

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

RESPONSE TO QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE PROPOSED ISSUANCE OF 1% EQUITY-LINKED REDEEMABLE CONVERTIBLE NOTES DUE 2022 IN AGGREGATE PRINCIPAL AMOUNT OF S\$50,000,000 AS ANNOUNCED ON 31 JULY 2019

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcement dated 31 July 2019 ("**Previous Announcement**").*

The Board of Directors (the "**Board**") of Chaswood Resources Holdings Ltd. (the "**Company**") refers to the queries raised by SGX-ST on 1 August 2019 in respect of the Previous Announcement. The Board sets out its responses to SGX-ST as enclosed in Appendix A.

By Order of the Board

ANDREW ROACH REDDY
Managing Director
8 August 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by 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.
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Appendix A

Chaswood Resources Holdings Limited – Proposed Issuance of 1% Equity-Linked Redeemable Convertible Notes Due 2022 (“Proposed Notes Issue”)
- SGX Queries dated 1 August 2019

S/No	Queries	Company's Responses
1.	There does not appear to be a floor price or cap on number of new shares to be issued. How will the Company be able to determine the maximum dilution? How does this comply with Catalist Rule 832(1)?	<p>The term sheet only sets out principal terms of the issue and subscription of redeemable convertible notes (“RCN”) by the parties.</p> <p>The information set out in Catalist Rule 832(1), including the maximum number of shares to be issued pursuant to exercise of the RCN, will be set out in the terms and conditions of the definitive RCN subscription agreement (“RCN SA”). The RCN SA will prescribe (i) a minimum conversion price, below which no conversions will be permitted; and (ii) a cap on the maximum number of shares to be issued upon conversion, both to be negotiated by the parties.</p> <p>As at the date of this response, the parties have not commenced negotiations on the RCN SA. The Company is aware of the Catalist Rule relating to the floor price and cap on the number of new shares to be issued and will at all times ensure adherence to the Catalist Rules when the RCN SA is being drafted.</p>
2.	What is the market rate for cancellation fees in relation to similar transactions? Under what circumstances will the Company be required to pay the cancellation fees.	<p>The cancellation fee of S\$50,000 is a fixed amount charged by the Subscriber in similar transactions to prevent issuers from not proceeding with the notes issue after signing the term sheet for reasons not due to the inability to obtain regulatory and/or shareholders’ approval.</p> <p>The Company is only required to pay the cancellation fees if the Company decides not to proceed with the signing of the definitive agreements. The cancellation fees are also not applicable if the Company does not obtain the requisite approval from SGX-ST and/or its shareholders.</p>
3.	There are no details on the use of proceeds. Please elaborate.	<p>The proceeds from the Proposed Notes Issue will be utilized for the Group’s general working capital including working capital for the Italiannies restaurant business which will be retained in the Group pursuant to the proposed disposal of Chaswood Resources Sdn Bhd (“CRSB”) by the Company. Details of the proposed disposal of CRSB are in the announcement dated 14 September 2019.</p>

S/No	Queries	Company's Responses
4.	Given that the Company is suspended, how to determine the conversion price based on the formula?	The lifting of suspension and resumption of trading of the Company's shares on the SGX-ST will be a condition precedent to the issue and subscription of any RCN under the RCN SA.
5.	The Board to confirm that the proposed issuance of convertibles comply with the Catalist Rules and requirements set out in the SGX's Regulator's Column dated 25 August 2016 on "Impact and risks of "death spiral" convertibles".	The Board confirms that the Proposed Notes Issue will comply with the Catalist Rules and requirements set out in SGX's Regulator's Column dated 25 August 2016.