

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

PROPOSED DISPOSAL OF 100% EQUITY INTEREST OF CHASWOOD RESTAURANT MANAGEMENT (BEIJING) CO., LTD, A FORMER SUBSIDIARY

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcement dated 15 September 2018, 11 October 2018, 15 August 2019, 12 September 2019, 27 September 2019 and 4 October 2019 ("**Previous Announcements**") and the circular to shareholders dated 12 September 2019 ("**Circular**").*

Further to the Previous Announcements and Circular with regards to the proposed disposal of 100% equity interest of Chaswood Resources Sdn Bhd ("**CRSB**"), a former wholly owned subsidiary of the Company, to Tremendous Asia Management Inc ("**TAMI**") which has been completed on 4 October 2019, the Board wishes to announce that CRSB has on 26 December 2019 entered into a share transfer agreement ("**STA**") with Sino Hua-An International Berhad ("**SHA**") for the sale of 100% equity interest of Chaswood Restaurant Management (Beijing) Co., Ltd ("**Chaswood Beijing**") for a purchase consideration of RM1.0 million ("**Purchase Consideration**") ("**Proposed Chaswood Beijing Sale**"). The completion of the Proposed Chaswood Beijing Sale is conditional upon the following conditions ("**Conditions**") having been fulfilled:

- (i) the result of financial and legal due diligence on Chaswood Beijing being satisfactory to SHA;
- (ii) CRSB, SHA and their respective controlling entities shall have obtained all internal and external approvals in accordance with the applicable laws and their constitutional documents (if required);
- (iii) CRSB shall have obtained approval from the Scheme Creditor who has security over Chaswood Beijing in respect of the Proposed Chaswood Beijing Sale; and
- (iv) all approvals of the registrations and filings with the People's Republic of China authorities required for the execution and performance of the STA shall have been obtained.

As stated in the Circular, a valuation was not conducted in respect of Chaswood Beijing given that the Purchase Consideration would need to be approved by the Scheme Creditor who has security over Chaswood Beijing. Any approval by the Scheme Creditor would have been thoroughly evaluated internally on the fairness of the terms of the sale. Further, given that the TGI Friday's business in Beijing is currently fragile with the deteriorating performance, any further delay in concluding any sale could potentially diminish the value of the business.

The Proposed Chaswood Beijing Sale is pursuant to the proposed scheme of arrangement with the Scheme Creditors of CRSB ("**PSOA**") which has been approved by the Scheme Creditors and sanctioned by the Malaysia Court.

As stated in the Circular, TAMI undertakes that it shall apply or undertakes to procure the application of the proceeds of disposal of any Affected Subsidiaries towards the liabilities of CRSB and/or the Sale Subsidiaries as required by the provisions of the PSOA. TAMI further undertakes to the Company that all proceeds (in the event that there are no surplus from the proceeds of the disposal of the Affected Subsidiaries) will be paid directly towards the liabilities of the Company and/or its subsidiaries as required by the PSOA provisions. In the event that there is a surplus from the proceeds of the disposal of any of the Affected Subsidiaries after applying the proceeds towards the liabilities of the Company and/or its subsidiaries as required by the provisions of the PSOA, such surplus shall be paid directly to the Company.

Further announcements will be made on the Proposed Chaswood Beijing Sale once the Conditions have been met and the Proposed Chaswood Beijing Sale is completed.

The Directors are not aware that any Director and substantial shareholder of the Company has an interest in the Proposed Chaswood Beijing Sale and confirm that the transaction is not an interested person transaction notwithstanding that CRSB has already been disposed.

A copy of the STA is available for inspection by shareholders during normal business hours at the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898 for a period of 3 months commencing from the date of this announcement.

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
30 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.

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