3.5.2 following Completion, the Purchaser agrees to reimburse the Vendors in respect of such RTO Costs incurred,
- 3.5.3 in the event the results of the financial, legal, operational and any other due diligence exercise on the Target Group by the Purchaser in accordance with Clause 4.1.2 are not satisfactory to the Purchaser or the Target Group is deemed to be not suitable for listing by the SGX-ST or Sponsor, the Parties agree that the Vendors shall bear the RTO Costs and the Vendors shall not have any claim against the Purchaser for the RTO Costs. In such event, the Purchaser shall not be liable to reimburse the Vendors in respect of any RTO Costs; and
- 3.5.4 in the event the Vendors terminate this Agreement or decide to abort the Proposed Acquisition other than in accordance with Clause 8.1 of the SPA, the parties agree that the Vendors shall bear the RTO Costs and the Vendors shall not have any claim against the Purchaser for the RTO Costs. In such event, the Purchaser shall not be liable to reimburse the Vendors in respect of any RTO Costs.

### 3.6 **Conditions Precedent**

The Proposed Acquisition is conditional upon the fulfilment or waiver of customary conditions precedent for a transaction of this nature, including but not limited to the following:

- 3.6.1 the Consideration derived from the valuation being not less than S\$678,570,000. Where the Consideration is less than S\$678,570,000, the parties to the SPA agreed to renegotiate the SPA in good faith;
- 3.6.2 the completion of financial, legal, operational and any other due diligence exercise on the Target Companies by the Company, and the results of such due diligence exercise being reasonably satisfactory to the Company;
- 3.6.3 the appointment of the independent valuer being satisfactory to the SGX-ST and the Full Sponsor to be appointed for the Proposed Acquisition;
- 3.6.4 the findings and methodology presented in the valuation report to be issued by the appointed independent valuer being satisfactory to the Company, the Full Sponsor and the SGX-ST;
- 3.6.5 the entry into of service agreements by the key management of the Target Group, on terms mutually agreeable to the parties;
- 3.6.6 The Vendor procuring each of the Target Group Companies obtain such approval(s) required from the respective Target Group Company's board of directors and its shareholder(s) (if applicable) in connection with the SPA and the transactions contemplated herein;
- 3.6.7 The Vendor procuring or obtaining all necessary consents or approvals required or necessary, if any, for the transactions contemplated in the SPA on terms reasonably satisfactory to the Company by governmental or regulatory bodies or competent authorities or stock exchanges having jurisdiction over such transactions contemplated, and such consent or approvals not being revoked or repealed on or before Completion. All such consents or approvals obtained shall be delivered to the Company;
- 3.6.8 The Vendor procuring ownership of (58.2%) shares of Guangxi Aerospace Beidou New Energy Industry Technology Co. Ltd. collectively from Shenzhen Qianhai Zhonghuaying Petroleum & Chemical Co. Ltd. (43.9%) and Xianning Qiandao Fengyue Investment Management LLP (14.3%) to the Target;

3.6.9 in respect of the Target Group Companies:

- (a) the Target Group Companies having executed legally-binding commitments with third party customers for its Ruthenium Metal Oxide Ultra Capacitors, Super Batteries, Hybrid Energy Storage Solutions, EMS Solutions and/or Specialised/Large Scale Energy Storage Systems, within six (6) calendar months of the date of this Agreement;
- (b) all Third Party Consents having been obtained and not withdrawn or revoked by such third parties and where any such Third Party Consents are obtained subject to any conditions, such conditions being reasonably acceptable to the Parties; and
- (c) all necessary or appropriate filings having been made and all appropriate waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated, in each case for or in connection with the sale and purchase of the Sale Shares and to carry on the business of each of the Target Group Companies; and, if such consents and/or conditions are required to be fulfilled before Completion, such conditions being fulfilled before Completion.

3.6.10 the extension of time to submit a proposal for the resumption of trading of the Company being submitted by the Company and being approved by the SGX-ST as soon as reasonably practicable, and the resumption of trading proposal being submitted by the Company and being approved by the SGX-ST;

3.6.11 the Company obtaining an extension of time from its creditors in respect of its ongoing scheme of arrangement, which had lapsed on 30 June 2021, as soon as reasonably practicable;

3.6.12 the Company obtaining such approval(s) as may be required from its Directors, Shareholders and the SGX-ST in respect of, among others;

- a. the Proposed Share Consolidation;
- b. the Proposed Acquisition;
- c. the Proposed Share Issuance;
- d. the ordinary resolution to be passed by the Shareholders who are independent to vote in a general meeting to waive the requirement of the Vendor's and its concert parties to make a mandatory general offer under Rule 14 of the Singapore Code on Take-Over and Mergers (the "**Code**") arising from the allotment and issuance of the Consideration Shares upon Completion (the "**Proposed Whitewash Resolution**");
- e. the appointment of individuals nominated by Vendors to serve as directors of the Company post-Completion; and
- f. the compliance placement of the Company's Consolidated Shares, if required to be undertaken after Completion to fulfil all requirements under the Catalist Rules,

(Collectively, the "**Proposed Transactions**");

3.6.13 the completion of the Proposed Share Consolidation before the Completion Date;

3.6.14 in respect of the Company, all consents and approvals required under any and all applicable laws, regulations or the Catalist Rules for the Proposed Transactions and the other

transactions contemplated herein being obtained from all governmental bodies, and, if applicable, the Full Sponsor, and where any consent or approval is subject to conditions, such conditions being reasonably satisfactory to the Company;

- 3.6.15 the approval for the Proposed Acquisition and the receipt and non-withdrawal of the listing and quotation notice from the SGX-ST for, among other things, the listing of and quotation for the Consideration Shares on terms reasonably acceptable to the Company and the Vendor's;
- 3.6.16 the waiver by the Securities Industry Council of Singapore of the obligation imposed upon the Vendor's and their concert parties to make a general offer of all the shares of the Company under Rule 14 of the Code, and from having to comply with the requirements of Rule 14 of the Code (the "**Proposed Whitewash Waiver**"), subject to any conditions that the Securities Industry Council of Singapore may impose which are reasonably acceptable to the Vendors and the Company, and the grant of the Proposed Whitewash Waiver remaining in full force and effect on and before Completion. For the avoidance of doubt, the Vendors shall apply to the Securities Industry Council of Singapore for the Proposed Whitewash Waiver;
- 3.6.17 in the reasonable opinion of the Company, there being no change, event, circumstance or effect which is or is reasonably likely to be materially adverse to the business, affairs, financial, condition, assets, properties, operations, prospects or results of operations to the Target Group as a whole, or any development that is likely to result in such a material adverse change, on or before Completion; and
- 3.6.18 all of the Vendors warranties in the SPA materially being complied with, and being true and correct in all material respects and the Vendor's having materially complied with and materially performed all of the terms, conditions, agreements and covenants of the SPA to be complied with by it prior to Completion.

Unless specifically waived in accordance of the terms of the SPA, if any of the conditions precedent are not fulfilled on or before the long-stop date, being one (1) year from the date of this SPA or such other date as mutually agreed in writing between the parties to the SPA, or such date falling three (3) months from the date on which the Proposed Whitewash Resolution is approved, whichever is earlier (the "**Long-Stop Date**"), the SPA (save for certain surviving clauses) shall immediately cease and determine and neither of the parties thereto shall have any claim against the other party for costs, damages, compensation or otherwise, save for any claims arising from an antecedent breach of the terms of the SPA.

### 3.7 **Completion Date**

The Completion Date shall take place on the date falling five (5) business days after the date on which all of the conditions precedent in the SPA have been fulfilled (or waived in accordance with its terms) or such other date as the parties thereto may mutually agree in writing.

There are no other material conditions attaching to the transactions, including a put, call or other options.

## 4. **RATIONALE FOR THE PROPOSED ACQUISITION**

The Group is currently undergoing a restructuring exercise, and pursuant thereto has entered into a scheme of arrangement with its creditors ("**SOA**"). The last extension of time to submit resumption of trading proposals was 15 June 2021 and the SOA expired on 30 June 2021. Please refer to the Company's previous update announcements on the SOA and the extension of time to submit resumption of trading proposals. The Company will seek all necessary extensions of time from the SGX-ST as well as the creditors under the SOA.

To rebuild shareholder value, the Company has been seeking an appropriate business to be injected into the Group. The Company is of the view that the Proposed Acquisition will place the Company in a position to expand into new business areas and grow revenues, both of which will help rebuild shareholder value. In addition, the proposed acquisition will facilitate the Group's attempts to build a profitable recurrent business and operate as a going concern in the long term.

The Directors are of the opinion that, as of the date of this announcement, after taking into consideration the Proposed Transactions and its present banking facilities, the working capital available to the Group is sufficient to meet its present requirements and that the Company will be able to operate on a going concern and therefore, have a viable proposal for the resumption of trading of its Shares. With the expected improvement in financial position of the Group upon completion of the Proposed Transactions and the diversification of the new business which is expected to be profitable in the long run, this would provide values to shareholders.

The Company plans to develop a new kiosk model which is much more efficient and scalable to cater for the current market trend which is by delivery. The company will continue to explore this as a driver to enhance the existing restaurant business.

## **5. FINANCIAL INFORMATION ON THE TARGET GROUP AND THE ENLARGED GROUP**

A summary of the audited financial statements of the Target Company for the financial year ended 31 December 2019 ("FY2019"), the audited consolidated Target Group for the financial year ended 31 December 31 December 2020 ("FY2020") and the unaudited consolidated Target Group for the financial period 9 months ended 30 September 2021 ("9M2021") with the pro forma unaudited consolidated financial information of the enlarged Group after completion of the Proposed Transactions (collectively, the "**Enlarged Group**") for FY2020 and 9M2021 are set out below.

### **5.1 Historical Financial Information on the Target Company and Target Group**

The Target Company was incorporated on 12 May 2017. On 1 November 2020, the Target Company acquired certain subsidiaries with business operations and registered patents.

The financial statements for FY2019 are made up of the financial affairs of the Target Company only. The Target Company was dormant during FY2019.

For FY2020, the financial statements are made up of the consolidated audited results and financial positions of the Target Company and its subsidiaries (collectively defined as "**Target Group**").

For 9M2021, the financial statements are made up of the consolidated unaudited results and financial positions of the Target Group.

The historical financials of the Target Group and the unaudited proforma financials of the Target Group are subject to review and adjustment (where applicable) by the reporting accountant (to be appointed).



Historical financial performance and position of the Target Group

	1.1.2019 to 31.12.2019	1.1.2020 to 31.12.2020	1.1.2021 to 30.09.2021
	S\$'000	S\$'000	S\$'000
Revenue	-	295	1,042
Cost of sales	-	(238)	(709)
<b>Gross profit</b>	-	57	333
Other Income	-	15,245	593
Administrative expenses	(2)	(393)	(372)
Finance Costs	-	(75)	(3)
Share of results to NCI	-	187	(144)
<b>Profit/Loss Before Tax</b>	(2)	15,021	407
Taxation	-	-	-
<b>Profit/Loss and Total Comprehensive Expenses for The Period after NCI</b>	(2)	15,021	407

- I. The Target Company was dormant during FY2019.
- II. Other income in FY2020 includes the acquisition reserve of approximately S\$15.24 million from the acquisition of subsidiary companies during FY2020.
- III. Other income of approximately SGD593,000 in 9M2021 includes the recovery of bank balance, doubtful debts and inventories.
- IV. For FY2020 - exchange rate of Hong Kong Dollar ("HKD") 5.8529 : S\$1.00 is used based on exchange rate as at 31 December 2020.
- V. For 9M2021 - exchange rate of Hong Kong Dollar ("HKD") 5.7237 : S\$1.00 is used based on exchange rate as at 30 September 2021.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31.12.2019	As at 31.12.2020	As at 30.09.2021
	S\$'000	S\$'000	S\$'000
<b>Non-current Assets</b>			
Property, plant and equipment	-	10,487	10,668
Investment in subsidiaries	-	-	-
Goodwill	-	18,360	19,075
Intangible asset	-	4,057	4,215
		<u>32,904</u>	<u>33,958</u>
<b>Current Assets</b>			
Inventories	-	-	585
Trade receivables	-	65	302
Other receivables	-	21,614	23,361
Tax recoverable	-	15	16
Bank Balance	3	337	2,425
	<u>3</u>	<u>22,031</u>	<u>26,689</u>
<b>Current Liabilities</b>			
Trade payables	-	106	149
Other payables	3	12,670	17,147
Amount due to Shareholders	3	-	25
Amount due to Holding Company	-	698	-
Current tax liabilities	-	3	4
	<u>6</u>	<u>13,477</u>	<u>17,325</u>
<b>Net Current Liabilities</b>	<u>(3)</u>	<u>8,554</u>	<u>9,364</u>
<b>Total assets and liabilities</b>	<u><b>(3)</b></u>	<u><b>41,458</b></u>	<u><b>43,322</b></u>
<b>Equity</b>			
Share capital	3	34	34
Exchange reserve	-	651	769
Retained earnings/accumulated losses - b/i	-	288	15,309
Retained earnings/accumulated losses - CY	(2)	15,021	407
<b>Shareholders equity</b>	<u>1</u>	<u>15,994</u>	<u>16,519</u>
Non-controlling interests	-	25,464	26,803
<b>Total equity</b>	<u><b>1</b></u>	<u><b>41,458</b></u>	<u><b>43,322</b></u>

- (i) Includes the acquisition reserve of approximately S\$15.24 million from the acquisition of subsidiary companies during FY2020.
- (ii) For FY2020 – exchange rate of Hong Kong Dollar ("HKD") 5.8529 : S\$1.00 is used based on exchange rate as at 31 December 2020.
- (iii) For 9M2021 – exchange rate of Hong Kong Dollar ("HKD") 5.7237 : S\$1.00 is used based on exchange rate as at 30 September 2021.
- (iv) Non-controlling interests represents 58.2% shareholding in Guangxi Aerospace Beidou New Energy Industry Technology Co. Ltd.

## 5.2 Unaudited Pro Forma Financial Information of the Enlarged Group

The summary of the unaudited pro forma FY2020 and unaudited pro forma consolidated financial statements of the Enlarged Group ended 30 September 2021 are set out below for illustrative purposes only and has been prepared based on a mere summation of the audited FY2020 and unaudited 9M2021 financial statements of the Company and the Target Group.

### Operating Results of the Enlarge Group

Financial Performance	Chaswood Resources Holdings Ltd Group	Proforma after completion of proposed transaction	Chaswood Resources Holdings Ltd Group	Proforma after completion of proposed transaction
	S\$'000	S\$'000	S\$'000	S\$'000
	FY2020 (Audited)	FY2020 (Unaudited)	9 months ended 30 September 2021 (Unaudited)	9 months ended 30 September 2021 (Unaudited)
Revenue	567	862	391	1,433
Cost of sales	(215)	(453)	(139)	(848)
Gross profit	352	409	252	585
Profit/(Loss) before taxation and non-controlling interest	96	14,482	64	615
Profit/(Loss) after taxation	82	14,468	49	456

The increase in profit before and after tax for FY2020 was due to:-

- I. Income from the waiver of existing Scheme Creditors' outstanding of approximately S\$16.6 million upon completion of the SOA and conversion of its debt-to-equity at the ratio of 18% as the full and final settlement; and off-setted by
- II. Expenses incurred for professional fees for the purpose of current RTO exercise of approximately S\$2.0 million.
- III. The increase in profit before and after tax for 9M2021 was due to revenue and profit contribution from the Target Group.

5.2.1 Statement of Financial Position of the Enlarged Group

Financial Position	Chaswood Resources Holdings Ltd Group	Proforma after completion of proposed transaction	Chaswood Resources Holdings Ltd Group	Proforma after completion of proposed transaction
	S\$'000	S\$'000	S\$'000	S\$'000
	As at 31 December 2020	As at 31 December 2020	As at 30 September 2021	As at 30 September 2021
<b>Non-current assets</b>				
Property, plant and equipment	686	11,173	598	11,266
Goodwill on acquisition of subsidiary	-	718,242	-	719,437
Intangible assets	-	4,057	-	4,215
<b>Total Non-current Assets</b>	<b>686</b>	<b>733,472</b>	<b>598</b>	<b>734,918</b>
<b>Current Assets</b>				
Inventories	7	7	11	596
Trade and other receivables	69	481	20	1,936
Other Assets	55	55	69	69
Tax recoverable	-	15	-	16
Cash and cash equivalents	347	684	462	2,887
<b>Total Current Assets</b>	<b>478</b>	<b>1,242</b>	<b>562</b>	<b>5,504</b>
<b>Total Assets</b>	<b>1,164</b>	<b>734,714</b>	<b>1,160</b>	<b>740,422</b>
<b>Current Liabilities</b>				
Trade and other payables	20,805	10,003	20,833	13,724
Tax payable	165	168	111	115
Lease liabilities	66	66	69	69
<b>Total Current Liabilities</b>	<b>21,036</b>	<b>10,237</b>	<b>21,013</b>	<b>13,908</b>
<b>Non – Current Liabilities</b>				
Deferred tax liabilities	32	32	46	46
Loan	-	6,018	-	6,175
Lease liabilities	271	271	216	216
<b>Total Non-Current Liabilities</b>	<b>303</b>	<b>6,321</b>	<b>262</b>	<b>6,437</b>
<b>Total Liabilities</b>	<b>21,339</b>	<b>16,558</b>	<b>21,275</b>	<b>20,345</b>
<b>Net Assets</b>	<b>(20,175)</b>	<b>718,156</b>	<b>(20,115)</b>	<b>720,077</b>
<b>Equity</b>				
Share Capital	8,029	690,260	8,029	690,260
Accumulated Losses	(37,932)	(23,192)	(37,883)	(22,736)
Acquisition reserve	-	39,179	-	39,179
Translation reserve	9,870	10,521	9,880	11,904
<b>Equity attributable to owners of the Company</b>	<b>(20,033)</b>	<b>716,768</b>	<b>(19,974)</b>	<b>718,607</b>
Non-controlling interests	(142)	1,388	(141)	1,470
<b>Total equity</b>	<b>(20,175)</b>	<b>718,156</b>	<b>(20,115)</b>	<b>720,077</b>
<b>Net Tangible Assets</b>	<b>(20,033)</b>	<b>(5,531)</b>	<b>(19,974)</b>	<b>(5,045)</b>

For key assumptions, refer to Paragraph 6 : Financial effects of the Proposed Transactions.

## 6. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The financial effects of the Proposed Transactions on the Group have been computed based on the audited consolidated financial statements of the Group for FY2020 and 9M2021, and assumes the following:

- a) the Proposed Share Consolidation is carried out and the Proposed Share Issuance is undertaken based on the Post-Consolidation Issue Price for the Consideration Shares;
- b) the Consideration derived from the valuation is approximately S\$678,570,000 and no adjustments to the Consideration are made, and 1,785,710,526 Consideration Shares are issued;
- c) the approximately 40,511,144 Consolidated Shares to be issued to the Company's creditors pursuant to its SOA, assuming an extension of time is granted to the SOA;
- d) A provision of S\$2,000,000 is made in its entirety for the settlement of professional fees incurred for the Proposed Transactions, and is expenses off.
- e) Acquisition reserve arose from HKAB Aerospace Beidou New Energy Technology Co Ltd's acquisition of its subsidiary.
- f) FY2020- exchange rate of MYR3.0468 :S\$1.00 is used ; and Hong Kong Dollar ("HKD") 5.8529 : S\$1.00 is used.
- g) 9M2021 - exchange rate of MYR3.0769 :S\$1.00 is used ; and Hong Kong Dollar ("HKD") 5.7237 : S\$1.00 is used.
- h) Loan in Target Group classified as long term pursuant to the extension of repayment term for a further 3 years.
- i) no adjustments have been made to account for the different accounting standards of the Group and the Target Group.

The financial effects of the Proposed Transactions set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Group after completion of the Proposed Transactions.

### 6.1 Net Tangible Assets ("NTA")

The effects of the Proposed Transactions on the unaudited consolidated NTA per Share for FY2020, assuming that the Proposed Transactions had been effected at the end of FY2020, are summarised below:

	<b>Before Completion of the Proposed Transactions</b>	<b>After Completion of the Proposed Transactions</b>
<b>NTA (S\$'000)</b>	-20,033	-5,531
<b>Number of Shares ('000)</b>	250,605	1,851,282
<b>NTA per Share (S\$ cents)</b>	(7.99)	(0.30)

The effects of the Proposed Transactions on the unaudited consolidated NTA per Share for 9M2021, assuming that the Proposed Transactions had been effected at the end of 9M2021, are summarised

below:

	<b>Before Completion of the Proposed Transactions</b>	<b>After Completion of the Proposed Transactions</b>
<b>NTA (S\$'000)</b>	-19,974	-5,045
<b>Number of Shares ('000)</b>	250,605	1,851,282
<b>NTA per Share (S\$ cents)</b>	(7.97)	(0.27)

## 6.2 Earnings per Share ("EPS")

The effects of the Proposed Transactions on the unaudited consolidated EPS of the Group for FY2020, assuming that the Proposed Transactions had been effected at the beginning of FY2020, are summarised below:

	<b>Before Completion of the Proposed Transactions</b>	<b>After Completion of the Proposed Transactions</b>
<b>Profit after tax attributable to equity holders of the Company (S\$'000)</b>	82	14,468
<b>Number of Shares ('000)</b>	250,605	1,851,282
<b>Earnings per Share (S\$ cents)</b>	0.03	0.78

The effects of the Proposed Transactions on the unaudited consolidated EPS of the Group for 9M2021, assuming that the Proposed Transactions had been effected at the beginning of 9M2021, are summarised below:

	<b>Before Completion of the Proposed Transactions</b>	<b>After Completion of the Proposed Transactions</b>
<b>Profit after tax attributable to equity holders of the Company (S\$'000)</b>	49	456
<b>Number of Shares ('000)</b>	250,605	1,851,282
<b>Earnings per Share (S\$ cents)</b>	0.02	0.02

## 6.3 Share Capital

The effect of the Proposed Transactions on the share capital of the Group is as follows:

	<b>Before Completion of the Proposed Transactions</b>	<b>After Completion of the Proposed Transactions</b>
Number of issued and paid-up Shares ('000) of the Company (excluding treasury Shares)	250,605	1,851,282
Share capital at 31 December 2020 and 30 September 2021 (S\$'000) (excluding treasury Shares)	8,029	690,260

## 7. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

Based on the latest announced unaudited 9 months consolidated financial statements of the Group and the Target Group ended 30 September 2021, the relative figures for the Proposed Acquisition computed on the bases set out in Rules 1006 (a) to (e) of the Catalist Rules are as follows:

Rule 1006	Computations	Percentage (%)
(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value.	Not Applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	856.7%
(c)	The aggregate value of the Consideration given or received, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury Shares.	30086%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	7126%
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable

### Notes:

- (a) This is not applicable as the Proposed Transactions constitute the acquisition of assets.
- (b) The profit before tax of the Target Group for 9M2021 amounted to approximately S\$551,273 (converted from its reported unaudited interim financial statement for 9M2021 profit before tax of approximately HKD 3,155,320). The Group's profits before tax for 9M2021 amounted to S\$64,350 (converted from its reported unaudited interim financial statement for 9M2021 of approximately MYR 198,000).
- (c) The Consideration payable is assumed to be approximately S\$678,570,000. The Group's market capitalisation of approximately S\$2,255,447 is computed based on the number of issued Shares of 250,605,231 (excluding treasury Shares) and the volume weighted average price of S\$0.009 per Share for trades done on the Catalist Board of the SGX-ST on 28 February 2018, being the last full market day prior to the suspension of trading of the Shares on 18 June 2018.
- (d) Illustrated based on 1,785,710,526 Consideration Shares to be allotted and issued, and the Company's existing share capital of 25,060,523 Shares. Please refer to paragraphs 3.2 of this announcement on the bases and assumptions underlying the illustrative number of Consideration Shares.
- (e) This base is not applicable to the Proposed Acquisition.

As the relative figures under Rules 1006(c) and (d) exceed 100%, and that the Proposed Acquisition will result in a change in control of the Company on completion of the Proposed Acquisition, the Proposed Acquisition constitutes a "reverse takeover" transaction pursuant to Rule 1015 of the Catalist Rules. Therefore, the Proposed Acquisition will be conditional upon, *inter alia*, the approval of the Company's

Shareholders at an EGM to be convened, and the approval of the SGX-ST (or such other relevant regulatory authority) being obtained.

**8. CIRCULAR TO SHAREHOLDERS**

The Company will be seeking specific approval of its Shareholders for the Proposed Transactions at an EGM. The Circular containing, *inter alia*, further information on the Proposed Transactions and enclosing the notice of EGM therewith, will be dispatched to the Shareholders in due course.

**9. THE PROPOSED WHITEWASH RESOLUTION AND INDEPENDENT FINANCIAL ADVISER**

Under Rule 14 of the Code, upon the completion of the Proposed Share Issuance, the Vendors and their respective concert parties are obliged to extend a general offer to the Shareholders of the Company for the remaining issued Shares in the Company not already owned, controlled or agreed to be acquired by them. To that end, the Vendors intend to seek the Proposed Whitewash Waiver from the Securities Industry Council of Singapore.

In connection with the Proposed Whitewash Waiver and the Proposed Whitewash Resolution, the Company will be appointing an independent financial adviser to advise its independent Shareholders on the Proposed Whitewash Resolution. The Circular containing, *inter alia*, the conditions of the Proposed Whitewash Waiver (if so granted by the Securities Industry Council of Singapore) and the opinion and advice of the independent financial adviser will be circulated to the Shareholders in due course.

**10. ADDITIONAL LISTING APPLICATION**

The Company will be submitting an application for the additional listing of and quotation for the Consideration Shares on the Catalist Board of the SGX-ST. The Company will make the necessary announcement once the listing and quotation notice of the SGX-ST has been obtained.

**11. SHAREHOLDING STRUCTURE**

Assuming all of the illustrative post-Proposed Share Consolidation numbers of 1,785,710,526 Consideration Shares allotted and issued to the Vendor, the shareholding structure of the Company before and after the Completion of the Proposed Transactions (assuming that the SOA is carried out in accordance with its terms) is set out as follows:

*[This announcement continues on the next page]*



	Before the completion of the Proposed Transactions				After the completion of the Proposed Transactions			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Directors</u>								
Ng Teck Wah <sup>(1)</sup>	-		163,482,328		-		16,348,233	
Andrew Roach Reddy	58,310,906	23.27	-		5,831,091	0.31	-	
<u>Substantial Shareholders (other than the Directors)</u>								
Posh Corridor Sdn. Bhd. (“ <b>Posh Corridor</b> ”) <sup>(1) (2)</sup>	100,898,838	40.26	58,095,490		10,089,884	0.55	5,809,549	
Blumont Group Ltd (“Blumont”) <sup>(1)</sup>	13,340,000	5.32	-		1,334,000	0.07	-	
Attilan Group Limited (“ <b>AGL</b> ”) <sup>(3) (4)</sup>	-		163,482,328		-		16,348,233	
TAP Private Equity Inc. (“ <b>TAP</b> ”) <sup>(3)</sup>	-		158,994,328		-		15,899,433	
Attilan Investment Ltd. (“ <b>AIL</b> ”) <sup>(3) (4)</sup>	-		163,482,328		-		16,348,233	
Dragonrider Opportunity Fund L.P. (“ <b>DOF</b> ”) <sup>(3)</sup>	-		158,994,328		-		15,899,433	
Datuk Jared Lim Chih Li <sup>(1)</sup>	-		163,482,328		-		16,348,233	
SOA Creditors					40,511,144	2.19		
<u>Vendor and related persons</u>								
Techna-X Berhad	-		-		892,855,263	48.23	-	
Dr Wan Muhammad Hasni Bin Wan Sulaiman	-		-		446,427,632	24.11	-	
Nong You Hua	-		-		267,856,579	14.47	-	
Satriya Bin Suetoh	-		-		178,571,053	9.65	-	
Existing Large and Public	78,055,487	31.15	-		7,805,549	0.42	-	
<b>Total</b>	<b>250,605,231</b>	<b>100.00</b>			<b>1,851,282,193</b>	<b>100.00</b>		

- (1) Each of Ng Teck Wah and Datuk Jared Lim Chih Li has a deemed interest of 33.3% in AGL. By virtue of Section 7 of the Companies Act (Chapter 50) of Singapore (the “**Companies Act**”), each of them is deemed to be interested in all the Shares held by Posh Corridor and AIL.
- (2) Posh Corridor is deemed interested in 44,755,490 Shares held by Phillip Securities Pte. Ltd. as its nominee and 13,340,000 Shares held by Blumont Group Ltd. due to an assignment of shares arrangement.
- (3) Posh Corridor is owned by DOF (78.4%) and AIL (21.6%). DOF is a fund managed by TAP which is in turn wholly owned by AGL. AIL is a wholly owned subsidiary of AGL. By virtue of Section 7 of the Companies Act, DOF, TAP, AIL and AGL are deemed to be interested in all the Shares held by Posh Corridor.
- (4) AIL is deemed interested in 158,994,328 Shares held by Posh Corridor and 4,488,000 Shares held by Phillip Securities Pte. Ltd. as its nominee. By virtue of Section 7 of the Companies Act, AGL is deemed to be interested in all the Shares held by AIL.
- (5) SOA creditors include certain indirect substantial shareholders, namely Mr Ng Teck Wah, Datuk Jared Lim Chih Li and Attilan Group Limited. Shares to be issued under SOA are based on estimates and further details on the Shares to be issued under SOA Shares will be announced at later date.
- (6) The compliance placement will be conducted as the public shareholding will fall below threshold

## 12. SERVICE AGREEMENTS

As at the date of this announcement, the Company has not entered into any service agreement with any person proposed to be appointed as director in connection with the Proposed Acquisition. The Company however wishes to highlight its obligation to appoint individuals nominated by the Vendor to the Board, pursuant to the conditions precedent set out in the SPA. Please refer to paragraph 3.6.12(e) of this announcement for further details.

The details of any such appointments and service agreements, if any, will be set out in the Circular to be despatched to Shareholders in respect of the EGM to be convened.

## 13. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective interests in the Shares of the Company (as the case may be) and as otherwise disclosed herein, none of the Directors, controlling Shareholders or their associates have any interest, direct or indirect in the Proposed Acquisition and the other proposed transactions under the SPA.

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company 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 of the SPA, the Proposed Transactions and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement (including information relating to the Vendors and the Target Group) 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.

## 15. CAUTIONARY STATEMENT

**Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company as the Proposed Acquisition is subject to certain conditions. There is no assurance or certainty that the SPA will be completed, being subject to such conditions. In the event of any doubt as to the action they should take, Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisors.**

**The Company will make the necessary announcements as and when there are further material developments on the Proposed Transactions, in compliance with the Catalist Rules.**

## 16. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at 80 Robinson Road #02-00 Singapore 068898, for a period of three (3) months commencing from the date of this announcement.

Pursuant to the relevant health and safety measures imposed in respect of the COVID-19 pandemic, all Shareholders are to register their intention to inspect said document at least five

(5) business days before the date of their appointment, via the Company's email address invest@chaswood.com.my. The Company shall be entitled to reject requests for inspection as it deems necessary to comply with the relevant laws and regulations relating to the COVID-19 pandemic.

**BY ORDER OF THE BOARD**

Andrew Roach Reddy  
Managing Director  
28 December 2021

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*This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes 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. Liau H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271*