

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

PROPOSED ACQUISITION OF THE ENTIRE PAID-UP SHARE CAPITAL OF YI JUN RESTAURANT MANAGEMENT (SHANGHAI) CO., LTD. AND BEIJING TGI FRIDAY'S RESTAURANT CO. LTD

- SUPPLEMENTAL AGREEMENT AND COMPLETION

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcement dated 24 December 2014 (the "**Previous Announcement**").*

1. SUPPLEMENTAL AGREEMENT

1.1 The Board of Directors (the "**Board**") of Chaswood Resources Holdings Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the Previous Announcement in relation to the proposed acquisition of the entire paid-up share capital of TGIF Shanghai and TGIF Beijing and the entry into the Share Purchase Agreements dated 24 December 2014.

Further to the Previous Announcement, the Board wishes to announce that Chaswood Malaysia had, on 20 April 2015, entered into a supplemental agreement (the "**Supplemental Agreement**") to amend and vary certain provisions of the Share Purchase Agreements, *inter alia*, as follows:

1.1.1 Consideration

The aggregate purchase price for the Proposed Acquisition shall be RMB21.974 million (or approximately RM12.525 million¹) (the "**New Purchase Price**"), comprising the acquisition of the entire share capital in the Target Companies and is payable in cash based on the following terms:

- (i) Twenty percent (20%) of the New Purchase Price (RMB4.395 million) shall be payable upon Completion;
- (ii) Thirty percent (30%) of the New Purchase Price (RMB6.592 million) shall be payable within forty-five (45) days of the date of Completion and such period may be extended upon mutual consent; and
- (iii) Fifty percent (50%) of the New Purchase Price (RMB10.987 million) (the "**Earn-Out Amount**") shall be payable within forty-five (45) days of the date of Completion and such period may be extended upon mutual consent.

The New Purchase Price was arrived at an arm's length basis, following further commercial negotiations between Chaswood Malaysia and TGIF on a willing-buyer, willing-seller basis, taking into account the net assets value of the Target Companies as at the financial year ended 31 December 2014. The New Purchase Price did not take into account the working capital including outstanding liabilities of the Target Companies of approximately RMB2.4 million (as mentioned in paragraph 3.1 of the Previous Announcement) which is no longer required to be paid by Chaswood Malaysia as part of the consideration for the Proposed Acquisition. In this regard, the condition that each of the Target Companies shall, on

¹ Unless otherwise stated, conversion of foreign exchange is based on the following rates as at 16 April 2015 and is provided for reference only:

RMB1 : RM0.57

Completion, be “debt and cash-free” and have no net working capital has been waived accordingly.

1.1.2 Capital Contribution

TGIFI has agreed to contribute, on behalf of Chaswood Malaysia, the Earn-Out Amount to partially fund TGIF Shanghai’s unpaid registered capital (the “**Capital Contribution**”), which will be wholly-owned by Chaswood Malaysia after the transfer of the share capital of TGIF Shanghai being registered with the applicable authorities in China. For the avoidance of doubt, TGIFI shall have no equity interest in TGIF Shanghai pursuant to the Capital Contribution.

The aforesaid Capital Contribution from TGIFI to TGIF Shanghai is to be repaid by Chaswood Malaysia in three equal instalments of approximately RMB3.662 million annually starting on 15 April 2016 and may be subject to deferral and/or reduction in accordance with the terms and conditions of the Supplemental Agreement including, *inter alia*, certain gross sales to be achieved by the five TGI Friday’s restaurants currently operating in Beijing and Shanghai for the relevant periods.

1.1.3 Completion

Subject to the terms and conditions of the Share Purchase Agreements and the Supplemental Agreement, Completion is intended to take place on or before 20 April 2015 or on a date to be mutually agreed by both parties. In this regard, Completion had simultaneously taken place on 20 April 2015. Please refer to section 2 of this announcement for further information of Completion.

The Target Companies shall within 10 days from the date of Completion provide confirmation to Chaswood Malaysia that the Target Companies have submitted relevant documents to the applicable authorities in China for the transfer of share capital of the Target Companies.

1.2 Rule 1006 of the Catalyst Rules

Taking into the New Purchase Price, the relative figures for the Proposed Acquisitions on the relevant bases set out in Rule 1006 of the Catalyst Rules are as follows:

Bases of calculation		Size of relative figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the group’s net asset value. This basis is not applicable to an acquisition of assets	Not applicable as the Proposed Acquisition is not a disposal of assets.
(b)	Net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the group’s net profits	Not meaningful ⁽²⁾
(c)	Aggregate value of the consideration given or received, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares	The New Purchase Price of RMB21.974 million (or approximately S\$4.834 million ⁽³⁾) represents approximately 18% of the Company’s market capitalisation of approximately S\$27.195 million (based on the volume weighted average price of S\$0.1199 on 17 April 2015, being the last market day where the shares of the Company were traded, preceding the date of the Supplement Agreement).

Bases of calculation		Size of relative figures (%)
(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable as the Proposed Acquisition does not involve the issuance of securities as consideration.
(e)	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.	Not applicable as the Company is not a mineral, oil and gas company.

Notes:

- (1) Net profits mean profit or loss after income tax, minority interest and extraordinary items.
- (2) The relative figure is 106% based on the unaudited net loss of the Target Companies of RMB21.975 million (or approximately RM12.526 million) and the Group's audited net losses of RM11.810 million for the financial year ended 31 December 2014.
- Following to the Previous Announcement, the Company and its sponsor, CIMB Bank Berhad, Singapore Branch had, after consultation with the SGX-ST, on 5 January 2015 announced that the SGX-ST has no objections to the Company's view and its sponsor's assessment pursuant to Rule 1007(1) of the Catalist Rules. Accordingly, no shareholders' approval is required in relation to the Proposed Acquisition.
- (3) The conversion of foreign exchange is based on the rate RMB1: SGD0.22 as at 16 April 2015 and is provided for reference only.

As the relative figures under Rule 1006(c) of the Catalist Rules remain less than 75% after taking into consideration the New Purchase Price, the Proposed Acquisition is not subject to approval of shareholders at general meeting.

1.3 Financial Effects

For the purposes of this section, the following assumptions apply:

- (a) The financial effects of the Proposed Acquisition on the EPS and the NTA per share of the Group are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the Company. The financial effects have been computed based on the audited consolidated financial statements of the Group for FY2013 and the financial year ended 31 December 2014 ("**FY2014**") respectively;
- (b) The New Purchase Price is RMB21.974 million (or approximately RM12.525 million); and
- (c) The financial effects of the Proposed Acquisition have been calculated using the exchange rate of RMB1.00: RM0.53 for FY2013 and RMB1.00: RM0.57 for FY2014.

1.3.1 NTA

Assuming that the Proposed Acquisition was completed on 31 December 2013 and 31 December 2014 respectively, the effects on the consolidated NTA per share as at the respective date are as follows:

	As at 31 December 2013		As at 31 December 2014	
	Before the Proposed Acquisition	After the Proposed Acquisition	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (RM'000)	30,859	29,183 ⁽¹⁾	19,976	14,170 ⁽²⁾
Number of shares ('000)	226,818	226,818	226,818	226,818
NTA per share (RM sen)	13.6	12.9	8.8	6.2

Notes:

- (1) Based on the audited financial statements of the Target Companies for FY2013, the aggregate book value and NTA value attributable to the Target Companies was RMB19.040 million (or approximately RM10.090 million) and professional fees of RM0.124 million.
- (2) Based on the audited financial statements of the Target Companies for FY2014, the aggregate book value and NTA value attributable to the Target Companies was RMB11.789 million (or approximately RM6.720 million) and professional fees of RM0.124 million.

1.3.2 LPS

Assuming that the Proposed Acquisition was completed on 1 January 2013 and 1 January 2014 respectively, the effects on the consolidated LPS are as follows:

	FY2013		FY2014	
	Before the Proposed Acquisitions	After the Proposed Acquisitions	Before the Proposed Acquisitions	After the Proposed Acquisitions
Loss attributable to shareholders of the Company (RM'000)	4,946	25,143 ⁽¹⁾	11,810	25,440 ⁽²⁾
Weighted average number of shares (RM'000)	226,818	226,818	226,818	226,818
Basic LPS (RM sen)	2.2	11.1	5.2	11.2

Notes:

- (1) Assuming interest expenses of RM0.925 million arising from cost of borrowing that bear interest rates ranging from 5.00% to 7.85% per annum, professional fees payable to the professionals of RM0.124 million and net loss attributable to the Target Companies for FY2013 amounted to RMB36.130 million (or approximately RM19.150 million).
- (2) Assuming interest expenses of RM0.981 million arising from cost of borrowing that bear interest rates ranging from 5.00% to 7.85% per annum, professional fees payable to the professionals of RM0.124 million and net loss attributable to the Target Companies for FY2014 amounted to RMB21.975 million (or approximately RM12.526 million).

1.4 Document available for inspection

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

2. COMPLETION

The Board wishes to announce that the completion of the Proposed Acquisition had simultaneously taken place today.

Accordingly, Chaswood Malaysia had today:

- (i) paid twenty percent (20%) of the New Purchase Price, being RMB4.395 million in cash to TGIF, in accordance with the terms of the Share Purchase Agreements and the Supplemental Agreement; and
- (ii) executed the Revised Franchise Agreements, New Development Agreement, Revised Shenzhen Development Agreement and International Marketing Fund Agreement as mentioned in paragraph 1.2 of the Previous Announcement.

Following the completion of the Proposed Acquisition, TGIF Shanghai and TGIF Beijing are now wholly-owned subsidiaries of the Company, held through Chaswood Malaysia.

BY ORDER OF THE BOARD

ANDREW ROACH REDDY
Managing Director
20 April 2015

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.