

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

DEVELOPMENT AGREEMENTS FOR THE ITALIANNIES BRAND

The Board of Directors (“**Board**”) of Chaswood Resources Holdings Ltd. (“**Company**”) together with its subsidiaries (“**Group**”) wishes to announce that the Company’s wholly owned subsidiary, Bistro Italiana (TC) Sdn Bhd (“**BITC**”) has entered into development agreements (“**Agreements**”) with several companies, granting them the exclusive rights to develop and operate Italiannies restaurants in specific territories. Summary details of the Agreements are as follows:

Date of Agreement	Other Party to the Agreement (“Developer”)	Territory	Development Schedule & Term*	Development Fee (RM)
25 September 2020 (supplemented by an agreement dated 1 December 2020)	Be Urban Group Sdn Bhd	Klang Valley	7 outlets in 5 years	300,000
1 December 2020	EMS Discoveria Sdn Bhd (“ EDSB ”)	Penang and Ipoh	3 outlets in 3 years	150,000
15 December 2020	Tremendous Experience Sdn Bhd	Johor and Singapore	5 outlets in 3 years	300,000
21 December 2020	Debut Supreme Capital Sdn Bhd	Beijing	3 outlets in 3 years	300,000
30 December 2019 (supplemented by an agreement dated 30 September 2020)	Monz Investments Ltd	China (except Beijing)	5 outlets in 6 years	500,000

Some of the salient terms of the Agreements are as follows:

Rights	BITC shall grant to the Developer an exclusive, revocable, non-transferable right, and the Developer accepts such right together with all obligations, to develop Italiannies restaurants within the agreed territory only in accordance with the Development Schedule, on the terms and conditions of the Agreement and subject to the execution of a franchise
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	agreement for each Italiannies restaurant to be established and operated by the Developer or such party as BITC may approve at its sole and absolute discretion.
Development/Concept Fee	A non-refundable development/concept fee is payable by the Developer upon execution of the Agreement in consideration of BITC's effort and expenses incurred in connection with the prior, current and continuous development of the system and substantial goodwill and business value in the Italiannies brand and its trade mark.
Development schedule	The development schedule commences from the date of the first site consent issued by BITC pursuant to the Agreement.
Extended Term	The term of the Agreement may be extended upon expiration of the initial term subject to certain terms and conditions.
Franchise Agreement	A franchise agreement in the form and terms to be agreed by the Parties shall be executed by an approved franchisee for the right to establish and operate each Italiannies restaurant within the territory pursuant to the Agreement.
Intellectual Property	The Developer acknowledges that any and all intellectual property rights created, developed, embodied in or in connection with Italiannies restaurant and its system, or any enhancement thereto, shall be and remain the sole property of BITC.
Termination	<p>The Agreement may be terminated by BITC if the Developer commits any of the following defaults:</p> <ul style="list-style-type: none"> (a) any representation, warranty or statement by the Developer in connection with the Agreement is not complied with or is or proves to have been incorrect in any material respect when made; or (b) the Developer breaches any term of the Agreement and such breach is (i) not capable of being rectified, or (ii) capable of being rectified but is not rectified within 30 days of written notice being given to the Developer by BITC; or (c) an approved franchisee breaches any term of a franchise agreement and such breach is (i) not capable of being rectified, or (ii) capable of being rectified but is not rectified within 30 days of written notice being given to the Approved Franchisee by BITC; or (d) the Developer engages in any activity or business practice that BITC reasonably considers detrimental to the goodwill and public image of BITC, Italiannies restaurants or the system, and the Developer fails to cease such activity or business practice within 30 days of written notice being given to the Developer by BITC; or (e) the Developer knowingly maintains false books or submits documents or data with intent to commit fraud against BITC for personal or business gain or to gain any approval by BITC under the Agreement. <p>The Agreement may be terminated by the Developer if BITC</p>

	<p>commits any of the following defaults:</p> <p>(a) any representation, warranty or statement by BITC in connection with the Agreement is not complied with or is or proves to have been incorrect in any material respect when made; or</p> <p>(b) BITC breaches any term of the Agreement and such breach is (i) not capable of being rectified, or (ii) capable of being rectified but is not rectified within 30 days of written notice being given to BITC by the Developer.</p>
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The execution of the Agreements is deemed as in the ordinary course of business as it relates and forms part of the Group's existing business under the Italiannies brand. This is also part of the Group's plan to expand the existing business in Malaysia and internationally at a faster pace via a franchise business model, which has been used for the Group's previous business and brand.

The execution of the Agreements contributed a cumulative development fee income of RM1.05 million which has a positive impact to the consolidated earnings per share and the consolidated net tangible assets per share of the Company for the financial year ended 31 December 2020. An income of RM500,000 was also recorded for the financial year ended 31 December 2019 arising from the execution of the Agreement with Monz Investments Ltd.

The execution of the Agreement with EDSB is deemed to be an interested party transaction ("IPT") in view that Datuk Lim Chih Li, being a controlling shareholder of the Company, is a director and has indirect interest of 37% in the ultimate holding company of EDSB. The aggregate value of the IPT is RM150,000 (approximately S\$49,000) which is below S\$100,000 and is approximately 0.2% of the Group's latest audited net tangible asset on an absolute basis for the financial year ended 31 December 2019, and approximately 2.2% of the Group's market capitalization as at 15 June 2018, being the last trading day prior to its suspension on 18 June 2018, both of which are below the relevant threshold of 3% pursuant to Rule 905(1). Therefore, the IPT does not require an immediate announcement or be subject to shareholders' approval pursuant to Rule 905(1) and 906(1) of the Catalist Rules.

The Board and the Audit Committee are of the view that the entering into the Agreement with EDSB as an interested person is on normal commercial terms and not prejudicial to the interest of the Company and minority shareholders given that the terms of the Agreement with EDSB is similar to the terms of the Agreements entered into with the other Developers and the territorial expansion into the northern region of Malaysia is in line with the Group's expansion plan.

In addition, Mr. Balraj Singh Pannu A/L Gajjan Singh, who is a director and shareholder of Tremendous Experience Sdn Bhd, is also a non-executive independent director of Attilan Group Limited ("AGL"), a substantial shareholder of the Company. He does not have any interest in AGL.

The Board confirms that (i) save for EDSB and Mr. Balraj Singh Pannu A/L Gajjan Singh, the Developers and its director(s) and its shareholders are not related to any of the Directors or substantial shareholder of the Company, (ii) save for EDSB, the Developers and its director(s) and its shareholders are not deemed as interested person defined under Chapter 9 of the Catalist Rules, and (iii) save as disclosed above, none of the Directors or substantial shareholders of the Company has an interest, direct or indirect in the above transactions.

Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Agreements, the Company and its subsidiaries, and the Directors

are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

ANDREW ROACH REDDY
Managing Director
7 March 2021

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 Catalyst 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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