

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

UPDATE ON PROPOSED SCHEME OF ARRANGEMENT WITH CREDITORS

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcement dated 26 April 2019, 29 April 2019, 9 May 2019, 23 May 2019, 14 June 2019, 9 July 2019 and 4 September 2019, 27 September 2019, 2 October 2019, 26 November 2019, 13 December 2019, 28 January 2020, 11 February 2020, 13 February 2020, 12 March 2020, 18 March 2020, 30 April 2020, 3 June 2020 and 26 June 2020 ("**Previous Announcements**").*

The Board of Directors ("**Board**") of Chaswood Resources Holdings Ltd ("**Company**") refers to the Previous Announcements and the proposed scheme of arrangement ("**Scheme**") between the Company and its creditors ("**Scheme Creditors**") which was approved at the creditors' meeting held on 30 April 2020.

The Board wishes to announce that the Company had on 20 November 2020 despatched to its Scheme Creditors a notice of creditors' meeting, form of proxy and a document detailing proposed amendments to the Scheme. The proposed amendments to the 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. Despite the Company's best endeavour to meet the initial deadline, the process was delayed for reasons that were not within the Company's control. Reasons for the delay and extension of time required are as follows:

- (i) The Court's approval for the Scheme was only obtained on 26 June 2020 after the requisite approval obtained from the Scheme Creditors at the court convened meeting held on 30 April 2020. Obtaining the approval of the Scheme was an important factor to include in the share trading resumption proposal to SGX-ST as it addressed the liabilities and negative shareholders' equity of the Company. Thus, the submission of the share trading resumption proposal to SGX-ST could only be made after obtaining the Court's approval of the Scheme.
- (ii) The initial deadline for the Company to submit its share trading resumption proposal to SGX-ST was 16 June 2020 and an application to seek an extension of time was submitted to SGX-ST by the Company. On 11 September 2020, SGX-ST granted the Company an extension of time of 12 months up to 15 June 2021 to submit its share trading resumption proposal.
- (iii) The share trading resumption proposal to be submitted to SGX-ST for approval must address the viability of the Group (inter alia the viability and listability of its existing or new businesses to be acquired, as well as its ability to continue as a going concern) in compliance with SGX-ST Rules for the share trading resumption. Whilst the Company may explore other opportunities, the share trading resumption is expected to include, amongst others, the viability of the remaining business of the Group i.e. operating the restaurant business under the Italiannies brand which has been in existence for 16 years. Accordingly, in the event that the share trading resumption proposal is on the basis of the Group's existing business, the share trading resumption is to include the expansion of outlets for the Italiannies brand including awarding licensing rights to potential licensees. The Group has also developed a new kiosk model which is much more cost efficient, scalable and profitable to cater for the current market. This new model is expected to be the key growth driver for the brand.
- (iv) However, due to the COVID-19 pandemic, the Malaysia Government announced the enforcement of a Movement Control Order (now known as Conditional Movement

Control Order) (“**Order**”) since 18 March 2020 to curb the spread of the COVID-19 infection in Malaysia. The Order includes a shutdown of business premises except for those providing essential services. The Group’s business which is the operation of a restaurant business in Malaysia falls under an exemption of the Order whereby it was permitted to operate takeaway and food delivery services. The Group’s restaurant business only became fully operational on 14 May 2020 after the Malaysia Government eased certain controls subject to the guidelines set being adhered to. The limited operations during the period that the Group’s restaurant business was only allowed to operate takeaway and delivery services, had a negative impact on the Group’s performance and delayed the expansion of the Italiannies brand, which in turn impacted the basis for the share resumption trading proposal to be submitted to SGX-ST.

- (v) Nevertheless, the business performance in the third quarter showed improvement after the Malaysia Government eased certain controls and consequently an increase in foot traffic could be seen in the shopping malls. Although Malaysia is currently faced with another wave of the Covid-19 pandemic and the Malaysia Government has re-enforced tighter movement controls, restaurants are still allowed to operate in compliance with standard operating procedures. To show a balanced and viable financial performance of the Group, the Company was advised to submit its share trading resumption proposal only after the financial statements for the year ending 31 December 2020 has been finalized. In the circumstances, a share trading resumption proposal can only be submitted by the Company to SGX-ST in the first quarter of 2021.
- (vi) In view of the delay in the targeted submission of the share trading resumption proposal to SGX, the Company is considering making an application to SGX for the issuance of its shares to the Scheme Creditors and to conduct an extraordinary general meeting to obtain shareholders’ approval before SGX’s approval is obtained for the resumption of share trading. The Company targets to file this application within 12 weeks from the date of this document.

The creditors’ meeting will be held by way of electronic means at 10.00 a.m. on 27 November 2020 for the purpose of considering and, if thought fit, approving proposed amendments to the Scheme of Arrangement which was approved by the High Court of Singapore on 26 June 2020.

The proposed amendments to the Scheme will be binding on the Scheme Creditors if the proposed amendments to the Scheme is 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 creditors’ meeting or the adjourned meeting and has thereafter been approved by order of the Court.

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

BY ORDER OF THE BOARD

ANDREW ROACH REDDY
Managing Director
20 November 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Asian Corporate Advisors Pte. Ltd. (the “**Sponsor**”), 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. The 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.

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