



# Chaswood Resources Holdings Ltd.

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

## HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2020

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

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

THE GROUP	HALF YEAR ENDED 30 JUNE		
	2020 (Unaudited)	2019 (Unaudited)	Increase/ (Decrease)
	RM'000	RM'000	%
Revenue	746	1,229	-39.3%
Cost of sales	(294)	(471)	-37.6%
<b>Gross profit</b>	<b>452</b>	<b>758</b>	<b>-40.4%</b>
<b>Other Items of Expense</b>			
Marketing and distribution costs	(10)	(9)	11.1%
Administrative expenses	(869)	(1,164)	-25.3%
Finance costs	(40)	-	100.0%
Other expenses	(161)	(61)	163.9%
<b>Profit/ (Loss) before taxation from continuing operations</b>	<b>(628)</b>	<b>(476)</b>	<b>31.9%</b>
Income tax expense	-	-	0.0%
<b>Profit / (loss) after taxation from continuing operations</b>	<b>(628)</b>	<b>(476)</b>	<b>31.9%</b>
<b>Discontinued operations</b>			
Loss for the period from discontinued operations	-	(2,346)	-100.0%
<b>Total loss for the period</b>	<b>(628)</b>	<b>(2,822)</b>	<b>-77.7%</b>
<b>Other comprehensive income/ (loss) net of tax:-</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations	(1,180)	(782)	N.M
Total comprehensive income/ (loss)	(1,808)	(3,604)	-49.8%
Loss attributable to owners of the company, net of tax	(628)	(2,822)	-77.7%
Loss attributable to non-controlling interests, net of tax	-	-	N.M
<b>Loss after tax</b>	<b>(628)</b>	<b>(2,822)</b>	<b>-77.7%</b>
Total comprehensive income / (loss) attributable to owners of the company, net of tax	(1,808)	(3,609)	-49.9%
Total comprehensive loss attributable to non-controlling interests, net of tax	-	5	-100.0%
<b>Total comprehensive income/ (loss)</b>	<b>(1,808)</b>	<b>(3,604)</b>	<b>-49.8%</b>

N.M: Not Meaningful



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### 1(a)(ii) Other Information

The Group's net loss before tax is arrived at after charging:

THE GROUP	HALF YEAR ENDED 30 JUNE		
	2020 (Unaudited)	2019 (Unaudited)	Increase/ (Decrease)
	RM'000	RM'000	%
Depreciation of property and equipment	161	61	163.9%



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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	
	30 June 2020 RM'000 (Unaudited)	31 December 2019 RM'000 (Audited)	30 June 2020 RM'000 (Unaudited)	31 December 2019 RM'000 (Audited)
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property and Equipment	2,260	2,421	-	-
<b>Total Non-Current Assets</b>	<b>2,260</b>	<b>2,421</b>	<b>-</b>	<b>-</b>
<b>Current Assets</b>				
Inventories	14	27	-	-
Trade and Other Receivables	38	56	1	1
Other Assets	152	152	-	-
Cash and Cash Equivalents	132	110	-	-
<b>Total Current Assets</b>	<b>336</b>	<b>345</b>	<b>1</b>	<b>1</b>
<b>Total Assets</b>	<b>2,596</b>	<b>2,766</b>	<b>1</b>	<b>1</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	24,464	24,464	162,132	162,132
Other Reserves	29,559	30,739	28,609	29,779
Accumulated Losses	(116,447)	(115,819)	(252,789)	(252,375)
<b>Total Equity Attributable to Owners of the Parent</b>	<b>(62,424)</b>	<b>(60,616)</b>	<b>(62,048)</b>	<b>(60,464)</b>
Non-Controlling Interest	(433)	(433)	-	-
<b>Total Equity</b>	<b>(62,857)</b>	<b>(61,049)</b>	<b>(62,048)</b>	<b>(60,464)</b>
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities	132	132	-	-
Lease liabilities	928	1,027	-	-
<b>Total Non-Current Liabilities</b>	<b>1,060</b>	<b>1,159</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities</b>				
Provision for Taxation	421	456	-	-
Trade and Other Payables	63,777	62,012	62,049	60,465
Lease liabilities	195	188	-	-
<b>Total Current Liabilities</b>	<b>64,393</b>	<b>62,656</b>	<b>62,049</b>	<b>60,465</b>
<b>Total Liabilities</b>	<b>65,453</b>	<b>63,815</b>	<b>62,049</b>	<b>60,465</b>
<b>Total Equity and Liabilities</b>	<b>2,596</b>	<b>2,766</b>	<b>1</b>	<b>1</b>



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## HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2020

### 1(b)(ii) Aggregate amount of the Group's borrowings and debts securities.

#### Amount repayable in one year or less, or on demand

	30 June 2020		31 December 2019	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Lease liability	-	195	-	188
	-	195	-	188

#### Amount repayable after one year

	30 June 2020		31 December 2019	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Lease liability	-	928	-	1,027
	-	928	-	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 (Leases).



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## HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2020

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

	1ST HALF YEAR ENDED 30 JUNE	
	Unaudited 2020 RM'000	Unaudited 2019 RM'000
<b>Cash flows from operating activities</b>		
Loss before tax from continuing operations	(629)	(476)
Loss before tax from discontinued operations	-	(2,275)
	<hr/>	<hr/>
	(629)	(2,751)
Adjustment for:		
Amortisation of franchise agreement cost	-	16
Deposits, prepayments and inventory written off	-	593
Depreciation of property and equipment	161	394
Interest expense on lease liabilities	40	-
Interest expense	-	1,691
Exchange loss	-	42
	<hr/>	<hr/>
Operating loss before working capital changes	(428)	(15)
Inventories	13	259
Trade and other receivables	18	159
Other assets	-	(222)
Trade and other payables	597	(284)
	<hr/>	<hr/>
<b>Net cash flows from / (used in) operations</b>	200	(103)
Tax Paid	(43)	(101)
	<hr/>	<hr/>
<b>Net cash flows from / (used in) operating activities</b>	157	(204)
	<hr/>	<hr/>
<b>Balance carried forward</b>	157	(204)



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## HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2020

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

	1ST HALF YEAR ENDED 30 JUNE	
	Unaudited 2020 RM'000	Unaudited 2019 RM'000
Balance brought forward	157	(204)
<b>Cash flows used in financing activities</b>		
Net finance lease payables	-	(163)
Principal payment on lease liabilities	(92)	-
Interest paid on lease liabilities	(40)	-
<b>Net cash flows used in financing activities</b>	<b>(132)</b>	<b>(163)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>25</b>	<b>(367)</b>
Foreign exchange differences	(3)	(14)
Cash and cash equivalents at the beginning of the financial period / year	110	(4,124)
<b>Cash and cash equivalents at the end of the financial period / year</b>	<b>132</b>	<b>(4,505)</b>
<u>Cash and cash equivalents:-</u>		
Not restricted in use	132	1,632
Restricted in use	-	11
	<b>132</b>	<b>1,643</b>
<u>Cash and cash equivalents in the Statement of Cash Flows:-</u>		
Amount as shown above	132	1,643
Bank overdraft	-	(6,137)
Cash restricted in use over 3 months	-	(11)
At the end of the financial period / year	<b>132</b>	<b>(4,505)</b>



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## HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2020

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

The Group	Attributable to owners of the Company			Total	Non-Controlling Interests	Total Equity
	Share Capital	Other (Accumulated Reserve	Losses)			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020	24,464	30,739	(115,819)	(60,616)	(433)	(61,049)
<b>Total comprehensive income/(loss) for the period</b>						
Loss for the financial period	-	-	(628)	(628)	-	(628)
Effects of translation of net assets of foreign operations	-	(1,180)	-	(1,180)	-	(1,180)
Total comprehensive loss for the period	-	(1,180)	(628)	(1,808)	-	(1,808)
<b>Balance as at 30 June 2020 (Unaudited)</b>	<b>24,464</b>	<b>29,559</b>	<b>(116,447)</b>	<b>(62,424)</b>	<b>(433)</b>	<b>(62,857)</b>
Balance as at 1 January 2019	24,464	(824)	(94,863)	(71,223)	(233)	(71,456)
<b>Total comprehensive income/(loss) for the period</b>						
Loss for the financial period	-	-	(2,822)	(2,822)	-	(2,822)
Effects of translation of net assets of foreign operations	-	(787)	-	(787)	5	(782)
Total comprehensive loss for the period	-	(787)	(2,822)	(3,609)	5	(3,604)
<b>Balance as at 30 June 2019 (Unaudited)</b>	<b>24,464</b>	<b>(1,611)</b>	<b>(97,685)</b>	<b>(74,832)</b>	<b>(228)</b>	<b>(75,060)</b>

### The Company

	Share Capital	Other (Accumulated Reserve	Losses)	Total Equity
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020	162,132	29,779	(252,375)	(60,464)
<b>Total comprehensive income/(loss) for the period</b>				
Loss for the financial period	-	-	(414)	(414)
Foreign currency translation	-	(1,170)	-	(1,170)
Total comprehensive loss for the period	-	(1,170)	(414)	(1,584)
<b>Balance as at 30 June 2020 (Unaudited)</b>	<b>162,132</b>	<b>28,609</b>	<b>(252,789)</b>	<b>(62,048)</b>
Balance as at 1 January 2019	162,132	29,439	(240,191)	(48,620)
<b>Total comprehensive income/(loss) for the period</b>				
Loss for the financial period	-	-	(506)	(506)
Foreign currency translation	-	(249)	-	(249)
Total comprehensive loss for the period	-	(249)	(506)	(755)
<b>Balance as at 30 June 2019 (Unaudited)</b>	<b>162,132</b>	<b>29,190</b>	<b>(240,697)</b>	<b>(49,375)</b>



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**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 follow:

Issued and paid up share capital	Number of shares	Issued and paid up share capital (RM)
Share capital as at 30 June 2020 and 30 June 2019	<u>250,605,231</u>	<u>162,131,973</u>

There are no outstanding convertibles as at 30 June 2020 and 30 June 2019

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

The Company has no treasury shares as at 30 June 2020 and 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 did not hold any treasury shares as at 30 June 2020 and 30 June 2019.

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

The Company did not hold any subsidiary holdings as at 30 June 2020 and 30 June 2019.

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

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





**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2020**

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

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-  
(a) Updates on the efforts taken to resolve each outstanding audit issue**

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

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

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

Update:

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

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

Update:

The component auditors for BITC was unable to confirm or verify by alternative means as to the carrying amounts of the trade payable and other payables as at 31 December 2018 due to a modified opinion which was issued in the auditors' report of BITC for FY2018 pertaining to the same matter given that the component auditors were not auditors for the prior financial year ended 31 December 2017. Given that the component auditors for BITC would have been auditors for the past 2 financial years, the Company does not expect for the same issue to be raised in the next financial year.

The above-mentioned did not have a material impact on the Group's financials as at 31 December 2019 as third parties' confirmations for balances as at 31 December 2019 have been obtained and audited by the component auditors.

**(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



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been adequately disclosed.

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

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

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

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

**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	
	2020	2019
Net loss attributable to shareholders of the Company (RM'000)	(628)	(2,822)
(a) Basic Loss per share (RM sen)	(0.3)	(1.1)
(b) Diluted Loss per share (RM sen)	N.A	N.A
Weighted average number of ordinary shares in issue ('000)	250,605	250,605

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

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

	The Group		The Company	
	30 June 2020 (Unaudited)	31 December 2019 (Audited)	30 June 2020 (Unaudited)	31 December 2019 (Audited)
Net asset value per ordinary share (RM sen)	(25.1)	(24.4)	(24.8)	(24.1)

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



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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### Review of Financial Performance

#### **Revenue**

Revenue decreased by approximately RM0.5 million, or approximately 39.3% as compared to 1H2019 mainly due to the impact of the Covid-19 pandemic on the existing business and closure of the non-profitable bar business in February 2019. In March 2020, in an effort to curb the spread of Covid-19 infection, the Malaysian government imposed the Movement Control Order ("MCO", now known as recovery movement control order) where all restaurants were not allowed to accept dine-in customers. The Group's restaurant operations were only limited to take-away and delivery services. The restrictions continued to mid May 2020 when the Malaysian government announced and implemented the relaxation of the MCO restrictions and the Group's restaurant was fully operational on 14 May 2020. The limited operations during the MCO period resulted in a decrease in revenue of approximately 39.0% in Q2 2020 as compared to Q1 2020.

#### **Gross profit and gross profit margin**

Gross profit decreased by approximately RM0.3 million, or approximately 40.4% from approximately RM0.8 million in 1H2019 to approximately RM0.5 million in 1H2020 in line with the decrease in revenue. Gross profit margin decreased from approximately 61.7% in 1H2019 to approximately 60.6% in 1H2020 due to the increased discounts given to customers during the MCO period.

#### **Administrative expenses**

Administrative expenses decreased by approximately RM0.3 million, or approximately 25.3%, from approximately RM1.2 million in 1H2019 to approximately RM0.9 million in 1H2020 due to the cost cutting measures undertaken by the Group which includes managing the manpower planning to cushion the impact of Covid-19 pandemic.

#### **Finance cost**

Finance cost consists of interest expense on lease liabilities in line with the SFRS (I) 16 (Leases) adoption.

#### **Other expenses**

Other expenses consist of depreciation charge. Higher depreciation charge in 1H2020 due to the recognition of right-of-use lease asset depreciation expense of approximately RM0.1 million in line with the SFRS (I) 16 (Leases) adoption.

#### **Loss after tax from continuing operations**

The Group incurred higher net loss after tax from continuing operations in 1H2020 of approximately RM0.6 million compared to 1H2019 of approximately RM0.5 million. This was mainly due to the lower sales and gross profit as mentioned above.



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### Review of Financial Position

#### Non-current assets

The decrease in property and equipment of approximately RM0.1 million from approximately RM2.4 million as at 31 December 2019 to approximately RM2.3 million as at 30 June 2020 was mainly due to depreciation charge during the period.

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

#### Current assets

The decrease in inventories, trade and other receivables of an aggregate of approximately RM0.03 million was due to the lower stock holding and receivables as at 30 June 2020.

Other assets relate to deposits placed with the lessors for the leases of the Group's remaining outlet.

#### Current liabilities

Current liabilities mainly comprise of other payables and corporate guarantee granted by the Company as follows:

	THE GROUP	
	As at 30 June 2020 RM'000	As at 31 Dec 2019 RM'000
Trade payables	272	234
Other payables	15,504	14,688
Corporate guarantee granted by the Company as security for the disposed subsidiaries' banking facilities, exchangeable bonds and loans from certain creditors	48,001	47,090
<b>Total</b>	<b>63,777</b>	<b>62,012</b>

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

The increase in corporate guarantee provision of approximately RM0.9 mil was mainly due to the foreign exchange translation.

As at 30 June 2020, other payables and corporate guarantees amounting to approximately RM62.2 million are subject to the proposed scheme of arrangement with creditors undertaken by the Company. Further information on the Singapore SOA is detailed in the paragraph on working capital below.

#### Working capital

#### Liquidity and Going Concern Assumptions



## HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2020

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 approximately RM0.6 million for the half year ended 30 June 2020; (ii) the net current liabilities of RM64.1 million of the Group as at 30 June 2020; and (iii) negative equity position of approximately RM62.9 million as at 30 June 2020. These events and conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

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

a) Issuance of redeemable convertible notes.

On 30 November 2019, the Company entered into a subscription agreement with Advance Opportunities Fund and Advance Opportunities Fund 1 (collectively be known as the "Subscribers") for issuance of 1% equity-linked redeemable convertible notes due in 2022 with an aggregate principal amount of up to S\$50,000,000. On 29 May 2020, the Company and the Subscribers have entered into a supplemental agreement for the last date to satisfy the conditions precedent to be extended to 30 November 2020. The proceeds will be utilised for the funding of the Group's working capital and future expansions and investments.

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

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

Further and in accordance with the Proposed SOA, the Company will be obtaining the approval of the shareholders of the Company and SGX-ST for the listing and quotation of the new shares to be issued by the Company to the Scheme Creditors. The Proposed SOA would address the various debt obligations owed by the Company of approximately RM62.2 million to its creditors.

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

### **Review of Statement of Cash Flows**

#### ***Cash flows generated from operating activities***

Net cash generated from operating activities of approximately RM0.2 million was mainly due to the decrease in inventories, trade and other receivables of approximately RM0.03 million and increase in trade and other payables of RM0.6 million, offsetted partially by the operating loss before working capital changes of approximately RM0.4 million.

#### ***Cash flows used in financing activities***

Net cash used in financing activities of approximately RM0.1 million arose from the payment of lease liabilities during the period.





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

Not applicable. There were no forecast or prospect statement previously disclosed. Results are in line with the profit guidance announcement made on 7 August 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.**

In the first half of 2020, the unprecedented Covid-19 pandemic has impacted all walks of life. The global and country economies have been adversely affected as a result of its disruption on businesses, employments and health. With global infection rate still rising across many countries and without the imminent cure or vaccine, the battle against Covid-19 would be dependent on government's measures and standard operating procedures to control the spread of the disease.

In the past few months since the Covid-19 outbreak, the Malaysian government implemented various measures such as the Movement Control Order ("MCO") to curb the spread of the deadly disease and also various economic stimulus packages such as the 6-month financial institution loan moratorium, wage subsidies and other financial assistance to help the people, businesses and health sectors. These measures have successfully curbed Covid-19 spread and cushioned its adverse impacts on consumer sentiment. In May 2020, the MCO measures were eased and restaurants were allowed to operate with dine-in guests as other businesses were eventually allowed to resume amidst strict adherence to social distancing guidelines and regulations.

In June 2020, the country entered into the Recovery MCO phase with low and controlled infections across the country. The Group's restaurant business have shown signs of recovery in the months of June and July after the further easing of movement restrictions. In addition to the efforts in regaining its business, the Group had also engaged its business partners to work together and sail through the unprecedented crisis with certain business partners granting rebates during the MCO period.

The Group will be expanding the brand with a new outlet opening in the last quarter of 2020. Design and plan layout works of the new outlet are currently in progress. For the Group's expansion plan moving forward, the Group is developing 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 rolled out in 2021.

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

The Group is currently undergoing a restructure exercise to restore the financial position of the Group with an aim to submit a resumption proposal to SGX-ST for the trading of the Company's shares to resume since the suspension on 18 June 2018. On 2 July 2019, SGX-ST informed the Company that it had 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. On 19 June 2020, the Company's Sponsor, on behalf of the Company, made an application to SGX-ST to seek for a further waiver from Rule 1304(1) of the Catalist Rules and a further extension of time of up to 12 months until 15 June 2021 to submit the resumption proposal ("Extension of Time"). The reasons for seeking the Extension of Time were announced by the Company on 16 June 2020.

The completion of the restructuring exercise would improve the financial position of the Company and provide better value to the shareholders. Details of the various parts of the restructuring exercise which includes *inter-alia* the following have been announced by the Company and are also detailed in paragraph 8 of this announcement.

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



**HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2020**

the SGX-ST.

**11. Dividend**

**(a) Current Financial period Reported On**

None

**(b) Corresponding Period of the Immediately Preceding Financial period**

None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommended for the half year ended 30 June 2020 as the Group is loss-making during the period and it is important to retain its internally generated fund to sustain its Group operations.

**13. 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.

**14. Negative confirmation on pursuant to Rule 705(5).**

The Board of Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the financial statements for the Half Year Ended 30 June 2020 to be false or misleading in any material aspect.

**15. 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  
14 August 2020



# Chaswood Resources Holdings Ltd.

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

## **HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2020**

*This announcement has 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 Catalyst 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 Liao H. K.  
Telephone number: 6221 0271.*