



Chaswood Resources Holdings Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial period.

THE GROUP	FULL YEAR ENDED 31 DEC		
	2020 (Unaudited)	2019 (Audited)	Increase/ (Decrease)
	RM'000	RM'000	%
Revenue	1,727	2,760	-37.4%
Cost of sales	(655)	(950)	-31.1%
Gross profit	1,072	1,810	-40.8%
<u>Other Items of Income</u>			
Other credits	1,102	1,560	-29.4%
<u>Other Items of Expense</u>			
Marketing and distribution costs	(38)	(32)	18.8%
Administrative expenses	(1,435)	(9,831)	-85.4%
Finance costs	(77)	(43)	79.1%
Other expenses	(330)	(243)	35.8%
Profit/ (Loss) before taxation from continuing operations	294	(6,779)	-104.3%
Income tax expense	(45)	(359)	-87.5%
Profit / (loss) after taxation from continuing operations	249	(7,138)	-103.5%
Discontinued operations			
Loss for the period from discontinued operations	-	(13,818)	-100.0%
Total profit/ (loss) for the year	249	(20,956)	-101.2%
Other comprehensive (loss)/ income net of tax:-			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations			
- Loss on translation of foreign operations	(666)	(153)	N.M
- Reclassification on discontinued operations	-	31,516	N.M
Total comprehensive (loss) / income	(417)	10,407	-104.0%
Profit/(loss) attributable to owners of the company, net of tax	249	(20,956)	-101.2%
Profit/(loss) attributable to non-controlling interests, net of tax	-	-	N.M
Profit / (loss) after tax	249	(20,956)	-101.2%
Total comprehensive (loss) / income attributable to owners of the company, net of tax	(417)	10,607	-103.9%
Total comprehensive loss attributable to non-controlling interests, net of tax	-	(200)	-100.0%
Total comprehensive (loss) / income	(417)	10,407	-104.0%

N.M = Not Meaningful



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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1(a)(ii) Other Information

The Group's net profit before tax is arrived at after charging/(crediting):

THE GROUP	FULL YEAR ENDED 31 DEC		
	2020 (Unaudited)	2019 (Audited)	Increase/ (Decrease)
	RM'000	RM'000	%
Development fee income	(1,050)	(500)	110.0%
Rental rebate received	(52)	(1,060)	-95.1%
Depreciation of property and equipment	330	243	35.8%



Chaswood Resources Holdings Ltd.

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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	31 December 2020 RM'000 (Unaudited)	31 December 2019 RM'000 (Audited)	31 December 2020 RM'000 (Unaudited)	31 December 2019 RM'000 (Audited)
ASSETS				
Non-Current Assets				
Property and Equipment	2,091	2,421	-	-
Total Non-Current Assets	2,091	2,421	-	-
Current Assets				
Inventories	21	27	-	-
Trade and Other Receivables	211	56	1	1
Other Assets	168	152	-	-
Cash and Cash Equivalents	1,058	110	-	-
Total Current Assets	1,458	345	1	1
Total Assets	3,549	2,766	1	1
EQUITY AND LIABILITIES				
Equity				
Share Capital	24,464	24,464	162,132	162,132
Other Reserves	30,073	30,739	29,114	29,779
Accumulated Losses	(115,570)	(115,819)	(252,340)	(252,375)
Total Equity Attributable to Owners of the Parent	(61,033)	(60,616)	(61,094)	(60,464)
Non-Controlling Interest	(433)	(433)	-	-
Total Equity	(61,466)	(61,049)	(61,094)	(60,464)
Non-Current Liabilities				
Deferred Tax Liabilities	96	132	-	-
Lease liabilities	825	1,027	-	-
Total Non-Current Liabilities	921	1,159	-	-
Current Liabilities				
Provision for Taxation	503	456	1	-
Trade and Other Payables	63,389	62,012	61,094	60,465
Lease liabilities	202	188	-	-
Total Current Liabilities	64,094	62,656	61,095	60,465
Total Liabilities	65,015	63,815	61,095	60,465
Total Equity and Liabilities	3,549	2,766	1	1

* Refer to Paragraph 8 – Review of Financial Position (Current liabilities)



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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	31 December 2020		31 December 2019	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Lease liability	-	202	-	188
	<hr/>	<hr/>	<hr/>	<hr/>
	-	202	-	188
	<hr/>	<hr/>	<hr/>	<hr/>
Amount repayable after one year				
	31 December 2020		31 December 2019	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Lease liability	-	825	-	1,027
	<hr/>	<hr/>	<hr/>	<hr/>
	-	825	-	1,027
	<hr/>	<hr/>	<hr/>	<hr/>

Details of any collateral

There are no collaterals for the unsecured lease liability which arose pursuant to the adoption of SFRS (I) 16.



Chaswood Resources Holdings Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

	FULL YEAR ENDED 31 DECEMBER	
	Unaudited 2020 RM'000	Audited 2019 RM'000
Cash flows from operating activities		
Profit/(loss) before tax from continuing operations	294	(6,779)
Loss before tax from discontinued operations	-	(13,994)
	<hr/>	<hr/>
	294	(20,773)
Adjustment for:		
Amortisation of franchise agreement cost	-	16
Deposits, prepayments and inventory written off	-	593
Depreciation of property and equipment	330	797
Interest expense on lease liabilities	77	43
Interest expense	-	570
Loss on disposal of subsidiaries	-	11,431
	<hr/>	<hr/>
Operating profit / (loss) before working capital changes	701	(7,323)
Inventories	6	156
Trade and other receivables	(155)	1,756
Other assets	(16)	(61)
Trade and other payables	722	11,994
	<hr/>	<hr/>
Net cash flows from operations	1,258	6,522
Tax Paid	(43)	(400)
	<hr/>	<hr/>
Net cash flows from operating activities	1,215	6,122
	<hr/>	<hr/>
Balance carried forward	1,215	6,122



Chaswood Resources Holdings Ltd.

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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1(c) Consolidated Statement of Cash Flows (for the group) (Continued)

	FULL YEAR ENDED 31 DECEMBER	
	Unaudited 2020 RM'000	Audited 2019 RM'000
Balance brought forward	1,215	6,122
Cash flows used in investing activities		
Net cash outflows from disposal of subsidiaries	-	(1,744)
Net cash used in investing activities	-	(1,744)
Cash flows used in financing activities		
Principal payment on lease liabilities	(188)	(90)
Interest paid on lease liabilities	(77)	(43)
Net cash flows used in financing activities	(265)	(133)
Net increase in cash and cash equivalents	950	4,245
Foreign exchange differences	(2)	(11)
Cash and cash equivalents at the beginning of the financial period / year	110	(4,124)
Cash and cash equivalents at the end of the financial year	1,058	110
<u>Cash and cash equivalents:-</u>		
Not restricted in use	1,058	110
Restricted in use	-	-
	1,058	110



Chaswood Resources Holdings Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Attributable to owners of the Company			Total	Non-Controlling Interests	Total Equity
	Share Capital	Other Reserve	(Accumulated Losses)			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020	24,464	30,739	(115,819)	(60,616)	(433)	(61,049)
Total comprehensive loss for the year						
Profit for the financial year	-	-	249	249	-	249
Effects of translation of net assets of foreign operations	-	(666)	-	(666)	-	(666)
Total comprehensive loss for the year	-	(666)	249	(417)	-	(417)
Balance as at 31 December 2020	24,464	30,073	(115,570)	(61,033)	(433)	(61,466)
Balance as at 1 January 2019	24,464	(824)	(94,863)	(71,223)	(233)	(71,456)
Total comprehensive income/(loss) for the year						
Loss for the financial year	-	-	(20,956)	(20,956)	-	(20,956)
Reclassification of reserves for disposal of subsidiaries	-	31,516	-	31,516	-	31,516
Effects of translation of net assets of foreign operations	-	47	-	47	(200)	(153)
Total comprehensive income/(loss) for the year	-	31,563	(20,956)	10,607	(200)	10,407
Balance as at 31 December 2019	24,464	30,739	(115,819)	(60,616)	(433)	(61,049)



Chaswood Resources Holdings Ltd.

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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Company

	Share Capital RM'000	Other Reserve RM'000	(Accumulated Losses) RM'000	Total Equity RM'000
Balance as at 1 January 2020	162,132	29,779	(252,375)	(60,464)
Total comprehensive loss for the year				
Profit for the financial year	-	-	35	35
Effects of translation of net assets of foreign operations	-	(665)	-	(665)
Total comprehensive loss for the year	-	(665)	35	(630)
Balance as at 31 December 2020	162,132	29,114	(252,340)	(61,094)
Balance as at 1 January 2019	162,132	29,439	(240,191)	(48,620)
Total comprehensive income/(loss) for the year				
Loss for the financial period	-	-	(12,184)	(12,184)
Effects of translation of net assets of foreign operations	-	340	-	340
Total comprehensive income / (loss) for the year	-	340	(12,184)	(11,844)
Balance as at 31 December 2019	162,132	29,779	(252,375)	(60,464)



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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

- 1(d)(ii)** Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The issued and paid-up share capital of the Company are as follows:

Issued and paid up share capital	Number of shares	Issued and paid up share capital (RM)
Share capital as at 31 December 2020 and 2019	<u>250,605,231</u>	<u>162,131,973</u>

As at 31 December 2020 and 31 December 2019, the Company did not hold any treasury shares and there were no subsidiary holdings.

- 1(d)(iii)** To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

	As at 31 December 2020	As at 31 December 2019
Total number of issued shares excluding treasury shares	<u>250,605,231</u>	<u>250,605,231</u>

The Company has no treasury shares as at 31 December 2020 and 31 December 2019.



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(Incorporated in the Republic of Singapore)
(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not hold any treasury shares as at 31 December 2020 and 31 December 2019.

1(d)(v) A statement showing all sales, transfer, disposals, cancellations and/or use of subsidiary holdings as at the end of the current financial period on.

The Company does not hold any subsidiary holdings as at 31 December 2020 and 31 December 2019.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The figures have not been audited or reviewed by the Company's auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue

For FY2019 financial statements, the Company's auditors have issued a disclaimer of opinion on the following basis, amongst others:

Limitation of scope on the audit of Chaswood Resources Sdn Bhd and its subsidiaries ("CRSB Group")

- Auditors were unable to obtain necessary information and explanations to audit the financial statements of the disposed CRSB Group and to carry out alternative procedures to satisfy themselves as to the accuracy of the figures relating to the discontinued operations and disposal of the CRSB Group.

Update:

The disposal of CRSB Group by the Company was completed on 4 October 2019. The limited audit of the CRSB Group, which has been disposed during FY2019 would not have a material impact on the Company's FY2019 financials as the results had already been separately classified as discontinued operations. As at 31 December 2019, in the Group's statement of financial position subsequent to the disposal of the CRSB Group, there was no longer any net assets/liabilities of the disposed CRSB Group. The net assets/liabilities of the disposed CRSB Group which had been accounted for in the income statement as loss for the year from discontinued operations is not expected to change.



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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

- Auditors were unable to audit the opening balance of the carrying amount of trade and other payables of Bistro Italiana (TC) Sdn Bhd (“BITC”), a wholly owned subsidiary of the Company. They were not able to satisfy themselves as to the accuracy and completeness of the opening balance of the carrying amount of the trade and other payables of BI(TC) which affects the determination of the Group’s financial performance from continuing operations and the Group’s opening accumulated loss for the current financial year.

Update:

The component auditor for BITC was unable to confirm or verify by alternative means as to the carrying amounts of the trade payable and other payables as at 31 December 2018 due to a modified opinion which was issued in the auditors’ report of BITC for FY2018 pertaining to the same matter given that the component auditors were not auditors for the prior financial year ended 31 December 2017. The Company does not expect for this issue to be raised in the current financial year as this matter relates to a period prior to 31 December 2019.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that impact of all outstanding audit issues on the financial statements have been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

There were no changes in the accounting policies and methods of computation adopted in the financial statements of the Group for the current reporting period as compared to the most recently audited financial statements for the reporting year ended 31 December 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted various new and revised SFRS(I)s that are relevant to its operations and effective for the period beginning 1 January 2020.



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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.**

	THE GROUP	
	FINANCIAL YEAR ENDED 31 DECEMBER	
	2020	2019
Net profit/ (loss) attributable to shareholders of the Company (RM'000)	249	(20,956)
(a) Basic earnings/ (loss) per share (RM sen)	0.1	(8.4)
(b) Diluted Loss per share (RM sen)	N.A	N.A
Weighted average number of ordinary shares in issue ('000)	250,605	250,605

N.A: Not applicable

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	31 December 2020 (Unaudited)	31 December 2019 (Audited)	31 December 2020 (Unaudited)	31 December 2019 (Audited)
Net asset value per ordinary share (RM sen)	(24.5)	(24.4)	(24.4)	(24.1)

Net asset value per ordinary share of the Group and the Company was calculated based on 250,605,231 shares (2019: 250,605,231 shares) in issue at the end of the financial year/period.



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Financial Performance

Revenue

Revenue decreased by approximately RM1.0 million, or approximately 37.4% as compared to FY2019 mainly due to the impact of the Covid-19 pandemic on the existing business. In an effort to curb the spread of Covid-19 infection, the Malaysian government imposed the Movement Control Order ("MCO") where restaurants were only allowed to operate with certain standard operating procedures which during the strict lockdown, no dine-in was allowed and the Group's restaurant operations were only allowed to operate via take-away and delivery services. When the MCO was slightly eased in Q3 FY2020, dine-in was allowed but capacity was limited in observance of the physical distancing standard operating procedures.

Gross profit and gross profit margin

Gross profit decreased by approximately RM0.7 million, or approximately 40.8% from approximately RM1.8 million in FY2019 to approximately RM1.1 million in FY2020 in line with the decrease in revenue. Gross profit margin decreased from approximately 65.6% in FY2019 to approximately 62.1% in FY2020 due to the increased discounts given to customers during the MCO period.

Other credits

Other credits in FY2020 mainly consist of development fee income in relation to development rights awarded to operate the Italiannies brand of approximately RM1.0 million. FY2019 credits of RM1.5 million consisted of development fee income of RM0.5 million and landlord rental rebate of approximately RM1.0 million.

The awarding of development rights is part of the Group's plan to expand the Italiannies brand in Malaysia and internationally at a faster pace via a franchise business model.

Administrative expenses

Administrative expenses decreased by approximately RM8.4 million, or approximately 85.9%, from approximately RM9.8 million in FY2019 to approximately RM1.4 million in FY2020. Higher expense in FY2019 was mainly due to the additional accrual of professional fees expense for the Group's restructuring exercise of approximately RM1.5 million and the additional provision of corporate guarantee of RM6.0 million given by the Company for certain former subsidiaries' banking facilities and exchangeable bonds. In addition to the one-off FY2019 expenses, lower expenses of approximately RM0.9 million were also recorded due to the cost cutting measures undertaken by the Group which includes managing the manpower planning and rental rebate request to cushion the impact of the Covid-19 pandemic.



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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

Other expenses

Other expenses consist of depreciation charge. Higher depreciation charge in FY2020 was due to the recognition of right-of-use lease asset depreciation expense of approximately RM0.1 million in line with the SFRS (I) 16 (Leases) adoption.

Income tax expense

Lower income tax expense in FY2020 of approximately RM0.03 million as compared to FY2019 of approximately RM0.3 million was mainly due to the lower profit before taxation from the profitable outlet operation in Malaysia.

Profit / (Loss) after tax from continuing operations

The Group's net profit after tax from continuing operations in FY2020 was approximately RM0.2 million compared to a loss after tax in FY2019 of approximately RM7.1 million. Higher loss in FY2019 of RM7.3 million was mainly due to the higher FY2019 one-off restructuring expenses and additional provision for corporate guarantee of RM7.5 million, offsetted by the higher other credits of RM0.5 million in FY2019. Overall, despite the lower revenue, the Group has managed to cushion its current year performance mainly due to the development fee income, various cost rationalization and expense reduction efforts.



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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

Review of Financial Position

Non-current assets

The decrease in property and equipment of approximately RM0.3 million from approximately RM2.4 million as at 31 December 2019 to approximately RM2.1 million as at 31 December 2020 was mainly due to depreciation charge during the period.

The Company has reviewed the recoverable amount of property and equipment which was estimated on the basis of value-in-use. Property and equipment is allocated to cash-generating units for the purpose of impairment testing. Based on the review and assumptions used, there is no indication of impairment on the property and equipment.

Current assets

The increase in total current assets of approximately RM1.1 million was mainly due to the increase in other receivables of RM0.2 million and cash and cash equivalents of RM0.9 million, which arose from the development fee income received.

Other assets relate to (i) deposits placed with the lessors for the leases of the Group's outlet and (ii) prepayments.

Non-current liabilities

Lease liabilities of RM0.8 million arose pursuant to the adoption of the revised SFRS (I) 16.

Current liabilities

Current liabilities mainly comprise of trade and other payables and the breakdown is as follows:

	THE GROUP	
	As at 31 December 2020 RM'000	As at 31 December 2019 RM'000
Trade payables	213	234
Other payables	15,564	14,688
Corporate guarantee granted by the Company as security for the disposed subsidiaries' banking facilities, exchangeable bonds and loans from certain creditors	47,612	47,090
Total	63,389	62,012

The increase in other payables was mainly due to longer credit term granted by suppliers and professionals.

As at 31 December 2020, other payables and corporate guarantees amounting to approximately RM61.7 million are subject to the proposed scheme of arrangement with creditors undertaken by the Company. Further information on the proposed scheme of arrangement is detailed in the paragraph on working capital below.



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

Working capital

Liquidity and Going Concern Assumptions

The financial statements have been prepared on a going concern basis assuming that the Group will continue to operate as a going concern notwithstanding that: (i) the net current liabilities of RM62.6 million of the Group as at 31 December 2020; and (ii) negative equity position of approximately RM61.5 million as at 31 December 2020. These events and conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

The Board is of the opinion that the Group is able to continue to operate as a going concern after taking into consideration the following factors:

a) Issuance of redeemable convertible notes.

On 30 November 2019, the Company entered into a subscription agreement with Advance Opportunities Fund and Advance Opportunities Fund 1 (collectively be known as the "Subscribers") for issuance of 1% equity-linked redeemable convertible notes due in 2022 with an aggregate principal amount of up to S\$50,000,000. On 19 November 2020, the Company and the Subscribers have entered into a supplemental agreement for the last date to satisfy the conditions precedent to be extended to 31 May 2021. The proceeds will be utilised for the funding of the Group's working capital and future expansions and investments.

b) Proposed scheme of arrangement with creditors ("Proposed SOA").

To address the remaining liabilities of the Company, a Proposed SOA was undertaken by the Company. During a creditors' meeting held on 30 April 2020, the proposed SOA was approved by a majority in number representing at least 75% of the total value of the scheme creditors present and voting in person or by proxy at the meeting. The Court has on 26 June 2020 granted an order that the Proposed SOA be approved pursuant to sections 210 (3AA) and 210 (3AB) of the Companies Act (Cap. 50) ("**Act**") ("**Scheme Order**"). Pursuant to the Scheme Order, the Scheme is binding on the Company and its creditors.

During a creditors' meeting held on 27 November 2020, amendments to the Proposed SOA ("**Amended Scheme**") obtained the requisite approval from the scheme creditors and on 7 December 2020, the Court granted an order that the Amended Scheme be approved ("**New Order**"). The Amended Scheme relate to the extension of deadline to 30 June 2021 for the completion of the Scheme which includes amongst others, the issuance of the shares to the Scheme Creditors and the trading resumption of the Company's shares. Pursuant to the New Order, the Amended Scheme is binding on the Company and its creditors.

Further and in accordance with the Amended SOA, the Company will be obtaining the approval of the shareholders of the Company and SGX-ST for the listing and quotation of the new shares to be issued by the Company to the Scheme Creditors. The Proposed SOA would address the various debt obligations owed by the Company of approximately SG\$20.3 million to its creditors.

The completion of the above milestones will also facilitate the resumption proposal to be submitted to the SGX-ST and thereafter provide better value to the stakeholders with the completion of the restructuring exercise.



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

Review of Statement of Cash Flows

Cash flows from operating activities

Net cashflow generated from operating activities of approximately RM1.2 million was mainly due to the operating profit for the year of RM0.7 million and increase in other payables of approximately RM0.7 million, offsetted by the increase in trade and other receivables, other assets and tax payments of approximately RM0.2 million.

Cash flows used in financing activities

Net cash used in financing activities of approximately RM0.3 million arose from the payment of lease liabilities during the year.

There were no cash flow from/used in investing activities in FY2020.

In FY2020, the total cash and cash equivalents increased by approximately RM0.9 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Results are in line with the profit guidance announcement made on 22 February 2021 .

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In 2020, the unprecedented Covid-19 pandemic has impacted all walks of life. The global and country economies have been adversely affected as a result of its disruption on businesses, employments and health. With global infection rate still rising across many countries and the risk of virus mutations from certain countries, the battle against Covid-19 would be dependent on government's measures and standard operating procedures to control the spread of the virus.

Since the Covid-19 outbreak, the Malaysian government implemented various measures such as the Movement Control Order ("MCO") to curb the spread of the deadly disease. Various economic stimulus packages such as the 6-month financial institution loan moratorium, wage subsidies and other financial assistance were announced to help the people, businesses and health sectors. Despite these efforts, the infections are still prevalent in the community with the second and third waves of infections affecting many businesses and consumer sentiments in the third and fourth quarter of 2020. The hope is for the current roll-out of the Covid-19 vaccination to contain the rapid spread of the virus. In the meantime, Malaysians would continue to be wary of the risk of contracting the virus and adhere to the strict social distancing guidelines and other regulations.

The third wave of infection in Q4 2020 had delayed the opening of a new outlet in the last quarter of 2020. The construction of the outlet is currently in progress and completion is expected to be in the second quarter of 2021 depending on the MCO guidelines. Despite this set-back, the Group is optimistic that its expansion plan would regain traction in 2021. Moving forward, the Group is also developing a new kiosk model which is much more efficient and scalable to cater for the current market trend.

In the next 12 months, the Covid-19 pandemic will likely still pose a threat to businesses at large. Nonetheless, the Group would continue to monitor the consumer spending behaviour and focus on targeted strategies to drive sales. At the same time, cost control measures such as manpower planning and overhead cost control would continue to be enforced.

The Group is currently undergoing a restructure exercise to restore the financial position of the Group with an aim to submit a resumption proposal to SGX-ST for the trading of the Company's



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

shares to resume since the suspension on 18 June 2018. Further to the extension of time up to 16 June 2020 granted by SGX-ST for the submission of a trading resumption proposal, on 11 September 2020, SGX-ST has further informed the Company that it had no objection to the Company's application for a further 12-month extension up to 15 June 2021 for the submission of a trading resumption proposal subject to certain conditions as announced on 13 September 2020. Completion of the restructuring exercise would improve the financial position of the Company and provide better value to the shareholders. Details of the various parts of the restructuring exercise which includes *inter-alia* the following have been announced by the Company and are also detailed in paragraph 8 of this announcement.

Further announcements will be made by the Company and the Board via SGXNET as and when there are material developments on the aforesaid matters in compliance with the Catalist Rules of the SGX-ST.

11. Dividend

(a) Current Financial period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial period

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision .

No dividend has been declared/recommendeded for the year ended 31 December 2020 as it is important to retain its internally generated fund to sustain its Group operations.

13. Interested Person Transactions ("IPT"). If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Group does not have any general mandate from shareholders for Interested Person Transactions.

The Group does not have any Interested Person Transactions during the financial period/year.



Chaswood Resources Holdings Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

14. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statement, with comparative information for the immediate preceding year

Business segment

As the Group operates principally in a single segment business which is the casual dining business serving food and beverages, no business segment reporting is presented.

Geographical segment

The geographical segment is presented as follows:



Chaswood Resources Holdings Ltd.

(Incorporated in the Republic of Singapore)

(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Segment revenue		Segment profit / (loss)		Depreciation of property and equipment		Amortisation of franchise agreement cost		Deposit and prepayment written off	
	2020 <u>Unaudited</u> RM'000	2019 <u>Audited</u> RM'000	2020 <u>Unaudited</u> RM'000	2019 <u>Audited</u> RM'000	2020 <u>Unaudited</u> RM'000	2019 <u>Audited</u> RM'000	2020 <u>Unaudited</u> RM'000	2019 <u>Audited</u> RM'000	2020 <u>Unaudited</u> RM'000	2019 <u>Audited</u> RM'000
<u>Continuing Operations</u>										
Malaysia	1,727	2,760	990	1,607	330	243	-	-	-	-
Singapore	-	-	(735)	(8,739)	-	-	-	-	-	-
Thailand	-	-	(6)	(6)	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-
Total	1,727	2,760	249	(7,138)	330	243	-	-	-	-
<u>Discontinued Operations</u>										
Malaysia	-	25,955	-	(12,828)	-	554	-	-	-	-
Singapore	-	-	-	(551)	-	-	-	-	-	-
Indonesia	-	-	-	-	-	-	-	16	-	-
China	-	15,812	-	(439)	-	-	-	-	-	593
Total	-	41,767	-	(13,818)	-	554	-	16	-	593



Chaswood Resources Holdings Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 Unaudited <i>RM'000</i>	2019 Audited <i>RM'000</i>
Segment assets		
Malaysia	3,466	2,686
Singapore	1	1
Thailand	35	34
China	47	45
Total	3,549	2,766
Segment liabilities		
Malaysia	2,338	2,643
Singapore	62,245	60,749
Thailand	412	403
China	20	20
Total	65,015	63,815



Chaswood Resources Holdings Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Paragraph 8.

16 Breakdown of sales

THE GROUP	YEAR ENDED 31 DECEMBER		Changes %
	2020 RM'000 (Unaudited)	2019 RM'000 (Audited)	
(a) Sales reported for first half year	746	1,348	-44.7%
(b) Loss after tax attributable to shareholders and before deducting non-controlling interests reported for first half year	(628)	(2,822)	-77.7%
(c) Sales reported for second half year	981	1,412	-30.5%
(d) Profit/ (loss) after tax attributable to shareholders and before deducting non-controlling interests reported for second half year	877	(18,134)	-104.8%

17 A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.

The Company did not declare dividend for ordinary shares in FY2019 and FY2020.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year position was held	Details of changes in duties and position held, if any, during the year
None	N.A	N.A	N.A	N.A

N.A : Not applicable

During FY2020, there was no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or the Managing Director or substantial shareholders of the Company.

19. Confirmation of undertakings pursuant to Rule 720(1)

The Company has procured the undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.



Chaswood Resources Holdings Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

By order of the Board

Ng Teck Wah
Non-Executive Chairman
27 February 2021

*This announcement been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte Ltd., in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("**Exchange**") Listing Manual Section B: Rules of Catalist for compliance with the relevant rules of the Exchange. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made..*

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

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