

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

DISPOSAL OF EQUITY INTEREST IN BISTOAMERICANA (J.B.) SDN. BHD.

1. INTRODUCTION

The Board of Directors ("**Board**") of Chaswood Resources Holdings Ltd. ("**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary Chaswood Resources Sdn. Bhd. ("**CRSB**") has on 18 July 2017 ("**Completion Date**") entered into a sale and purchase agreement ("**SPA**") with i-Stone Gourmet Sdn. Bhd. ("**Purchaser**") and disposed 80% shareholding interest ("**Sale Shares**") in its wholly-owned subsidiary, Bistromericana (J.B.) Sdn. Bhd. ("**BAJB**"), to the Purchaser pursuant to the SPA (the "**Disposal**").

Pursuant to the Disposal, the Purchaser will hold 80% shareholding interest in BAJB while CRSB holds the remaining 20% shareholding interest.

The Purchaser is an independent third party unrelated to any of the Directors and Controlling Shareholders (as defined in the Singapore Exchange Securities Trading Limited ("**SGXST**") Listing Manual – Section B: Rules of Catalyst ("**Catalist Rules**") of the Group.

2. INFORMATION ON BAJB

BAJB is a limited liability company incorporated in Malaysia and a wholly-owned indirect subsidiary of the Company through CRSB. BAJB owns and operates a T.G.I. Friday's restaurant in Johor Bahru, Malaysia.

3. RATIONALE FOR THE DISPOSAL

The Disposal is a strategic joint venture with the Purchaser to develop further T.G.I. Friday's restaurants in the thriving region of Johor Bahru. It will also allow the Group to focus its resources on its food and beverage businesses in other region in Malaysia and any future opportunity going forward with the aim of enhancing shareholders' value.

4. PRINCIPAL TERMS OF THE SPA

The aggregate consideration ("**Consideration**") for the Disposal is RM1,600,000 (equivalent to approximately S\$517,800 based on an exchange rate of S\$1:RM3.09). As at the Completion Date, the Purchaser has paid 90% of the Consideration whilst the remaining 10% of the Consideration shall be paid by the Purchaser upon the CRSB's fulfilment of certain conditions subsequent. All relevant conditions precedent under the SPA have been satisfied by the Parties.

There has not been any valuation commissioned on the Sale Shares. The Consideration was negotiated on an arm's length basis with the Purchaser and arrived at on a "willing-buyer, willing-seller basis" taking into consideration the business prospects of BAJB.

5. INTENDED USE OF SALE PROCEEDS

The Company intends to utilise the net proceeds, being the amount of the Consideration, from the Disposal received for general working capital purposes.

6. FINANCIAL EFFECTS

The financial effects of the Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual or future financial performance or position of the Group immediately after the completion of the Disposal. These financial effects have been prepared based on the Group's audited consolidated financial statement for financial year ended 31 December 2016 ("FY2016").

Net Tangible Assets ("NTA") per share

The effects of the Disposal on the NTA per share of the Group as at 31 December 2016, assuming that the Disposal had been effected on 31 December 2016, are summarized below:

	Before Disposal	After Disposal
NTA of the Group (S\$'000)	(2,316)	(2,614)
Number of Issued Shares ('000)	250,605	250,605
NTA per share (S\$)	(0.01)	(0.01)

Earnings Per Share ("EPS")

The effects of the Disposal on the EPS of the Group for FY2016, assuming that the Disposal had been effected on 01 January 2016, are summarized below:

	Before Disposal	After Disposal
Net Profit/(Loss) (S\$'000)	(3,539)	(3,795)
Weighted average number of Shares ('000)	246,511	246,511
Earnings/(Loss) per share (S\$)	(0.01)	(0.02)

For FY2016, the audited profit after income tax attributable to the asset to be disposed of was approximately S\$10,500.

There is loss on disposal of approximately S\$298,000.

7. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures in respect of the Disposal, as computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual – Section B: Rules of Catalyst ("Catalist Rules") and based on the Company's latest announced consolidated financial statements for FY2016, are as follows:

Rule 1006	Bases of Calculation	Relative Figures (%)
(a)	The net asset value of the asset to be disposed of, compared with the Group's net asset value.	30.3% ⁽¹⁾
(b)	The net profit attributable to the asset disposed of, compared with the Group's net loss.	-0.6% ⁽²⁾
(c)	The aggregate value of the Consideration, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	14.8% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable

(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable
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Notes:

- (1) Based on the net asset value of the asset to be disposed of approximately S\$815,800 and the Group's audited net asset value of S\$2,690,000 as at 31 December 2016.
- (2) For FY2016, the audited profit before income tax attributable to the asset to be disposed of was approximately S\$17,500 and the Group audited loss before income tax was approximately and S\$3,148,000 respectively.
- (3) The figures were calculated based on (i) the aggregate value of consideration of approximately S\$517,800 and (ii) the market capitalisation of the Company of approximately S\$3,508,000 computed based on the volume weighted average price of S\$0.014 on 13/07/2017 (being the last trading day preceding the date of the SPA and the Company's share capital of 250,605,231 issued ordinary shares).

As the relative figures computed on the bases set out in Catalist Rules 1006(a) and (b) above exceed 5% but is less than 50%, the Disposal constitutes a "disclosable transaction" under Chapter 10 of the Catalist Rules, and therefore does not require shareholders' approval.

8. GENERAL

Interest of Directors and Controlling Shareholders

None of the Directors and/or the controlling shareholders of the Company has any interest or are deemed to be interested in the Disposal other than their respective shareholdings in the Company, if any.

Directors' Service Contracts

No person is appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

Documents for Inspection

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office at 80 Robinson Road, #02-00 Singapore 068898 for a period of three (3) months commencing from the date of this announcement.

BY ORDER OF THE BOARD

ANDREW ROACH REDDY
Managing Director
18 July 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").*

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST and Sponsor assume 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 Eric Wong (Director, Investment Banking), CIMB Bank Berhad, Singapore Branch, 50 Raffles Place #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.