Chaswood Resources Holdings Ltd.

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

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2021

This quarterly results announcement is mandatory and made pursuant to the SGX – ST's requirements, as required under Rule 705 (2C) of the Catalist Rules

FOURTH QUARTER AND TWELVE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Table of Contents

Condensed interim consolidated statement of comprehensive income 3

Condensed interim statements of financial position 4

Condensed interim consolidated statement of cash flows 5

Condensed interim statements of changes in equity 6

Notes to the condensed interim consolidated financial statements 7

Other information as required by the Appendix 7C of the Catalist Rules 14

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FOURTH QUARTER AND TWELVE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

PART I - UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

Condensed interim consolidated statement of comprehensive income

THE GROUP		4TH QUARTER ENDED 31 DECEMBER			12 MONTHS ENDED 31 DECEMBER		
		2021	2020	Increase/ (Decrease)	2021	2020	Increase/ (Decrease)
		RM'000	RM'000	%	RM'000	RM'000	%
	Note						
Revenue	3	593	384	54.4%	1,796	1,727	4.0%
Cost of sales		(231)	(147)	57.1%	(659)	(655)	0.6%
Gross profit		362	237	52.7%	1,137	1,072	6.1%
Other Items of Income							
Other credits		21	952	-97.8%	1,219	1,102	10.6%
Other Items of Expense							
Marketing and distribution costs		(12)	(14)	-14.3%	(38)	(38)	0.0%
Administrative expenses		(390)	(29)	1244.8%	(1,839)	(1,435)	28.2%
Finance costs		(15)	(18)	-16.7%	(64)	(77)	-16.9%
Other expenses		(82)	(84)	-2.4%	(333)	(330)	0.9%
(Loss)/ profit before taxation	5	(116)	1,044	-111.1%	82	294	-72.1%
Income tax expense	6	(172)	(45)	282.2%	(220)	(45)	388.9%
(Loss) / profit after taxation		(288)	999	-128.8%	(138)	249	-155.4%
Other comprehensive loss 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		(176)	(253)	N.M	(751)	(666)	N.M
Total comprehensive (loss) / profit		(464)	746	-162.2%	(889)	(417)	113.2%
(Loss)/profit attributable to owners of the company, net of tax		(288)	999	-128.8%	(138)	249	-155.4%
(Loss)/profit attributable to non-controlling interests, net of tax		-	-	N.M	-	-	N.M
(Loss) / profit after tax		(288)	999	-128.8%	(138)	249	-155.4%
Total comprehensive (loss) / profit attributable to owners of the company, net of tax		(464)	746	-162.2%	(889)	(417)	113.2%
Total comprehensive (loss) / profit attributable to non-controlling interests, net of tax		-	-	N.M	-	-	N.M
Total comprehensive (loss) / profit		(464)	746	-162.2%	(889)	(417)	113.2%

N.M: Not Meaningful

FOURTH QUARTER AND TWELVE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Condensed interim statements of financial position

	Note	The Group		The Company	
		31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
ASSETS					
Non-Current Assets					
Property and Equipment	10	1,757	2,091	-	-
Asset under construction	10	661	-	-	-
Investment in Subsidiaries	11	-	-	125	-
Total Non-Current Assets		**2,418**	**2,091**	**125**	**-**
Current Assets					
Inventories		39	21	-	-
Trade and Other Receivables	12	32	210	1	1
Other Assets	13	205	169	-	-
Cash and Cash Equivalents		552	1,058	-	-
Total Current Assets		**828**	**1,458**	**1**	**1**
Total Assets		**3,246**	**3,549**	**126**	**1**
EQUITY AND LIABILITIES					
Equity					
Share Capital	7	24,464	24,464	162,132	162,132
Other Reserves		29,322	30,073	28,337	29,114
Accumulated Losses		(115,708)	(115,570)	(252,405)	(252,340)
Total Equity Attributable to Owners of the Parent		(61,922)	(61,033)	(61,936)	(61,094)
Non-Controlling Interest		(433)	(433)	-	-
Total Equity		**(62,355)**	**(61,466)**	**(61,936)**	**(61,094)**
Non-Current Liabilities					
Deferred Tax Liabilities		135	96	-	-
Lease liabilities	9	609	825	-	-
Total Non-Current Liabilities		**744**	**921**	**-**	**-**
Current Liabilities					
Provision for Taxation		430	502	42	1
Trade and Other Payables	8	64,211	63,391	62,020	61,094
Lease liabilities	9	216	201	-	-
Total Current Liabilities		**64,857**	**64,094**	**62,062**	**61,095**
Total Liabilities		**65,601**	**65,015**	**62,062**	**61,095**
Total Equity and Liabilities		**3,246**	**3,549**	**126**	**1**

Condensed interim consolidated statement of cash flows

	Note	12 months ended 31 December 2021 RM'000	2020 RM'000
Cash flows from operating activities			
Profit before tax		82	294
Adjustment for:			
Depreciation of property and equipment	5	333	330
Interest expense on lease liabilities		64	77
Operating profit before working capital changes		479	701
Inventories		(18)	6
Trade and other receivables		178	(154)
Other assets		(36)	(17)
Trade and other payables		(19)	723
Net cash flows from operations		584	1,259
Tax Paid		(163)	(43)
Net cash generated from operating activities		421	1,216
Cash flows used in investing activity			
Payment for asset under construction		(661)	-
Net cash used in investing activity		(661)	-
Cash flows used in financing activities			
Principal payment on lease liabilities		(201)	(189)
Interest paid on lease liabilities		(64)	(77)
Net cash flows used in financing activities		(265)	(266)
Net (decrease)/ increase in cash and cash equivalents		(505)	950
Foreign exchange differences		(1)	(2)
Cash and cash equivalents at the beginning of the financial year		1,058	110
Cash and cash equivalents at the end of the financial year		552	1,058
Cash and cash equivalents:-			
Not restricted in use		552	1,058
Restricted in use		-	-
		552	1,058

FOURTH QUARTER AND TWELVE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Condensed interim statements of changes in equity

The Group	Attributable to owners of the Company				Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Other Reserve RM'000	(Accumulated Losses) RM'000	Total RM'000		
Balance as at 1 January 2021	24,464	30,073	(115,570)	(61,033)	(433)	(61,466)
Total comprehensive loss for the year						
Loss after tax	-	-	(138)	(138)	-	(138)
Effects of translation of net assets of foreign operations	-	(751)	-	(751)	-	(751)
Total comprehensive loss for the year	-	(751)	(138)	(889)	-	(889)
Balance as at 31 December 2021	**24,464**	**29,322**	**(115,708)**	**(61,922)**	**(433)**	**(62,355)**
Balance as at 1 January 2020	24,464	30,739	(115,819)	(60,616)	(433)	(61,049)
Total comprehensive income/(loss) for the year						
Profit after tax	-	-	249	249	-	249
Effects of translation of net assets of foreign operations	-	(666)	-	(666)	-	(666)
Total comprehensive income/(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)**

The Company	Note	Share Capital RM'000	Other Reserve RM'000	(Accumulated Losses) RM'000	Total Equity RM'000
Balance as at 1 January 2021	7	162,132	29,114	(252,340)	(61,094)
Total comprehensive loss for the year					
Loss after tax		-	-	(65)	(65)
Effects of translation of net assets of foreign operations		-	(777)	-	(777)
Total comprehensive loss for the year		-	(777)	(65)	(842)
Balance as at 31 December 2021		**162,132**	**28,337**	**(252,405)**	**(61,936)**
Balance as at 1 January 2020	7	162,132	29,779	(252,375)	(60,464)
Total comprehensive income/(loss) for the year					
Profit after tax		-	-	35	35
Effects of translation of net assets of foreign operations		-	(665)	-	(665)
Total comprehensive income / (loss) for the year		-	(665)	35	(630)
Balance as at 31 December 2020		**162,132**	**29,114**	**(252,340)**	**(61,094)**

Notes to the condensed interim consolidated financial statements

1. Corporate Information

Chaswood Resources Holdings Ltd. (the "Company") is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and is incorporated in Singapore with limited liability. These condensed interim consolidated financial statements as at and for the fourth quarter and twelve months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The financial statements are presented in Ringgit Malaysia ("RM"). The registered office is at 80 Robinson Road, #02-00, Singapore 068898.

The principal business of the Company is that of an investment holding company. The Group operates the casual dining business serving food and beverages.

2. Basis of preparation

The condensed interim financial statements for the twelve months ended 31 December 2021 have been prepared on a going concern basis and in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in Malaysian Ringgit which is the Group's functional currency.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1, which have no significant impact on the Group.

The ability of the Group and the Company to continue as a going concern is dependent on the successful outcome of the matters set out in paragraph 6 of the other information required by Appendix 7C of the Catalist Rules - Working Capital (Liquidity and going concern assumptions) together with the future profitability of the operations of the Group.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently stated in the consolidated statement of financial position of the Group and the statement of financial position of the Company. No such adjustments have been made to these financial statements.

2.1 New and amended standards adopted by the Group

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 2021. The adoption of these new standards and amendments does not have any material impact on the condensed financial statements of the Group.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

There are no significant judgements made in applying the Group's accounting policies which would have a significant effect on the amounts recognised in the financial statements. Judgments and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Revenue

Business segment

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

Geographical segment

The geographical segment is presented as follows:

	Segment revenue		Segment profit / (loss)		Depreciation of property and equipment		Development fee income	
	Fourth quarter ended		Fourth quarter ended		Fourth quarter ended		Fourth quarter ended	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Operations								
Malaysia	593	384	(329)	752	(82)	(84)	-	900
Singapore	-	-	41	249	-	-	-	-
Thailand	-	-	-	(2)	-	-	-	-
Total	**593**	**384**	**(288)**	**999**	**(82)**	**(84)**	**-**	**900**
Timing of revenue recognition								
- at a point in time	**593**	**384**						

	Segment revenue		Segment profit / (loss)		Depreciation of property and equipment		Development fee income	
	12 months ended 31 December		12 months ended 31 December		12 months ended 31 December		12 months ended 31 December	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Operations								
Malaysia	1,796	1,727	(129)	240	(333)	(330)	1,000	1,050
Singapore	-	-	(9)	15	-	-	-	-
Thailand	-	-	-	(6)	-	-	-	-
Total	**1,796**	**1,727**	**(138)**	**249**	**(333)**	**(330)**	**1,000**	**1,050**
Timing of revenue recognition								
- at a point in time	**1,796**	**1,727**						

FOURTH QUARTER AND TWELVE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	31 December 2021 Unaudited *RM'000*	31 December 2020 Audited *RM'000*
Segment assets		
Malaysia	3,245	3,466
Singapore	1	1
Thailand	-	35
China	-	47
Total	**3,246**	**3,549**
Segment liabilities		
Malaysia	2,252	2,338
Singapore	62,989	62,245
Thailand	351	412
China	9	20
Total	**65,601**	**65,015**

4. Breakdown of Sales

THE GROUP	YEAR ENDED 31 DECEMBER 2021 RM'000 (Unaudited)	2020 RM'000 (Audited)	Changes %
(a) Sales reported for first half year	765	746	2.5%
(b) Profit/ (loss) after tax before deducting non-controlling interests reported for first half year	369	(628)	-158.8%
(c) Sales reported for second half year	1,031	981	5.1%
(d) (Loss)/ profit after tax before deducting non-controlling interests reported for second half year	(507)	877	-157.8%

5. (Loss) / profit before tax

5.1 Following significant items were credited/(charged) to arrive at the (Loss)/ profit before tax

THE GROUP	4TH QUARTER ENDED 31 DECEMBER			12 MONTHS ENDED 31 DECEMBER		
	2021	2020	Increase/ (Decrease)	2021	2020	Increase/ (Decrease)
	RM'000	RM'000	%	RM'000	RM'000	%
Development fee income	-	900	-100.0%	1,000	1,050	-4.8%
Bad debt recovered	-	-	0.0%	132	-	100.0%
Rental rebate received	21	52	-59.6%	87	52	67.3%
Depreciation of property and equipment	(82)	(84)	-2.4%	(333)	(330)	0.9%

5.2 Related party transactions

There are no material related party transactions during the financial period/ year apart from those disclosed elsewhere in the financial statements.

FOURTH QUARTER AND TWELVE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

6. Income tax expense

The Group calculates the period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	4TH QUARTER ENDED 31 DECEMBER		12 MONTHS ENDED 31 DECEMBER	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current income tax expense	(74)	(81)	(77)	(81)
Previous year's tax under-provision	(104)	-	(104)	-
Deferred income tax expense relating to origination and reversal of temporary difference	6	36	(39)	36
	(172)	**(45)**	**(220)**	**(45)**

7. Share Capital

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

Issued and paid up share capital	Number of shares	Issued and paid up share capital (RM)
Share capital as at 31 December 2021 and 2020	250,605,231	162,131,973

There are no outstanding convertibles as at 31 December 2021 and 31 December 2020.

	As at 31 December 2021	As at 31 December 2020
Total number of issued shares excluding treasury shares	250,605,231	250,605,231

The Company has no treasury shares and subsidiary holdings as at 31 December 2021 and 31 December 2020.

8. Trade and other payables

	THE GROUP	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Trade payables	225	214
Other payables and accruals	15,769	15,377
Corporate guarantee granted by the Company as security for the disposed subsidiaries' banking facilities, exchangeable bonds and loans from certain creditors	48,217	47,800
Total	**64,211**	**63,391**

The increase in other payables and accruals was mainly due to outstanding debt in relation to the new outlet's contractors and accrual of certain professional fees.

The increase in corporate guarantee provision of approximately RM0.4 mil was mainly due to the foreign exchange translation.

As at 31 December 2021, other payables, accruals and corporate guarantees amounting to approximately RM62.5 million are subject to the proposed scheme of arrangement with creditors ("SOA") undertaken by the Company. Further information on the Singapore SOA is detailed in the paragraph on working capital below. Refer to Paragraph 6 of the other information required by Appendix 7C of the Catalist Rules -– Review of Financial Position (Current liabilities).

9. Lease liabilities

Amount repayable in one year or less, or on demand

	31 December 2021		31 December 2020	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Lease liability	-	216	-	201
	-	216	-	201

Amount repayable after one year

	31 December 2021		31 December 2020	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Lease liability	-	609	-	825
	-	609	-	825

Details of any collateral

There are no collaterals for the unsecured lease liability which arose pursuant to the adoption of SFRS (I) 16 (Leases). The unsecured lease liability related to the contracted lease of the existing outlet in the Group.

10. Property and equipment and asset under construction

During the twelve months ended 31 December 2021 and 31 December 2020, there were no additions and disposals of property and equipment in the Group.

Decrease of net book value of property and equipment was due to depreciation charges during the year.

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 9.

Assets under construction of approximately RM0.66 million were incurred for the new Italiannies outlet at Central I-City Shopping Centre, Selangor, Malaysia. The outlet commenced operation in February 2022.

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.

11. Investment in subsidiaries

	The Company	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Unquoted equity shares at cost	1,079	954
Allowance for impairment	(954)	(954)
Unquoted equity shares net of impairment	125	-

Increase in Company investment in the wholly-owned subsidiary, Bistro Italiana (SA) Sdn Bhd pursuant to the requirement of tenancy agreement for the new Italliannies restaurant at Central I-City Shopping Centre, Selangor, Malaysia.

12. Trade and other receivables

	THE GROUP	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Outside parties		
Trade receivables	10	5
Other receivables	22	205
	32	210

13. Other assets

	THE GROUP	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Prepayments	-	1
Rental deposits	205	168
	205	169

14. Financial assets and liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the financial year:

	THE GROUP		THE COMPANY	
	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
Financial assets:				
Cash and cash equivalents	552	1,058	-	-
Trade and other receivables	32	210	1	1
Other assets	205	168	-	-
	789	1,436	1	1
Financial liabilities:				
Trade and other payables	64,211	63,391	62,020	61,094
Lease liabilities	825	1,026	-	-
	65,036	64,417	62,020	61,094

15. Seasonal operations

The Group's businesses and consumers are not seasonal in nature. The Group's businesses are not affected significantly by seasonal or cylical factors during the financial year.

16. Subsequent events

There are no subsequent events which have led to adjustments to this set of interim financial statements.

FOURTH QUARTER AND TWELVE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Other information as required by the Appendix 7C of the Catalist Rules

1. 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.

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

Not applicable.

2A. 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 FY2020 financial statements, the Company's auditors have issued an "except for" opinion on the following basis:

- Key consideration resulting in an "except for" qualified opinion issued by the Independent Auditors on the limitation of scope on the audit of Chaswood Resources Sdn Bhd and its subsidiaries ("CRSB Group") was the inability to obtain necessary information and explanations to audit the financial statements of 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 in FY2019. The disposal of CRSB Group by the Company was completed on 4 October 2019.

Update:

From FY2020 onwards, CRSB Group's financials were no longer reflected as a part of the Group's financial results since it was already disposed in 2019. The Company had requested for access to the information on CRSB Group but due to the lack of resources by the disposed CRSB Group, the information requested was not able to be provided. This matter was raised in FY2019's audit report and the same matter was raised again in FY2020's audit report in view that the FY2020's financial statements contained the comparative figures of FY2019.

Since FY2021 financial statements would not present FY2019 figures, the Company does not expect the same issue to be raised again in the FY2021's audit report.

(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 the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

FOURTH QUARTER AND TWELVE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

3. 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 12 MONTHS ENDED 31 DECEMBER 2021	 2020
Net (loss)/ profit attributable to shareholders of the Company (RM'000)	(138)	249
(a) Basic (loss)/ earnings per share (RM sen)	(0.06)	0.1
(b) Diluted Loss per share (RM sen) *	N.A	N.A
Weighted average number of ordinary shares in issue ('000)	250,605	250,605

* No diluted loss per share as the Group did not have any convertible financial instruments.

4. 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 2021 (Unaudited)	31 December 2020 (Audited)	31 December 2021 (Unaudited)	31 December 2020 (Audited)
Net asset value per ordinary share (RM sen)	(24.7)	(24.4)	(24.7)	(24.4)

Net asset value per ordinary share of the Group and the Company was calculated based on 250,605,231 shares (2020: 250,605,231 shares) in issue at the end of the financial year.

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.

On 1 January 2021, the Group has adopted the applicable new or amended SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INTs") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INTs. The adoption of these new amendments SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

6. 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:-

FOURTH QUARTER AND TWELVE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

(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 increased by approximately RM0.21 million, or approximately 54.4% in Q4 2021 compared to the corresponding period in 2020.

Revenue increased by approximately RM0.07 million, or approximately 4.0% in the twelve months ended 31 December 2021 compared to the corresponding period in 2020.

The Group's restaurant business improved in Q4 2021 after the easing of various movement control measures and restrictions from September 2021 onwards. Restrictions were eased pursuant to the improving vaccinations among Malaysians coupled with the lower Covid-19 infection cases in Malaysia. Dine-ins were allowed in restaurants with the easing of restriction.

Gross profit and gross profit margin

Gross profit increased by approximately RM0.12 million, or approximately 52.7% from approximately RM0.24 million to approximately RM0.36 million in Q4 2021 compared to the corresponding period in 2020.

Gross profit increased by approximately RM0.07 million, or approximately 6.1% from approximately RM1.07 million to approximately RM1.14 million in the twelve months ended 31 December 2021 compared to the corresponding period in 2020.

The gross profit increase was in line with the increase in revenue.

Gross profit margin increased from approximately 62.1% to approximately 63.3% in the 12 months ended 31 December 2021 compared to the corresponding period in 2020. This was mainly due to the higher sale of better margin products via menu engineering and lower wastages.

Other credits

Other credits in Q4 2021 consist of rental rebate from landlord of approximately RM0.02 million. It was lower than Q4 2020 by approximately RM0.9 million as Q4 2020 included the development fee income in relation to development rights awarded to operate the Italiannies brand of RM0.9 million.

Other credits in the twelve months ended 31 December 2021 mainly consist of development fee income of approximately RM1.00 million, bad debt recovered of RM0.13 million and rental rebate from landlord of RM0.09 million. In the corresponding period of 2020, development fee income was RM1.05 million and rental rebate from landlord of RM0.05 million.

Administrative expenses

Administrative expenses increased by approximately RM0.36 million, from approximately RM0.03 million in Q4 2020 to approximately RM0.39 million in Q4 2021. The lower administrative expenses in Q4 2020 was mainly due to the waiver of accrued FY2020 director fees expense of approximately RM0.2 million in Q4 2020 and reversal of prior year over-accrued expenses of approximately

RM0.08 million in Q4 2020. In addition, there was higher group restructuring expenses of RM0.13 million in Q4 2021.

Administrative expenses increased by approximately RM0.4 million, or approximately 28.2%, from approximately RM1.44 million to approximately RM1.84 million in the twelve months ended 31 December 2021 as compared to the corresponding period in 2020 mainly due to the increase of the group restructuring expenses of approximately RM0.22 million and higher third party delivery commission expenses of approximately RM0.18 million as a result of the longer Covid-19 lockdown period in 2021 where revenue was derived primarily from the delivery business.

Finance cost

Finance cost consists of interest expense on lease liabilities in line with the SFRS (I) 16 (Leases) adoption. Marginally lower interest expense of RM0.01 million in FY2021 as compared to the corresponding period of previous year was due to the lower total lease liability compared to FY2020.

Other expenses

Other expenses consist of depreciation charges. Marginally higher depreciation charge of RM0.003 million in FY2021 as compared to the corresponding period of previous year was due to its under-provision in previous year.

Income tax expense

Income tax expense increased by approximately RM0.13 million and RM0.18 million in Q4 2021 and twelve months ended 31 December 2021 respectively compared to the corresponding periods of 2020 mainly due to recognition of past year's under-provided tax expense of RM0.1 million and the current year's tax expense of RM0.08 million.

Loss after tax from operations

In Q4 2021, despite higher revenue and gross profits, the Group recorded loss after tax of approximately RM0.29 million compared to profit after tax of approximately RM1.0 million in Q4 2020. The decline in profit after tax of approximately RM1.29 million in Q4 2021 as compared Q4 2020 was mainly due to the higher other credits of approximately RM0.93 million in Q4 2020 which was derived from the Italiannies development fee income of RM0.9 million and higher rental rebate of RM0.03 million, waiver of accrued FY2020 director fees expense of approximately RM0.2 million and reversal of prior year over-accrued expenses of RM0.08 million in Q4 2020. Certain administrative expenses were higher in Q4 2021 mainly due to the group restructuring expense of RM0.13 million and recognition of past year's under-provided tax expense of RM 0.08 million.

In the twelve months ended 31 December 2021, despite higher revenue and gross profits, the Group recorded loss after tax of approximately RM0.14 million compared to profit after tax of approximately RM0.25 million in the corresponding period of 2020. The decline in profit after tax in 2021 of approximately RM0.39 million was mainly due to the increase in certain administrative expenses such as third party delivery commission expenses of approximately RM0.18 million, group restructuring expenses of approximately RM0.22 million and higher tax expense of RM0.18 million.

Review of Financial Position

Non-current assets

The decrease in property and equipment of approximately RM0.33 million from approximately RM2.09 million as at 31 December 2020 to approximately RM1.76 million as at 31 December 2021 was mainly due to depreciation charges during the year.

Assets under construction of approximately RM0.66 million were incurred for the new Italiannies outlet at Central I-City Shopping Centre, Selangor, Malaysia. The outlet commenced operation in February 2022.

Current assets

The decrease in total current assets of approximately RM0.63 million was mainly due to the utilization of the cash resources for the construction of the new Italiannies outlet at Central I-City Shopping Centre.

The decrease in trade and other receivables of approximately RM0.18 million was mainly due to the collection of balance outstanding of development fee income of RM0.15 million which was outstanding at the end of FY2020.

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

Current liabilities

Please refer to Note 8 of the condensed interim financial statements.

Non-current liabilities

The decrease in total non-current liabilities was mainly due to decrease in lease liabilities. Please refer to Note 9 of the condensed interim financial statements.

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 RM64.0 million of the Group as at 31 December 2021; and (ii) negative equity position of approximately RM61.9 million as at 31 December 2021. 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 1 September 2021, the Company and the Subscribers have entered into a supplemental agreement for the last date to satisfy the conditions precedent to be extended to 28 February 2022 or such other date as the Parties may agree in writing. The proceeds will be utilised for the funding of the Group's working capital and future expansions and investments.

The Proposed Notes Issue is subject to, inter alia, approval from the SGX-ST and the shareholders, and compliance with all rules, regulations and requirements imposed by the SGX-ST.

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.

Following a creditors' meeting held on 27 November 2020 and the Court order, the Scheme was amended with an 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 ("**Amended SOA**"). The Amended SOA was binding on the Company and its creditors.

In accordance with the Amended SOA, the Company would obtain 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 Amended SOA has lapsed on 30 June 2021 and the Company would seek the necessary extension of time from the Scheme Creditors for the completion of the Amended SOA after obtaining SGX-ST's approval for the waiver and extension of time for the submission of a trading resumption proposal pursuant to Rule 1304(1) of the Catalist Rules. Given that the extension to be granted by SGX-ST is critical to the Amended SOA, the Company is of the opinion that the decision by SGX-ST will be a consideration for the Scheme Creditors' decision in agreeing to the extension of time for the completion of the Amended SOA. Thus, the Company would seek for the necessary extension of time from the Scheme Creditors upon the receipt of SGX-ST's approval.

However, in the event that no extension of time for the deadline to complete the Amended SOA is obtained, the Amended SOA shall be deemed terminated and shall cease to be binding on the Scheme Creditors and each Scheme Creditor shall be entitled to exercise any and all of its rights, powers and remedies against the Company.

c) Financial support from a substantial shareholder.

The Company has received the undertaking from a substantial shareholder who would, on a best endeavour basis, provide financial support to the Group as and when required to enable the Group to continue as a going concern for the next 12 months from 1 July 2021.

The completion of the above issuance of redeemable convertible notes and Proposed SOA 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.

Review of Statement of Cash Flows

Cash flows generated from operating activities

Net cash generated from operating activities of approximately RM0.42 million mainly arose from the operating profit before working capital of RM0.48 million and decline in trade and other receivables of RM0.18 million, offsetted partially by the increase in inventories and other asset of

RM0.05 million, decrease in trade and other payables of RM0.02 million and tax payments of RM0.16 million.

Cash flows used in investing activities

Net cash used in investing activities of approximately RM0.66 million related to the construction of new outlet.

Cash flows used in financing activities

Net cash used in financing activities of approximately RM0.27 million arose from the payment of lease liabilities and payment of interest during the year.

Net cash and cash equivalents decreased by approximately RM0.51 million during the year.

7. 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 warning announcement made on 22 February 2022.

8. 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 the 12 months ended 31 December 2021, the Group's Malaysian business operations continue to be affected by the Covid-19 pandemic and the Movement Control Order ("MCO") measures which were implemented to curb the spread of the various Covid-19 variants. This was more so in the first 3 quarters of 2021 when stringent MCO measures were imposed. During this period, revenue stream primarily derived from walk-in and delivery platforms as dine-in business was strictly not allowed.

Nevertheless, in October 2021 after 6 months of lockdown, the country achieved the desired vaccination targets with declining Covid-19 infection rates. Malaysia gradually moved to the 4th Phase of National Recovery Plan where dine-ins were allowed and inter-state travel restrictions were slowly lifted. This had contributed to the Group's revenue growth in Q4 2021 as compared to the previous quarters and corresponding period in 2020.

In the next 12 months, the Covid-19 pandemic will still likely pose a threat to businesses as the fear of emergence of new Covid-19 variants of concern, health and safety among consumers may still affect the business operations. The Group is hopeful that the vaccine booster drive spearheaded by the government would help to curb the surge of new variants and restore confidence among consumers.

In addition, the Group will continue to monitor the consumer spending behaviour and focus on targeted strategies to drive sales. Other cost control measures such as manpower planning and overhead cost control will continue to be enforced.

In mid-February 2022, the Group has opened a new Italiannies outlet in Central I-City Shopping Centre, Shah Alam, Malaysia. The Group is confident that the new outlet's business would gain traction and contribute to its financial performance.

There has not been any material update on the new kiosk model expansion.

On the Italiannies development agreements with certain developers, there have not been material updates as the developers' opening timelines have been adversely affected by the current pandemic. Nevertheless, the Group is in the midst of engaging with the parties concerned on their-

revised targeted opening plans. Further announcement will be made in the event there are material variation of terms of the development agreements.

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 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. The Company is currently seeking for a further extension of time from SGX-ST to submit a trading resumption proposal as the impact from the Covid-19 pandemic remains uncertain.

The trading resumption proposal would include contemplation on the viability of various acquisition targets including transactions that may result in a Reverse-Takeover (RTO) exercise. The Company had on 5 November 2021 entered into a Sale and Purchase Agreement ("SPA") with 3DOM Inc., in relation to the proposed acquisition of the entire issued and paid-up share capital of 3DOM (Singapore) Pte. Ltd. However, the SPA was subsequently mutually terminated on 15 November 2021 as both parties had differences in perspective and approaches in regard to the implementation of the proposed acquisition.

On 27 December 2021, the Company entered into another Sale and Purchase Agreement ("SPA") with Techna-X Berhad ("**Techna-X**"), a Malaysian listed company on the Main Board of Bursa Malaysia, Dr. Wan Muhamad Hasni bin Wan Sulaiman, Nong You Hua and Satriya bin Suetoh (collectively, the "**Vendors**"), in relation to the proposed acquisition of the entire issued and paid-up share capital of HK Aerospace Beidou New Energy Technology Co., Ltd., a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China (HKSAR) and a substantially-owned subsidiary of Techna-X, by the Company (hereinafter referred to as the "**Proposed Acquisition**").

The Proposed Acquisition with the Vendors above, if undertaken and completed, is expected to result in a reverse takeover (the "RTO") of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and is subject to, inter alia, the approval of shareholders of the Company (the "Shareholders") at an extraordinary general meeting (the "EGM") to be convened and the approval of the SGX-ST.

As the Proposed Transaction is not completed yet and still subject to fulfilment of conditions precedent laid out in the SPA, the financial effects of the above transaction have not been included in this interim financial statements for the period ended 31 December 2021. Further information on the RTO can be found in the latest monthly update announcement dated 28 February 2022 and there has been no further update to the RTO exercise.

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 6 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.

9. 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.

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

No dividend has been declared/ recommended/ paid for the twelve months ended 31 December 2021 as the Company was in a loss-making position and it is important to retain its internally generated fund to sustain its Group operations and for future expansions.

11. Interested Person Transactions.

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.

12. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year pursuant to Appendix 7C-16.

Please refer to Note 3 of the condensed interim financial statements.

13. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments pursuant to Appendix 7C-17.

Please refer to Note 3 of the condensed interim financial statements and Paragraph 6 Review of Financial Performance.

14. A breakdown of sales pursuant to Appendix 7C-18.

Please refer to Note 4 of the condensed interim financial statements.

15. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows pursuant to Appendix 7C-19:
(a) Ordinary
(b) Preference
(c) Total

Not applicable.

16. 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) and Appendix 7C-20.

The Company does not have any person occupying a managerial position or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder.

17. 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 CR 720(1) of the Catalist Rules.

By order of the Board

Ng Teck Wah	Andrew Roach Reddy
Non-Executive Chairman	Managing Director

28 February 2022

*This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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