

CHASWOOD RESOURCES HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Co. Reg. No. 200401894D)

PROVISION OF CORPORATE GUARANTEE TO TREMENDOUS ASIA MANAGEMENT INC

The Board of Directors (“**Board**”) of Chaswood Resources Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 1 March 2019 entered into an agreement for the provision of corporate guarantee to Tremendous Asia Management Inc (“**TAMI**”) (“**Provision of CG**”) for providing interest free bridging loans to and payment of branding and marketing related costs on behalf of Chaswood Resources Sdn Bhd (“**CRSB**”), a wholly owned subsidiary of the Company, totaling approximately RM6.9 million (“**Amount Owing**”) for the period between 2016 to 2018. The interest free bridging loans were utilized for working capital purposes. The Provision of CG shall take effect on 1 March 2019.

Background of TAMI

TAMI, a company incorporated and having a registered office in Cayman Islands, is a fund manager which manages certain investments and assets of funds. The sole shareholder of TAMI is Tremendous Asset Partners Ltd (“**TAP**”) (which is wholly owned by Dato’ Mohammed Azlan Hashim), and the sole director is Mr Ng Teck Wah (“**Mr Ng**”) (who is the Non-Executive Chairman of the Company and also a director of CRSB). In view of Mr Ng’s conflict of interest, being the sole director of TAMI, Mr Ng has abstained from deliberating and making recommendation in relation to the Provision of CG.

Referring to the announcement made by the Company dated 14 September 2018, TAMI is the purchaser of 100% equity interest of CRSB.

The Board confirms that to their best knowledge, TAMI, TAP and Dato’ Mohammed Azlan Hashim are not related to any Directors (save for Mr Ng) and substantial shareholders of the Company.

Rationale

It was the previous intention for the Amount Owing be settled via issuance of new shares of the Company to TAMI. However, pending the issuance of such new shares and the Company seeking to obtain an additional bridging loan amounting to S\$100,000 from TAMI (“**Additional Bridging Loan**”), the corporate guarantee was requested by TAMI given that there is no immediate debt conversion or repayment for the Amount Owing. The Additional Bridging Loan will be unsecured, interest-free and repayable on demand. The Additional Bridging Loan will be utilized for the payment of professional fees with respect to the ongoing restructuring exercise of the Group.

The total amount owing by the Group to TAMI will be approximately RM7.2 million in the event that the Additional Bridging Loan is granted. For avoidance of doubt, the corporate guarantee will only cover RM6.9 million.

Terms of the Corporate Guarantee

- (a) Within 7 days of receiving a written demand by TAMI, the Company to pay to TAMI any sum due and unpaid by CRSB in respect of the Amount Owing.
- (b) The corporate guarantee shall be a continuing security and shall not be determinable by the Company except on terms of the Company making full provision for or CRSB repaying the whole of the Amount Owing due and remaining unpaid.

- (c) The Company's liabilities shall not be discharged or released from the corporate guarantee by:
- (i) the granting of any time, credit or variation in the terms of the Amount Owing or other indulgence or concession whatsoever or by any neglect or omission or delay on the part of TAMI or by any compromise, abandonment, waiver, release, variation, redemption or compounding by TAMI of any of its rights or by the Company being unaware of any default, omission, breach or neglect on the part of CRSB or by the holding of any security by TAMI;
 - (ii) any failure by TAMI to take or enforce any security or by any invalidity of any security taken or by any existing or future agreement by TAMI as to the application of any advances made or to be made to CRSB or failure to take steps to recover the moneys due and payable by CRSB by action or otherwise;
 - (iii) the fact that all or any part of the Amount Owing may not be or may cease to be recoverable from CRSB or any other person liable in respect thereof for any other reason than that the same has been fully paid and satisfied;
 - (iv) the liquidation, winding up and/or bankruptcy (as the case may be) of CRSB and/or the Company; or
 - (v) any payment whether by CRSB or any other person which would reduce or operate in satisfaction or partial satisfaction of the Company's liability hereunder where such payment is void or avoided for any reason (irrespective of when such avoidance operates) to the intent that such liability may be enforced on the amount thereof as it exists prior to such payment as if such payment had never been made.
- (d) Until the Amount Owing shall have been fully paid or discharged, the Company agrees that the Company will not by paying off any sum recoverable hereunder or by any other means or on any other ground claim any set-off or counter-claim against CRSB in respect of any liability on the Company's part to CRSB or claim or prove in competition with TAMI in respect of any payment by the Company hereunder or be entitled to claim or have the benefit of any set-off, counter-claim or proof against or dividend, composition or payment by CRSB or the benefit of any other security which TAMI may now or hereafter hold in respect of the Amount Owing or to have any share therein.

Save as the above, there were no other material terms of the corporate guarantee.

Save as disclosed above, the Board confirms that to its best of knowledge, TAMI, its director and shareholder are not: (i) director, chief executive officer, or controlling Shareholder of the Company; or (ii) an associate of any such director, chief executive officer, or controlling Shareholder. TAMI, its director and shareholder do not fall under definition of "interested person" pursuant to Chapter 9 of the Catalist Rules. Hence, the Provision of CG does not fall within the ambit of interested person transaction under Chapter 9 of the Catalist Rules.

Save as disclosed in this announcement and through their respective shareholdings in the Company, none of the Directors and/or controlling Shareholders of the Company has any interest (direct or indirect) in the Provision of CG.

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

ANDREW ROACH REDDY
Managing Director
1 March 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The 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.

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