

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

**APPLICATION FOR EXTENSION OF TIME TO SUBMIT A TRADING RESUMPTION PROPOSAL – RECEIPT
OF NO-OBJECTION LETTER FROM THE SGX-ST**

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcements dated 14 June 2018, 20 June 2018, 13 June 2019, 3 July 2019, 16 June 2020, 19 June 2020, 13 September 2020, 14 September 2020, 11 June 2021 and 1 June 2022 ("Previous Announcements").

The Company refers to the Previous Announcements and in particular, the Company's application to the SGX-ST for a waiver from, and a further extension of time of up till 31 May 2023 to comply with, Catalist Rule 1304(1) ("**Waiver and Further Time Extension**").

In the aforementioned application, the Company submitted that the Waiver and Further Time Extension is in the best interest of the Company and its Shareholders, in view of the following:

a) New viable business

HK Aerospace Beidou New Energy Technology Co., Ltd (the "**Target**", and together with its subsidiaries, the "**Target Group**") holds the intellectual property, global marketing and distribution rights of ultra-capacitor technology which uses ruthenium (a rare metal) as base, to a range of industries for energy storage and super batteries. Its manufacturing operations are in the People's Republic of China.

The unaudited consolidated net asset value of the Target Group as at 30 September 2021 was approximately S\$16.5 million, after excluding non-controlling interests. Based on the unaudited consolidated management accounts, the Target Group has been revenue-generating and profitable since the financial year ended 31 December 2020 and up till the 9-month financial period ended 30 September 2021. Based on the Target Group's internal computations, the market value of the Target Group is envisaged to be approximately S\$678.6 million. The Company will appoint an independent qualified valuer to prepare a valuation report, to ascertain and appraise the market value of the Target.

The Proposed Acquisition presents an opportunity for the Company to expand into a viable operating business with reasonably positive growth prospects, and thus enabling the re-building of Shareholder's value in due course.

b) Positive financial impact, with potential for further fundraising initiatives

Based on the unaudited pro forma financial statements for the 9-month financial period ended 30 September 2021 ("**9M2021**"), the Proposed Acquisition is expected to have a positive financial impact on the Group as follows:

(S\$'000)	Before Proposed Acquisition	After Proposed Acquisition ⁽¹⁾
Revenue	391	1,433
After-tax profit	49	456
Working capital	(20,451)	(8,404)
Net tangible liabilities	19,974	5,045

The Company wish to highlight that based on the latest unaudited consolidated management accounts, the Target Group recorded working capital of S\$9.4 million and net assets after excluding non-controlling interests of S\$16.5 million as at 30 September 2021. The negative positions reflected in the presentation of the unaudited pro forma financial statements of the Enlarged Group for 9M2021 was the result of

¹ Taking into account the waiver of debts amounting to approximately S\$16.6 million pursuant to the SOA, which will result in the Company recognising an income of similar amount in accordance with SFRS(I) INT 19 Extinguishing financial liabilities with equity instruments and SFRS(I) INT 1 Financial Presentation.

aggregating the Group's negative working capital and net liabilities position as at 30 September 2021.

For the avoidance of doubt, the above financial effects have not accounted for the gross proceeds pursuant to the compliance placement to be undertaken by the Enlarged Group in connection with the Proposed Acquisition and prior to the trading resumption of the Shares. Such compliance placement will *inter alia*, ensure that the Company meets the shareholding spread and distribution requirements pursuant to Catalist Rule 406(1) and raise additional capital to fund the growth of the new business. Such compliance placement will also result in the Company recording positive working capital and equity positions.

c) Facilitate the completion of SOA

The SOA lapsed on 30 June 2021 and the scheme creditors are entitled to exercise any and all of their rights, powers and remedies against the Company in other form of recovery. The Board submits that this will not serve the best interests of the scheme creditors or Shareholders in general. Accordingly, the Waiver and Further Time Extension will allow the Company to seek further extension for and work towards a satisfactory completion of, the SOA.

d) Trading resumption

The Waiver and Further Extension of Time will facilitate the completion of the Proposed Acquisition, increase the Company's market capitalisation and enhance Shareholders' value in due course. The Company can also then apply for the trading resumption of its Shares and continue as a listed company on Catalist of the SGX-ST, thus allowing Shareholders to trade the Shares and realise returns from their shareholdings.

The Board respectfully submits that Shareholders will not be prejudiced by the Waiver and Further Extension of Time and should be given an opportunity to consider and decide on the merits of the Proposed Acquisition.

e) Progress and key milestones of the Proposed Acquisition

Since the Waiver and Further Time Extension, the Company has appointed the following professional parties in connection with the Proposed Acquisition:

- i) ZICO Capital Pte. Ltd. ("**ZICO Capital**") as its Full Sponsor and Financial Adviser in connection with the Proposed Acquisition
- ii) Moore Stephens LLP as Independent Auditors to the Target Company and Reporting Accountants in respect of the Enlarged Group
- iii) Talent League Sdn Bhd as Internal Auditors
- iv) Opal Lawyers LLC as legal advisers to the Company on Singapore Law
- v) AllBright Law Offices as legal advisers to the Company on PRC Law

The Company has identified an independent valuer to be appointed in connection with the Proposed Acquisition, and will provide the necessary updates on the formal appointment of such valuer, in due course.

The Company and Vendors are working expeditiously to fulfil the conditions precedent set out in the SPA, and work towards the completion of the Proposed Acquisition ("**Completion**"). Barring unforeseen circumstances, including the imposition of additional and enhanced travel, movement and other restrictions in the People's Republic of China ("**PRC**") to curb the spread of the COVID-19 pandemic ("**PRC Restrictions**"), the circular to Shareholders and the pre-admission notification is expected to be submitted to the SGX-ST by the week of 23 January 2023.

No-objection from the SGX-ST

The Company, having consulted with its full sponsor, ZICO Capital Pte. Ltd., wishes to update shareholders that the 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**").

The Waiver is subject to the following conditions;

- (i) The Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Catalist Listing Rule 106 and if the Waiver's conditions have been satisfied. If the Waiver's conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (ii) Regular updates to the Exchange and investors via SGXNET on the Company's progress in meeting key milestones of the RTO;
- (iii) Confirmation from the Company's Board of Directors that the further extension of time to comply with Catalist Rule 1304(1) would be the final extension requested by the Company, and the Company would voluntarily seek a delisting should it fail to submit the RTO application to SGX RegCo by 31 January 2023. Such confirmation must also be announced on SGXNet;
- (iv) Disclosure of the Company's confirmation that it is not aware of any other information (including but not limited to financial information) with respect to the Group that may have a material bearing on investors' decisions which was not formally disclosed to the investors; and
- (v) Disclosure of the Board of Directors' confirmation that the Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation).

The Waiver will not be effective if any of the conditions above have not been fulfilled. The Board wishes to highlight that the SGX-ST reserves the right to amend and/or vary its decision and such decision is subject to changes in the policies of the SGX-ST.

The Company has on 18 July 2022 submitted to the SGX-ST, the following confirmation by the Board of Directors:

- (1) The further extension of time to comply with Catalist Rule 1304(1) would be the final extension requested by the Company, and the Company would voluntarily seek a delisting should it fail to submit the RTO application to SGX RegCo by 31 January 2023;
- (2) The Company is not aware of any other information (including but not limited to financial information) with respect to the Group that may have a material bearing on investors' decisions which was not formally disclosed to the investors; and
- (3) The Waiver will not be in contravention of any laws and regulations governing the Company and its constitution (or the equivalent in the Company's country of incorporation).

The Company will provide regular updates on the progress of key milestones of the RTO via SGXNET. Accordingly, save for the conditions in sub-paragraphs (ii) above, the Company has met all other conditions for the Waiver and Further Time Extension.

Shareholders should note that:

- (a) While the SGX-ST had previously informed that it will serve a delisting notice if the Company fails to submit a trading resumption proposal by 15 June 2021, the SGX-ST is granting the Waiver in view of the RTO announced on 28 December 2021 ("**Current RTO**") and the subsequent appointment of a full sponsor and financial adviser for the Current RTO. The SGX-ST will not grant any further extension if the RTO application is not submitted to SGX RegCo by 31 January 2023. For avoidance of doubt, the further extension of time is solely for the current RTO, and will lapse immediately if the Current RTO fails prior to the further extended deadline of 31 January 2023; and
- (b) Notwithstanding the receipt of the Waiver, there is no certainty that the RTO application or the trading resumption proposal will be approved by the SGX-ST when submitted.

The Company confirms that it is not aware of any other information (including but not limited to financial information) with respect to the Group that may have a material bearing on investors' decisions which was not formally disclosed to the investors.

The Board confirms that to their best knowledge, all material disclosures, facts and information in connection with the Current RTO and the Waiver and Further Time Extension 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
18 July 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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