

CHASWOOD RESOURCES HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 200401894D)

**NON-BINDING TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF THE ENTIRE
ISSUED AND PAID-UP SHARE CAPITAL OF 3DOM (SINGAPORE) PTE. 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 19 August 2021 entered into a non-binding term sheet (“Term Sheet”) with 3DOM Inc. (“3DOM”), a company incorporated in Japan (3DOM 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 3DOM (Singapore) Pte. Ltd., a company incorporated in the Republic of Singapore (“3PL”) by the Company (hereinafter referred to as the “Proposed Acquisition”), and a wholly-owned subsidiary of 3DOM.

The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover (“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 not intended to be legally binding between the Parties, except for certain provisions relating to (i) confidentiality, (ii) announcement, (iii) governing law and (iv) third party rights. As such, the Proposed Acquisition remains subject to the entry into the subsequent definitive agreement for the Proposed Acquisition after 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 3PL and 3DOM is based on information provided by and/or representations made by 3DOM. 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, 3PL is wholly-owned by 3DOM, and 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. 3PL has firmed up suppliers and OEM plants to fulfil orders from battery firms and global automobile manufacturers for deliveries in mid-year 2022. 3PL was incorporated on 25 July 2019 with an issued and paid up capital of US\$10,000 and its directors as at the date of this announcement are Hiroshi Iizuka, Shusuke Oguro and Teo Lai Wah Timothy.

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 centre of the technological shift that commercialises battery technology for mass scale usage, powering future applications such as battery energy storage systems. As at the date of this announcement, Masataka Matsumura is the Representative Director and President of 3DOM, with a shareholding of approximately 52.73% in 3DOM. The remaining directors of 3DOM are Hikari Imai (Chairman), Kiyoshi Kanamura, Shusuke Oguro and Noriyoshi Suzuki. The other shareholders of 3DOM holding more than 5% are Future Science Research Inc. (holding approximately 10.82%) and Yukizo Kuroda (holding approximately 6.18%).

As at the date of this announcement, the Company has not been provided with any financial information on 3PL. As such, the Company is unable to disclose any further financial information under Chapter 10 of the Catalyst 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.

To the best knowledge of the Company, 3DOM and its directors and shareholders 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.

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.

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.

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 3PL for 70% of 3PL valuation by an independent valuer (to be appointed by the Company), which shall not be lower than US\$1 billion (equivalent to approximately S\$1.36 billion) (the “Indicative Consideration”). The acquisition consideration will be paid via the issuance of the Company’s shares (the “Consideration Shares”) at US\$0.028 per share (equivalent to approximately S\$0.038 per share, which is a premium of 322% over S\$0.009 which was the closing price per share prior to the suspension on 18 June 2018). 3DOM 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. Based on the Indicative Consideration, the number of Consideration Shares to be issued is 35,714,285,714 (rounded down to the nearest whole

number), which will amount to approximately 99.3% of the enlarged share capital of the Company based on the current number of issued and paid-up shares.

4.2 *Funding for the Proposed Acquisition*

3DOM has agreed to bear all professional costs in relation to the Proposed Acquisition and will enter into a S\$2 million convertible loan (convertible into shares of the Company), with the conversion of such a loan to be set at US\$0.014 per conversion share.

4.3 *Conditions Precedent*

Completion of the Proposed Acquisition will be subject to the satisfaction (or waiver) of customary conditions precedent for a transaction of this nature, including, amongst others:

- (a) approval of the RTO by the SGX-ST;
- (b) satisfactory due diligence on 3PL including financial and legal due diligence and an independent valuation;
- (c) approvals from the shareholders, the SOA Creditors and/or the board of both Parties, as required under each Party's applicable laws;
- (d) waivers from the authorities in relation to the obligation by the shareholder of 3PL to make a mandatory general offer of the shares of the Company; and
- (e) obtaining of all necessary legal, regulatory, corporate and other approvals, waivers and consents including approvals from governments and any other regulatory bodies for the RTO.

4.4 *Definitive Agreement*

The Parties agree to, on a best endeavours basis, enter into a definitive agreement in respect of the Proposed Acquisition along the structure as set out herein within four (4) weeks from the date of the Term Sheet.

4.5 *Governing Law and Jurisdiction*

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

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or, as far as the Directors are aware, controlling shareholders of the Company has 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 of the Company).

6. FURTHER ANNOUNCEMENT

The Company will make further announcements, in compliance with the requirements of 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.

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 3PL and 3DOM) 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
22 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. Liau H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271