

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

**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
("SGX-ST") ON:**

**NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE
ISSUED AND PAID-UP SHARE CAPITAL OF 3DOM (SINGAPORE) PTE. LTD. AS ANNOUNCED
ON 22 August 2021**

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcement dated 22 August 2021 ("**Previous Announcement**").

The Board of Directors (the "**Board**") of Chaswood Resources Holdings Ltd. (the "**Company**") refers to the queries raised by SGX-ST on 25 August 2021 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
26 August 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. Liao H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271

Appendix A

Response by the Company to SGX-ST queries raised on 25 August 2021

We refer to the Company's announcement dated 22 August 2021, in relation to the proposed acquisition of 3DOM (Singapore) Pte. Ltd. (the "Target"), which will be a reverse takeover (the "RTO"). The Target is a wholly-owned subsidiary of 3DOM Inc ("3DOM"), a company incorporated in Japan.

We have the following queries on the RTO:

1. 3DOM was established in 2014 to deliver a next-generation energy infrastructure through sustainable development and innovative battery technologies, and aims to be at the center of the technological shift that commercialises battery technology for mass scale usage, powering future applications such as battery energy storage systems. The Target has been granted by 3DOM with an irrevocable exclusive global license to manufacture and sell next-generation lithium-ion batteries using 3DOM's next-generation lithium-ion battery technologies, as well as the sub-licensing right of such technology.

- (a) Pls elaborate on the technologies and licenses required to manufacture and sell the batteries.

The responses in respect of 3DOM and 3PL were provided by 3DOM and have not been verified or reviewed for accuracy by the Directors and the sole responsibility of the Company and the Directors have been limited to ensuring that such responses have been extracted and reproduced accurately.

3DOM Inc. in Japan ("3DOM") has granted licenses to 3DOM (Singapore) Pte. Ltd. ("3PL"), a wholly-owned subsidiary of 3DOM, to employ the technologies of various types of next-generation batteries which 3DOM has developed.

These include:

- Lithium Manganese Iron Phosphate (LMFP), which uses high energy density cathode material that has thermal stability. In comparison with NCM (Nickel Cobalt Manganese) battery that is the mainstream of lithium-ion batteries, it is expected that LMFP will have longer life cycle.
- High temperature resistant lithium-ion battery, which 3DOM believes will capture very wide applications, particularly in semi-tropical and tropical climates.
- Lithium Metal rechargeable battery (LMB) which has even higher energy density compared to lithium-ion batteries such as NCM and NCA (Nickel Cobalt Aluminum).
- Solid electrolyte batteries (SEB) with significantly more enhanced energy density than LMB.
- The use and supply of 3DOM's proprietary separator, which is highly porous (more than 70%) and highly heat resistant (able to operate in temperatures up to 400°C). The use of the separator cuts down the risk of explosions and fire and lengthens the life span of the battery.

3DOM has granted 3PL the global manufacturing and sales license with sublicensing right of LMFP lithium-ion batteries and high temperature resistant lithium-ion battery. For the next-generation batteries, such as LMB and SEB, 3DOM wishes to employ them to increase the enterprise value of 3PL when the technology development successfully reaches mass production levels from the current state of approximately 80% or more completion. 3DOM believes in the technologies of LMB and SEB as 3DOM is leading the way ahead of its competitors, since it has already developed large-sized prototypes of such batteries. This has led a handful of EV and battery manufacturers of the world to engage with 3DOM in talks to collaborate or to establish off-taking arrangements.

- (b) What is the rationale for 3DOM granting the Target the license to manufacture and sell the said batteries, and the sub-licensing right of technologies in relation to the batteries?

3DOM Inc's business strategy is for the parent to be the centre of research and development whilst positioning 3PL as its global centre for carrying out the business of commercialising the technology. Singapore was chosen because of its position as a financial centre as well as a global hub for technology and business. 3DOM believes the image of 3DOM can be enhanced by positioning Singapore as its global centre of technological excellence.

- (c) Who owns the license to manufacture and sell the batteries? Who owns the technology in relation to the batteries?

The technology and patents are owned by 3DOM. The licenses therefore emanate from 3DOM to 3PL. There are a few patents that are jointly owned by other entities such as Tokyo Metropolitan University, etc. but 3DOM Inc. has secured concurrence from parties, necessary, for the licensing to 3PL. In some cases the requirement is merely to inform the joint owners about the licensing.

- (d) What will be the implication on the Target's operations in the event 3DOM does not grant / does not extend to the Target, the licenses to the technology and for manufacturing and selling the batteries?

The Target will be merely a marketing cost center if it does not have the licenses to the technology and the business rights. However, 3DOM has granted the exclusive licenses to 3PL to expand its business through 3PL exclusively.

- (e) Please clarify if the Target has commenced operations in manufacturing and selling the next-generation lithium-ion batteries.

The Target, 3PL, has been marketing 3DOM technologies and conducting fund raising since its incorporation in 2019. With the securing of technology and business rights, it is expected to commence revenue generating business in 2022, starting with LMFP and high temperature resistant lithium-ion batteries, and in 2023 it is targeted to start the business of manufacturing and selling LMB and SEB. 3DOM, on behalf of 3PL, has been in advanced talks with OEM battery makers in Japan and Taiwan and these parties will be instrumental in 3PL's plans to roll out the manufacturing and sales of batteries within the next 12 months. 3DOM has also been in negotiations with major automakers in Japan, Europe, U.S. and Asia, on behalf of 3PL, to secure orders for electric vehicles and motorbikes, as well as for energy storage systems for utility companies. These business clients will form the core of 3PL's business in the coming years beginning from 2022. However, as at the date of this Announcement, 3PL has not commenced manufacturing activities.

2. What are the Company's plans for its existing restaurant business?

The Company is hopeful that the MCO and vaccination efforts would keep the infection under control soon and businesses could eventually return to certain level of normality. The Company has been aggressively encouraging all its staff to register for the vaccination appointments as soon as possible in support of the country's herd immunity drive against the pandemic.

In addition, the Company will continue to monitor the consumer spending behavior and focus on targeted strategies to drive sales. Other cost control measures such as manpower planning and overheads cost control will continue to be enforced.

With regards to the new outlet, of which work is still in progress but delayed due to the MCO guidelines and restrictions, the Group is currently waiting for the government's directive to ease the restrictions so that work can resume. After opening the second outlet in I-City, the Company will further explore new locations. The second outlet would be expected to open in the month of November 2021. Moving forward, when MCO restrictions are eased, the Company 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. The Company is to keep the restaurant business in this view notwithstanding the Proposed Acquisition.

3. How and when did the Company get to know the Target and 3DOM? Who was the introducer?

The Introducer of the Target is Mr Chng Hee Kok ; Lead Independent Non-Executive Director of the Company from 28 June 2018 till 11 May 2020. No introducer fee or finder's fee payable by the Company to Mr Chng Hee Kok for the Proposed Acquisition.

4. On 14 June 2021, the Company announced that it is unable to submit a resumption proposal by the deadline of 15 June 2021, and is seeking further extension of 6 months do so, in view of the difficult market conditions due to the Covid-19 pandemic. In addition, the Company's Scheme of Arrangement ("SOA") expired on 30 June 2021.

- (a) We note that the term sheet for the proposed RTO is not intended to be legally binding between the parties.

- Please set out the key milestones and indicative timeline for the RTO, including the signing of a definitive S&P agreement, completion of financial and legal due diligence and independent valuation and submission of the RTO application to the Exchange.

The parties to the term sheet are committed to signing a definitive agreement in respect of the RTO within 4 weeks of the execution of the term sheet. Therefore, assuming a definitive agreement is signed by 16 September 2021, the parties hope to complete all necessary due diligence and an independent valuation by end March 2022 and submit the necessary application to the Exchange by end April 2022.

- (b) It is to be noted that there is no certainty that the respective deadlines for the request for further extension of time to submit a resumption proposal and the SOA will be approved. Further, the Company had disclosed that it may face delisting if it fails to submit its resumption proposal by the deadline of 15 June 2021. Despite being fully aware of the deadlines on the resumption proposal and the SOA, no resumption proposal was submitted and the term sheet (which is not legally binding) in relation to the Proposed RTO was entered into past the deadlines.

- What has the Board done to comply with respective deadlines and pls justify why, given the current circumstances of the Company, entering into a non-binding term sheet is in the best interest of the Company and its shareholders? Please elaborate on the implications of the non-binding term sheet on the Company's resumption proposal (if any) and the SOA.

In the best interest of the Company and its shareholders, the Company has assessed its ability to operate as a going concern for the next 12 months ending 30 June 2022. The Audit Committee is of the opinion that the Group will be able to operate as a going concern and have sufficient working capital for the next 12 months (assuming after completion of the scheme of arrangement). The external auditor was engaged to examine the forecast financial results, financial position and cashflows for the 12-month period, including a summary of significant accounting policies and the underlying assumptions which forms the basis of the forecast. Based on their examination of the evidence supporting the assumptions, nothing has come to the auditor's attention which causes them to believe that these assumptions do not provide a reasonable basis for the forecast.

To strengthen the financial position of the Group, a financial support was obtained from a substantial shareholder for working capital purposes. The financial support is subject to the Singapore Exchange Securities Trading Limited (SGX) granting an approval to the company's application for the extension of time.

In addition to its existing business, the non-binding term sheet for the proposed acquisition would further enhance the Group's trading resumption plan.

To further strengthen the financial position of the Group, the Board has been evaluating multiple options for a resumption proposal including various acquisition targets including transactions that may result in an RTO. The current proposed RTO was, in the view of the Board, the most viable option on the table. Although the term sheet is non-binding, the parties are committed to

enter into a definitive agreement which will require time and resources to fully negotiate and finalise. Upon the execution of a binding definitive agreement, the Company will submit a resumption proposal (the substance of which will be the RTO) and apply for the necessary extensions of time including that for the SOA.

5. Pursuant to Catalist Rule 1015 and Practice Note 7D, a Full Sponsor is required to advise on a RTO, Please advise who will be the full sponsor for the proposed RTO.

The Company understands that a Full Sponsor is required to advise on the RTO and is currently in the process of finalising and appointing an identified Full Sponsor.

6. Has the Company appointed professionals to advise on the proposed RTO? Please name the professionals.

The Company is currently in the process of finalising the appointment of the relevant professionals for the proposed.