

CHASWOOD RESOURCES HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 200401894D)

TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF HK AEROSPACE BEIDOU NEW ENERGY TECHNOLOGY CO. LTD.

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of Chaswood Resources Holdings Ltd (the “**Company**”) wishes to announce that the Company has on 24 November 2021 entered into a binding term sheet (“**Term Sheet**”) with Techna-X Berhad (“**Techna-X**”), a Malaysian listed company in the Main Market, Dr. Wan Muhamad Hasni bin Wan Sulaiman, Nong You Hua and Satriya bin Suetoh (collectively, the “**Vendors** and together with the Company, the “**Parties**” and each a “**Party**”) in relation to the proposed acquisition of the entire issued and paid-up share capital of HK Aerospace Beidou New Energy Technology Co., Ltd. (“**HKAB**”), a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China (HK SAR) by the Company (hereinafter referred to as the “**Proposed Acquisition**”), and a substantially -owned subsidiary of Techna-X.

The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse take-over (“**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 to be convened and the approval of the SGX-ST.

The Term Sheet is legally binding between the Parties. Each party shall be entitled to terminate the Term Sheet if the definitive agreement is not signed within 90 days from the date of the Term Sheet or such other date mutually agreed between the parties. As such, the Proposed Acquisition remains subject to the entry into the subsequent definitive agreement for the Proposed Acquisition after further negotiations between the Parties. The Company will make further announcements as and when there are material updates to the Proposed Acquisition, including the entry into a definitive agreement.

2. INFORMATION ON THE TARGET

The information in this section relating to HKAB 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.

As at the date of this announcement, HKAB is substantially-owned by Techna-X, the first and only 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. HKAB owns 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.

As at the date of this announcement, shareholders of HKAB are Techna-X (50%), Dr Wan Muhammad Hasni Bin Wan Sulaiman (25%), Nong You Hua (15%) and Satriya Bin Suetoh (10%). HKAB was

incorporated on 12 May 2017 with an issued and paid-up capital of HKD200,000. Directors are Dr Wan Muhammad Hasni Bin Wan Sulaiman, Nong You Hua and Satriya Bin Suetoh.

Techna-X's main business is in providing intelligent digital ecosystem and energy storage solutions with its core technologies include mobile data, IOT, digital infrastructure, deep analytics, business intelligence, super batteries and ultra-capacitor technology with a joint venture to develop low-voltage electric mobility systems. It has an internal digital ecosystem of players that provides the core technologies that are most required by the modern market and are also in food and beverage business which is also driven by technology.

As at the date of this announcement, Executive Chairman Y.A.M. Tunku Naquiyuddin ibni Tuanku Ja'afar 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 is Datuk Lim Chih Li @ Lin Zhili, Jared; Executive Director of Techna-X and a controlling shareholder of Chaswood Resources Holdings Ltd. 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 own 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 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.

As at the date of this announcement, the Company has not been provided with any financial information on HKAB. As such, the Company is unable to disclose any further financial information under Chapter 10 of the Catalist Rules including the financial effects and relative figures in respect of the Proposed Acquisition. Such information will be announced if and when a definitive agreement is entered into in respect of the Proposed Acquisition.

In connection with the Proposed Acquisition, the Company and the Board will be carrying out the necessary due diligence on the Target. The Company is in further discussion for appointment of all relevant professional with regards to this proposed acquisition including inter alia, reporting accountant, independent valuer, full sponsor, financial and legal advisors.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Company and its subsidiaries (collectively, 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 SOA Creditors in conjunction with and upon the Company entering into a definitive agreement for the Proposed Acquisition.

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.

The Company is to keep the existing restaurant business notwithstanding the Proposed Acquisition and 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.

4. PRINCIPAL TERMS OF THE TERM SHEET

The following are the material terms of the Term Sheet and save as disclosed there are no further material conditions attaching to the Proposed Acquisition.

4.1 *Indicative Acquisition Consideration*

The Company is to acquire the entire issued and paid-up share capital of HKAB for 100% of HKAB valuation by an independent valuer (to be appointed by the Company), which estimated at US\$500 million (equivalent to approximately S\$ S\$678,570,000) (the “**Indicative Consideration**”). The amount of which shall be satisfied in full by the allotment and issue of such number of new shares of the Purchaser (the “**Consideration Shares**”) at a pre-consolidation issue price of US\$0.028 (S\$0.038) per share on a pre-proposed share consolidation basis (the “Pre-Consolidation Issue Price”), fractional entitlement to be disregarded, by the Purchaser to the Vendor credited as fully paid. For illustration purposes, based on the Pre-Consolidation Issue Price of S\$0.038 and the Indicative Consideration of S\$678,570,000 (equivalent to US\$500,000,000), the number of Consideration Shares to be issued by the Purchaser will be 17,857,105,263 (rounded down to the nearest whole number) new Shares. For the avoidance of doubt, the final number of Consideration Shares to be issued shall be determined based on the Post-Consolidation Issue Price, the Actual Valuation and the derived Consideration, as well as any applicable agreed upon adjustments, should there be any, will become the largest shareholder of the Company upon the completion of the Proposed Acquisition. The Parties agree to adjust the acquisition consideration if required so as to allow a compliance placement to take place concurrently at the same issue price per share.

4.2 *Funding for the Proposed Acquisition*

The Vendors and Purchaser agree that each party shall bear its own costs and expenses in relation to the preparation of this Term Sheet, due diligence and the preparation of Definitive Agreements for the Proposed Transaction.

4.3 *Conditions Precedent*

The Proposed Transaction shall be conditional on the following conditions precedent being fulfilled or waived:

- a) satisfactory completion of legal, business, operational and financial due diligence by the Purchaser.
- b) approval by the board of directors and shareholders of the Purchaser.
- c) approval by SGX with regards to the RTO exercise.
- d) waiver from the authorities in relation to the obligation by the Vendors (as substantial shareholders) to make a mandatory general offer of the shares of the Purchaser.
- e) obtaining all relevant consents, approvals, registrations and filings for the Proposed Transaction, including the internal approvals of the Vendors, third parties and all relevant regulatory and government bodies.
- f) all representations and warranties of the Vendors set forth in the Definitive Agreements being true and correct.
- g) other conditions precedent that are usual and customary for transactions of this type having been satisfied, which shall include, without limitation, no material adverse change having occurred since the date of execution of the Definitive Agreements.

4.4 *Exclusivity Period*

The Parties agree to, on a best endeavours basis, will enter into a definitive agreement in respect of the Proposed Acquisition along the structure as set out herein the Exclusivity Period of 90 days from the commencement of access with reasonable due diligence information in relation to the Proposed Transaction (subject to any mutually agreed extension thereof) (the "Exclusivity Period"), the Vendors agree that during such period, they will not directly or indirectly enter or propose to enter into or continue any discussion or negotiations in respect of any transaction relating to an investment in the Target whether by way of sale, transfer, assignment or otherwise the shares of the Target, with any person or entity other than the Purchaser.

4.5 *Governing Law and Jurisdiction*

The Term Sheet shall be governed by, and construed in accordance with, the laws of Malaysia. The jurisdiction for determining any claim, dispute concerning the Term Sheet and any matter arising therefrom is the courts of Malaysia on a non-exclusive basis.

4.6 *The Binding Provisions;-*

The Term Sheet is legally binding on the parties and successors and assigns. Each party shall be entitled to terminate the Term Sheet if the Definitive Agreement is not signed within 90 days from the date of the Term Sheet or such other date mutually agreed between the parties or for any antecedent breach hereunder.

The Parties agree to negotiate in good faith the Definitive Agreement necessary for the Proposed Transaction based on the terms stipulated in the Term Sheet.

Save as disclosed above, there is no other material conditions attaching to the Proposed Acquisition including a put, call or other option.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Except for Datuk Lim Chih Li @ Lin Zhili, Jared who is the introducer, the Executive Director of Techna-X and the controlling shareholder of the Company, none of the Directors or the controlling Shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition or any other transaction contemplated under the Term Sheet (other than in his capacity as a director or Shareholder).

6. FURTHER ANNOUNCEMENT

The Company will make further announcements, in compliance with the requirements of Chapter 9 (where applicable) and Chapter 10 of the Catalist Rules, upon the execution of the definitive agreement and/or when there are material developments in respect of the Proposed Acquisition or any other transaction contemplated under the Term Sheet, as well as seek the approval of shareholders where required.

The Company will also make further announcements on, *inter alia*, the key milestones and indicative timeline for the Proposed Acquisition, completion of financial and legal due diligence, independent valuation and submission of the RTO application to the Exchange upon signing of a definitive agreement.

7. 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 of the Term Sheet and the Proposed Acquisition, 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 HKAB and Techna-X) 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.

There is no certainty or assurance that the definitive agreement will be entered into at this juncture, and if entered into, whether the transactions contemplated therein can or will proceed. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, or other professional advisers immediately.

BY ORDER OF THE BOARD

ANDREW ROACH REDDY
Managing Director
24 November 2021

*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