



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 2019

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	FINANCIAL YEAR ENDED 31 DECEMBER		
	2019 (Unaudited)	2018 (Audited)	Increase/ (Decrease)
	RM'000	RM'000	%
Revenue	2,760	3,603	-23.4%
Cost of sales	(950)	(1,508)	-37.0%
Gross profit	1,810	2,095	-13.6%
<u>Other Items of Income</u>			
Other credits	1,523	148	929.1%
<u>Other Items of Expense</u>			
Marketing and distribution costs	(32)	(22)	45.5%
Administrative expenses	(2,287)	(3,418)	-33.1%
Other losses	(12)	-	N.M
Other expenses	(232)	(125)	85.6%
Profit/ (Loss) before taxation from continuing operations	770	(1,322)	-158.2%
Income tax expense	(530)	(190)	178.9%
Profit / (loss) after taxation from continuing operations	240	(1,512)	-115.9%
Discontinued operations			
Loss for the period from discontinued operations *	(14,483)	(8,467)	71.1%
Total loss for the period	(14,243)	(9,979)	42.7%
Other comprehensive income/ (loss) net of tax:-			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations *	31,309	604	N.M
Total comprehensive income/ (loss)	17,066	(9,375)	-282.0%
Loss attributable to owners of the company, net of tax	(14,243)	(9,965)	42.9%
Loss attributable to non-controlling interests, net of tax	-	(14)	N.M
Loss after tax	(14,243)	(9,979)	42.7%
Total comprehensive income / (loss) attributable to owners of the company, net of tax	17,266	(9,346)	-284.7%
Total comprehensive loss attributable to non-controlling interests, net of tax	(200)	(29)	589.7%
Total comprehensive income/ (loss)	17,066	(9,375)	-282.0%

* Refer to Paragraph 8 – Loss from discontinued operations



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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

1(a)(ii) Other Information

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

THE GROUP	FINANCIAL YEAR ENDED 31 DECEMBER		
	2019 (Unaudited)	2018 (Audited)	Increase/ (Decrease)
	RM'000	RM'000	%
Loss / (gain) on disposal of property and equipment	12	(1)	100.0%
Depreciation of property and equipment	232	125	85.6%
Gain on foreign exchange	-	(147)	-100.0%



Chaswood Resources Holdings Ltd.

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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 RM'000 (Unaudited)	31 December 2018 RM'000 (Audited)	31 December 2019 RM'000 (Unaudited)	31 December 2018 RM'000 (Audited)
ASSETS				
Non-Current Assets				
Property and Equipment	1,225	1,359	-	-
Right-of-use Asset	1,196	-	-	-
Total Non-Current Assets	2,421	1,359	-	-
Current Assets				
Inventories	27	57	-	-
Trade and Other Receivables	54	89	-	-
Other Assets	267	268	-	-
Tax recoverable	2	-	1	-
Cash and Cash Equivalents	110	85	-	-
Total Current Assets	460	499	1	-
Assets classified as held for sale	-	21,891	-	-
Total Assets	2,881	23,749	1	-
EQUITY AND LIABILITIES				
Equity				
Share Capital	24,464	24,464	162,132	162,132
Other Reserves	30,685	(824)	29,730	29,439
Accumulated Losses	(109,149)	(94,863)	(245,752)	(240,191)
Total Equity Attributable to Owners of the Parent	(54,000)	(71,223)	(53,890)	(48,620)
Non-Controlling Interest	(433)	(233)	-	-
Total Equity	(54,433)	(71,456)	(53,890)	(48,620)
Non-Current Liabilities				
Deferred Tax Liabilities	132	132	-	-
Other Financial Liabilities	1,027	-	-	-
Total Non-Current Liabilities	1,159	132	-	-
Current Liabilities				
Provision for Taxation	575	123	-	-
Trade and Other Payables *	55,392	7,951	53,891	48,620
Other Financial Liabilities	188	8	-	-
Other Liabilities, current	-	-	-	-
Total Current Liabilities	56,155	8,082	53,891	48,620
Liabilities directly associated with assets classified as held for sale	-	86,991	-	-
Total Liabilities	57,314	95,205	53,891	48,620
Total Equity and Liabilities	2,881	23,749	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 2019

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.

Amount repayable in one year or less, or on demand

	31 December 2019		31 December 2018	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Lease liability	-	188	8	-
	-	188	8	-

Amount repayable after one year

	31 December 2019		31 December 2018	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Lease liability	-	1,027	-	-
	-	1,027	-	-

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.

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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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.

	FINANCIAL YEAR ENDED 31 DECEMBER	
	Unaudited 2019 RM'000	Audited 2018 RM'000
Cash flows from operating activities		
Profit / (Loss) before tax from continuing operations	727	(1,322)
Loss before tax from discontinued operations	(14,658)	(9,105)
	<u>(13,931)</u>	<u>(10,427)</u>
Adjustment for:		
Amortisation of franchise agreement cost	16	25
Deposits, prepayments and inventory written off	593	303
Depreciation of property and equipment	786	1,165
Impairment loss on : -		
Property and equipment	-	1,705
Interest income	-	(48)
Interest expense	2,382	3,358
Gain on disposal of property and equipment	(13)	(51)
Loss on disposal of subsidiaries	12,095	-
Share of loss of associate	41	3
Exchange loss	-	260
	<u>1,969</u>	<u>(3,707)</u>
Operating profit / (loss) before working capital changes	1,969	(3,707)
Inventories	93	1,212
Trade and other receivables	88	342
Other assets	(61)	4,840
Trade and other payables	2,782	(4,411)
	<u>4,871</u>	<u>(1,724)</u>
Net cash flows from / (used in) operations	4,871	(1,724)
Tax Paid	(400)	(304)
	<u>4,471</u>	<u>(2,028)</u>
Net cash flows from / (used in) operating activities	4,471	(2,028)
Balance carried forward	4,471	(2,028)



Chaswood Resources Holdings Ltd.

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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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

	FINANCIAL YEAR ENDED 31 DECEMBER	
	Unaudited 2019 RM'000	Audited 2018 RM'000
Balance brought forward	4,471	(2,028)
Cash flows from investing activities		
Purchases of property and equipment	-	(37)
Proceeds from disposal of property and equipment	13	53
Interest received	-	48
Net cash flows (used in)/ from investing activities	13	64
Cash flows from financing activities		
Decrease in bills payable	-	(1,000)
Repayment of borrowings	-	(1,753)
Net finance lease payables	(239)	(315)
Decrease in cash restricted in use	-	1,753
Interest paid	-	(21)
Net cash flows (used in)/ from financing activities	(239)	(1,336)
Net increase/(decrease) in cash and cash equivalents	4,245	(3,300)
Foreign exchange differences	(11)	(140)
Cash and cash equivalents at the beginning of the financial period / year	(4,124)	(684)
Cash and cash equivalents at the end of the financial period / year	110	(4,124)
<u>Cash and cash equivalents:-</u>		
Not restricted in use	110	1,990
Restricted in use	-	11
	110	2,001
<u>Cash and cash equivalents in the Statement of Cash Flows:-</u>		
Amount as shown above	110	2,001
Bank overdraft	-	(6,114)
Cash restricted in use over 3 months	-	(11)
At the end of the financial period / year	110	(4,124)



Chaswood Resources Holdings Ltd.

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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019	24,464	(824)	(94,863)	(71,223)	(233)	(71,456)
Adjustment on initial application of SFRS(I) 16 (net of tax)	-	-	(43)	(43)	-	(43)
Adjusted balance at 1 January 2019	24,464	(824)	(94,906)	(71,266)	(233)	(71,499)
Total comprehensive income/(loss) for the year						
Loss for the financial year	-	-	(14,243)	(14,243)	-	(14,243)
Foreign currency translation	-	31,509	-	31,509	(200)	31,309
Total comprehensive income/(loss) for the year	-	31,509	(14,243)	17,266	(200)	17,066
Balance as at 31 Dec 2019	24,464	30,685	(109,149)	(54,000)	(433)	(54,433)
Balance as at 1 January 2018	24,464	(1,443)	(84,898)	(61,877)	(204)	(62,081)
Total comprehensive income/(loss) for the year						
Loss for the financial year	-	-	(9,965)	(9,965)	(14)	(9,979)
Foreign currency translation	-	619	-	619	(15)	604
Total comprehensive income/(loss) for the year	-	619	(9,965)	(9,346)	(29)	(9,375)
Balance as at 31 Dec 2018	24,464	(824)	(94,863)	(71,223)	(233)	(71,456)



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 2019

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 2019	162,132	29,439	(240,191)	(48,620)
Total comprehensive income/(loss) for the year				
Loss for the financial year	-	-	(5,561)	(5,561)
Foreign currency translation	-	291	-	291
Total comprehensive income/(loss) for the year	-	291	(5,561)	(5,270)
Balance as at 31 Dec 2019	162,132	29,730	(245,752)	(53,890)
Balance as at 1 January 2018	162,132	(1,079)	(195,265)	(34,212)
Total comprehensive income/(loss) for the year				
Loss for the financial period	-	-	(44,926)	(44,926)
Foreign currency translation	-	30,518	-	30,518
Total comprehensive income / (loss) for the year	-	30,518	(44,926)	(14,408)
Balance as at 31 Dec 2018	162,132	29,439	(240,191)	(48,620)



Chaswood Resources Holdings Ltd.

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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

- 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 2019 and 2018	250,605,231	162,131,973

As at 31 December 2019 and 31 December 2018, 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 2019	As at 31 December 2018
Total number of issued shares excluding treasury shares	250,605,231	250,605,231

The Company has no treasury shares as at 31 December 2019 and 31 December 2018.



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 and 31 December 2018.

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 2019 and 31 December 2018.

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 FY2018 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 CRSB Group

- As at 31 December 2018, included in the Group's total assets and liabilities were amounts of approximately RM23,697,000 and RM89,571,000 respectively contributed by the CRSB Group. The CRSB Group also contributed RM88,521,000 and RM96,563,000 to the Group's total revenue and total expenses.
- The Group had committed plans to dispose of CRSB and certain of its subsidiaries. Auditors were unable to obtain sufficient financial information in relation to the completeness, existence and accuracy of the liabilities of the CRSB Group as replies to confirmation requests from certain creditors were outstanding. In addition, the auditors were unable to obtain sufficient documentary evidence concerning the status of CRSB Group's litigation matters and the auditors were unable to perform alternative audit procedures in relation to the above matters.
- As at the date of the audit report, the component auditors of PT Chaswood Resources and its subsidiaries, Chaswood Restaurant Management (Beijing) Co. Ltd and Yi Jun Restaurant Management (Shanghai) Co. Ltd, which were a part of the disposed subsidiaries, were unable to complete their audit work.

Update:

On 14 September 2018, the Company entered into a share sale agreement with Tremendous Asia Management Inc. for the sale of 100% equity interest of CRSB ("CRSB Disposal") for a cash consideration of RM10.00. During the extraordinary general meeting held on 27 September 2019, the shareholders of the Company has given their approval for the CRSB Disposal. The CRSB Disposal was completed on 4 October 2019 and accordingly, CRSB Group (save for Bistro Italiana (TC) Sdn Bhd) ceased to be subsidiaries of the Company.



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Pursuant thereto, the financial results of the CRSB Group would no longer have to be consolidated in the Group's FY2019 financial results.

(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 all 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.

Other than the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)") as mentioned in paragraph 5 below, 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 2018.

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 2019. Except as disclosed below, the adoption of the new and revised SFRS(I)s has no material financial impact on the Group's financial statements.

SFRS(I) 16 *Leases* sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. SFRS(I) 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

The Group adopted SFRS(I) 16 on 1 January 2019 based on a permitted transition approach that does not restate comparative information, but recognised the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings on 1 January 2019. The Group also adopted an expedient offered by SFRS(I) 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.



Chaswood Resources Holdings Ltd.

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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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	
	2019	2018
Net loss attributable to shareholders of the Company (RM'000)	(14,243)	(9,965)
(a) Basic Loss per share (RM sen)	(5.7)	(4.0)
(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

There is no dilutive effect from the Exchangable Bonds as they are anti-dilutive because their conversion to ordinary shares would decrease loss per share.

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.**

	31 December	The Group	31 December	The Company
	2019	31 December	31 December	31 December
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value per ordinary share (RM sen)	(21.7)	(28.5)	(21.5)	(19.4)

Net asset value per ordinary share of the Group and the Company was calculated based on 250,605,231 shares (2018: 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 2019

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

The disposal of 100% equity interest of CRSB, a wholly owned subsidiary of the Company, except for Bistro Italiana (TC) Sdn Bhd (collectively known as "Group Held for Sale") to Tremendous Asia Management Inc has been completed on 4 October 2019 ("CRSB Disposal"). Pursuant to the CRSB Disposal, the revenue and expenses for the Group Held for Sale have been separately classified as discontinued operations.

Revenue

Revenue for the financial year ended 2019 ("FY2019") comprised of the revenue contributed by the remaining business of the Group after the CRSB Disposal (i.e. the restaurant business operating the Italiannies brand) which is also classified as the continuing operations. The decrease of approximately RM0.8 million, or 23.4% as compared to FY2018 was mainly due to the closure of the non-profitable bar business.

Gross profit and gross profit margin

Gross profit decreased by approximately RM0.3 million, or 13.6% from approximately RM2.1 million in FY2018 to approximately RM1.8 million in FY2019 was mainly due to the decrease in revenue. However, the gross profit margin increased from approximately 58.1% in FY2018 to approximately 65.6% in FY2019 due to the higher profit margin contribution from the food and beverage business after the closure of the bar business.

Other credits

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

Administrative expenses

Administrative expenses decreased by approximately RM1.1 million, or 33.1%, from approximately RM3.4 million in FY2018 to approximately RM2.3 million in FY2019 due to the closure of the Group's non-profitable bar business and the continuous cost cutting measures undertaken by the Group.

Other expenses

Other expenses consist of depreciation charge. Higher depreciation charge mainly due to the depreciation of right-of-use lease asset pursuant to the adoption of the new and revised SFRS (I) 16 Leases.



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Income tax expense

Higher income tax expense in FY2019 of approximately RM0.5 million as compared to FY2018 of approximately RM0.2 million was mainly due to higher profit before taxation from the continuing operations.

Profit / (Loss) after tax from continuing operations

The Group net profit after tax from continuing operations in FY2019 of approximately RM0.2 million compared to a loss after tax in FY2018 of approximately RM1.5 million mainly arose from the other credits of RM1.5 million, the cost rationalization efforts in the closing of non-profitable business and the reduction of existing operating expenses.

Loss from discontinued operations

The results of the discontinued operations included in the consolidated statement of comprehensive income are set out below:

	FINANCIAL PERIOD/ YEAR ENDED		
	31 OCTOBER	31 DECEMBER	
	2019 (Unaudited) RM'000	2018 (Audited) RM'000	Increase/ (Decrease) %
Loss for the period from discontinued operations			
Revenue	41,767	84,918	-50.8%
Cost of sales	(14,476)	(27,188)	-46.8%
Administrative expenses	(26,770)	(59,879)	-55.3%
Finance costs	(2,339)	(3,358)	-30.3%
Other operating expenses	(570)	(2,960)	-80.7%
Operation Loss from discontinued operations	(2,388)	(8,467)	-71.8%
Loss on disposal of subsidiaries	(12,095)	-	N.M
Total loss from discontinued operations	(14,483)	(8,467)	71.1%
Details of the loss on disposal of subsidiaries			
Consideration received or receivable:			
Cash	-	-	
Carrying amount of net liabilities sold	19,415	-	
Gain on disposal before reclassification of foreign currency translation reserve	19,415	-	
Reclassification of foreign currency translation reserve	(31,510)	-	
Loss on disposal of subsidiaries	(12,095)	-	

Decrease of operation loss from discontinued operations by approximately RM6.1 million from approximately RM8.5 million in FY2018 to approximately RM2.4 million in FY2019 was mainly due to only 10 months' result consolidated for FY2019 in respect of the discontinued operations pursuant to the completion of the CRSB Disposal.

Total loss from discontinued operations of approximately RM14.5 million arose after taking into account the reclassification of foreign currency translation reserve of approximately RM31.5 million and offset by the gain on disposal of approximately RM19.4 million.



Chaswood Resources Holdings Ltd.

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(Company Registration No. 200401894D)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Review of Financial Position

Non-current assets

The decrease in property and equipment of approximately RM0.1 million from approximately RM1.36 million as at 31 December 2018 to approximately RM1.23 million as at 31 December 2019 was mainly due to depreciation charge during the period.

Right-of-use asset of RM 1.2 million arose pursuant to the adoption of the new and revised SFRS (I) 16 where all leases with a term of more than 12 months, except for those with low underlying asset value, are required to be recognised as asset and depreciated over the lease term and interest expense is to be recognised on the lease liability.

Current assets

The decrease in inventories, trade and other receivables of an aggregate of approximately RM0.1 million as at 31 December 2019 as compared to 31 December 2018 was due to the closure of the non-profitable bar business.

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

Non-current liabilities

Other financial liabilities mainly comprise of lease liability of RM1 million which arose pursuant to the adoption of the new and 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 2019 RM'000	As at 31 December 2018 RM'000
Trade payables	283	334
Other payables	14,044	7,617
Corporate guarantee granted by the Company as security for the disposed subsidiaries' banking facilities, exchangeable bonds and loans from certain creditors	41,065	-
Total	55,392	7,951

Higher other payables of approximately RM6.4 million mainly due to the outstanding relating to certain companies which are subsidiaries of CRSB and are no longer part of the Group pursuant to the completion of the CRSB Disposal. Most of the liabilities will be settled via the proposed scheme of arrangement which is currently being undertaken by the Company.



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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 loss amounted to RM14.2 million for the year ended 31 December 2019; (ii) the net current liabilities of RM55.7 million of the Group as at 31 December 2019; and (iii) negative equity position of RM54.4 million as at 31 December 2019. 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 subject to the successful implementation of the proposed restructuring exercise which is currently undertaken by the Group which entails, inter-alia:

a) Proposed disposal of CRSB and its subsidiaries

The CRSB Disposal has been completed on 4 October 2019 which is a divestment of the Company's 100% equity interest of CRSB and effectively CRSB's subsidiaries, save for Bistro Italiana (TC) Sdn Bhd. ("Excluded Subsidiary").

b) Proposed issuance of redeemable convertible notes

The Company had entered into a subscription agreement on 30 November 2019 with Advance Opportunities Fund ("AOF") and Advance Opportunities Fund I ("AOF I") (AOF and AOF I shall collectively be known as the "Subscribers") pursuant to which the Company proposes to issue to the Subscribers 1.0% equity-linked redeemable convertible notes due 2022 with an aggregate principal amount of up to S\$50 million. The proceeds will be utilized for the funding of the Group's working capital and future expansions and investments.

c) Moratorium and proposed scheme of arrangement with Singapore scheme creditors ("Singapore SOA")

The Company had on 26 November 2019 filed an application in the High Court pursuant to section 210(1) of the Act for (i) leave to convene a meeting of its creditors for the purposes of considering and, if thought fit, approving with or without modification a proposed scheme of arrangement ("Scheme") to be made between the Company and its creditors ("Creditors' Meeting") and (ii) to obtain an order that no legal action or proceedings against the Company be commenced or continued against the Company from the date of the order to be made herein until the date the Scheme is approved ("Moratorium").

At the hearing held on 12 February 2020, amongst others, leave was granted by the Court for a Creditors' Meeting to be convened and the Moratorium. Details of the other orders made by the Court were announced on 13 February 2020. The Singapore SOA is necessary to address the various debt obligations owed by the Company to its creditors and to address the statutory demand dated 15 January 2019 received from the interim judicial managers of TAP Venture Fund I Pte Ltd ("TVF"), the holder of Exchangeable Bond issued by the Company's subsidiary, seeking a payment of S\$3 million for the principal amount of the REB which is overdue for redemption. As at the date of this announcement, the Company has yet to receive any further notices from the interim judicial managers of TVF.



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Review of Statement of Cash Flows

Cash flows from operating activities

Net cash from operating activities of approximately RM4.5 million was mainly due to the increase in operating profit of RM2.0 mil, increase in other payables of RM2.8 million, decrease in trade and other receivables of approximately RM0.1 million, decrease in inventories of approximately RM0.1 million, offset by increase in other assets of approximately RM0.1 million and tax payment of approximately RM0.4 million.

Cash flows used in financing activities

Net cash used in financing activities of approximately RM0.2 million was due to the repayment of hire purchase creditors.

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 25 February 2020.

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.

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. On 2 July 2019, SGX-ST informed the Company that it has no objection to the Company's application for a 12-month extension up to 16 June 2020 for the submission of a trading resumption proposal subject to certain conditions as announced on 3 July 2019. The completion of the restructuring exercise will 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:

- (i) Proposed disposal of CRSB and its subsidiaries;
- (ii) Proposed issuance of redeemable convertible note; and
- (iii) Moratorium and proposed scheme of arrangement with Singapore scheme creditors.

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.



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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/recommended for the year ended 31 December 2019 as the Group is loss-making during the year and it is important to retain its internally generated fund to sustain its Group operations.

13. Interested Person Transactions

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

The Board and the AC has reviewed the IPTs entered during the FY2019 by the Group and the aggregate value of IPTs entered during the FY2019 is 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 2019

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
TAP Venture Fund I Pte. Ltd.	Refer to Note below	250	Not applicable - the Company does not have a shareholders' mandate under Rule 920
- Interest expense on Exchangeable Bonds			

Note:

Interest expense paid for the subscription of Exchangeable Bonds by TAP Venture Fund I Pte. Ltd. ("the Investor"), a company in which Mr Ng Teck Wah (a substantial shareholder and Director of the Company) is deemed interested in by virtue of the Investor being a private equity investment company managed by TAP Private Equity Pte. Ltd. ("TAPPE") on a full discretionary basis and TAPPE is in turn wholly owned by Attilan Group Limited.

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:



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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	Segment revenue		Segment profit / (loss)		Depreciation of property and equipment		Amortisation of franchise agreement cost		Deposit and prepayment written off		Impairment loss on property and equipment	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>	<u>Unaudited</u>	<u>Audited</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>												
Malaysia	2,760	3,603	1,466	425	232	125	-	-	-	-	-	-
Singapore	-	-	(1,220)	(1,931)	-	-	-	-	-	-	-	-
Thailand	-	-	(6)	(6)	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-
Total	2,760	3,603	240	(1,512)	232	125	-	-	-	-	-	-
<u>Discontinued Operations</u>												
Malaysia	25,955	46,031	(1,398)	(5,624)	554	1,040	16	-	-	-	-	338
Singapore	-	-	(551)	(1,816)	-	-	-	-	-	-	-	-
Thailand	-	8,473	-	(66)	-	-	-	25	-	-	-	1,367
China	15,812	30,414	(439)	(961)	-	-	-	-	593	303	-	-
Total	41,767	84,918	(2,388)	(8,467)	554	1,040	16	25	593	303	-	1,705



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 2019

	2019 Unaudited RM'000	2018 Audited RM'000
Segment assets		
<u>Continuing Operations</u>		
Malaysia	2,801	1,806
Singapore	1	3
Thailand	34	5
China	45	44
Total	2,881	1,858
<u>Discontinued Operations</u>		
Malaysia	-	11,408
Singapore	-	-
Thailand	-	3,613
China	-	6,870
Total	-	21,891
Segment liabilities		
<u>Continuing Operations</u>		
Malaysia	2,900	2,580
Singapore	53,991	5,237
Thailand	403	377
China	20	20
Total	57,314	8,214
<u>Discontinued Operations</u>		
Malaysia	-	65,441
Singapore	-	12,721
Thailand	-	4,898
China	-	3,931
Total	-	86,991



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 2019

- 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		
	2019 RM'000 (Unaudited)	2018 RM'000 (Audited)	Changes %
(a) Sales reported for first half year	1,348	1,882	-28.4%
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(2,822)	(5,480)	-48.5%
(c) Sales reported for second half year	1,412	1,721	-18.0%
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(11,421)	(4,485)	154.6%

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

None.

- 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
Louisa Benny George Benny	41	Niece of Andrew Roach Reddy, the Managing Director of the Company	Head Designer 1 st July 2008	Not applicable
Lourdes Santa Marie	69	Brother of Andrew Roach Reddy, the Managing Director of the Company	Supervisor 25 th August 1994	Not applicable
Leo Benny	43	Nephew of Andrew Roach Reddy, the Managing Director of the Company	Logistic coordinator 6 th June 2005	Not applicable



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 2019

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 CR 720(1) of the Catalist Rules.

By order of the Board

Ng Teck Wah
Non-Executive Chairman
28 February 2020

*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.*