



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 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	HALF YEAR ENDED 30 JUNE		
	2019 (Unaudited)	2018 (Unaudited) (Restated)	Increase/ (Decrease)
	RM'000	RM'000	%
Revenue	1,348	1,882	-28.4%
Cost of sales	(471)	(714)	-34.0%
Gross profit	877	1,168	-24.9%
<u>Other Items of Income</u>			
Other gains	-	1	-100.0%
<u>Other Items of Expense</u>			
Marketing and distribution costs	(9)	(2)	350.0%
Administrative expenses	(1,283)	(1,950)	-34.2%
Finance costs	-	-	0.0%
Other losses	-	-	0.0%
Other expenses	(61)	(63)	-3.2%
Loss before taxation from continuing operations	(476)	(846)	-43.7%
Income tax expense	-	-	0.0%
Loss after taxation from continuing operations	(476)	(846)	-43.7%
Discontinued operations			
Loss for the period from discontinued operations	(2,346)	(4,637)	-100.0%
Total loss for the period	(2,822)	(5,483)	-48.5%
Other comprehensive loss net of tax:-			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	(782)	2,346	N.M
Total comprehensive loss	(3,604)	(3,137)	14.9%
Loss attributable to owners of the company, net of tax	(2,822)	(5,480)	-48.5%
Loss attributable to non-controlling interests, net of tax	-	(3)	-100.0%
Loss after tax	(2,822)	(5,483)	-48.5%
Total comprehensive loss attributable to owners of the company, net of tax	(3,609)	(3,110)	16.0%
Total comprehensive loss attributable to non-controlling interests, net of tax	5	(27)	100.0%
Total comprehensive loss	(3,604)	(3,137)	14.9%

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/(crediting):

THE GROUP	HALF YEAR ENDED 30 JUNE		
	2019 (Unaudited)	2018 (Unaudited) (Restated)	Increase/ (Decrease)
	RM'000	RM'000	%
Gain on disposal of property and equipment	-	(1)	-100.0%
Depreciation of property and equipment	61	63	-3.2%
Loss in exchange	-	113	-100.0%

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

	HALF YEAR ENDED 30 JUNE		
	2019 (Unaudited)	2018 (Unaudited)	Increase/ (Decrease)
	RM'000	RM'000	%
Loss for the period from discontinued operations			
Revenue	25,851	48,465	-46.7%
Cost of sales	(8,464)	(15,594)	-45.7%
Administrative expenses	(17,694)	(35,632)	-50.3%
Finance costs	(1,691)	(1,255)	34.7%
Other operating expenses	(348)	(621)	-44.0%
Loss for the period from discontinued operations	(2,346)	(4,637)	-49.4%
Loss for the period from discontinued operations arrived at after charging / (crediting) :			
Depreciation of property and equipment	332	599	-44.6%
Impairment allowance on property and equipment	-	265	-100.0%
Amortisation of franchise fees	16	22	-27.8%
(Gain) / loss on disposal of property and equipment	-	(37)	-100.0%
Loss in exchange	42	355	-88.2%
Interest Income	-	(48)	-100.0%



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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 2019	31 December 2018	30 June 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-Current Assets				
Property and Equipment	1,298	1,359	-	-
Total Non-Current Assets	1,298	1,359	-	-
Current Assets				
Inventories	22	57	-	-
Trade and Other Receivables	27	89	-	-
Other Assets	267	268	-	-
Tax recoverable	5	-	-	-
Cash and Cash Equivalents	123	85	-	-
Total Current Assets	444	499	-	-
Assets classified as held for sale	21,155	21,891	-	-
Total Assets	22,897	23,749	-	-
EQUITY AND LIABILITIES				
Equity				
Share Capital	24,464	24,464	162,132	162,132
Other Reserves	(1,611)	(824)	29,190	29,439
Accumulated Losses	(97,685)	(94,863)	(240,697)	(240,191)
Total Equity Attributable to Owners of the Parent	(74,832)	(71,223)	(49,375)	(48,620)
Non-Controlling Interest	(228)	(233)	-	-
Total Equity	(75,060)	(71,456)	(49,375)	(48,620)
Non-Current Liabilities				
Deferred Tax Liabilities	132	132	-	-
Total Non-Current Liabilities	132	132	-	-
Current Liabilities				
Provision for Taxation	109	123	-	-
Trade and Other Payables	8,390	7,951	49,375	48,620
Other Financial Liabilities	-	8	-	-
Total Current Liabilities	8,499	8,082	49,375	48,620
Liabilities directly associated with assets classified as held for sale	89,326	86,991	-	-
Total Liabilities	97,957	95,205	49,375	48,620
Total Equity and Liabilities	22,897	23,749	-	-



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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 2019		31 December 2018	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Interest bearing loans and borrowings	-	-	8	-
	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>

Amount repayable after one year

	30 June 2019		31 December 2018	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Interest bearing loans and borrowings	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group's borrowings above relates to continuing operations. The Group's borrowings related to group held for sale have been separately recorded under the liabilities directly associated with assets classified as held for sale.



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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 2019 RM'000	Unaudited 2018 RM'000
Cash flows from operating activities		
Loss before tax from continuing operations	(476)	(846)
Loss before tax from discontinued operations	(2,275)	(4,460)
	<hr/>	<hr/>
	(2,751)	(5,306)
Adjustment for:		
Amortisation of franchise agreement cost	16	22
Deposits, prepayments and inventory written off	593	-
Depreciation of property and equipment	394	662
Impairment loss on : -		
Property and equipment	-	265
Interest income	-	(48)
Interest expense	1,691	1,255
Gain on disposal of property and equipment	-	(39)
Exchange loss	42	467
	<hr/>	<hr/>
Operating (loss) / profit before working capital changes	(15)	(2,722)
Inventories	259	537
Trade and other receivables	159	171
Other assets	(222)	2,645
Trade and other payables	(284)	(1,497)
	<hr/>	<hr/>
Net cash flows from / (used in) operations	(103)	(866)
Tax Paid	(101)	(186)
	<hr/>	<hr/>
Net cash flows from / (used in) operating activities	(204)	(1,052)
	<hr/>	<hr/>
Balance carried forward	(204)	(1,052)



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

	1ST HALF YEAR ENDED 30 JUNE	
	Unaudited 2019 RM'000	Unaudited 2018 RM'000
Balance brought forward	(204)	(1,052)
Cash flows from investing activities		
Proceeds from disposal of property and equipment	-	39
Interest received	-	48
Net cash flows (used in)/ from investing activities	-	87
Cash flows from financing activities		
Net finance lease payables	(163)	(195)
Interest paid	-	(21)
Net cash flows (used in)/ from financing activities	(163)	(216)
Net increase/(decrease) in cash and cash equivalents	(367)	(1,181)
Foreign exchange differences	(14)	(145)
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	(4,505)	(2,010)
Cash and cash equivalents is inclusive of :		
- Cash of disposal group held for sale	1,509	-
<u>Cash and cash equivalents:-</u>		
Not restricted in use	1,632	3,740
Restricted in use	11	1,800
	1,643	5,540
<u>Cash and cash equivalents in the Statement of Cash Flows:-</u>		
Amount as shown above	1,643	5,540
Bank overdraft	(6,137)	(5,750)
Cash restricted in use over 3 months	(11)	(1,800)
At the end of the financial period / year	(4,505)	(2,010)



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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 RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Other (Accumulated Reserve RM'000	Losses) RM'000			
Balance as at 1 January 2019	24,464	(824)	(94,863)	(71,223)	(233)	(71,456)
Total comprehensive income/(loss) for the period						
Loss for the financial period	-	-	(2,822)	(2,822)	-	(2,822)
Effect of translation of net assets of foreign subsidiaries	-	(787)	-	(787)	5	(782)
Total comprehensive income/(loss) for the period	-	(787)	(2,822)	(3,609)	5	(3,604)
Balance as at 30 June 2019 (Unaudited)	24,464	(1,611)	(97,685)	(74,832)	(228)	(75,060)
Balance as at 1 January 2018	24,464	(1,443)	(84,898)	(61,877)	(204)	(62,081)
Total comprehensive income/(loss) for the period						
Loss for the financial period	-	-	(5,480)	(5,480)	(3)	(5,483)
Effect of translation of net assets of foreign subsidiaries	-	2,373	-	2,373	(27)	2,346
Total comprehensive income/(loss) for the period	-	2,373	(5,480)	(3,107)	(30)	(3,137)
Balance as at 30 June 2018 (Unaudited)	24,464	930	(90,378)	(64,984)	(234)	(65,218)



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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 (Accumulated Reserve RM'000	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 period				
Loss for the financial period	-	-	(506)	(506)
Foreign currency translation	-	(249)	-	(249)
Total comprehensive income/(loss) for the period	-	(249)	(506)	(755)
Balance as at 30 June 2019 (Unaudited)	162,132	29,190	(240,697)	(49,375)
Balance as at 1 January 2018	162,132	(1,079)	(195,265)	(34,212)
Total comprehensive income/(loss) for the period				
Loss for the financial period	-	-	(41,016)	(41,016)
Foreign currency translation	-	41,222	-	41,222
Total comprehensive income/(loss) for the period	-	41,222	(41,016)	206
Balance as at 30 June 2018 (Unaudited)	162,132	40,143	(236,281)	(34,006)



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 2019 and 30 June 2018	250,605,231	162,131,973

	As at 30 June 2019	As at 30 June 2018
	Shares ('000)	Shares ('000)
Additional shares that would be issued on conversion of all convertible instruments	10,000	10,000

The Group has issued redeemable exchangeable bonds ("Exchangeable Bonds") of an aggregate principal amount of S\$3.0 million in three (3) tranches of S\$1.0 million, S\$0.5 million and S\$1.5 million on 25 April 2014, 5 December 2014 and 27 January 2015 respectively. As at the date of this announcement, the net proceeds have been fully utilised for the intended purpose of (i) capital expenditure and working capital for outlets expansion in China and/or Indonesia and (ii) expenses relating to the Exchangeable Bonds.

Based on the exchangeable price of S\$0.30 per new shares, the Company will be obliged to issue up to 10,000,000 new shares ("New Shares") in the event that the investor exercises its right to exchange the entire Exchangeable Bonds into New Shares.

As at 30 June 2019 and 30 June 2018, the Company did not hold any treasury shares and there were no subsidiary holdings.



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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 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 30 June 2019 and 31 December 2018.

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 2019 and 30 June 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 reported on.

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

Not applicable.

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.



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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.

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	
	HALF YEAR ENDED 30 JUNE	
	2019	2018
Net loss attributable to shareholders of the Company (RM'000)	(2,822)	(5,480)
(a) Basic Loss per share (RM sen)	(1.1)	(2.2)
(b) Diluted Loss per share (RM sen)	N.A	N.A
Weighted average number of ordinary shares in issue ('000)	250,605	250,605

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.



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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.

	30 June 2019 (Unaudited)	The Group 31 December 2018 (Audited)	30 June 2019 (Unaudited)	The Company 31 December 2018 (Audited)
Net asset value per ordinary share (RM sen)	(29.9)	(28.4)	(19.7)	(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.

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

Pursuant to the share sale agreement entered into by the Company with Tremendous Asia Management Inc (“TAMI”) on 14 September 2018 for the sale of 100% equity interest in Chaswood Resources Sdn Bhd (“CRSB”) and effectively CRSB’s subsidiaries except for Bistro Italiana (TC) Sdn Bhd (collectively known as “Group Held for Sale”) (“Proposed CRSB Disposal”), the revenue and expenses for the Group Held for Sale have been separately classified as discontinued operations.

Revenue

Revenue for the first half of the financial year ended 2019 (“1H2019”) comprised the revenue contributed by the remaining business of the Group after the Proposed CRSB Disposal (i.e. the restaurant business operating the Italiannies brand) which is also classified as the continuing operations. The decrease of approximately RM0.5 million, or 28.4% as compared to 1H2018 was 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 24.9% from approximately RM1.2 million in 1H2018 to approximately RM0.9 million in 1H2019 in line with the decrease in revenue. However, the gross profit margin increased from approximately 62.1% in 1H2018 to approximately 65.1% in 1H2019 due to the higher profit margin contribution from the food and beverage business after the closure of the bar business.



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Administrative expenses

Administrative expenses decreased by approximately RM0.7 million, or 34.2%, from approximately RM2.0 million in 1H2018 to approximately RM1.3 million in 1H2019 due to the closure of the Group's non-profitable business and the continuous cost cutting measures undertaken by the Group.

Other expenses

Other expenses consist of depreciation charge.

Loss after tax from continuing operations

The Group incurred lower net loss after tax from continuing operations in 1H2019 of approximately RM0.5 million compared to 1H2018 of approximately RM0.8 million mainly due to 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:

	HALF YEAR ENDED 30 JUNE		
	2019 (Unaudited) RM'000	2018 (Unaudited) RM'000	Increase/ (Decrease) %
Revenue	25,851	48,465	-46.7%
Cost of sales	(8,464)	(15,594)	-45.7%
Administrative expenses	(17,694)	(35,632)	-50.3%
Finance costs	(1,691)	(1,255)	34.7%
Other operating expenses	(348)	(621)	-44.0%
Loss for the period from discontinued operations	(2,346)	(4,637)	-49.4%

Decrease of net loss from discontinued operations by approximately RM2.3 million from approximately RM4.6 million in 1H2018 to approximately RM2.3 million in 1H2019 was mainly due to the Group's rationalization efforts in closing non-profitable outlets and reduction of operating and head office expenses.



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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 RM1.30 million as at 30 June 2019 was mainly due to depreciation charge during the period.

Current assets

The decrease in inventories, trade and other receivables of an aggregate of approximately RM0.1 million as at 30 June 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.

Current liabilities

Current liabilities mainly comprise of trade and other payables and the breakdown is as follows:

Trade and other payables

	The Group	
	As at 30 June 2019 RM'000	As at 31 December 2018 RM'000
Trade payables	370	334
Other payables	8,020	7,617
Total	8,390	7,951

The increase in other payables of approximately RM0.4 million arose mainly from professional fees.



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Assets and liabilities directly associated with assets classified as held for sale

Pursuant to the Proposed CRSB Disposal, the assets and liabilities of the Group Held for Sale have been classified and disclosed separately as assets / liabilities held for sale.

The major classes of assets and liabilities classified as held for sale at the end of the reporting period are as follows:

	30 June 2019 RM'000 (Unaudited)	31 December 2018 RM'000 (Audited)
Property and Equipment	9,926	10,170
Intangible Assets	174	185
Investment in associate Company	170	196
Inventories	1,514	1,738
Trade and Other Receivables	1,868	1,963
Other Assets	5,893	5,710
Tax recoverable	90	13
Cash and Cash Equivalents	1,509	1,916
Assets of group held for sale	21,144	21,891
Deferred Tax Liabilities	670	663
Other Financial Liabilities	39,850	38,665
Provision for Taxation	(682)	(737)
Trade and Other Payables	49,242	48,154
Other Liabilities, current	246	246
Liabilities of group held for sale	89,326	86,991
Net liabilities of group held for sale	(68,182)	(65,100)



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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 amounting to RM2.8 million in the first half of the year ended 30 June 2019; (ii) the net current liabilities of RM76.2 million of the Group as at 30 June 2019; and (iii) negative equity position of RM75.1 million as at 30 June 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

On 14 September 2018, the Company entered into a share sale agreement with TAMI for the sale of 100% equity interest of CRSB (the "Proposed CRSB Disposal"). The Proposed CRSB Disposal 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"). During the financial period ended 30 June 2019, the Group Held for Sale contributed a loss after tax of approximately RM2.3 million. The net liabilities relating to the CRSB Group subject to disposals amounted to approximately RM68.2 million as at 30 June 2019. The proposed disposal is subject to, inter alia, shareholders' approval.

b) Scheme of Arrangement with Malaysia Scheme Creditors ("Malaysia SOA")

The Group has obtained the approval from the financial institution lenders ("Malaysia Lenders") for the Malaysia SOA during a court convened meeting ("CCM") held on 9 November 2018 of which the court has granted sanction to the results of the CCM on 14 January 2019. The proposed settlement to the Malaysia Lenders under the Malaysia SOA comprises upliftment of fixed deposits, sale of residential properties, sale of TGI Friday's and Teh Tarik Place businesses, issuance of new shares of the Company and waiver of debt. The Group is in the midst of implementing the Malaysia SOA.

c) Proposed disposal of TGI Friday's in Malaysia and Teh Tarik Place businesses

CRSB has on 3 April 2019 entered into a share purchase agreement with Sino Hua-An International Berhad for the sale of TGI Friday's in Malaysia and Teh Tarik Place businesses for a purchase consideration of RM8.0 million. The proceeds will be utilized in accordance with the Malaysia SOA.

d) Proposed issuance of redeemable convertible notes

The Company had entered into a binding term sheet on 31 July 2019 with Advance Opportunities Fund ("Subscriber") pursuant to which the Company proposes to issue to the Subscriber 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 plans pursuant to the Restructuring Exercise.



HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019

e) Moratorium and proposed scheme of arrangement with Singapore scheme creditors

On 26 April 2019, the Company filed an application with the Singapore Court to obtain an order, amongst other things, that no legal action or proceedings against the Company be commenced or continued against the Company for a period of 12 weeks from the date of the order to be granted ("Moratorium"), pursuant to section 210(10) of the Act. The Singapore Court has on 9 July 2019 granted the Moratorium. Further to the Moratorium, the Company proposes to implement a scheme of arrangement ("Singapore SOA") with the creditors of the Company pursuant to section 210(1) or section 211I of the Act, as the case may be. Details of the Singapore SOA are targeted to be finalized during the 12-week period of the Moratorium. 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.

Review of Statement of Cash Flows

Cash flows used in operating activities

Net cash used in operating activities of approximately RM0.2 million was mainly due to the decrease in trade and other receivables of approximately RM0.2 million, decrease in inventories of RM0.3 million, offsetted by increase in other assets of RM0.2 million the repayment to trade and other payables of approximately RM0.3 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.

Not applicable. There were no forecast or prospect statement previously disclosed. Results are in line with the profit guidance announcement made on 7 August 2019.

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 2019, in the midst of the challenging food and beverage industry, the Group continued its focus to maintain the cost and operational efficiency of its existing outlets after undergoing significant outlets and head office cost rationalization.

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:



HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019

- (i) Proposed disposal of Chaswood Resources Sdn Bhd;
- (ii) Scheme of arrangement with Malaysia scheme creditors ("Malaysia SOA");
- (iii) Proposed disposal of TGI Friday's in Malaysia and Teh Tarik Place businesses;
- (iv) Proposed issuance of redeemable convertible note; and
- (v) 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.

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 2019 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.



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 2019

The Board and the AC has reviewed the IPTs entered during the half year ended 30 June 2019 by the Group and the aggregate value of IPTs entered during the period is as follows:

Name of Interested Person	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. ⁽¹⁾ - Interest expenses on Exchangeable Bonds	150	The Company does not have a shareholders' mandate under Rule 920

Notes:

Interest expenses paid to and 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. 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 2019 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 2019

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., 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.*