

CHASWOOD RESOURCES HOLDINGS LTD.

(Incorporated in Singapore)

(Company Registration No. 200401894D)

ENTRY INTO SPA IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF HK AEROSPACE BEIDOU NEW ENERGY TECHNOLOGY Co., Ltd – TERMINATION OF SPA

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**”) refers to the Company’s announcements dated 24 November 2021, 28 December 2021, 22 April 2022, 1 Jun 2022 and 18 July 2022 (collectively, the “**Announcements**”). Unless otherwise defined, all capitalised terms and references used herein shall bear the same meanings ascribed to them in the Announcements.

2. TERMINATION OF THE SALE AND PURCHASE AGREEMENT

The Board wishes to announce as of 5 October 2022, the Company and the Vendors had mutually agreed to terminate the Sales and Purchase Agreement dated 27 December 2021 (the “**SPA**”) by way of a deed of termination (“**Deed**”).

SGX-ST had on 15 July 2022 informed that it has no objection to granting the Company a further extension of time until 31 January 2023 to submit a reverse takeover (“**RTO**”) application in respect of the Proposed Acquisition (the “**Waiver**”). However, further to the Announcement dated 18 July 2022, the relevant due diligence and restructuring work in connection with the RTO continue to be adversely impacted by the travel, movement and other restrictions in place in the People’s Republic of China (“**PRC**”) to curb the spread of the COVID-19 pandemic, specifically:

- I. The movement restrictions have resulted in substantial additional costs which needs to be incurred to complete the restructuring in the PRC. Hence, the Company and the Vendors would need to raise pre-listing funds to finance the process. Interested investors would need to conduct their respective due diligence process on the Target Group, which is made difficult due to the movement restrictions; and
- II. Local corporate offices, government offices and company registrars were not operating at full capacity which resulted in delays to the restructuring process and consequently, delayed the timeline.

Accordingly, it is envisaged that the parties are unable to complete the necessary due diligence work and the restructuring exercise (which is a condition precedent for the SPA), for the submission of the RTO application by 31 January 2023. As such, the parties agreed to execute the Deed to terminate the SPA with no further liability to either party.

The termination of the SPA is not expected to have any material financial impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2022, as the parties had agreed pursuant to the SPA that the Vendors will bear all the RTO costs incurred prior to Completion on behalf of the Company.

As mentioned in the Announcement dated 18 July 2022, the SGX-ST will not grant any further extension if the RTO application is not submitted to the SGX RegCo by 31 January 2023, and the further extension of time is solely for the current RTO. We wish to highlight that the Company having consulted with its full

sponsor is voluntarily seeking delisting by initiating exit offer proposals with its major shareholders and other possible parties who may be interested.

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the termination of the SPA, save for their shareholdings in the Company.

Further announcements will be made by the Company and the Board via SGXNET as and when there are any material developments in relation to, inter alia, the exit offer and voluntary delisting in compliance with the Catalist Rules of the SGX-ST.

The Board confirms that to their best knowledge, all material disclosures, facts and information have been provided and announced and are not aware of any facts, information or disclosures, the omission of which would make any statement in this announcement or disclosures misleading.

BY ORDER OF THE BOARD

Chaswood Resources Holdings Ltd.

Andrew Roach Reddy
Managing Director
5 October 2022

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.

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