

CHASWOOD RESOURCES HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200410894D)

PROPOSED ISSUANCE OF 1% EQUITY-LINKED REDEEMABLE CONVERTIBLE NOTES DUE 2022 IN AGGREGATE PRINCIPAL AMOUNT OF S\$50,000,000 (“PROPOSED NOTES ISSUE”)

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Chaswood Resources Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 31 July 2019, 2 September 2019, 30 September 2019 and 31 October 2019 in relation to the new binding term sheet (“**Term Sheet**”) entered by the Company with Advance Opportunities Fund (“**AOF**”) and Advance Opportunities Fund I (“**AOF I**”) (AOF and AOF I shall collectively be known as the “**Subscribers**”) in connection with the proposed issue by the Company to the Subscribers of 1% equity-linked redeemable convertible notes due 2022 (“**Notes**”) with an aggregate principal amount of up to S\$50,000,000 in four tranches (the “**Proposed Notes Issue**”). The Board is pleased to update the shareholders that the Company has on 30 November 2019 entered into a subscription agreement (“**Subscription Agreement**”) with the Subscribers in relation to the Proposed Notes Issue.

2. SALIENT TERMS OF THE NOTES

Pursuant to the Subscription Agreement, the Company and the Subscribers have agreed that the issue of the Notes shall be on, *inter alia*, the following terms:

Subscription	<p>The four tranches of the Notes (each, a “Tranche”) shall be referred to as “Tranche 1 Notes”, “Tranche 2 Notes”, “Tranche 3 Notes” and “Tranche 4 Notes”. Each of Tranche 1 Notes and Tranche 2 Notes shall comprise 40 equal sub-tranches of S\$250,000 each, Tranche 3 Notes shall comprise 20 equal sub-tranches of S\$500,000 each and Tranche 4 Notes shall comprise 40 equal sub-tranches of S\$500,000 each.</p> <p>(a) The Subscriber will subscribe for the Tranche 1 Notes at the Issue Price (as defined below).</p> <p>(b) The Company has an option to require the Subscribers to subscribe for the Tranche 2 to Tranche 4 Notes at the Issue Price during the relevant option period (the “Option Period”). In respect of the Notes under each Tranche, the Option Period means the period from the conversion date of the last of the Notes comprised in the last sub-tranche of the preceding Tranche to the tenth business days thereafter.</p>
Issue Price	In relation to each sub-tranche of the relevant Tranche, the amount equivalent to 100% of the principal amount of the Notes for such sub-tranche. The Notes are issued in registered form in multiples of S\$50,000.
Method of issue	The Notes will be privately placed to and purchased by the Subscriber. No offering circular or information memorandum will be issued by the Company for the Proposed Notes Issue.
Interest	1% interest per annum, payable semi-annually in arrears on 30 June and 31 December in each year. Each Note will cease to bear interest on conversion into ordinary shares in the share capital of the

	Company (collectively, “ Shares ” and each, a “ Share ”) or from the due date for redemption.
Conversion	<p>(a) Any Note may be converted into Shares (the “Conversion Shares”) at the option of its holder from the date on which it is issued up to the close of business on the day falling 1 week before the Maturity Date (as defined below).</p> <p>(b) The number of Conversion Shares to which a noteholder is entitled on conversion shall be determined by dividing the aggregate principal amount of the Notes to be converted by the applicable Conversion Price (as defined below).</p> <p>(c) Upon receipt of the conversion notice from the Noteholder, the Company will, as soon as practicable, within 2 business days on which banks are open for business in Singapore and the SGX-ST is open for trading in Singapore ending at 5.00pm (Singapore time) (“Business Days”) from the date of such conversion notice, deliver or cause to be delivered the allotment advice or instructions to issue the Conversion Shares to the Company’s share registrar and transfer agent in Singapore.</p>
Conversion Price	<p>The price at which each Conversion Share will be issued upon conversion shall be 80% of the average volume weighted average price (“VWAP”) per Share on any 3 consecutive Business Days selected by the Subscribers during the 45 Business Days immediately preceding the relevant conversion date on which Shares were traded on Catalist provided always that the Conversion Price for each Conversion Share shall not be less than the minimum conversion price of S\$0.001 (“Minimum Conversion Price”).</p> <p>If the Conversion Price is less than the Minimum Conversion Price, the Conversion Price for each Conversion Share shall be equal to the Minimum Conversion Price.</p>
Closing Date	In respect of each sub-tranche of the Notes, the date on which such sub-tranche of the Notes is subscribed for and issued pursuant to the Subscription Agreement.
Redemption	The Company may redeem the Notes presented for conversion in cash at the Redemption Amount (as defined below) if the Conversion Price is less than or equal to 65% of the VWAP per Share for the 45 consecutive Business Days prior to the relevant Closing Date (“ Conversion Downside Price ”).
Redemption Amount	<p>The Redemption Amount is calculated according to the following formula:</p> $N \times \{P + [8\% \times P \times (D/365)] + I\}$ <p>where:</p> <p>“D” = the number of days elapsed since the relevant Closing Date; “N” = the number of Notes presented for conversion; “P” = the face value of the Notes presented for conversion; and “I” = the remaining unpaid interest accrued on the Notes presented for conversion.</p>
Maturity Date	The date falling 36 months from the Closing Date of Tranche 1 Notes. The Notes which are not redeemed or purchased, converted

	<p>or cancelled by the Company will be converted by the Company in accordance with the terms and conditions of the Subscription Agreement on the Maturity Date.</p>
<p>Conditions precedent to the closing of the first sub-tranche of Tranche 1 Notes</p>	<p>The key conditions precedent to the closing of first sub-tranche of Tranche 1 Notes are briefly as follows:</p> <ul style="list-style-type: none"> (a) obtaining all necessary regulatory authority approvals in respect of the resumption of trading from suspension of the Shares on Catalist (“Resumption of Trading”) pursuant to the implementation of such proposal with a view of enabling the Resumption of Trading. In addition, such approval shall not have been amended, withdrawn, revoked or cancelled on or before the Closing Date of Tranche 1 Notes; (b) a list setting out the names of the substantial shareholders of the Company as at the date of the Subscription Agreement being delivered to the Subscribers; (c) the Company has obtained the approval of its shareholders at a general meeting of the Company for the allotment and issue of the Tranche 1 Notes and the Conversion Shares arising therefrom. In addition, such approval shall not have been amended, withdrawn, revoked or cancelled on or before the Closing Date of Tranche 1 Notes; (d) obtaining all necessary regulatory authority approvals relating to the Proposed Notes Issue including the listing and quotation notice from the SGX-ST for the Conversion Shares and, where such approval(s) are obtained subject to any conditions, they are acceptable to the Subscriber. In addition, such approval shall not have been amended, withdrawn, revoked or cancelled on or before the Closing Date of Tranche 1 Notes; (e) all registration and submission required to be carried out by the Company for the Proposed Notes Issue to any regulatory authorities shall have been carried out; (f) all the representations, warranties, undertakings and covenants of the Company as set forth in the Subscription Agreement shall be accurate and correct in all respects; (g) the Company shall have performed all of its undertakings or obligations to be performed under the Subscription Agreement; (h) a legal opinion of a firm of legal advisers to the Company in relation to Singapore law, as shall be acceptable to the Subscribers; (i) certified true copies of (a) resolutions of the directors of the Company, (b) resolutions of Shareholders and (c) where applicable, approvals from the necessary regulatory authority approving the Proposed Notes Issue and the Conversion Shares arising therefrom; and (j) such other approvals, documents, opinions and certificates as may be required or deemed necessary by the Subscribers in relation to the Proposed Notes Issue.

<p>Conditions precedent to each of the respective closings of the remaining Notes</p>	<p>The key conditions precedent for the closing of first sub-tranche of Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes are briefly as follows:</p> <ul style="list-style-type: none"> (a) the Company has obtained the approval of its shareholders at a general meeting of the Company for the allotment and issue of the Notes and the Conversion Shares arising therefrom. In addition, such approval shall not have been amended, withdrawn, revoked or cancelled on or before each subsequent closing date; (b) obtaining all necessary regulatory authority approvals relating to the Proposed Notes Issue including the listing and quotation notice from the SGX-ST for the Conversion Shares and, where such approval(s) are obtained subject to any conditions, they are acceptable to the Subscribers. In addition, such approval shall not have been amended, withdrawn, revoked or cancelled on or before each subsequent closing date; (c) all the representations, warranties, undertakings and covenants of the Company as set forth in the Subscription Agreement shall be accurate and correct in all respects; (d) the Company shall have performed all of its undertakings or obligations to be performed under the Subscription Agreement; and (e) such other approvals, documents, opinions and certificates as may be required or deemed necessary by the Subscribers in relation to the Proposed Notes Issue.
<p>Events of Default</p>	<p>The significant Events of Default under the Subscription Agreement are, <i>inter alia</i>, as follows:</p> <ul style="list-style-type: none"> (a) any of the approvals, consents and/or waivers required to be obtained by the Company under the Subscription Agreement in respect of the Proposed Notes Issue (i) were not obtained or are amended, withdrawn, revoked, rescinded or cancelled or (ii) were obtained subject to any conditions which were required to be fulfilled, such conditions were not fulfilled; (b) there is a default in any payment by the Company pursuant to the relevant conditions of the Subscription Agreement; (c) there is default by the Company in the payment of the principal or interest in respect of the Notes or any of them when due in accordance with the terms and conditions of the Subscription Agreement; (d) there is default by the Company in the performance or observance of any covenant, condition, provision or obligation (including the performance of its obligations to allot and issue Conversion Shares arising from the conversion of the Notes as and when a holder of the Notes exercises its conversion rights in accordance with the conditions of the Subscription Agreement), contained in the Notes and on its part to be performed or observed; (e) any other notes, debentures, bonds or other instruments of

	<p>indebtedness or any other loan indebtedness having an aggregate outstanding amount of over S\$20 million or the equivalent in any other currency or currencies (hereinafter collectively called "Indebtedness") of the Company or any of its subsidiaries become or becomes prematurely repayable following a default in respect of the terms thereof which shall not have been remedied, or steps are taken to enforce any security therefor, or the Company or any of its subsidiaries defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others having an aggregate outstanding amount of over S\$20 million given by the Company or any of its subsidiaries shall not be honoured when due and called upon;</p> <p>(f) a resolution is passed or an order of a court of competent jurisdiction is made that the Company or any significant subsidiary be wound up or dissolved;</p> <p>(g) an encumbrancer takes possession of or a receiver is appointed for the whole or a material part of the assets or undertaking of the Company and/or a significant subsidiary;</p> <p>(h) the Company or any significant subsidiary without any lawful cause stops payment or ceases or threatens to cease to carry on its business, and such action has a material adverse effect on the Group;</p> <p>(i) proceedings shall have been initiated against the Company under any applicable bankruptcy, reorganisation or insolvency law;</p> <p>(j) the Company or any significant subsidiary shall initiate or consent to proceedings seeking with respect itself adjudication of bankruptcy or a decree of commencement of composition or reorganisation or other similar procedures or the appointment of an administrator or other similar official under any applicable bankruptcy, reorganisation or insolvency law or make a general assignment for the benefit of, or enter into any composition with its creditors and such action has a material adverse effect on the Company;</p> <p>(k) a distress, execution or seizure before judgement is levied or enforced upon or sued out against a part of the property of the Company;</p> <p>(l) the delisting or an order for delisting or threatened delisting of the Shares from Catalist or a suspension of trading save for any trading halt by the Company pending corporate announcements, or material limitation of the Shares on Catalist for a period of 5 consecutive Business Days or more;</p> <p>(m) if the Company engages in any transaction with any hedge fund operating or originating from any part of the world without the prior written consent of the noteholder; or</p> <p>(n) any credit facilities granted to the Company or any of its subsidiaries are withdrawn, terminated or suspended for any reason whatsoever, and such action has a material adverse</p>
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	<p>effect on the Group's ability to carry on their business operations or on the Company's ability to perform its obligation under the Subscription Agreement.</p> <p>If an Event of Default occurs, all outstanding Notes may, by notice in writing, be declared immediately due and payable within 30 days from the date of such notice at 118% of the principal amount together with accrued interest.</p>
Administrative fee	An administrative fee of 6% of the principal amount of each sub-tranche of Tranche 1 Notes, Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes issued is payable by the Company to the Subscribers on the relevant Closing Date.
Cancellation fee	A cancellation fee of S\$25,000 is payable by the Company to each of the Subscriber in the event that Company unilaterally decides to terminate the Subscription Agreement except in a case where the necessary authority's approvals, consents and waivers for the transactions contemplated under the Subscription Agreement are not obtained prior to the Closing Date of Tranche 1 Notes.
Adjustment provisions	<p>The adjustment provisions under the Subscription Agreement are customary provisions based on prescribed formulae in the event of significant adjustment events including any consolidation of Shares, restructuring of the Company and/or any subsidiary, or any sale or transfer of all or substantially all of the assets of the Company and/or any subsidiary, stock split or share consolidation.</p> <p>The Company undertakes not to carry out or cause to be carried out any of the corporate transactions which will result in an adjustment to the Conversion Price, Minimum Conversion Price and Conversion Downside Price unless with the prior written consent of the Subscribers.</p>
Alteration to the Notes	Any material alteration to the Notes to the advantage of the holders of the Notes shall be approved by Shareholders, except where the alterations are made pursuant to the terms of the Notes.
Expenses	The Company agrees to bear all costs and expenses (including any applicable tax) incurred by the Subscribers and its agent (if applicable), including but not limited to fees and all expenses and applicable tax of the legal advisers of the Subscribers and its agent (if applicable) in connection with the preparation of the Subscription Agreement and the issue and allotment of the Notes and the Conversion Shares pursuant to terms of the Subscription Agreement.
Subscriber's Ability to Terminate	<p>The Subscribers may at its absolute discretion, by notice in writing to the Company, terminate the Subscription Agreement at any time before the time on the relevant closing date, in any of the following circumstances:-</p> <p>(a) there shall have come to the notice of the Subscribers any breach of, or any event rendering untrue or incorrect in any material respect, any of the representations, warranties, undertakings and covenants set forth in the Subscription Agreement including any of the warranties or the failure to perform any of the Company's representations, warranties, undertakings, covenants or obligations set forth in the Subscription Agreement in any material respect; or</p>

	<p>(b) if any of the conditions precedent has not been satisfied to the satisfaction of the Subscribers; or</p> <p>(c) if in the opinion of the Subscribers:-</p> <p>(i) there shall have been any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations, or affecting the properties, which materially and adversely affects the ability of the Company and/or its Subsidiaries, taken as a whole, to perform its obligations under the Subscription Agreement and the conditions of the Notes; or</p> <p>(ii) there shall have been an imposition of a new legal or regulatory restriction not in effect on the date hereof, or any change in the interpretation of existing legal or regulatory restrictions, that adversely affects the ability of the Company and/or its Subsidiaries, taken as a whole, to perform its obligations under the Subscription Agreement, or the offering, sale or delivery of the Notes or the Conversion Shares; or</p> <p>(d) an Event of Default has occurred in respect of any notes, bonds or other similar securities of the Company or any of its Subsidiaries issued and outstanding; or</p> <p>(e) there shall have been a suspension, or material limitation, of trading of any shares of the Company by the SGX-ST for five (5) consecutive Business Days; or</p> <p>(f) there shall have been a delisting or an order for delisting or a threatened delisting of the Company from the SGX-ST; or</p> <p>(g) an Event of Default has occurred and is continuing; or</p> <p>(h) any of the approvals, consents or waivers obtained by the Company in respect of the Proposed Notes Issue and Conversion Shares are revoked, rescinded or cancelled prior to the relevant closing date or, where any of such approvals were obtained subject to any conditions which were required to be fulfilled on or before each closing date, they were not fulfilled and/or not acceptable to the Subscribers.</p>
<p>Consequences of termination</p>	<p>Upon notice being given by the Subscribers:-</p> <p>(a) all outstanding Notes shall immediately become due and payable at the discretion of the Subscribers at 118% of the principal amount of the outstanding Notes together with all accrued interest thereon without further formality (the “Default Redemption Amount”). Interest shall accrue on the Default Redemption Amount on a daily basis at the rate of 3.0% per month (“Default Interest”) up to and including the date which the Subscribers receives full payment of the Default Redemption Amount, together with accrued Default Interest;</p> <p>(b) the Subscription Agreement shall terminate and be of no further effect save that the Company shall remain liable for its obligations under any Notes which have become due and payable, the payment of all costs and expenses referred to in</p>

	<p>the Subscription Agreement already incurred or incurred in consequence of such termination, and the respective obligations of the Parties in respect of indemnification and confidentiality which would have continued had the arrangements for the issue and subscription of the Notes been completed shall continue and the Company shall remain liable for any antecedent breaches; and</p> <p>(c) each Party shall cease to have further rights or obligations under the Subscription Agreement provided that such termination shall be without prejudice to any rights of the Subscribers and AOF I's authorized agent ("AOF I's Appointee") (if applicable) which may have accrued prior to termination.</p> <p>For the avoidance of doubt, nothing herein shall affect the Notes or the Conversion Shares already issued to the Subscribers pursuant to the Subscription Agreement and the obligations of the Company to the Subscribers and AOF I's Appointee or any other person in respect of such Notes or the Conversion Shares under the Subscription Agreement or otherwise, those provisions shall continue to survive termination.</p>
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3. NET PROCEEDS AND ALLOCATION

Based on the aggregate principal amount of S\$50,000,000 gross proceeds from the issue of the Notes, the net proceeds, after deducting estimated fees and expenses (including the abovementioned administration fee and expenses of approximately S\$3,200,000, are approximately S\$46,800,000 (the "**Net Proceeds**"). The Company intends to use the Net Proceeds in the following manner:

Use of Net Proceeds	Percentage Allocation (%)
Future expansions and investments	79%
General Working Capital	21%

The Company undertakes that it will make periodic announcements on the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in its interim and full-year financial statements issued under the Catalyst Rules and the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Directors are of the opinion that after taking into consideration the present bank facilities, the working capital available to the Group is not sufficient to meet its present requirements but after taking into consideration the present bank facilities and Net Proceeds of the Proposed Notes Issue, the working capital available to the Group is sufficient to meet its present requirements.

4. INFORMATION ON THE SUBSCRIBERS

AOF is a proprietary fund established in the Cayman Islands in 2006 and has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Mr Tan Choon Wee is the principal and sole director of AOF.

AOF I is an open-ended fund incorporated as an exempted company with limited liability in the Cayman Islands in 2016 and has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. AOF I is currently managed by ZICO Asset Management Pte. Ltd., a holder of a capital markets services licence to conduct activities regulated under the Securities and Futures Act (Chapter 289), Singapore and has been appointed by AOF I to serve as the discretionary investment manager of all its investments.

The Company was looking to raise funds to, *inter alia*, strengthen its balance sheet and was introduced to Mr Tan Choon Wee. Subsequent to the introduction, the Company decided to enter into the Term Sheet and thereafter the Subscription Agreement with the Subscribers.

The Subscribers and Mr Tan Choon Wee do not have any connection with any director or substantial shareholder of the Company. As at the date of this announcement, the Subscribers and Mr Tan Choon Wee do not hold any Shares in the Company.

5. APPLICATION TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Company's Sponsor, Asian Corporate Advisors Pte. Ltd. will be submitting an application on behalf of the Company to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of and quotation for the Conversion Shares on Catalist. The Company will make the necessary announcement upon the receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Conversion Shares on Catalist. The Notes will not be listed on Catalist.

6. FINANCIAL EFFECTS

At the date of this announcement, the actual Conversion Price is not ascertainable as it is based on the prevailing trading prices of the Company on the relevant conversion date. Other than Tranche 1 Notes, the Company has the discretion not to exercise its option in respect of Tranche 2 Notes, Tranche 3 Notes and Tranche 4 Notes. Accordingly, the total principal amount of Notes to be issued is also not determinable at the date of this announcement.

Based on the minimum conversion price of S\$0.001 per Share and assuming all the four tranches of Notes in aggregate principal amount of S\$50,000,000 are issued and fully converted, the maximum number of Conversion Shares is 50,000,000,000. This represents approximately 19,952% of the existing share capital of the Company of 250,605,231 Shares and approximately 99.5% of the enlarged share capital of the Company of 50,250,605,231 Shares.

The Subscribers are subscribing the Notes for investment purposes only and has no intention of influencing the management of, or exercising control over, the Company. Where the number of Conversion Shares to be issued pursuant to a single exercise of its conversion rights would exceed 15% of the enlarged share capital of the Company, the Subscribers will not be entitled to such exercise unless written consent of the Company has been obtained.

The financial effects of the Proposed Notes Issue on the share capital, net tangible assets ("**NTA**") and gearing of the Group set out below are based on certain assumptions stated below and purely for illustration only, in order to facilitate shareholders' understanding of the Proposed Notes Issue.

Further, the Company is of the view that it is not possible to quantify in any meaningful way the effect of the Proposed Notes Issue on the earnings of the Company and the Group as the actual amount of proceeds to be raised from the Proposed Notes Issue is dependent on the actual number of tranches of the Notes eventually issued by the Company and until such proceeds have been fully deployed.

(a) Tranche 1 Notes to Tranche 4 Notes in the aggregate principal amount of up to S\$50,000,000

The following illustrates the financial effects of the Proposed Notes Issue on the share capital of the Company, NTA of the Group (assuming the Proposed Notes Issue had been completed at the end of that financial year) and gearing of the Group based on the assumptions that (i) the conversion price is S\$0.001; (ii) all Tranches are issued and fully converted; (iii) all Tranches are converted into the aggregate maximum number of Conversion Shares being 50,000,000,000 Conversion Shares; (iv) the expenses of the Proposed Notes Issue amount to approximately S\$3,200,000; and (v) there is no adjustment event:

Share Capital

	Number of Shares	S\$ (Approximately)
Share capital before conversion of all Tranches	250,605,231	53,403,153
<i>Add:</i>		
Maximum number of Conversion Shares arising from the full conversion of all Tranches	50,000,000,000	50,000,000
Enlarged share capital after conversion of all Tranches	<hr/> 50,250,605,231	<hr/> 103,403,153
Conversion Shares issued upon conversion of all Tranches as a percentage of the existing issued and paid up capital	Approximately 19,952%	N/A
Conversion Shares issued upon conversion of all Tranches as a percentage of the enlarged issued and paid up capital	Approximately 99.5%	N/A

NTA

NTA as at 31 December 2018	S\$(23,597,171)
<i>Less:</i>	
Estimated expenses of the Proposed Notes Issue	<hr/> S\$3,200,000
Adjusted NTA	S\$(26,797,171)
<i>Add:</i>	
Effect of conversion of all Tranches	<hr/> S\$50,000,000
Adjusted NTA after conversion of all Tranches	<hr/> S\$23,202,829
Number of Shares in issue after conversion of all Tranches	50,250,605,231
NTA per Share	0.05 Singapore cents

Gearing (times)

As at 31 December 2018

	Total borrowings (S\$)	Total equity (S\$)	Gearing ratio (times)
Before conversion of all Tranches	33,042,946	(23,597,171)	(1.40)
After conversion of all Tranches	33,042,946	23,202,829	1.42

For the avoidance of doubt, Shareholders should note that nothing in this announcement may be treated as a representation by the Company as to the trading price of the Shares on Catalist during the term of the Notes or for any other period of time.

7. DIRECTORS VIEW

The Board has explored various alternative sources of financing possibilities but was unable to obtain any alternative financing for the Group in view of its current financial position and performance. Thus, the Board is of the view that the Proposed Notes Issue is in the best interest of the Company and its Shareholders as it will improve the liquidity and financial position of the Group to enable it to continue to operate as a going concern.

8. EXTRAORDINARY GENERAL MEETING

The Proposed Notes Issue and issue and allotment of the Conversion Shares are subject to the approval of the Shareholders at an extraordinary general meeting to be convened. In this regards, a circular to the Shareholders containing, inter alia, further information on the Proposed Notes Issue and the notice of the extraordinary general meeting will be despatched to the Shareholders in due course.

9. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their associates has any interest, direct or indirect, in the Proposed Notes Issue, other than through their respective shareholdings (if any) in the Company.

10. 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 about the Proposed Notes Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement 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 the announcement in its proper form and context.

The Directors undertake that the issuance of the Notes and the Conversion Shares will be conducted in compliance with the Catalist Rules.

11. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898 during normal business hours for 3 months from the date of this announcement.

By Order of the Board

ANDREW ROACH REDDY
Managing Director
2 December 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 Liao H.K.
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