

CIRCULAR DATED 12 SEPTEMBER 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

This Circular is issued by Chaswood Resources Holdings Ltd. ("**CRHL**" or the "**Company**"). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Asian Corporate Advisors Pte. Ltd., (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular, including the accuracy, completeness or correctness of any of the figures used, statements or opinions made. The contact person for the Sponsor is Mr Liao H.K. Telephone number: (65) 6221 0271.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the statements made, opinions expressed or reports contained in this Circular.



CHASWOOD RESOURCES HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401894D)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DISPOSAL OF 100% EQUITY INTEREST OF CHASWOOD RESOURCES SDN. BHD., A WHOLLY OWNED SUBSIDIARY OF THE COMPANY

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form :	25 September 2019 at 2.00 p.m.
Date and time of Extraordinary General Meeting :	27 September 2019 at 2.00 p.m.
Place of Extraordinary General Meeting :	10 Anson Road, #36-05A, International Plaza, Singapore 079903

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

“ACPAM”	:	Has the meaning ascribed to it in paragraph 2.6.2 of this Circular
“Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, varied or supplemented from time to time
“Affected Subsidiaries”	:	Has the meaning ascribed to it in paragraph 2.4.5 of this Circular
“AOF”	:	Advance Opportunities Fund (Company Registration Number: CT 168559), a company incorporated in the Cayman Islands and having its registered office at Cricket Square, Hutchins Drive, P.O. Box 2861, Grand Cayman KY1-1111, Cayman Islands
“BMPJ”	:	Bistromalones (PJ) Sdn. Bhd.
“Board” or “Directors”	:	The directors of the Company or the board of directors of the Company as at the Latest Practicable Date
“Business Sale”	:	Has the meaning ascribed to it in paragraph 2.2 of this Circular
“Catalist”	:	The sponsored-supervised board of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CCM”	:	Court convened meeting held on 9 November 2018 in connection with, <i>inter-alia</i> , the PSOA
“Circular”	:	This circular to Shareholders dated 12 September 2019 in relation to the Proposed Disposal
“Company” or “CRHL”	:	Chaswood Resources Holdings Limited (Company Registration Number: 200401894D)
“Companies Act of Malaysia”	:	Companies Act, 2016 of Malaysia, as amended, varied or supplemented from time to time
“Completion”	:	The completion of the transfer of the Sale Shares pursuant to paragraph 2.4.2 of this Circular
“Completion Date”	:	Has the meaning ascribed to it in paragraph 2.4.2 of this Circular
“Conditions”	:	Has the meaning ascribed to it in paragraph 2.4.3 of this Circular
“Confirmation Letters”	:	Has the meaning ascribed to it in paragraph 2.3 of this Circular
“Consideration”	:	Has the meaning ascribed to it in paragraph 2.1 of this Circular

“Court Orders”	: Has the meaning ascribed to it in paragraph 2.2 of this Circular
“CRSB”	: Chaswood Resources Sdn. Bhd.
“CRSB Group”	: CRSB together with the Sale Subsidiaries and excluding the Excluded Subsidiary
“Dato’ Azlan”	: Dato’ Mohammed Azlan Hashim
“Demand Payment”	: Has the meaning ascribed to it in paragraph 2.6.1 of this Circular
“EGM”	: The extraordinary general meeting of the Company to be held on 27 September 2019, the notice of which is set out on pages i to ii of this Circular
“ES”	: Explanatory statement dated 18 October 2018 issued by CRSB to the Scheme Creditors in connection with, <i>inter-alia</i> , the PSOA
“Excluded Subsidiary”	: Bistro Italiana (TC) Sdn. Bhd.
“FY”	: Financial year ended, or ending (as the case may be) on 31 December
“Group”	: The Company and its subsidiaries, collectively
“HY”	: Half year ended, or ending (as the case may be) on 30 June
“Latest Practicable Date”	: 4 September 2019, being the latest practicable date prior to the printing of this Circular
“Malaysia Court”	: High Court of Malaysia
“Malaysia Subsidiaries”	: Has the meaning ascribed to it in paragraph 2.4.5 of this Circular
“Mr Andrew”	: Mr Andrew Roach Reddy
“Mr Jaleeludeen”	: Mr Jaleeludeen Bin Abu Baker
“Mr Ng”	: Mr Ng Teck Wah
“Monz”	: Monz Investments Ltd.
“Moratorium”	: Has the meaning ascribed to it in paragraph 2.6.1 of this Circular
“Moratorium Application”	: Has the meaning ascribed to it in paragraph 2.6.1 of this Circular
“Non-Related Directors”	: Has the meaning ascribed to it in paragraph 8 of this Circular
“Notice of EGM”	: The notice of the EGM as set out on pages i to ii of this Circular

“NTA”	:	Net tangible assets
“Pledged Properties”	:	Properties held under certain subsidiaries of which certain Scheme Creditors have a fixed and floating charge over these properties
“Proposed Disposal”	:	The proposed disposal of 100% equity interest of CRSB by the Company to the Purchaser
“Proposed Malaysia Sale”	:	Has the meaning ascribed to it in paragraph 2.4.5 of this Circular
“Proposed Notes Issue”	:	Has the meaning ascribed to it in paragraph 2.6.2 of this Circular
“Proposed Terms of Settlement”	:	Has the meaning ascribed to it in paragraph 3 of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM as set out on pages iii to iv of this Circular
“PSOA”	:	Has the meaning ascribed to it in paragraph 2.2 of this Circular
“Purchaser” or “TAMI”	:	Tremendous Asia Management Inc.
“REB”	:	Redeemable exchangeable bonds of an aggregate principal amount of S\$3,000,000 issued by Chaswood Capital Pte. Ltd. to TVF over 3 tranches on 25 April 2014, 5 December 2014 and 27 January 2015. The maturity date of the redeemable exchangeable bonds was due on 23 April 2018.
“Remaining Entities”	:	Has the meaning ascribed to it in paragraph 2.6.1 of this Circular
“Restructuring Scheme”	:	Restructuring Scheme under Section 366 and 368 of the Companies Act of Malaysia for CRSB and its subsidiaries
“Sale Back”	:	Has the meaning ascribed to it in paragraph 2.4.1 of this Circular
“Sale Back Price”	:	Has the meaning ascribed to it in paragraph 2.4.2 of this Circular
“Sale Shares”	:	Has the meaning ascribed to it in paragraph 2.4.1 of this Circular
“Sale Subsidiaries”	:	CRSB’s subsidiaries except for the Excluded Subsidiary (please refer to Appendix A of this Circular for the list of Sale Subsidiaries)
“Scheme Creditors”	:	Financial institutions who have extended credit facilities to the CRSB Group, namely Malayan Banking Berhad, CIMB Bank Berhad and AmBank (M) Berhad
“Scheme Documents”	:	Has the meaning ascribed to it in paragraph 2.2 of this Circular

“Scheme”	:	Has the meaning ascribed to it in paragraph 2.2 of this Circular
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholder(s)”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors in the Depository Register maintained by the CDP and whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Shares”	:	The issued and paid-up ordinary shares in the capital of the Company
“Singapore Court”	:	High Court of the Republic of Singapore
“Singapore Scheme”	:	Has the meaning ascribed to it in paragraph 2.6.1 of this Circular
“Sino Hua-An”	:	Sino Hua-An International Berhad
“SSA”	:	The share sale agreement dated 14 September 2018 entered into between the Company and the Purchaser in relation to the Proposed Disposal
“Substantial Shareholder(s)”	:	A person who has an interest (directly or indirectly) in 5% or more of the total issued share capital of the Company
“TAP”	:	Tremendous Asset Partners Ltd.
“TVF”	:	TAP Venture Fund I Pte. Ltd.
“RM” and “sen”	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
“S\$”	:	Singapore dollars, the lawful currency of the Republic of Singapore

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA and the terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Catalist Rules as for the time being, unless otherwise stated.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Catalist Rules or any relevant laws of the Republic of Singapore or any statutory modification thereof

and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any relevant laws of the Republic of Singapore or any statutory modification thereof as the case may be, unless the context requires otherwise.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

CHASWOOD RESOURCES HOLDINGS LTD.
(Company Registration Number: 200401894D)
(Incorporated in the Republic of Singapore)

Directors:

Mr Ng Teck Wah
(Non-Independent Non-Executive Chairman)
Mr Andrew Roach Reddy
(Executive Director and Managing Director)
Mr Chng Hee Kok
(Lead Independent Non-Executive Director)
Mr Er Kwong Wah
(Independent Non-Executive Director)

Registered Office:

80 Robinson Road #02-00
Singapore 068898

12 September 2019

To: The Shareholders of Chaswood Resources Holdings Ltd.

Dear Sir/Madam,

THE PROPOSED DISPOSAL OF 100% EQUITY INTEREST OF CHASWOOD RESOURCES SDN. BHD., A WHOLLY OWNED SUBSIDIARY OF THE COMPANY

1. INTRODUCTION

1.1. EGM

The Directors are convening an EGM to be held on 27 September 2019 to seek Shareholders' approval in relation to the Proposed Disposal.

1.2. Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the Proposed Disposal to be tabled at the EGM, the notice of which is set out on pages i to ii of this Circular. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

The SGX-ST takes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained in this Circular.

2. THE PROPOSED DISPOSAL

2.1. INTRODUCTION

On 14 September 2018, the Company announced that it had entered into the SSA with the Purchaser in relation to the Proposed Disposal for a cash consideration of RM10.00 (the "**Consideration**").

The Proposed Disposal is a divestment of the Company's 100% equity interest of CRSB and effectively the Sale Subsidiaries, and is subject to and on condition, *inter-alia*, that the Company ultimately retains ownership of the Excluded Subsidiary.

2.2. Information on CRSB Group

CRSB is a private company and is incorporated in Malaysia. CRSB is an investment holding company with shareholding interests in various subsidiaries which are mainly in the restaurant business. CRSB is a wholly owned subsidiary of the Company.

CRSB and its subsidiaries are the main operating subsidiaries of the Company and are currently undergoing a Restructuring Scheme, as to which proceedings have commenced and orders made by the Malaysia Court (“**Court Orders**”) dated 17 November 2017, 20 February 2018 and 4 July 2018. CRSB had on 18 October 2018 despatched a confidential ES to the Scheme Creditors pursuant to Section 369 of the Companies Act of Malaysia, proxy form and notice of CCM of scheme creditors (collectively, the “**Scheme Documents**”) to the Scheme Creditors in connection with the proposed scheme of arrangement between CRSB and the Scheme Creditors (“**PSOA**”).

The Scheme Documents contained detailed information on the Proposed Disposal and PSOA for the settlement of the Scheme Creditors (collectively the “**Scheme**”), including *inter-alia*, the proposed settlement to the Scheme Creditors via upliftment of fixed deposits, sale of Pledged Properties, sale of TGI Friday’s and Teh Tarik Place businesses (“**Business Sale**”), issuance of new Shares of the Company and waiver of debt, rationales of the Scheme, approvals required and estimated timeframe for the completion of the Scheme. The Business Sale shall entail the disposal of the Affected Subsidiaries which comprise the following:

	Business	Subsidiaries and shareholding
1.	TGI Friday’s in Malaysia and Teh Tarik Place ¹	Bistroamericana (TC) Sdn Bhd (100%) Bistroamericana (PJ) Sdn Bhd (100%) Bistroamericana (BU) Sdn Bhd (100%) Bistroamericana (QB) Sdn Bhd (100%) Bistroamericana (A) Sdn Bhd (100%) Bistroamericana (Hartamas) Sdn Bhd (100%) Bistroamericana (SP) Sdn Bhd (100%) Bistroamericana (BB) Sdn Bhd (100%) Bistroamericana (JB) Sdn Bhd (20%) Teh Tarik Place Sdn Bhd (100%)
2.	TGI Friday’s in Indonesia ²	PT Chaswood Resources Jakarta (75%)
3.	TGI Friday’s in China ³	Chaswood Restaurant Management (Beijing) Co. Ltd. (100%) Yi Jun Restaurant Management (Shanghai) Co. Ltd. (100%)

Notes:

- (1) As announced on 3 April 2019, a share purchase agreement has been signed between CRSB and Sino Hua-An for the sale of the TGI Friday’s in Malaysia and Teh Tarik Place businesses (to be effected via the sale of 100% equity interest in BMPJ) to Sino Hua-An. Please refer to paragraph 3 of this Circular for further details.
- (2) CRSB has received an offer for the disposal of the TGI Friday’s business in Indonesia and approval is currently being sought from one of the Scheme Creditors who have security over the assets of the business on the offer. No agreement has been signed as at the Latest Practicable Date.
- (3) CRSB is still in discussions with potential parties for the sale of the TGI Friday’s business in China but no firm offers have been received as at the Latest Practicable Date.

Pursuant to the despatch of the Scheme Documents, a CCM was held on 9 November 2018 for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme which was detailed in the ES. In the CCM, the Scheme Creditors approved the Scheme with the requisite majority. The Company submitted the results of the CCM to the Malaysia Court pursuant to the Court Orders and on 14 January 2019, the Malaysia Court granted sanction to the results of the CCM. The Scheme as detailed in the Scheme Documents is thus binding on the Scheme Creditors.

The CRSB Group recorded net loss after tax of approximately RM66.2 million and RM8.5 million for FY2017 and for FY2018 respectively. The net asset value and net tangible asset of the

CRSB Group as at 31 December 2017 are approximately negative RM58.9 million and RM59.1 million respectively. The net asset value and net tangible asset of the CRSB Group as at 31 December 2018 are approximately negative RM68.4 million and RM68.6 million respectively.

The CRSB Group recorded net loss after tax of approximately RM2.3 million for HY2019. The net asset value and net tangible asset of the CRSB Group as at 30 June 2019 are approximately negative RM71.0 million and RM71.2 million respectively.

The summary of the statement of financial performance and position of CRSB Group for HY2019, HY2018, FY2018, FY2017 and FY2016 are set out below:

CRSB Group - Statement of financial performance

RM'000	HY2019	HY2018	FY2018	FY2017	FY2016
Revenue	25,851	48,465	84,918	134,206	160,869
Cost of sales	(8,464)	(15,594)	(27,188)	(44,548)	(52,411)
Gross profit	17,387	32,871	57,730	89,658	108,458
Loss before taxation	(2,275)	(4,462)	(9,104)	(67,086)	(7,918)
Loss after taxation	(2,346)	(4,637)	(8,467)	(66,164)	(9,072)

HY2019 vs HY2018

Revenue for HY2019 decreased by approximately RM22.6 million, or 46.7% as compared to HY2018 mainly due to the loss of revenue from the non-profitable outlets which have been closed in FY2018 and decrease in revenue of the existing outlets due to the challenging consumer sentiment and increased competition in the food and beverage industry.

Loss after tax decreased by approximately RM2.3 million, or 49.4% in HY2019 as compared to HY2018 mainly due to the various cost-cutting efforts implemented which resulted in lower operating and head office expenses.

FY2018 vs FY2017

Revenue for FY2018 decreased by approximately RM49.3 million, or 36.7% as compared to FY2017 mainly due to the decrease in revenue of approximately RM30.6 million from the Malaysia operations where 14 unprofitable outlets were closed during FY2018 in line with the Group's rationalization plan. The Malaysian consumer sentiment had been challenging with the rising cost of living and weak consumer sentiment. In addition, there has also been an increase in competition from new mall openings which has impacted the existing industry players' businesses during this already weakened food and beverage business sector. Revenue from the Indonesia and China operations have also decreased by approximately RM9.6 million and RM9.1 million respectively mainly due to the closure of unprofitable outlets where competitions have increased at the malls where the outlets were located.

The CRSB Group continued to incur loss after tax in FY2018 of approximately RM8.5 million, which arose mainly due to the decrease in the CRSB Group's revenue and losses from the non-profitable outlets which have been closed. Nevertheless, the CRSB Group's net losses were lower as compared to FY2017 mainly due to the impairment losses recognized in FY2017 and the various cost-cutting efforts implemented which resulted in lower operating and head office expenses.

FY2017 vs FY2016

Revenue decreased by approximately RM26.7 million, or 16.6% in FY2017 as compared to FY2016 mainly contributed from the Malaysia operations where the existing outlets suffered a decline in sales as the consumer sentiment continued to be weak with rising cost of living and more cost conscious consumers. This is further aggravated by increased competition and price war among the food and beverage players. The decrease in revenue is also contributed by the loss in sales from the closure of several non-performing outlets which was part of the Group's rationalization plan. In addition, revenue from Indonesia and China operations decreased

slightly mainly due to increased competitions at locations where the outlets are located.

Loss after tax increased by approximately RM57.1 million, or 629% in FY2017 as compared to FY2016 mainly contributed by the lower revenue, impairment allowance for property and equipment and goodwill of approximately RM43.8 million made in FY2017 in view of the unfavourable performance of certain subsidiaries and outlets and the additional write off of deposits and property and equipment of RM2.0 million due to closed outlets.

CRSB Group - Statement of financial position

RM'000	As at end of HY2019	As at end of FY2018	As at end of FY2017	As at end of FY2016
Current assets ⁽¹⁾	10,885	11,341	23,062	37,267
Non-current assets	10,270	10,550	13,504	67,622
Current liabilities ⁽¹⁾	(88,668)	(86,328)	(92,558)	(71,870)
Non-current liabilities	(669)	(663)	(1,848)	(21,231)
Net amount owing to the Remaining Entities	(2,807)	(3,347)	(1,020)	(3,529)
Net asset value	(70,989)	(68,447)	(58,860)	8,259

Note:

(1) Current assets and current liabilities exclude the amount owing by/(to) the Remaining Entities.

HY2019 vs FY2018

Current assets as at 30 June 2019 decreased by approximately RM0.4 million as compared to 31 December 2018 mainly due to the decrease in inventories and cash and cash equivalents of approximately RM0.2 million and RM0.4 million respectively. The decrease is offset by the increase in deposits and prepayments of approximately RM0.2 million.

Non-current assets as at 30 June 2019 decreased by approximately RM0.3 million as compared to 31 December 2018 mainly due to depreciation charges.

Current liabilities as at 30 June 2019 increased by approximately RM2.3 million as compared to 31 December 2018 mainly due to the extended credit term from trade and other payables obtained by the Group.

Amount owing to the Remaining Entities as at 30 June 2019 decreased by approximately RM0.5 million as compared to 31 December 2018 due to professional fees paid by the CRSB Group on behalf of the Company during the financial period. Amount owing to the Remaining Entities relates mainly to yearly management fees charged by the Company.

FY2018 vs FY2017

Current assets as at 31 December 2018 decreased by approximately RM11.7 million as compared to 31 December 2017 mainly due to the refund of security deposits pursuant to the closure of certain non-performing outlets and decrease in cash and cash equivalents in view of the deteriorated performance.

Non-current assets as at 31 December 2018 decreased by approximately RM3.0 million as compared to 31 December 2017 mainly due to depreciation charges.

Current liabilities as at 31 December 2018 decreased by approximately RM6.2 million as compared to 31 December 2017 mainly due to repayment to trade payables.

Non-current liabilities as at 31 December 2018 decreased by approximately RM1.2 million as compared to 31 December 2017 mainly due to lower deferred taxation.

FY2017 vs FY2016

Current assets as at 31 December 2017 decreased by approximately RM14.2 million as compared to 31 December 2016 mainly due to the refund of security deposits, decrease in trade receivables, other receivables and inventories pursuant to the closure of certain non-performing outlets and prepaid rentals charged out for certain outlets of approximately RM8.6 million. The decrease was also due to certain fixed deposits pledged of approximately RM1.7 million being used for repayment of loans to financial institutions and allowance for impairment on other receivables of approximately RM1.9 million.

Non-current assets as at 31 December 2017 decreased by approximately RM54.1 million as compared to 31 December 2016 mainly due to depreciation charges of approximately RM6.3 million, write-off of property and equipment pursuant to closure of certain non-profitable outlets of approximately RM3.9 million, provision for impairment of property and equipment of certain outlets with unfavourable performance of approximately RM30.0 million and impairment of goodwill of approximately RM13.8 million.

Current liabilities as at 31 December 2017 increased by approximately RM20.7 million as compared to 31 December 2016 mainly due to extended credit term from trade and other payables obtained by the Group and the reclassification of bank borrowings and earn-out payables from non-current to current liabilities.

Non-current liabilities as at 31 December 2017 decreased by approximately RM19.4 million as compared to 31 December 2016 mainly due to the reclassification of bank borrowings and earn-out payables from non-current to current liabilities.

Valuation

No valuation has been conducted by the Company in respect of the CRSB Group for the purpose of the Proposed Disposal. The Proposed Disposal is part of the Group's Restructuring Scheme as mentioned in paragraph 2.2 of this Circular above.

The Board is of the opinion that a formal valuation in respect of the CRSB Group was not required in view of the following:

- (a) The CRSB Group incurred losses after tax for the last 3 financial years, has a negative shareholders' fund of approximately RM68.4 million as at 31 December 2018 and net current liabilities position of approximately RM78.3 million as at 31 December 2018. The negative shareholders' fund and net current liabilities position as at 30 June 2019 is approximately RM71.0 million and RM80.6 million respectively. Any fair value or market value of the business (if any) or assets of the Sales Subsidiaries will likely be wiped off by the liabilities. The financial position of the CRSB Group clearly demonstrates that no value can be attributed to the CRSB Group;
- (b) The proceeds from the sale of the Affected Subsidiaries will be used to pay the Scheme Creditors and CRSB Group's trade and other creditors. None of the proceeds from the sale will be retained within the CRSB Group. However, substantial liabilities due to the outlets which have ceased operations will still remain within the CRSB Group after the sale of the Affected Subsidiaries. The net liabilities to be remained in CRSB Group will be approximately RM50.7 million as at 30 June 2019; and
- (c) In view that there is no value that could be attributed to the CRSB Group pursuant to the negative shareholders' fund and the net current liabilities position, the Company and the Purchaser has agreed on a nominal sum to be set as the Consideration for the Proposed Disposal.

Even if a valuation is to be conducted, the Company is confident that the conclusion will be the same i.e. no value could be attributed, in view of the above-mentioned.

No valuation will also be conducted when disposing the Affected Subsidiaries, particularly on the Malaysia Subsidiaries and the TGI Friday's businesses in Indonesia in view of the following:

- For the sale of the Malaysia Subsidiaries, the purchase consideration of RM8.0 million has already been agreed by the parties pursuant to the binding term sheet dated 22 November 2018 and the share purchase agreement dated 3 April 2019 signed between CRSB and Sino Hua-An. The purchase consideration of RM8.0 million which was stipulated in the ES has been agreed by the Scheme Creditors pursuant to their approval of the PSOA. However, the Proposed Malaysia Sale will be subject to final approval by the Scheme Creditors. No valuation was conducted in view of the negative proforma shareholders' equity recorded by the Malaysia Subsidiaries and that the purchase consideration was agreed at RM8.0 million on condition that only liabilities in the normal trade terms be retained as at completion.
- For the sale of the TGI Friday's business in Indonesia (with 2 remaining outlets in Jakarta), CRSB has received an offer for the acquisition. Approval is currently being sought from one of the Scheme Creditors who have security over the assets of the business on the offer. No valuation was conducted in view of the losses incurred for the business and liabilities to be assumed by the purchaser.
- The only brand which is currently owned and used by the Affected Subsidiaries is Teh Tarik Place which is the Group's own developed local brand. In the last 10 years of being existence, the brand has braced through challenges where the sales performance of the outlets saw a decline with stiff competition from new entrant of new brands. Teh Tarik Place serves local Malaysia cuisine which creates ease of new entrant of competitors. Thus, there will not be a significant value which could be attributed as a brand value.
- The Proposed Disposal forms an integral part of the Group's restructuring exercise. A valuation exercise will take at least 2 months or more and thus, may cause a delay to the Group's restructuring exercise. Further, the long stop date as stipulated in the share purchase agreement signed by CRSB with Sino Hua-An on 3 April 2019 is due to expire on 2 October 2019. In the event a valuation is to be conducted, CRSB may not be able to meet this timeline and there is uncertainty if Sino Hua-An will allow for an extension to the long stop date.

Notwithstanding that no valuation will be conducted for the Proposed Disposal and the subsequent disposal of the Affected Subsidiaries, the Board is of the view that the Proposed Disposal and the subsequent disposals of the Affected Subsidiaries are in the best interest of the Company and its shareholders.

For the sale of the TGI Friday's business in China, CRSB is still in discussions with potential parties for the sale but no firm offers have been received as at the Latest Practicable Date. A valuation may not be conducted before the sale given that any offer price by the prospective purchaser would need to be approved by the Scheme Creditor who has security over the China subsidiaries. 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 China is currently fragile with the recent closures of outlets and deteriorating performance, the bargaining power to decide on the offer price will be at the prospective purchasers' hands. Any further delay in concluding any sale could potentially diminish the value of the business if there is further closure of outlets.

Despite the proposed disposal of the Affected Subsidiaries, the remaining outstanding loans will continue to be assumed by the CRSB Group and the corporate guarantee provided by the Company shall remain. To the best knowledge of the Board, the fair value or the market value of assets or business of the Affected Subsidiaries to be disposed will not exceed the liabilities of CRSB Group and thus, no valuation is to be conducted.

For avoidance of doubt, the Board confirms that the disposal of any of the Affected Subsidiaries will still be subject to the formal approval by the respective Scheme Creditors who have security over the respective disposed subsidiaries/businesses although the Scheme Creditors have approved the Proposed Terms of Settlement pursuant to the PSOA. Generally, for the

approval to be provided, the Scheme Creditors (who are financial institutions) would have thoroughly evaluated the fairness of the transaction as any further potential upside (including *inter-alia* higher price or more favourable terms) which could be obtained would be a benefit to the Scheme Creditors. Thus, the approval to be provided by the Scheme Creditors will serve as a safeguard that the consideration and terms of the disposal of any of the Affected Subsidiaries will be fair.

The Board undertakes to make appropriate announcement on the subsequent disposal of the Affected Subsidiaries.

The total outstanding loans under the CRSB Group as at 30 June 2019 and 31 December 2018 are as follows:

Loans	Outstanding amount as at 30 June 2019 (RM'000)	Outstanding amount as at 31 December 2018 (RM'000)	Details of collateral/security
REB	9,507	9,466	Corporate guarantee by CRHL.
Term loans	18,446	17,228	The term loans are secured by (i) fixed and floating charge over all present and future assets of certain subsidiaries; and (ii) pledge of fixed deposits with licensed banks. Certain term loans are also secured by (i) corporate guarantees of CRHL and CRSB; and (ii) legal assignment to the lender of all rights, titles, benefits and interests in insurance policies of certain subsidiaries.
Bills payables and bank overdraft	6,138	6,106	The bills payables and bank overdraft are secured by (i) fixed and floating charges over all the present and future assets of certain subsidiaries; (ii) pledge of fixed deposits with licensed banks; and (iii) corporate guarantees of CRHL and CRSB.
Finance lease	128	235	The obligations under finance lease payables are secured by the lessor's charge over the leased assets.
Total	34,219	33,035	

Please refer to paragraph 2.5 of this Circular for further details on the rationale of the Proposed Disposal.

2.3. Information on the Purchaser

The Purchaser is a company incorporated and having a registered office in Cayman Islands. The Purchaser is a fund manager which manages certain investments and assets of funds. The sole shareholder of the Purchaser is TAP (which is wholly owned by Dato' Azlan and its sole director is Mr Jaleeludeen), and the sole director is Mr Ng (who is the Non-Independent Non-Executive Chairman of the Company and also a director of CRSB). Mr Jaleeludeen is an independent non-executive director of Attilan Group Limited, a Substantial Shareholder of the Company. Mr Jaleeludeen was previously appointed as the non-executive director of CRSB as part of the requirement under section 368(2)(d) of the Companies Act of Malaysia pursuant to the PSOA. In view that the PSOA has been approved by the Scheme Creditors and sanctioned by the Malaysia Court, Mr Jaleeludeen has thereafter resigned from CRSB. Mr Jaleeludeen is not a director, chief executive officer or controlling shareholder of the Company; and (ii) not associate of any director, chief executive officer or controlling shareholder of the Company.

Confirmation letters with regards to the above-mentioned have been obtained by the Company from TAMI, TAP, Dato' Azlan and Mr Jaleeludeen respectively ("**Confirmation Letters**").

Pursuant to the Confirmation Letters, the following were confirmed:

- (a) TAMI, TAP, Mr Jaleeludeen and Dato' Azlan are not shareholders of the Company and Attilan Group Limited (controlling shareholder of the Company).
- (b) Save as disclosed above, TAMI, TAP, Mr Jaleeludeen and Dato' Azlan are not related to the Directors and the Substantial Shareholders of the Company.
- (c) Dato' Azlan and Mr Jaleeludeen do not have any familial relationship with any of the Directors, CEO, Substantial Shareholder or Controlling Shareholder of the Company.
- (d) TAMI, TAP, Mr Jaleeludeen and Dato' Azlan do not fall within the definition of "Associate" (as defined under the Catalist Rules) of any Directors, CEO, substantial shareholder or controlling shareholder of the Company.
- (e) TAMI, TAP, Mr Jaleeludeen and Dato' Azlan do not fall within the ambit of "interested person" as defined in Chapter 9 of the Catalist Rules.
- (f) In view of Mr Ng's conflict of interest, being the sole director of TAMI and the Non-Independent Non-Executive Chairman of the Company, Mr Ng will be required to abstain from deliberating and making recommendation in relation to the Proposed Disposal.

Save as disclosed, the Purchaser and its shareholder are not in any way related to the Group, the Directors or any of the Substantial Shareholders of the Company. The Company confirms that the Proposed Disposal does not fall within the ambit of interested person transaction pursuant to Chapter 9 of the Catalist Rules.

In view of Mr Ng's conflict of interest, being the sole director of the Purchaser, the Non-Independent Non-Executive Chairman of the Company and director of CRSB, Mr Ng has abstained from deliberating and making recommendation in relation to the Proposed Disposal. Mr Ng will also *inter-alia* abstain and has undertaken to ensure each of his respective associates (as defined under Catalist Rules or as required by the SGX-ST) will abstain (if any) from voting on resolution in respect of the Proposed Disposal at the EGM to be convened.

2.4. Principal Terms Of The Proposed Disposal

2.4.1 Sale and Purchase

Subject to the terms and conditions of the SSA, the Company shall sell and transfer to the Purchaser, and the Purchaser shall purchase the entire issued and paid up capital of CRSB

("Sale Shares"), free from all encumbrances and together with all rights and benefits attaching thereto.

For the avoidance of doubt, the Purchaser agrees that it is a fundamental term that the sale of the Sale Shares is agreed to by the Company on the basis that the Purchaser will procure that CRSB shall sell and transfer to the Company the entire share capital of the Excluded Subsidiary in accordance with the SSA. The Company shall not be obliged to complete the Proposed Disposal unless the sale of the entire share capital of the Excluded Subsidiary by the Purchaser via procurement of CRSB to sell back to the Company ("Sale Back") is completed simultaneously.

2.4.2 Consideration

The Consideration for the sale, purchase and transfer of the Sale Shares payable by the Purchaser is RM10.00. The Company and the Purchaser agree in terms of the following and that each of the transactions (and the Consideration payable) in respect thereof shall be integral to the sale, purchase and transfer of the Sale Shares:

- (a) by purchasing the Sale Shares, the Purchaser will, on the date of completion of transfer of the Sale Shares in accordance to the SSA ("**Completion Date**"), hold all of the share capital of CRSB and in effect also of the Sale Subsidiaries (excluding the Excluded Subsidiaries); and
- (b) the Sale Back is integral to the sale and purchase of the Sale Shares, and the consideration for the sale, purchase and transfer of the shares in the Excluded Subsidiary shall be nominal and set at RM1.00 ("**Sale Back Price**").

On the Completion Date, the Purchaser shall pay the entire Consideration, and the Company will pay the Sale Back Price in respect of the Sale Back. The Parties agree with the sale, purchase and transfer of the Sale Shares, the Purchaser will procure that CRSB shall sell and transfer to the Company all of the share capital of the Excluded Subsidiary, at the Sale Back Price. It is a condition of the SSA that the completion of transfer of the Sale Shares ("**Completion**") shall be contemporaneous with the completion of the Sale Back.

The Consideration for the Proposed Disposal was arrived at after an arms-length negotiation and on a willing seller and willing buyer basis taking into account, *inter-alia*, the CRSB Group's loss after tax position of RM66.2 million, RM8.5 million and RM2.3 million for FY2017, FY2018 and HY2019 respectively, the CRSB Group's negative shareholders' fund of approximately RM68.4 million as at 31 December 2018 and the CRSB Group's net current liabilities position of approximately RM78.3 million as at 31 December 2018. The negative shareholders' fund and net current liabilities position of the CRSB Group as at 30 June 2019 are approximately negative RM71.0 million and RM80.6 million respectively.

Based on the audited consolidated financial statements of the Group for FY2018 and unaudited consolidated financial statements of the Group for HY2019 and the Consideration, the Group will recognize a gain of approximately RM26.0 million and RM27.3 million for FY2018 and HY2019 respectively from the Proposed Disposal subject to any accounting adjustments which may be necessary upon the finalization of the transaction.

2.4.3 Conditions Precedent

Completion of the sale, purchase and transfer of the Sales Shares are conditional upon the following conditions ("**Conditions**") having been fulfilled unless specifically waived by the respective parties:

- (i) to the extent applicable to the sale and/or transfer by the Company of the Sale Shares as contemplated by the SSA, the approval on the Proposed Disposal from the three lenders of the CRSB Group, being the Scheme Creditors, the Restructuring Scheme becoming effective and the execution of the relevant documents with the Scheme Creditors for settlement of liabilities;

- (ii) the approval in an EGM of the shareholders of the Company for the entry into and performance of the SSA, if required;
- (iii) the receipt of the resolutions of the Directors of the Company, certified as true, correct and subsisting by a Director of the Company, for the entry into and performance of the SSA by the Company;
- (iv) the receipt of the resolutions of the Directors of CRSB, certified as true, correct and subsisting by a Director of CRSB, for the entry into and performance of the Sale Back;
- (v) the receipt of the resolutions of the Directors of the Purchaser, certified as true, correct and subsisting by a Director of the Purchaser, for the entry into and performance of the SSA by the Purchaser;
- (vi) to the extent applicable to the sale and/or transfer by the Company of the Sale Shares as contemplated by the SSA, the written consent to such sale and/or transfer of shares (or written waiver of such consent) by the respective shareholders (other than CRSB or any of the Sale Subsidiary) in the following subsidiaries:
 - Bistroamericana (JB) Sdn Bhd;
 - PT Chaswood Resources;
 - PT Chaswood Resources BB; and
 - PT Chaswood Resources Jakarta;
- (vii) to the extent applicable to the sale and/or transfer by the Company of the Sale Shares as contemplated by the SSA, the written consent to such sale and/or transfer (or written waiver of such consent) by any lender, financier, franchisor or any other person or public authority in relation to the licences, franchise rights, and other right or interest pertaining to the operations and/or business of any of the Sale Subsidiaries; and
- (viii) all necessary consents, approvals and waivers of the SGX-ST in connection with the SSA and all other transactions in connection therewith and incidental thereto, having been obtained by the Company, as relevant, including without limitation, where applicable, compliance with relevant rules under the Catalist Rules as well as compliance with all applicable laws and regulations (where applicable and necessary) as opined by an acceptable lawyer.

As at the Latest Practicable Date, condition (i) above has been satisfied.

2.4.4 Completion

Completion of the sale and purchase of the Sale Shares shall take place on Completion Date at a venue in Kuala Lumpur and at a time during normal working hours on a business day as determined by the Company, which is within three (3) business days after the fulfilment of the Conditions set out in paragraph 2.4.3 (or as may be otherwise agreed by the Company and the Purchaser).

On the Completion Date, the Company shall deliver the documents and/or items in respect of the Sales Shares to the Purchaser and the Purchaser shall deliver the documents and/or items in respect of the Sale Back to the Company as set out in the SSA.

On the Completion Date, the Purchaser shall pay the amount referred to in paragraph 2.4.2 (a) and the Company shall pay the amount referred to in paragraph 2.4.2 (b) above.

2.4.5 Post-Completion Undertakings

Pursuant to the Completion of the Proposed Disposal in paragraph 2.4.4 above, the Purchaser undertakes to the Company that it:

- (a) shall use its best efforts to dispose of all of the shares in the capital of each of the subsidiaries which conduct business involving the TGI Friday's or Teh Tarik Place brands ("**Affected Subsidiaries**") which is listed under Schedule 4 of the SSA (to the extent such shares are owned by CRSB and/or any of the Sale Subsidiaries), on an arm's-length basis and at as high a price and on as favourable terms as it can obtain using its best efforts within 18 months from the Completion Date or such other dates to be mutually agreed upon;
- (b) shall apply the proceeds of such disposal towards such liabilities of CRSB and/or the Sale Subsidiaries as required by the provisions of the Restructuring Scheme (as applicable at the time of the legal completion of the relevant disposals); and
- (c) shall not dispose the shares in the capital of each of the Affected Subsidiaries to any interested persons of the Company as defined under the Catalist Rules.

Save as disclosed above, there are no other material terms and conditions attaching to the Proposed Disposal.

On 3 April 2019, the Company announced that further to the binding term sheet entered into by CRSB with Sino Hua-An on 22 November 2018, the parties have entered into a share purchase agreement in connection with the sale of 100% equity interest of certain subsidiaries of CRSB which own the TGI Friday's in Malaysia and Teh Tarik Place businesses ("**Malaysia Subsidiaries**") to Sino Hua-An for a purchase consideration of RM8.0 million ("**Proposed Malaysia Sale**"). The Proposed Malaysia Sale will be effected via the sale of 100% equity interest in BMPJ (the investment holding company who shall own the Malaysia Subsidiaries to Sino Hua-An). The Proposed Malaysia Sale is part of the Restructuring Scheme and the proposed settlement plan pursuant to the PSOA with the Scheme Creditors. Further details of the Proposed Malaysia Sale is detailed under paragraph 3 of this Circular.

2.5. Rationale For The Proposed Disposal And Use Of Proceeds

2.5.1 Rationale

The Proposed Disposal is part of and to facilitate the Group's ongoing restructuring exercise to restore the financial position of the Company. The Proposed Disposal will remove a negative RM68.4 million (based on FY2018) and RM71.0 million (based on HY2019) in shareholders' fund contributed by the CRSB Group. The Proposed Disposal will also set a more palatable platform to continue operating and expanding the Company's restaurant business via the Excluded Subsidiary. The Company will continue to explore new viable business or acquisition opportunities as a complementary business or a totally new opportunity.

The Board is of the view that the Proposed Disposal is in the best interest of the Company and the shareholders as it will improve the financial position of the Company and provide better value to the shareholders with the completion of the restructuring exercise. The purpose of retaining the Excluded Subsidiary is also to ensure the Company has an existing business after the Proposed Disposal to retain its listing status.

2.5.2 Use of proceeds

As the proceeds from the Proposed Disposal are nominal, the use of proceeds may not be meaningful.

2.6. Remaining Business Upon Completion Of The Proposed Disposal

2.6.1 Remaining Entities

Upon completion of the Proposed Disposal (including the Sale Back), the Company shall be operating its restaurant business under the Italiannies brand via the Excluded Subsidiary. For illustrative purpose only, the Excluded Subsidiary generated revenue of approximately RM3.9 million, RM3.6 million and RM1.3 million for FY2017, FY2018 and HY2019 respectively.

Upon completion of the Proposed Disposal (including the Sale Back), the Company shall have the following subsidiaries:

- (i) the Excluded Subsidiary;
- (ii) Chaswood Sino Pte Ltd;
- (iii) Chaswood Global Pte Ltd;
- (iv) Chaswood Resources HK Private Limited;
- (v) Chaswood Restaurant Management Shanghai Co. Ltd; and
- (vi) Chaswood Resources (Thailand) Co Ltd.

The Company and the remaining subsidiaries (including the Excluded Subsidiary) after completion of the Proposed Disposal are referred as the “**Remaining Entities**”. Subsidiaries under (ii) to (vi) are dormant.

For illustrative purpose only, the summary of the proforma financial performance for FY2017, FY2018 and HY2019 and proforma financial position of the Remaining Entities as at 30 June 2019 are set out below:

Remaining Entities – Statement of financial performance

RM'000	Proforma FY2017	Proforma FY2018	Proforma HY2019
Revenue	3,899	3,603	1,348
Cost of sales	1,529	1,508	471
Gross profit	2,370	2,095	877
Loss before taxation	(32,023) ⁽¹⁾	(10,960) ^{(2) (3)}	(476)
Loss after taxation	(32,028) ⁽¹⁾	(11,150) ^{(2) (3)}	(476)

Notes:

- (1) The loss is mainly contributed by the accrual for the corporate guarantees provided by the Company to the Scheme Creditors and TVF of approximately RM32.8 million. Assuming the accrual for the corporate guarantees were not made, the profit after taxation shall be approximately RM0.8 million.
- (2) The loss is mainly contributed by the accrual for the corporate guarantees provided to Monz, Mr Andrew and TAMI of approximately RM11.3 million. Refer to the Company's announcements dated 14 September 2018 and 28 February 2019 for information on the corporate guarantees provided. The provision of corporate guarantee to Mr Andrew is subject to shareholders' approval. Assuming the accrual for the corporate guarantees were not made, the loss after taxation shall be approximately RM0.1 million.
- (3) Adjusted for certain non-recurring expenses of approximately RM0.6 million.

Remaining Entities – Statement of financial position

RM'000	The Group's unaudited financial position as at 30 June 2019	Remaining Entities - Proforma after the Proposed Disposal <small>(1) (2) (3)</small>
Non-current assets		
Property and equipment	11,224	1,298
Intangible assets	174	-
Investment in associates	170	-
Total Non-current Assets	11,568	1,298
Current Assets		
Inventories	1,536	22
Trade and other receivables	1,894	15
Other assets	6,160	267
Tax recoverable	667	-
Cash and cash equivalents	1,644	89
Total Current Assets	11,901	393
Total Assets	23,469	1,691
Current Liabilities		
Trade and other payables	57,632	51,062 ⁽⁴⁾
Provision for tax	-	105
Other financial liabilities	39,850	-
Other liabilities	246	-
Total Current Liabilities	97,728	51,167
Non – Current Liabilities		
Deferred tax liabilities	802	132
Total Non-Current Liabilities	802	132
Total Liabilities	98,530	51,299
Net Assets	(75,061)	(49,608)

Notes:

The proforma figures are arrived at after taking into account the following assumptions:

- (1) In FY2018, accrual amounting to approximately RM1.6 million for the corporate guarantee to Mr Andrew was made. Further details are included in the Company's announcement dated 14 September 2018. The provision of corporate guarantee to Mr Andrew is subject to shareholders' approval.
- (2) Amounts due to/from subsidiary and related companies are waived.
- (3) Certain non-recurring salaries and expenses are adjusted in the proforma.
- (4) Trade and other payables mainly consist of accrual for the corporate guarantees to the Scheme Creditors, TAMI, TVF, Monz and Mr Andrew, trade payables of approximately RM0.4 million and outstanding professional fees.

The Directors confirm to the best of their knowledge that as at the Latest Practicable Date save for the trade and other payables of approximately RM51.1 million as at 30 June 2019 as disclosed in the proforma financial position of the Remaining Entities, there are no other liabilities or contingent liabilities for the Remaining Entities.

In addition, the Directors confirm that to the best of their knowledge as at the Latest Practicable Date, the Remaining Entities are not subject of any litigation proceeding except for the statutory demand served on the Company pursuant to section 254(2)(a) of the Act dated 15 January 2019 from the solicitors representing the interim judicial managers of TVF, seeking a payment

of S\$3,000,000 (“**Demand Payment**”) within 21 days from the date of receipt of the said statutory demand. Upon the expiry of the said 21-day period, TVF was entitled to file in court, an application to wind up the Company. As at the Latest Practicable Date, the Company has yet to receive any further notices from the interim judicial managers of TVF.

The Demand Payment is in relation to the corporate guarantee provided by the Company for the subscription by TVF of the REB issued by Chaswood Capital Pte Ltd, a wholly owned subsidiary of the Company, over 3 tranches on 25 April 2014, 5 December 2014 and 27 January 2015. The maturity date of the REB was due on 23 April 2018 and no redemption had been made. The Group had been in negotiations with TVF to seek an amicable solution to the overdue redemption but no conclusions have been reached.

On 26 April 2019, the Company filed an application with the Singapore Court to obtain an order, amongst other things, that no legal action or proceedings against the Company be commenced or continued against the Company for a period of 12 weeks from the date of the order to be granted (“**Moratorium**”), pursuant to section 210(10) of the Act pending the Company filing an application under section 210(1) or section 211I of the Act, as the case may be, except by leave of the Singapore Court and subject to such terms as the Singapore Court imposes (“**Moratorium Application**”). The Singapore Court had fixed a pre-trial conference on 9 May 2019 and thereafter fixed another pre-trial conference to be held on 23 May 2019 which any creditor could attend if the creditor so wished. The Singapore Court fixed the Moratorium Application to be heard on 17 June 2019 before a High Court Judge which was thereafter postponed to 9 July 2019. On 9 July 2019, the High Court Judge heard the Moratorium Application and granted *inter-alia* the Moratorium.

Further to the Moratorium Application, the Company proposes to implement a scheme of arrangement (“**Singapore Scheme**”) with the creditors of the Company pursuant to section 210(1) or section 211I of the Act, as the case may be. Details of the Singapore Scheme are targeted to be finalized during the 12-week period of the Moratorium. The Singapore Scheme is necessary to address the various debt obligations owed by the Company to its creditors and as part of the Group’s restructuring exercise to restore the financial position of the Company.

The Moratorium granted on the Company’s Moratorium Application and the Singapore Scheme will also assist to address the statutory demand received from the interim judicial managers of TVF as mentioned above.

2.6.2 Future plans

The Company will continue to operate and expand its restaurant business under the Italiannies brand via the Excluded Subsidiary.

For the purposes of the Company’s general working capital and for the expansion of the Italiannies restaurant business, the Company intends to issue redeemable convertible notes. On 26 June 2018, the Company had entered into a binding term sheet with Advance Capital Partners Asset Management Private Limited (“**ACPAM**”) pursuant to which the Company proposes to issue to the funds managed by ACPAM 1.0% equity-linked redeemable convertible notes due 2021 with an aggregate principal amount of up to S\$50,000,000. However, the said term sheet has lapsed on 26 July 2018 due to the unexpected longer time frame required for the Group’s restructuring exercise. On 31 July 2019, the Company entered into a new binding term sheet with AOF pursuant to which the Company proposes to issue to AOF 1.0% equity-linked redeemable convertible notes due 2022 with an aggregate principal amount of up to S\$50,000,000 (“**Proposed Notes Issue**”). The Company further announced on 2 September 2019 that the Company and AOF have agreed to extend the validity of the term sheet from 31 August 2019 to 30 September 2019. There were no changes to the other terms and conditions of the term sheet. Announcements will be made if there are any further updates on the Proposed Notes Issue.

In addition, the Company is also exploring, *inter-alia*, new viable business and acquisition opportunities as a complementary business or a totally new opportunity. Announcements will be made if there are any further updates.

2.6.3 Risk statements

To the best of the Board's knowledge and belief as at the Latest Practicable Date, the risk factors that are material to the Shareholders in making an informed judgment on the Proposed Disposal are set out below. Shareholders should carefully evaluate each of the following risk factors prior to deciding on the Proposed Disposal.

In general, the Company could be affected by a number of risks that may generally arise from, among others, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Board or that the Board may currently deem immaterial, which could affect the future revenues arising from the business of the Remaining Entities. If any such risk develops into an actual event, the potential revenue arising from the business of the Remaining Entities could be materially and adversely affected. In such event, the financials of the Remaining Entities may be adversely affected.

Change in risk profile and no assurance that the future plans will be successful

There will be a change in the Group's business and risk profile after the Proposed Disposal as there will not be any revenue and profit/loss contributions from the CRSB Group except for the Excluded Subsidiary. As mentioned above, the Board and the Management will, *inter alia*, review and, where applicable, restructure the Remaining Entities' operations, explore new viable business and acquisition opportunities. Shareholders should note that there is no assurance that the steps taken or to be taken by the Company subsequent to the Proposed Disposal will be successful or would result in the enhancement of the Shareholders' value. As such, there may be material negative impact on the Remaining Entities' financial performance and profitability.

The Remaining Entities' future growth may be limited by its current capabilities and capacity

The Remaining Entities' future growth may be constrained by the current capabilities and capacities in its operation of its sole operating subsidiary i.e the Excluded Subsidiary in terms of *inter-alia*, revenue generating business. This will have an adverse effect on the Remaining Entities' turnover, financial performance and future growth.

The Remaining Entities' performance may be affected by the intense competition in the food and beverage industry

The market in which the Excluded Subsidiary operates remains competitive and demanding. In FY2018, the food and beverage retail industry continued to face difficult operating environment, particularly in Malaysia, where many other food and beverage players have exited the market, due to the weak consumer sentiment since the goods and services tax was implemented in 2015. In addition, profit margins were affected by rising operating costs coupled with competition to match increasing discounts and promotions by competitors.

2.7. Relative Figures Under Rule 1006 Of The Catalyst Rules

The relative figures computed on the applicable bases set out in Rule 1006 of the Catalyst Rules in respect of the Proposed Disposal and based on the unaudited consolidated financial statements of the Group for HY2018 as announced by the Company on 14 August 2018 (being the latest announced consolidated accounts for the Group prior to the execution of the SSA) are set out below.

Rule 1006	Computations	Percentage (%)
(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value.	Not meaningful ⁽¹⁾
(b)	The net profits attributable to the assets disposed of compared with the Group's net profit	Not meaningful ⁽²⁾
(c)	Aggregate value of the consideration received, compared with the Group's market capitalization	0.0% ⁽³⁾
(d)	The number of equity securities issued by the issuer as consideration, 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	Not Applicable

Notes:

- (1) Not meaningful as the CRSB Group and the Group was in net liabilities position as at 30 June 2018 of approximately RM63.1 million and RM65.2 million respectively. The ratio of the net liabilities position of the CRSB Group to the net liabilities position of the Group is approximately 96.7%.
- (2) Not meaningful as the CRSB Group and the Group recorded pre-tax loss for HY2018 of approximately RM4.5 million and RM5.3 million respectively. The ratio of the pre-tax loss of the CRSB Group to the pre-tax loss of the Group is approximately 84.2%.
- (3) Computed based on the Consideration of RM10.00 (or approximately S\$3.32 based on the exchange rate of S\$1:RM3.013 as at 13 September 2018 being the market day preceding the signing of the SSA) and the market capitalisation of the Group of approximately S\$2.26 million. The Group's market capitalisation is computed based on the number of issued Shares of 250,605,231 and the weighted average price of approximately S\$0.009 per Share on 28 February 2018, being the last trading day prior to trading suspension of the Shares on 18 June 2018 and prior to the signing of the SSA.

The relative figures computed on the bases set out in Rule 1006(a) and Rule 1006(b) involved negative figures, as such pursuant to Rule 1007(1) of the Catalist Rules, the Company has, through the Sponsor, consulted the SGX-ST on the application of Chapter 10 of the Catalist Rules for the Proposed Disposal. On 7 August 2019, the SGX-ST has reverted and noted the Company's and the Sponsor's assessment on the following:

- (1) The Proposed Disposal is a major transaction that requires shareholders' approval as it involves the disposal of substantial or major part of the Group's core business;
- (2) The Proposed Disposal will not result in the Company being deemed as a cash company. However, the SGX-ST is of the view that whether the Company is deemed as a cash company is irrelevant as the Company is currently suspended and will still have to find new viable businesses/ assets and demonstrate going concern for resumption of trading; and
- (3) The Proposed Disposal is not an interested person transaction under Chapter 9 of the Catalist Rules, having considered the representations that TAMI, TAP, Dato' Azlan (who is the shareholder of TAP), and Mr Jaleeludeen (who is the sole director of TAP) are (i) not director, chief executive officer or controlling shareholder of the Company; and (ii) not associate of any director, chief executive officer or controlling shareholder of the Company.

The SGX-ST further notes the Company's representation that the Scheme Creditors would still need to approve the respective sale of the Affected Subsidiaries after the Proposed Disposal, which will serve as a safeguard that the disposal consideration and terms for the disposal of the Affected Subsidiaries will be fair.

In view of the Proposed Disposal involves disposal of substantial part of the Group's core business and results in the material change of the Group's risk profile, the Proposed Disposal is accordingly subject to the approval of the Shareholders at the EGM.

3. UPDATE ON RESTRUCTURING PLAN

After the Proposed Disposal, the Remaining Entities will be exposed to the following corporate guarantees provided:

Creditor	Corporate guarantee exposure as at 30 June 2019 (RM'000)	Corporate guarantee exposure as at 31 December 2018 (RM'000)
Scheme Creditors	24,584	23,334
TVF ⁽¹⁾	9,507	9,466
Monz ⁽²⁾	2,989	2,714
TAMI ⁽³⁾	6,978	6,932
Mr Andrew ⁽⁴⁾	1,613	1,613
Total	45,671	44,059

Notes:

- (1) *The liabilities of TVF arose from the issuance of REB by Chaswood Capital Pte Ltd, a subsidiary of CRSB, to TVF via 3 tranches on 25 April 2014, 5 December 2014 and 27 January 2015 respectively with the maturity of the REB being due on 23 April 2018.*
- (2) *On 14 September 2018, Monz was provided a corporate guarantee by the Company for providing interest free bridging loans to CRSB.*
- (3) *On 28 February 2019, TAMI was provided a corporate guarantee by the Company for providing interest free bridging loans to and payment of branding and marketing related costs on behalf of CRSB for the period between 2016 and 2018.*
- (4) *On 14 September 2018, the Company entered into an agreement for the provision of corporate guarantee to Mr Andrew for providing interest free bridging loans to CRSB. As Mr Andrew is a Substantial Shareholder and Managing Director of the Company, the provision of corporate guarantee to Mr Andrew will be deemed as a interested person transaction. Thus, shareholders' approval and appointment of an independent financial adviser to opine that the provision of corporate guarantee to Mr Andrew is on normal commercial terms will be required. These conditions will be obtained in due course.*

The remaining liabilities of CRSB and/or the Sales Subsidiaries payable to the Scheme Creditors as required by the provisions of the PSOA after (a) liquidation of the securities (including fixed deposits with licensed banks and the Pledged Properties) for the respective loans, (b) repayment via the proceeds from the disposal of the Affected Subsidiaries, and (c) waiver of debt shall be settled by the Company (being the corporate guarantor) via issuance of new Shares ("**Proposed Terms of Settlement**").

Pursuant to the CCM and Malaysia Court's sanction granted on the results of the CCM on 14 January 2019, the Scheme as detailed in the Scheme Documents including the Proposed Terms of Settlement has been approved by the Scheme Creditors and is binding on the Scheme Creditors. The Proposed Disposal is part of the Scheme which has been approved by the Scheme Creditors. In the event that the PSOA is not completed within 12 months from the date of the CCM, the Scheme Creditors may revoke the approval given at the CCM and the Scheme Creditors shall be entitled to enforce their previous rights.

As at the Latest Practicable Date, the estimated value of the remaining securities pledged to the Scheme Creditors (comprising the Pledged Properties) for the respective loans is approximately RM0.8 million. The fixed deposits with licensed banks of approximately RM1.1 million have been uplifted to partially repay the liabilities owing to certain Scheme Creditors in accordance with the PSOA.

Under the provisions of the SOA, the total allocation of new Shares to be issued to the Scheme Creditors is fixed at RM3 million with the issue price of the shares to be at S\$0.009 (based on the share price prior to the suspension of the shares on 18 June 2018). The number of new Shares to be issued will approximate 111 million Shares subject to the foreign exchange conversion rate from RM to S\$ at the point of the submission of an additional listing application to the SGX-ST. Thus, the total proceeds from the disposal of the Affected Subsidiaries by the Purchaser to repay the Scheme Creditors will not affect the number of shares to be issued to the Scheme Creditors under the PSOA except for any variation due to the foreign exchange rate.

However, pursuant to the proposed Singapore Scheme to be implemented by the Company as detailed in paragraph 2.6.1 of this Circular, the Scheme Creditors will also be considered as scheme creditors under the Singapore Scheme in view of the corporate guarantees provided by the Company to the Scheme Creditors. Thus, the Scheme Creditors will potentially obtain their shares issued under the terms of the Singapore Scheme instead. In this scenario, the Scheme Creditors may submit their proofs of debt after subtracting any proceeds received from the disposal of the Affected Subsidiaries. Thus, in this scenario, the number of new Shares to be issued to the Scheme Creditors will be affected by the amount of proceeds received by the Scheme Creditors from the disposal of the Affected Subsidiaries as well as the hair-cut to be applied to the Singapore Scheme creditors (save for the Scheme Creditors, all other Singapore Scheme creditors are unsecured).

The actual number of shares to be issued to the Scheme Creditors subject to a proof of debt exercise to be conducted will be disclosed in the detailed scheme of arrangement document to be issued under the proposed Singapore Scheme.

For avoidance of doubt, the actual number of shares to be issued to the Scheme Creditors shall not be less than the equivalent number of shares issued based on the total amount of RM3 million under the provisions of the SOA.

The Company had on 22 November 2018 announced that CRSB has entered into a binding term sheet dated 22 November 2018 with Sino Hua-An for the sale of 100% equity interest of the Malaysia Subsidiaries to Sino Hua-An for a purchase consideration of RM8.0 million. The Proposed Malaysia Sale will be effected via the sale of 100% equity interest in BMPJ (the investment holding company who shall own the Malaysia Subsidiaries to Sino Hua-An). On 3 April 2019, the Company announced that further to the binding term sheet, CRSB has entered into a share purchase agreement dated 3 April 2019 with Sino Hua-An pertaining to the Proposed Malaysia Sale.

The list and details of the Malaysia Subsidiaries, which are limited liability companies incorporated in Malaysia, are as follows:

No.	Name of Subsidiaries	Shareholding	Principal Activities
1.	Teh Tarik Place Sdn Bhd	100%	Brand owner and operator of Teh Tarik Place
2.	Bistroamericana (TC) Sdn Bhd	100%	Operator of TGI Friday's at The Curve, Mutiara Damansara
3.	Bistroamericana (PJ) Sdn Bhd	100%	Operator of TGI Friday's at Gurney Paragon Mall, Penang
4.	Bistroamericana (BU) Sdn Bhd	100%	Operator of TGI Friday's at 1 Utama Shopping Centre, Selangor
5.	Bistroamericana (QB) Sdn Bhd	100%	Operator of TGI Friday's at Queensbay Mall, Penang
6.	Bistroamericana (A) Sdn Bhd	100%	Operator of TGI Friday's, Alamanda Shopping Centre, Putrajaya
7.	Bistroamericana (Hartamas) Sdn Bhd	100%	Operator of TGI Friday's, Hartamas Shopping Centre, Kuala Lumpur
8.	Bistroamericana (SP) Sdn Bhd	100%	Operator of TGI Friday's, Sunway Pyramid, Selangor
9.	Bistroamericana (BB) Sdn Bhd	100%	Operator of TGI Friday's, Pavilion, Kuala Lumpur
10.	Bistroamericana (JB) Sdn Bhd	20%	Operator of TGI Friday's, Wisma Jotic, Johor Bahru

Notes:

An internal restructuring will be undertaken by CRSB prior to the completion of the Proposed Malaysia Sale to dispose the subsidiaries above to BMPJ resulting in BMPJ being the direct holding company of these subsidiaries.

CRSB has received an offer for the disposal of the TGI Friday's business in Indonesia and approval is currently being sought from *inter-alia* one of the Scheme Creditors who have security over the assets of the business on the offer.

With regards to the disposal of TGI Friday's business in China, CRSB is still in discussions with potential parties but no firm offers have been received.

The proceeds from the disposal of the Affected Subsidiaries will be utilized fully towards the payment of liabilities of the CRSB Group as stipulated under provisions of the PSOA and the SSA (refer to paragraph 2.4.5(b) of this Circular). No valuation will be conducted when disposing the Affected subsidiaries and the reasons thereof are detailed under paragraph 2.2 of this Circular. Notwithstanding that no valuation is conducted for the disposal of the Affected Subsidiaries, the Board is of the view that the disposal is in the best interest of the Company and its Shareholders.

As detailed in paragraph 2.6.1 of this Circular, pursuant to the Moratorium granted by the Singapore Court, the Company proposes to implement the Singapore Scheme of which the details of the Singapore Scheme are targeted to be finalized during the 12-week period of the Moratorium. The Singapore Scheme is necessary to address the various debt obligations owed by the Company to its creditors and as part of the Group's restructuring exercise to restore the financial position of the Company.

The Moratorium and the Singapore Scheme will also assist to address the statutory demand received from the interim judicial managers of TVF. As at the Latest Practicable Date, the Company has yet to receive any further notices from the interim judicial managers of TVF.

As stated in the future plans under paragraph 2.6.2 above, the Company is also exploring, *inter-alia*, new viable business and acquisition opportunities as a complementary business or a totally new opportunity. The Company will make further announcement if there is any material development.

The Board confirms that the Proposed Disposal is to facilitate the sale of the Affected Subsidiaries and is part of the restructuring plan of the Company and not to circumvent any rules and regulation of the SGX-ST as well as any other relevant laws and regulations. Subsequent to the completion of the Proposed Disposal, the Company will not be a party to the disposal of the Affected Subsidiaries.

For avoidance of doubt, there will be no fees or commission payable by the Company to the Purchaser in connection with the disposal of the Affected Subsidiaries.

In addition, further to the terms and condition as stipulated in the SSA, the Purchaser has irrevocably and unconditionally agrees, covenants, confirms and undertakes the following:

- (a) The Purchaser shall ensure that the disposal of the Affected Subsidiaries do not contravene any laws and regulation of respective jurisdiction of the Affected Subsidiaries;
- (b) The Purchaser undertakes that it shall use its best efforts to dispose of all of the shares in the capital of each of the Affected Subsidiaries which is listed under Schedule 4 of the SSA (to the extent such shares are owned by CRSB and/or any of the Sale Subsidiaries), on an arm's-length basis and at as high a price and on as favourable terms as it can obtain using its best efforts within 18 months from the Completion Date or such other dates to be mutually agreed upon;
- (c) The Purchaser undertakes that it shall apply or undertakes to procure the application of the proceeds of such disposal towards such liabilities of CRSB and/or the Sale Subsidiaries as required by the provisions of the Restructuring Scheme (as applicable at the time of the legal completion of the relevant disposals). The Purchaser 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 Scheme Provisions;
- (d) In the event that there is a surplus from the proceeds of the disposal 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 Scheme, such surplus shall be paid directly to the Company;

- (e) The Purchaser undertakes that it shall not dispose the shares in the capital of each of the Affected Subsidiaries to any interested persons of the Company as defined under the Catalist Rules;
- (f) The Purchaser undertakes that all fees and commission that it may earn or receive from the disposal of the Affected Subsidiaries will be paid to the Company (where applicable). None of the proceeds from the disposal of the Affected Subsidiaries will be paid to the Purchaser;
- (g) In the event that there is a change in shareholder of the Purchaser, the Purchaser shall ensure that its obligations under the SSA shall remain and the Purchaser will still be bound by the terms and conditions of the SSA; and
- (h) With respect to the disposal of the Affected Subsidiaries or any of their assets, the Purchaser shall seek and obtain the written consent from the Scheme Creditors who hold security interests in the shares in the respective Affected Subsidiaries or over the assets of the respective Affected Subsidiaries, before such disposal may be completed.

TAMI is also not expected to receive proceeds from any sale of the remaining Sale Subsidiaries, which are mainly dormant or inactive subsidiaries which have ceased operations and/or have no value. If any of the remaining Sale Subsidiaries are not disposed, the Purchaser will remain as the legal shareholder. However, as the Scheme Creditors have securities via debenture over CRSB and certain of the Sale Subsidiaries, the Scheme Creditors have a legal right to decide on the realization on the assets of the remaining Sale Subsidiaries. After the realization of the assets by the Scheme Creditors and/or the cessation of the remaining businesses, the Purchaser will remain as the legal shareholder of the remaining Sale Subsidiaries. The Purchaser will eventually have the remaining Sale Subsidiaries being wound up either voluntarily or via creditors' winding up.

The Company has obtained an undertaking letter from TAMI that the purchaser of the Affected Subsidiaries will not be an interested person or associate of such interested person (as defined in the Catalist Rules) when TAMI enters into any share purchase agreement for the disposal of the Affected Subsidiaries.

4. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The pro-forma financial effects of the Proposed Disposal, prepared based on the consolidated financial statements of the Group for FY2018, are set out below. The pro-forma financial effects of the Proposed Disposal are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Group after completion of the Proposed Disposal.

4.1 NTA per Share

Assuming the Proposed Disposal and provision of corporate guarantee to Mr Andrew have been completed on 31 December 2018, being the end of the most recently completed financial year of the Group, the financial effects on the NTA per share of the Group would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (RM'000)	(71,641)	(45,649) ⁽¹⁾
Number of Shares ('000)	250,605	250,605
NTA per Share (RM sen)	(28.6)	(18.2)

Note:

(1) Taking in account potential gain from the Proposed Disposal of approximately RM26.0 million.

4.2 Loss/Profit per Share

Assuming that the Proposed Disposal had been effected on 1 January 2018, being the beginning of the most recently completed financial year of the Group, the financial effects on the loss per share of the Group would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
(Loss)/Profit after tax attributable to equity holders of the Company (RM'000)	(9,980)	16,012 ⁽¹⁾
Number of Shares	250,605	250,605
(Loss)/Profit per Share (RM sen)	(4.0)	6.4

Note:

(1) Taking into account the potential gain from the Proposed Disposal of approximately RM26.0 million.

4.3 Gearing

Assuming that the Proposed Disposal had been effected on 1 January 2018, being the beginning of the most recently completed financial year of the Group, the financial effects on the gearing of the Group would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Total Borrowings (RM'000)	33,043 ⁽¹⁾	- ⁽³⁾
Net asset value (RM'000)	(71,223)	(45,465) ⁽²⁾
Gearing (times)	(0.46)	-

Notes:

(1) Consists of total borrowings attributable to the CRSB Group including the REB.

(2) Taking in account potential gain from the Proposed Disposal of approximately RM26.0 million.

(3) The Remaining Entities are still liable for the corporate guarantees provided by the Company of approximately RM44.1 million which is disclosed under trade and other payables. The details of the corporate guarantees provided by the Company are in paragraph 3 of this Circular.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Mr Ng is the sole director of the Purchaser, the Non-Independent Non-Executive Chairman of the Company and a director of CRSB. In view of Mr Ng's conflict of interest, being the sole director of the Purchaser, the Non-Independent Non-Executive Chairman of the Company and director of CRSB, Mr Ng has abstained from deliberating and making recommendation in relation to the Proposed Disposal. Mr Ng will abstain, and will undertake to ensure each of his respective associates (as defined under Catalist Rules) or as required by the SGX-ST will abstain (if any) from voting on resolution in respect of the Proposed Disposal at the EGM.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in the Proposed Disposal.

6. DIRECTORS' SERVICE CONTRACTS

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

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held at 10 Anson Road, #36-05A, International Plaza, Singapore 079903 on 27 September 2019 at 2.00 p.m. for the purpose of considering and, if thought fit, passing the ordinary resolution set out in the Notice of EGM in relation to the Proposed Disposal and such other matters in relation thereto.

8. DIRECTORS' RECOMMENDATIONS

Having considered the rationale, the financial effects and the terms of the Proposed Disposal, the Directors who are deemed independent in respect of the Proposed Disposal, being Mr Chng Hee Kok, Mr Er Kwong Wah and Mr Andrew (collectively known as the "**Non-Related Directors**"), are of the opinion that the Proposed Disposal are in the best interest of the Company. Accordingly, the Non-Related Directors recommend that the Shareholders vote in favour of the ordinary resolutions in respect of the Proposed Disposal, as set out in the Notice of EGM contained in this Circular. This Circular contains all other information known to the Company or any of its directors that is material to the Shareholders in deciding whether it is in the interest of the Company to approve the Proposed Disposal.

The shareholders' approval on the Proposed Disposal does not tantamount to the shareholders approving the subsequent corporate actions by the Company pursuant to the PSOA and the Singapore Scheme including *inter-alia* issuance of new Shares.

9. ACTION TO TAKEN BY SHAREHOLDERS

9.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of the Company's Share Registrar Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not less than forty-eight (48) hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

9.2 When Depositor regarded as Shareholder

A Depositor will not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the time fixed for the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries (including the CRSB Group, the Affected Subsidiaries and the Sale Subsidiaries) and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898 during normal business hours from the date of this Circular and up to and including the date of the EGM:

- (a) the SSA;
- (b) the Constitution of the Company;
- (c) the Confirmation Letters;
- (d) the letter of undertaking from the Purchaser; and
- (e) the Annual Report of the Company for FY2018.

Yours faithfully

BY ORDER OF THE BOARD

Mr Andrew Roach Reddy
Managing Director
12 September 2019

APPENDIX A: LIST OF SALE SUBSIDIARIES

No.	Name of Subsidiaries	Country of Incorporation	Principal Activities	Shareholding (%)	Paid-up Share Capital
1.	Bistroamericana (PJ) Sdn. Bhd. (Company No. 308915-P)	Malaysia	Restaurant Operator	100	RM1,000,000
2.	Bistroamericana (M) Sdn. Bhd. (Company No. 264965-M)	Malaysia	Restaurant Operator ***	100	RM2,000,000
3.	Bistroamericana (SJ) Sdn. Bhd. (Company No. 376580-V)	Malaysia	Restaurant Operator ***	100	RM1,500,000
4.	Bistroamericana (JB) Sdn. Bhd. (Company No. 415172-P)	Malaysia	Restaurant Operator	20	RM1,000,000
5.	Bistroamericana (TC) Sdn. Bhd. (Company No. 653016-U)	Malaysia	Restaurant Operator	100	RM500,000
6.	Bistro Italiana (SJ) Sdn. Bhd. (Company No. 402790-V)	Malaysia	Restaurant Operator ***	100	RM850,000
7.	Bistroamericana (BU) Sdn. Bhd. (Company No. 597692-U)	Malaysia	Restaurant Operator	100	RM500,000
8.	Trinity Square Sdn. Bhd. (Company No. 655164-T)	Malaysia	Restaurant Operator ***	100	RM500,000
9.	Bistro Italiana (JB) Sdn. Bhd. (Company No. 713363-D)	Malaysia	Restaurant Operator ***	100	RM1,800,000
10.	Bistro Italiana (TG) Sdn. Bhd. (Company No. 764162-W)	Malaysia	Restaurant Operator**	100	RM750,000
11.	Teh Tarik Place Sdn. Bhd. (Company No. 751516-A)	Malaysia	Restaurant Operator	100	RM200,000
12.	Bistroamericana (QB) Sdn. Bhd. (Company No. 742922-X)	Malaysia	Restaurant Operator	100	RM1,000,000

No.	Name of Subsidiaries	Country of Incorporation	Principal Activities	Shareholding (%)	Paid-up Share Capital
13.	Bistroamericana (BB) Sdn. Bhd. (Company No. 780752-K)	Malaysia	Restaurant Operator	100	RM2,300,000
14.	Bistroamericana (SP) Sdn. Bhd. (Company No. 780572-W)	Malaysia	Restaurant Operator	100	RM1,800,000
15.	The Apartment Sdn. Bhd. (Company No. 770287-V)	Malaysia	Restaurant Operator ***	100	RM500,000
16.	Bistro Italiana (MT) Sdn. Bhd. (Company No. 770241-U)	Malaysia	Dormant	100	RM100
17.	Curry Leaf's Sdn. Bhd. (Company No. 795649-T)	Malaysia	Dormant	100	RM500,000
18.	Bistromalones (S) Sdn. Bhd. (Company No. 608395-W)	Malaysia	Restaurant Operator ***	100	RM500,000
19.	Teh Tarik Place (SA) Sdn. Bhd. (Company No. 826851-H)	Malaysia	Restaurant Operator ***	100	RM600,000
20.	Bistroamericana (IOI) Sdn. Bhd. (Company No. 826847-M)	Malaysia	Restaurant Operator ***	100	RM1,000,000
21.	Bistroamericana (Hartamas) Sdn. Bhd. (Company No. 838371-T)	Malaysia	Restaurant Operator	100	RM500,000
22.	Bistroamericana (TG) Sdn. Bhd. (Company No. 868650-T)	Malaysia	Restaurant Operator ***	100	RM700,000
23.	Bistroamericana (WW) Sdn. Bhd. (Company No. 850954-M)	Malaysia	Restaurant Operator ***	100	RM500,000
24.	Bistromalones (BB) Sdn. Bhd. (Company No. 910987-P)	Malaysia	Restaurant Operator	100	RM500,000

No.	Name of Subsidiaries	Country of Incorporation	Principal Activities	Shareholding (%)	Paid-up Share Capital
25.	The Apartment (BB) Sdn. Bhd. (Company No. 910951-K)	Malaysia	Restaurant Operator ***	100	RM500,000
26.	Bistroamericana (A) Sdn. Bhd. (Company No. 919858-K)	Malaysia	Restaurant Operator	100	RM500,000
27.	Bistrojapan (BB) Sdn. Bhd. (Company No. 941538-V)	Malaysia	Dormant	100	RM2
28.	Bistrojapan (BU) Sdn. Bhd. (Company No. 964063-P)	Malaysia	Dormant	100	RM2
29.	Bistroamericana (MT) Sdn. Bhd. (Company No. 949062-P)	Malaysia	Dormant	100	RM2
30.	Café Baci Sdn. Bhd. (Company No. 948946-P)	Malaysia	Dormant	100	RM500,000
31.	Bistrojapan (PM) Sdn. Bhd. (Company No. 977929-M)	Malaysia	Dormant	100	RM500,000
32.	Bistro Italiana (PM) Sdn. Bhd. (Company No. 977924-U)	Malaysia	Restaurant Operator ***	100	RM500,000
33.	Bistroamericana (SA) Sdn. Bhd. (Company No. 977930-A)	Malaysia	Restaurant Operator ***	100	RM500,000
34.	Bistroamericana (PM) Sdn. Bhd. (Company No. 977922-W)	Malaysia	Restaurant Operator ***	100	RM500,000
35.	Bulgogi Brothers Restaurants Sdn. Bhd. (Company No. 1007894-P)	Malaysia	Restaurant Operator ***	100	RM500,000
36.	Bistroamericana (EC) Sdn. Bhd. (Company No. 1155958-W)	Malaysia	Dormant	100	RM100
37.	Bistro Italiana (EC) Sdn. Bhd.	Malaysia	Dormant	100	RM100

No.	Name of Subsidiaries	Country of Incorporation	Principal Activities	Shareholding (%)	Paid-up Share Capital
	(Company No. 1155963-A)				
38.	Bistromalones (PJ) Sdn. Bhd. (Company No. 1155961-V)	Malaysia	Dormant	100	RM100
39.	Chaswood Resources Pte. Ltd. (Company No. 200701231W)	Singapore	Investment Holding	100	S\$100
40.	Chaswood Resources (OR) Pte. Ltd. * (Company No. 200904247M)	Singapore	Dormant	100	S\$500,000
41.	Bistroamericana (KM) Pte. Ltd. * (Company No. 201106004H)	Singapore	Dormant	100	S\$500,000
42.	Chaswood Capital Pte. Ltd. * (Company No.201105996Z)	Singapore	Investment Holding	100	S\$100
43.	Bistromalones (313) Pte. Ltd. * (Company No. 201105384E)	Singapore	Dormant	100	S\$500,000
44.	PT Chaswood Resources (Company No. AHU-38631.40.22.2014)	Indonesia	Investment Holding	99	IDR2,140,500,000
45.	PT Chaswood Resources BB ** (Company No. AHU-25827.AH.01.01.2013)	Indonesia	Restaurant Operator ***	75	IDR2,910,000,000
46.	PT Chaswood Resources Jakarta ** (Company No. AHU-53068.AH.01.01.2012)	Indonesia	Restaurant Operator	75	IDR2,910,000,000
47.	Chaswood Restaurant Management (Beijing) Co. Ltd. (Company No. 110000410092404)	China	Restaurant Operator	100	RMB64,140,787
48.	Yi Jun Restaurant Management (Shanghai) Co.	China	Restaurant	100	RMB49,207,534

No.	Name of Subsidiaries	Country of Incorporation	Principal Activities	Shareholding (%)	Paid-up Share Capital
	Ltd. (Company No. 310000400739083)		Operator		

* *Held through Chaswood Resources Pte. Ltd.*

** *Held through PT Chaswood Resources*

*** *Ceased operations*

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CHASWOOD RESOURCES HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401894D)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of **CHASWOOD RESOURCES HOLDINGS LTD** (the “**Company**”) will be held at 10 Anson Road, #36-05A, International Plaza, Singapore 079903 on 27 September 2019 at 2.00 p.m., for the purpose of considering, and if thought fit, passing with or without modifications, the following resolution:-

ORDINARY RESOLUTION

THE PROPOSED DISPOSAL OF 100% EQUITY INTEREST OF CHASWOOD RESOURCES SDN. BHD., A WHOLLY OWNED SUBSIDIARY OF THE COMPANY

That:-

- (a) approval be and is hereby given to the Company for the disposal by the Company of the entire issued paid up capital of Chaswood Resources Sdn. Bhd. to Tremendous Asia Management Inc. (“**Purchaser**”) at a consideration of RM10 and on the terms and subject to the conditions set out in the share sale agreement dated 14 September 2018 entered into between the Company and the Purchaser; and
- (b) the directors of the Company (“**Directors**”) and each of them be and are here authorised and empowered to complete and do all such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit notices, forms and documents with or to the relevant authorities) as they may consider necessary, desirable or expedient to give effect to the matters contemplated by this Ordinary Resolution.

BY ORDER OF THE BOARD

Mr Andrew Roach Reddy
Managing Director
12 September 2019

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote in his/her stead at the EGM.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the number and class of share in relation to which each proxy has been appointed shall be specified in the proxy form.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy must be deposited at the Office of the Company’s Share Registrar Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02 Singapore 068898 not less than forty-eight (48) hours before the time appointed for holding the EGM.

*This notice 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 notice including the correctness of any of the figures used, statements or opinions made.*

This notice has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.

*The contact person for the Sponsor is Mr. Liau H.K.
Telephone number: 6221 0271*

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

CHASWOOD RESOURCES HOLDINGS LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401894D)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy Chaswood Resources Holdings Ltd's shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purpose if used or purported to be used by them.

I/We, _____ (Name) NRIC/Passport No. _____

of _____ (Address)

being a member/members of Chaswood Resources Holdings Ltd (the "**Company**"), hereby appoint:

Name	NRIC/ Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/ Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Extraordinary General Meeting ("**EGM**") as my/our proxy/proxies to vote for *me/our behalf at the EGM to be held at 10 Anson Road, #36-05A, International Plaza, Singapore 079903 on 27 September 2019 at 2.00 p.m., and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the EGM and at any adjournment thereof.

	¹ No of Votes For	¹ No of Votes Against
Ordinary Resolution To approve the Proposed Disposal of 100% equity interest of Chaswood Resources Sdn. Bhd., a wholly owned subsidiary of the Company		

¹If you wish to exercise all your votes "For" or "Against" the Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise all your votes for both "For" or "Against" the Resolution, please indicate the number of votes as appropriate in the boxes provided.

Dated this _____ day of _____ 2019

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

*Delete where inapplicable



Notes:

1. Please insert the total number of shares of the Company (“Shares”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A Member of the Company entitled to attend and vote at the EGM of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
3. Where a Member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a Member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
 6. The instrument appointing a proxy or proxies must be deposited at the office of the Company Company’s Share Registrar Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 not less than 48 hours before the time appointed for the EGM.
 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 8. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
 9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
 10. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.
 11. An investor who buy shares using CPF monies (“CPF Investor”) and/ or SRS monies (“SRS Investor”) (as may be applicable) may attend and cast his vote(s) as the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 12 September 2019.