chaswood
RESOURCES HOLDINGS LTD.

ANNUAL REPORT 2021

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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report and audited financial statements of Chaswood Resources Holdings Ltd and its subsidiaries ("Chaswood" or the "Group") for the financial year ended 31 December 2021 ("FY2021").

Financial Overview

For FY2021, the Group recorded a revenue of approximately RM1.8 million, an increase of approximately 4.0% as compared to FY2020. In the first 9 months of FY2021, the Malaysian retail sector was still severely affected by the high Covid-19 infections and government's counter-measures such as the movement control order ("MCO") and no dine-in standard operating procedures to curb the risk of further infections. During the period when no dine-in was allowed, the Group's restaurant business continued to operate via take-away and delivery services. Nevertheless, in 4QFY2021, the government had gradually relaxed the implementation of various movement controls. In 4QFY2021, the country achieved the desired vaccination targets and Covid-19 infection rate slowly declined. Restaurants were also allowed to open for dine-in business and inter-state travel restrictions were slowly lifted. This had contributed to Group's revenue recovery in the 4QFY2021.

The gross profit increased by approximately RM0.07 million from approximately RM1.07 million in FY2020 to approximately RM1.14 million in FY2021 mainly due to the increase in revenue. The gross profit margin increased from approximately 62.1% in FY2020 to approximately 63.3% in FY2021 due to the higher sale of better margin products via menu engineering and lower wastages.

Despite higher revenue and gross profits, the Group recorded loss after tax of approximately RM0.14 million compared to profit after tax of approximately RM0.25 million in the corresponding period of 2020. The decline in profit after tax in 2021 of approximately RM0.39 million was mainly due to the increase in certain administrative expenses such as third party delivery commission expenses of approximately RM0.18 million, higher group restructuring expenses of approximately RM0.22 million and higher tax expense of RM0.18 million.

The Group's share capital as at FY2021 has been eroded with a negative shareholders' equity of RM61.9 million due to the losses incurred by the Group. The net current liability position of the Group increased from approximately RM62.6 million in FY2020 to approximately RM64.0 million in FY2021 mainly due to the increase in other payables relating to the new outlet opening, restructuring expenses and the impact of unfavorable foreign exchange translation on the corporate guarantee provisions.

Cash and cash equivalents of the Group at the end of FY2021 was approximately RM0.6 million (FY2020: RM1.1 million). During FY2021, net cash generated from operating activities amounted to RM0.4 million. This was offsetted by the payment for the construction of the new Italiannies, I-City Shopping Centre of RM0.6 million and the payment of existing lease liabilities of FY2021 amounted to RM0.3 million.

Nevertheless, the Board is of the view that the Group's working capital is sufficient for the next 12 months and the Group is able to continue as a going concern after taking into consideration the restructuring exercise which is currently being undertaken by the Group. Please refer to Note 3(a) to the financial statements.

Moving Forward

The Group's main focus has been to complete the ongoing restructuring 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. Further to the extension of time up to 16 June 2020 granted by SGX-ST for the submission of a resumption proposal, on 11 September 2020, SGX-ST has further informed the Company that it had no objection to the Company's application for a further 12-month extension up to 15 June 2021 for the submission of the proposal subject to certain conditions as announced on 13 September 2020. The completion of the restructuring exercise and the share trading resumption will provide better value to the shareholders. In FY2021, there were unfortunately some delays in certain milestones of the restructuring exercise due to the Covid-19 pandemic which resulted in more time required for the completion of the milestones. Updates on the restructuring exercise during the financial year, details of which have been announced by the Company, are as follows:

(i) Proposed issuance of redeemable convertible note ("RCN")

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 our Company proposes to issue to the Subscribers 1.0% equity-linked RCN due 2022 with an aggregate principal amount of up to S$50.0 million. The proceeds will be utilized for the funding of our Group's working capital and future expansions and investments. The issuance of the RCN is subject to fulfilment of certain conditions precedent which includes inter-alia the share trading resumption. On 1 March 2022 via a fifth supplemental agreement to amend the definition of "Fulfilment Date" (as varied by the First Supplemental Agreement, the Second Supplemental Agreement, the Third

CHAIRMAN'S STATEMENT

Supplemental Agreement, the Fourth Supplemental Agreement) to 31 August 2022 or such other date as the Parties may agree in writing. There are no changes to the other terms and conditions of the Subscription Agreement. The parties have agreed for the extension as more time is required by the parties to fulfil the conditions precedent under the Subscription Agreement.

(ii) Proposed scheme of arrangement with scheme creditors ("SOA")

The Court on 26 June 2020 granted an order that the proposed SOA be approved and the Scheme was thus binding on our Company and our creditors. The SOA was thereafter amended on 7 December 2020 to extend the dateline to 30 June 2021 for the completion of the SOA. The Scheme Manager has communicated to all SOA creditors on the current SOA status. The Company would seek for the necessary extension of time from the Scheme Creditors upon the receipt of SGX-ST's approval. However, in the event that no extension of time for the deadline to complete the Amended Ameneded SOA is obtained, the Amended SOA shall be deemed terminated and shall cease to be binding on the Scheme Creditors and each Scheme Creditor shall be entitled to exercise any and all of its rights, powers and remedies against the Company.

Further announcement will be made on any material developments with regards to the restructuring exercise. With a stronger financial position and platform after the completion of the restructuring exercise, the Group will be able to better focus to grow the remaining restaurant business while identifying suitable and viable new or complimentary business/ investment for the Group.

In FY2021, the unprecedent Covid-19 pandemic had significantly impacted the global economy and disruption to businesses, employments and health and the Group's restaurant business was not spared with the enforcement of MCO in Malaysia. Nevertheless, with the improvement in vaccination rates and decline in Covid-19 infection rate, the MCO was slowly relaxed in stages from 20 August 2021. Dine-in business was allowed in the restaurants. The Group would continue to monitor the consumer spending behavior 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 hope is for the current roll-out of the Covid-19 vaccination to contain the rapid spread of the virus. Notwithstanding the above-mentioned, the Group will endeavor to complete the restructuring exercise as soon as possible and continue on its expansion plan.

Operation of the new outlet at Italiannies, I-City Shopping Centre – The new outlet has commenced operation in February 2022. The outlet opened amidst the resurgence of Covid-19 infections due to the Omicron variant. Hence, the business started off slowly. However, with more marketing activities and ground activation, business in the new outlet is starting to improve.

Various Development agreements – There has been no material development on the various development agreements signed. Pertaining to the targeted outlet openings which have lapsed due to the unfavorable market condition which was caused by the Covid-19 pandemic, the developers are currently negotiating on the extension of time on their outlet openings. Further announcement will be made when there are material developments on the agreements.

During FY2021, the Company had entered into a Sale and Purchase Agreement to acquire the entire issued and paid-up share capital of HK Aerospace Beidou New Energy Technology Co., Ltd. The proposed acquisition if undertaken and completed, is expected to result in a reverse takeover of the Company. The Company is in the process of finalizing the appointment of the Full Sponsor in connection with the Proposed RTO. Further announcements will be made by the Company and the Board via SGXNET as and when there are any material developments in relation to the RTO.

In Appreciation

On behalf of the Board, I would like to express our gratitude to our shareholders for the strong support, patience and confidence in us, particularly during this challenging period. We would also like to extend our gratitude to the management and staff, business partners and various professionals for the untiring efforts, support, dedication and commitment in assisting us to ride through this difficult time and to restore the Group's financial position.

The Board would like to express its appreciation to Mr. Er Kwong Wah who has resigned from the Board on 5 July 2021 for his efforts and contributions during his tenure with the Company.

Mr Ng Teck Wah

Non-Independent Non-Executive Chairman

BOARD OF DIRECTORS

MR NG TECK WAH
Non-Independent Non-Executive Chairman

Mr Ng Teck Wah ("Mr Ng") was appointed to the Board as the Non-Independent Non-Executive Director on 1 March 2012 and was thereafter appointed as the Chairman on 25 July 2014. Mr. Ng is a founder and Managing Partner of Tremendous Asia Partners Group (TAP), a Southeast Asian focused private equity firm. He is an Arthur Andersen thoroughbred having joined the partnership upon graduation and has worked in various capacities throughout Southeast Asia before seeking early retirement in 2007 to build a Southeast Asian private equity operation, bringing to the table his 30 years of experience in consultancy, turnaround management, mergers and acquisition and transaction advisory.

Mr Ng's last position before embarking into the private equity field was as the Executive Director of Transaction Advisory Services in Ernst & Young, Kuala Lumpur. He is one of the founding directors of Arthur Andersen corporate finance in Malaysia. During his tenure in Arthur Andersen, he has served in Singapore, Hong Kong, Manila, Thailand as well as Indonesia and has helped to develop the emerging corporate finance division in Southeast Asia.

Mr Ng has a strong reputation in the market as a Mergers, Acquisitions and Restructuring Specialist and has built a preeminent status as a market leader in corporate transaction advisory in Malaysia. He has also built a strong track record in leading large turnaround and insolvency assignments across a spectrum of industries.

Mr Ng has a Bachelor's of Commerce in Accounting from University of Birmingham and is a fellow member of The Association of Chartered Certified Accountants UK (ACCA).

MR ANDREW ROACH REDDY
Executive Director and Managing Director

Mr Andrew Roach Reddy ("Mr Reddy") is the Managing Director and was appointed to the Board on 1 March 2012. He is responsible for the formulation of the Group's strategic directions, expansion plans and overall business development. He has been in the hotel and service industry for more than 30 years.

The seed of his casual dining empire was planted when he joined BistroAmericana Holdings Sdn. Bhd. as a General Manager in 1993 and subsequently became the Director of various TGI Fridays™ restaurants 6 years later. With a wealth of experience under his belt and an unrelenting drive for success, he founded Chaswood Resources Sdn. Bhd. with 2 other partners in 2002 and took the business under his personal charge, and bought the TGI Fridays™ franchise from BistroAmericana Holdings Pte. Ltd. As the Managing Director, Mr Reddy oversees the overall business operations and gives strategic guidance and directions to the management team. Under his leadership, the Group had grown from strength to strength and has expanded to being one of Malaysia's leading multi-concept operator in the food and beverage industry with presence in Malaysia, China and Indonesia before the Group was affected by challenging operating environment.

He holds a Masters of Business Administration in General and Strategic Management (Honorary) from the Maastricht School of Management, Netherlands.

MR CHONG MING JUN
Independent Non-Executive

Mr Chong Ming Jun ("Mr Chong") was appointed to the Board as the Independent Non-Executive Director on 7 August 2020,currently Chairman of Nominating Remuneration Committee and member of Audit Committee. He currently manages a design, construction and environmental business which he owns over the last 9 years and has gained vast experience in the retail and food and beverage sectors during his current business ventures. Prior to becoming an entrepreneur, Mr Chong has more than 6 years experience in the banking and education sectors in the sales and marketing field. He held positions in UOB Group and ANZ Banking Group in 2006 and 2010 respectively.

He graduated with a Bachelor of Business Administration in Marketing from University of Canberra, Australia.

KEY EXECUTIVES

MR MEL-VINDER SINGH DHILLON
Chief Executive Officer

Mr Mel-Vinder Singh Dhillon ("Dhillon") is the Chief Executive Officer of the Company and was appointed on 31 March 2021. He is responsible for managing the overall business operations of the Group. He has more than 25 years in the food and beverage industry.

Mr Dhillon started his career with Bistro Americana (M) Sdn Bhd in 1993 as a Restaurant Manager of TGI Fridays Restaurant and held various positions including Kitchen Manager and General Manager under the previous owner before Chaswood Resources Sdn Bhd ("Chaswood") bought the TGI Friday's franchise and business in Malaysia in 2002. Throughout his career with Chaswood Group up to his last position as a Vice President (Operations), he was responsible for all aspects of the operations, sales, growth, cost controls and maintaining the brand standards in relation to all the brands under the Chaswood Group in Malaysia, Indonesia and China.

He graduated with a Bachelor of Arts in Social Sciences from The Flinders University of South Australia, Australia.

MR BRYAN THAM KEEN TEK
Group Chief Financial Officer

Mr Bryan Tham Keen Tek ("Mr Bryan") is the Group Chief Financial Officer of the Company and was appointed on 20 July 2015. He oversees the finance, accounting, tax and internal audit aspects of the Group. He possesses more than 15 years of experience in audit, accounting, financial reporting and business planning in large corporations. He also has about 10 years of experience in retail as well as the food and beverage industry.

He was formerly the General Manager of Finance at Nando's Malaysia and Singapore from 2010 to 2015, where he played an integral role in restructuring the finance and accounting team and implementing an automated system to support the growth of Nando's in Malaysia and Singapore. Prior to joining Nando's, Mr Bryan was the Head of Finance at Tangs Departmental Store Sdn Bhd from 2006 to 2010, where he was a key project committee member in the setting up of the first Tangs departmental store in Pavilion, Kuala Lumpur. Prior to these appointments, he worked as an external auditor with the audit and advisory arm of PricewaterhouseCoopers, Kuala Lumpur where he was involved in audit, business advisory and merger & acquisition of certain public listed corporations.

Mr Bryan obtained a Bachelor's in Accountancy (2nd Upper Class Hons) degree from University Malaya in 1999. He is also a qualified Certified Public Accountant with the Malaysian Institute of Certified Public Accountants.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Executive
Mr Andrew Roach Reddy - Managing Director

Non-Independent Non-Executive
Mr Ng Teck Wah – Chairman

Independent Non-Executive
Mr Chong Ming Jun

AUDIT COMMITTEE
Mr Chong Ming Jun
Mr Ng Teck Wah

NOMINATING COMMITTEE
Mr Chong Ming Jun - Chairman
Mr Ng Teck Wah

REMUNERATION COMMITTEE
Mr Chong Ming Jun - Chairman
Mr Ng Teck Wah

SECRETARY
Mr Lee Wei Hsiung

AUDITOR TO THE COMPANY
Moore Stephens LLP
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Audit Partner-In-Charge:
Mr Chris Johnson
(appointed since financial year
ended 31 December 2020)

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Selangor, Malaysia

CORPORATE GOVERNANCE REPORT

The board of directors (the "**Board**") of Chaswood Resources Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to ensuring that a high standard of corporate governance is practised within the Group.

This report refers to the principles and provisions laid down in the Code of Corporate Governance 2018 (the "**Code**") and accompanying practice guidance (the "**Practice Guidance**") issued in August 2018, which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The Board confirms that for the financial year ended 31 December 2021 ("**FY2021**") the Company has complied with the Code, except where otherwise explained. In areas where the Group has not complied with the Code, the Group will continue to assess its needs and implement appropriate measures accordingly.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board's primary function is to protect the Company's shareholders' interests and enhance the long-term value and returns for the shareholders. It sets the overall strategy for the Group and supervises the Management. To fulfil this role, the Board is responsible for setting the strategic direction for the Group, establishing goals for the Management and monitoring the achievement of these goals.

Apart from its statutory responsibilities, the Board's principal functions include the following:

(a) to approve corporate policies, strategic directions and financial objectives of the Group, monitor the achievement of these objectives, provide entrepreneurial leadership and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(b) to approve annual reports and periodic financial announcements;

(c) to constructively challenge management and review its performance in ensuring management leadership of high quality, effectiveness and integrity;

(d) to approve annual budgets, major funding proposals, investment and divestment proposals;

(e) to ensure the adequacy and integrity of the Group's internal controls, risk management systems and periodic reviews of the Group's financial performance and compliance, including safeguarding of the shareholders' interests and the company's assets;

(f) to consider sustainability issues such as environmental and social factors when formulating the Company's strategic objectives;

(g) to assume responsibility for corporate governance framework of the Company;

(h) to set the Group's values, standards (including ethical standards), culture and diversity policy and ensure that obligations to shareholders and other stakeholders are understood and met; and

(i) to ensure transparency and accountability to key stakeholder groups.

CORPORATE GOVERNANCE REPORT

Each director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his knowledge. Where a director has a conflict or potential conflict of interest in relation to any matter, he should immediately declare his interest and abstain when the conflict-related matter is discussed, unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he is to abstain from voting in relation to the conflict-related matters.

The Board holds management accountable for performance and puts in place a code of conduct and ethics, sets appropriate tone from the top and the desired organisational culture and ensures proper accountability within the Company.

All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group, and are obliged to act in good faith and make decisions objectively in the best interest of the Company.

To assist the Board in the execution of its responsibilities, the Board is supported by a number of committees which includes the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). Each of these committees is empowered to make decisions on matters within its terms of reference. The composition of each committee, the key terms of reference and a summary of each Board Committee's activities can be found in this report. Any change to the terms of reference for any Board Committee requires the approval of the Board.

The Board and the AC meet at least two times a year to oversee the business affairs of the Group to review, consider and approve financials, business strategies and objectives of the Group. Where necessary, ad-hoc meetings are held to deliberate on urgent substantive matters. The Company's Constitution allows meetings to be conducted both physically and by way of telephone conferencing or by means of similar communication equipment whereby all persons participating in the meeting are able to hear each other, provided that the requisite quorum is present.

The Directors' participation in the meetings held in FY2021 is summarised in the table below:

Name of Director	**Board Committees**							
	Board		**AC**		**NC**		**RC**	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr. Andrew Roach Reddy (1)	3	3	3	3	1	1	1	1
Mr. Ng Teck Wah	3	3	3	3	1	1	1	1
Mr. Er Kwong Wah (2)	1	1	1	1	1	1	1	1
Mr. Chong Ming Jun (3)	3	3	3	3	1	1	1	1

Notes:

(1) Mr. Andrew Roach Reddy was present at the Audit, Nominating and Remuneration Committees as invitee.

(2) Mr. Er Kwong Wah resigned as the Lead Independent Non- Executive Director on 5 July 2021 and concurrently relinquished his position as the Chairman of the AC and a member of the RC and NC.

(3) Mr. Chong Ming Jun appointed as Independent Director on 7 August 2020 and is currently appointed as the Chairman of the NC and RC and Member of the AC.

Minutes of all Board and committees' meetings will be circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during the respective meetings.

All Directors are required to declare their board representations. The Board is of the view that the effectiveness of each director is best assessed by a qualitative assessment of the director's contribution and his ability to devote sufficient time and attention to the Company's affairs. Hence, the Board has decided not to set a numerical limit on the number of listed company board representations as it does not wish to omit from its consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board.

The Group has adopted internal guidelines governing matters that require the Board's approval and clearly communicates this to the Management in writing. The Board will review the guidelines on a periodic basis to ensure their relevance to the operations of the Group. The matters requiring the Board's approval include:

- issuance of shares;
- material acquisitions and disposal of assets/investment or divestment;
- corporate or financial restructuring;
- major capital expenditure;
- convening of shareholders' meeting;
- announcement of the Group's quarterly, half year and full year results;
- release of the Company's annual reports and sustainability report; and
- any other matters as prescribed under the relevant legislations and regulations, and the provisions of the Company's constitution.

The Board as a whole is provided with regular updates on changes in the relevant laws and regulations to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected role and responsibilities. Regular updates on the latest corporate governance and listing policies as well as new releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") are circulated to the Board from time to time.

Where possible and when an opportunity arises, the Directors will be invited to locations within the Group's operations to enable them to obtain a better perspective of the business and enhance their understanding of the Group's operations.

The Company also encourages the Directors to attend appropriate courses, conferences, briefings and seminars, at the Company's expense, to keep themselves abreast of the latest developments in regulatory, legal and accounting frameworks and regulations that are of relevance to the Group.

A new director will, upon appointment, be provided with a formal letter setting out his roles, duties and responsibilities as a member of the Board. The Company will, at its expense, arrange for a new director with no prior experience of serving as a director in a listed company to attend appropriate courses, conferences or seminars, including programmes or courses organised by the Singapore Institute of Directors or other training institutions in areas such as accounting, legal and industry-specific knowledge. The Company is responsible for arranging and funding the training of directors as prescribed by Rule 406(3)(a) of the Catalist Rules (including a director who has no prior experience as a director of an issuer listed on the SGX-ST).

During FY2021 the Company did not comply to Rule 406(3)(a), Appendix 4D of the Catalist Rules, at its expense, did not arrange any training for Mr Chong Ming Jun serving first year directorship with no prior experience in a listed company to attend mandatory appropriate courses due to pandemic challenges and constraints encountered. The Company, has committed to enrol Mr Chong Ming Jun beginning May 2022 and complete the Mandatory Training as soon as possible with the Singapore Institute of Directors as stipulated in the Appendix 4D of the Catalist Rules.

The Nominating Committee and the Board is aware and have considered the above non-compliance in deciding on the re-election of Mr Chong. There was no other new director appointed on Board during FY2021.

Access to Information

In order to ensure that the Board is able to fulfil its responsibilities, the Management provides the Board members with adequate and timely information prior to Board Meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities as Directors such as periodic management accounts and all relevant information. In addition, all relevant information on material events and transactions are circulated to the Directors as and when they arise.

The Directors have unrestricted access to the Group's records and information and to request additional information as needed to make informed decisions. The Board members have separate and independent access to senior management staffs and, whenever necessary, senior management staffs will be invited to attend the Board Meetings and Board Committee Meetings to answer additional queries from the Board members and provide detailed insights into their areas of operations to the Board members. Board papers and related materials specifying relevant information and rationale for each proposal for which the Board's approval is sought are provided to the Directors for the Board's attention and consideration. A quarterly report on the financial results and performance of the Group with explanations of material variance between actual results and budgets are also provided to the Directors.

The Directors have separate and independent access to the Company Secretary at all times. The Company Secretary assists the Board to ensure that Board procedures and applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and Board Committees and between senior management and Non-Executive Directors, and advises the Board through the Chairman on all governance. The Company Secretary attends Board Meetings and Board Committee Meetings. The appointment and the removal of the Company Secretary is a matter for deliberation by the Board.

The Board, either individually or as a group, in the furtherance of their duties, has access to independent professional advice, if necessary, at the Company's expense and after consultation with the Chairman.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

The Board currently comprises three Directors, One of whom are independent and two non-executive directors as at the date of this Report.

The Board members as at the date of this Report comprises:

Mr. Ng Teck Wah	Non-Independent Non-Executive Chairman
Mr. Andrew Roach Reddy	Executive Director and Managing Director
Mr. Chong Ming Jun	Independent Non-Executive Director

The NC reviews the independence of the Directors annually, bearing in mind the circumstances and principles set forth in the Code as well as all other relevant circumstances and facts. Each Independent Director is required to provide and has provided the annual confirmation confirming his independence in accordance with the guidelines as set out in the Code. The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code and Rule 406(3)(d) of the Catalist Rules.

The Company has no Independent Director who has served on the Board beyond nine years from the date of his first appointment.

To date, none of the Independent Directors of the Company have been appointed as a director of the Company's principal subsidiaries for the current or any of the past three financial years. None of the Independent Directors of the Company has any immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related companies and whose remuneration is determined by the RC. The Board and the Management are of the view that the current board structures in the principal subsidiaries are well organised and constituted. The Board and the Management will from time to time review the board structures of the principal subsidiaries and make appropriate corporate decision of considering the appointment of an Independent Director into the principal subsidiaries.

The Company is not in compliance with Rules 704(7) and 406(3)(c) of the Catalist Rules and provisions 2.2, 3.3, 4.2, 6.2 and 10.2 of the Singapore Code of Corporate Governance 2018 with regards to the compositions of the Board, Nominating Committee, Remuneration Committee, and Audit Committee, of the Company respectively. whereby the independent directors are to make up a majority of the Board where the Chairman is not Independent.

The reason for variation is due to the delay in the Company's application for the extension of time for the submission of a trading resumption proposal to SGX-ST. The delay has limited the number of potential Independent Non-Executive Director to conclude their opinion on its appointment and also with the uncertainty surrounding the ongoing restructuring exercise, prospective independent directors are unable to consider acceptance until there is greater information that allows them to determine as such.

The Board constantly examines its size with a view to determining the composition that is appropriate for effective decision-making taking into account the size and scope of the affairs and operations of the Group to avoid undue disruptions from changes to the composition of the Board and Board Committees. The Board is of the view that the size of the Board prior to resignation of Mr Er Kwong Wah as the lead Independent Director, is sufficient to allow diversity, constructive and effective decision making at meetings of the Board and committees. With currently one member of the Board being independent, the Company shall endeavour to appoint a new independent director to the best including gender diversity following rule 710(A)(1) upon the completion of the restructuring exercise and approval of resumption of trading from SGX. The current measures implemented to be consistent with the intent of maintaining the independence element in the Board is for the managing director to abstain from the NC, RC and AC where the committee only consist of one independent and a non-independent are Board members where both are also no executive.

The Board is satisfied that, pending the fulfilment of vacancy pursuant to the resignation of Mr Er Kwong Wah, its composition of Non-Executives and Independent Director provides a sufficient combination of core competencies of knowledge, business contacts and extensive business and commercial experience necessary to meet the requirements of the Group and facilitates effective decision-making. The Directors bring with them a wealth of expertise and experience with an appropriate balance and diversity of skills in areas such as accounting, finance, legal, business and management experience and industry knowledge. Its composition enables the management to benefit from a diverse and objective perspective on any issues raised before the Board. The Board is able to exercise objective judgment on corporate affairs independently from the Management. The Board is of the view that, given its current structure, there is sufficient independent element on the Board to enable independent exercise of objective judgment on the Group's corporate affairs by members of the Board, taking into account factors such as the number of Independent Director on the Board as well as the size and scope of the affairs and operations of the Group.

The Non-Executive Directors constructively challenge, review and discuss key issues, assist in developing proposals on strategy, review the performance of management in meetings, identify goals and monitor the reporting of performance. The Non-Executive Directors will meet periodically without the presence of the Management to facilitate a more effective check on the Management and will provide feedback to the Board as appropriate. All Directors take decisions objectively in the interests of the Company. No individual or group of individuals dominates the Board's decision-making.

CHAIRMAN AND MANAGING DIRECTOR

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Board subscribes to the principle set out in the Code on the separation of the roles of the Chairman and the Managing Director. The roles and responsibilities of the Chairman and the Managing Director in the Company are distinct and separate. This is to ensure appropriate balance of power and authority, accountability and decision making.

The Chairman, Mr Ng Teck Wah, is a Non-Independent Non-Executive Director. He and Mr Andrew Roach Reddy, the Managing Director, are not related to each other. The Managing Director is responsible for the day-to-day management of the affairs of the Group. He takes a leading role in developing and expanding the businesses of the Group and ensures that the Board is kept updated and informed of the Group's business. The Chairman is also not related to the Chief Executive Officer.

The Chairman's responsibilities include:

(a) scheduling meetings and leading the Board to ensure its effectiveness and approving the agenda of Board meetings in consultation with the Managing Director;

(b) reviewing key proposals and Board papers before they are presented to the Board and ensuring that Board members are provided with accurate and timely information in order to make sound and informed decisions;

(c) encouraging active and effective engagement, participation by and contribution from all Directors, and ensuring appropriate relations within the Board and between the Board and the Management on various matters including strategic issues and business planning processes;

(d) promoting effective communication with the shareholders;

(e) promoting high standards of corporate governance with the support of all Directors, Company Secretary and the Management; and

(f) promoting a culture of openness and debate at the Board.

The Independent Director will provide feedback to the Chairman after such meeting. The Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman, the Managing Director or the Group Chief Financial Officer has failed to resolve such concerns or for which such contact is not inappropriate. The Independent Director can be contacted via email at ac@chaswood.com.my.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC as at the date of this Report comprised of two members, both of them are Non-Executive Directors, the NC Chairman, is independent. The Company is not in compliance with provision 4.2 of the Singapore Code of Corporate Governance 2018 with regards to the compositions of the Nominating Committee.

The reason for variation is due to the delay in the Company's application for the extension of time for the submission of a trading resumption proposal to SGX-ST. The delay has limited the number of potential Independent Non-Executive Director to conclude their opinion on its appointment and also with the uncertainty surrounding the ongoing restructuring exercise, prospective independent directors are unable to consider acceptance until there is greater information that allows them to determine as such.

In order for the committee to maintain its independence, the managing director abstains from voting in the NC . The current member composition comprises of 2 non-executive members in the NC whom are made up of an independent and a non-independent non-executive member.

The NC as at the date of this Report comprises:

Mr Chong Ming Jun	Chairman and Independent Non-Executive Director
Mr Ng Teck Wah	Member and Non-Independent Non-Executive Chairman

The Chairman of the NC is not associated with the substantial shareholders of the Company.
The NC has adopted specific written terms of reference and is scheduled to meet at least once a year, whose principal functions among others, include the following:

(a) to identify, review and recommend candidates for appointment as Directors of the Company and appointment to the Board Committees as well as senior management positions in the Company;

(b) to re-nominate, appoint and re-appoint Directors having regard to the Director's contribution and performance;

(c) to determine annually whether or not a Director is independent;

(d) to decide whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly when he has multiple board representations;

(e) to formulate succession plan for Directors, in particular, the Chairman and the Managing Director;

(f) to review the Board's structure, size and composition, having regard to the principles of corporate governance and the Code;

(g) to make recommendation to the Board on the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

(h) to assess the effectiveness of the Board as a whole and assess the contribution of each individual director to the effectiveness of the Board on an annual basis;

(i) to review training and professional development programs for the Board; and

(j) to ensure that new Directors are aware of their duties and obligations.

When a Director chooses to retire or the need for a new director arises, either to replace a retiring Director or to enhance the Board's strength, the NC reviews and assesses the potential candidates before making recommendations to the Board. The NC takes into consideration the qualification and experience of each candidate, his/ her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives.

In searching for suitable candidates to fill up any Board vacancy, the Company relies on the network of the Board and shareholders. The NC reviews and assesses candidates for directorship as may be nominated by the Board, shareholders or otherwise, before making recommendations to the Board. The NC takes into consideration the candidate's track record, age, qualification, experience, capabilities and other relevant factors such as ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives. Upon assessment and being satisfied with the suitability of the candidate, the NC makes recommendation to the Board for the approval of the appointment.

Pursuant to the provision of Article 89 of the Company's Constitution, at least one third of the Directors are required to retire by rotation from office and subject themselves to re-election by the shareholders at every annual general meeting. Every Director must retire from office at least once in every three years as prescribed by Rule 720(4) of the Catalist Rules. A retiring Director is eligible for re-election. In addition, Article 88 of the Company's Constitution provides that a newly appointed Director must retire and submit himself for re-appointment at the next AGM following his appointment. Thereafter, he is subject to retire by rotation at least once every three years.

At the forthcoming AGM, the following Directors will be retiring and eligible for re-election:
(i) Mr. Chong Ming Jun (retiring pursuant to Article 89 of the Company's Constitution); and

(ii) Mr. Andrew Roach Reddy (retiring pursuant to Article 89 of the Company's Constitution).

The NC has recommended to the Board that Mr. Chong Ming Jun and Mr Andrew Roach Reddy be nominated for re-election at the forthcoming AGM in accordance with the Company's Constitution. The NC is aware and have considered the non-compliance in relation to the Mandatory Training for Mr Chong while deciding on his re-election. The Company, has committed to enrol Mr Chong Ming Jun beginning May 2022 and complete the Mandatory Training as soon as possible with the Singapore Institute of Directors to attend the appropriate courses as stipulated in the Appendix 4D of the Catalist Rules. In making its recommendation, the NC evaluates such Director's competencies, commitment, contribution and performance, such as their attendance at meetings of the Board and Board Committees, where applicable, participation, candour and any special contributions.

The NC is also responsible for determining annually, and as and when circumstances required, the independence of Directors, taking into account the factors set out in the Code. In its annual review, the NC, having considered the guidelines set out in the Code and Rule 406(3)(d) of the Catalist Rules, has confirmed the independence status of the Independent Director of the Company, namely Mr. Chong Ming Jun. Mr. Chong Ming Jun does not have any relationships, including immediate family relationships, with the Directors, the Company, its related corporations, its officers or substantial shareholders (as defined in the Code), which may affect his independence.

All Directors are required to declare their board representations. The NC has reviewed the current board representations of the Directors and the Board is of the view that its assessment should not be restricted to the number of board representations of each Director. Based on the annual review, the Board is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

There is no alternate director that has been appointed to the Board.

Key information regarding the Directors' academic and professional qualifications and other appointments is set out in this Report under the heading "Board of Directors".

The dates of initial appointment, last re-election/re-appointment and the directorships of each of the Directors are set out below:

Director	**Date of Initial Appointment**	**Date of Last Re-Election**	**Directorship or Chairmanship both present and held over the preceding 3 years in other listed companies and other principal commitments**
Mr Ng Teck Wah	1 March 2012	30 April 2021	Other principal commitments Founding and Managing Partner of Tremendous Asia Partners Group Present directorship – Past directorship in past 3 years –
Mr Andrew Roach Reddy	1 March 2012	29 June 2020	Other principal commitments – Present – Past three years –

Director	Date of Initial Appointment	Date of Last Re-Election	Directorship or Chairmanship both present and held over the preceding 3 years in other listed companies and other principal commitments
Mr Chong Ming Jun	7 August 2020	30 April 2021	Other principal commitments Founder of M Build Concepts Pte. Ltd. and Chong's Environmental Services Pte. Ltd. Present – Past three years –

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Board Evaluation

The NC has an annual Board performance evaluation to assess the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board and its Board Committees by having the Directors complete the Board Performance Evaluation Forms. The completed evaluation forms were submitted to the Company Secretary for collation and the consolidated findings were analysed and presented to the NC for review before submitting to the Board for discussion with a view to implementing certain recommendations to further enhance the effectiveness of the Board. No external facilitator was engaged in FY2021 in conducting the assessment of the Board's performance.

The performance criteria for the Board evaluation are in respect of the Board's processes, independence, information, accountability, performance in relation to discharging its principal functions, and the Board Committees' performance in relation to discharging their responsibilities as set out in their respective terms of reference. The performance criteria has not been changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the Board should justify the decision. The NC considers that the present Board size facilitates effective decision making and is appropriate for the nature and scope of the Group's operations. The NC will constantly examine its size with a view to determining its impact upon its effectiveness.

The NC, in assessing the contribution of each Director, has considered the Directors' attendance and participation at the Board Meetings and the Board Committee Meetings, their qualification, experience and expertise and the time and effort dedicated to the Group's business and affairs including management's access to the Directors for guidance or exchange of views as and when necessary. In assessing the effectiveness of the Board as a whole, both quantitative and qualitative criteria are considered. Such criteria include return on equity and the achievement of strategic objectives. The Chairman should act on the results of the performance evaluation and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors. The performance criteria has not changed from year-to-year and where circumstances deem it necessary to change criteria, the Board will justify the decision. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC as at the date of this Report comprised of two members, all of them are Non-Executive Directors, including the RC Chairman, are independent. The Company is not in compliance with provision 6.2 of the Singapore Code of Corporate Governance 2018 with regards to the compositions of the Remuneration Committee.

The reason for variation is due to the delay in the Company's application for the extension of time for the submission of a trading resumption proposal to SGX-ST. The delay has limited the number of potential Independent Non-Executive Director to conclude their opinion on its appointment and also with the uncertainty surrounding the ongoing restructuring exercise, prospective independent directors are unable to consider acceptance until there is greater information that allows them to determine as such.

In order for the committee to maintain its independence, the managing director abstains from voting in the RC. The current member composition comprises of 2 non-executive members in the RC whom are made up of an independent and a non-independent non-executive member.

The RC as of the date of this Report comprises:

Mr. Chong Ming Jun	Chairman and Independent Non-Executive Director
Mr. Ng Teck Wah	Member and Non-Independent Non-Executive Chairman

The role of the RC is to review and recommend to the Board a framework of remuneration of the Board and key executives of the Group, including but not limited to Directors' fees, salaries, allowances, bonuses, share options and benefits-in-kind. RC has ensured that all aspects of remuneration are fair.

The RC has adopted specific written terms of reference and is scheduled to meet at least once a year, whose principal functions among others, include the following:

(a) to review and recommend to the Board in consultation with the Management and the Chairman of the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for each executive Director and Key Management Personnel of the Company, including those employees related to the Executive Directors and controlling Shareholders of the Company;

(b) to review the service contract of each Director;

(c) to consider whether Directors should be eligible for benefit under long-term incentive schemes;

(d) to review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and

(e) to carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

As part of its review, the RC shall ensure that:

(i) all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, options and benefits-in-kinds should be covered, taking into account factors such as efforts and time spent, and responsibilities of the Directors. Non-executive Directors are not over-compensated to the extent that their independence may be compromised;

(ii) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Directors' and senior executives' performances; and

(iii) the remuneration package of employees related to Executive Directors and controlling Shareholders of the Company are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

No Director will be involved in deciding his own remuneration, except in providing information and documents if requested by the RC to assist in its deliberations. The RC, has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary. There being no specific necessity, the Company did not engage an external remuneration consultant in FY2021.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The RC takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance to the industry and the performance of the individual Directors. A significant and appropriate proportion of Executive Director's and Key Management Personnel's remuneration should be structured so as to link rewards to corporate and individual performance. The RC, in establishing the framework of remuneration policies for its Directors and Key Management Personnel, is largely guided by the financial performance of the Company. The primary objective of the RC is to align the interests of the Management with that of the shareholders. In this regard, the RC believes that remuneration should be competitive and sufficient to attract, retain and motivate the Executive Director and Key Management Personnel to better manage the Company.

The Non-Executive Directors (including Independent Directors) do not have any service contracts with the Company. They are paid in accordance with a remuneration framework comprising basic fees and additional fees for serving as the Chairman of the Board and on any of the Board Committees. Directors' fees are subject to the approval of the shareholders at the forthcoming AGM and such payment to be paid quarterly in arrears. The remuneration of the non-executive directors is appropriate to the level of contribution, taking into account factors such as their effort, time spent and responsibilities.

Mr Andrew Roach Reddy, the Executive Director and Managing Director, entered into a service agreement with the Company which took effect from the date of the completion of Chaswood Acquisition on 1 March 2012 for an initial period of three years, and is renewable on a yearly basis thereafter. Pursuant to the recent expiration of Mr Andrew Roach Reddy's service agreement on 28 February 2022 and with the recommendation of the RC in due consultation with the Board, the service agreement of Mr Andrew Roach Reddy has been renewed for a further term of 1 year from 28 February 2022 until 28 February 2023.

The service agreement spells out the terms of employment such as salary and other benefits. Mr Andrew Roach Reddy's service agreement is not excessively long with onerous removal clauses. Under the service agreement, either party may, inter alia, terminate the service agreement by giving to the other party not less than six months' notice in writing, or, in lieu of notice, payment of an amount equivalent to six months' salary.

The Company has no share-based compensation scheme or any long-term scheme involving the offer of shares or options in place as the Company is currently undergoing a restructuring exercise and will consider implementing such scheme in future.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Director and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The RC reviewed and deliberated the Director's fees and remuneration of Key Management Personnel.

A breakdown, showing the level and mix of each Director's remuneration for FY2021, is as follows:

Name of Director	Salary %	Director's fees[1] %	Other Benefits %	Total Remuneration %
$250,000 and below				
Executive Director				
Mr Andrew Roach Reddy [2]	Nil	–	–	Nil
Non-Independent and Non-Executive Director				
Mr Ng Teck Wah	–	Nil	–	Nil
Independent Directors				
Mr Er Kwong Wah [3]	–	Nil	–	Nil
Mr Chong Min Jun [4]	–	Nil	–	Nil

Notes:

(1) The Directors' fees for FY2021 have been approved by the shareholders at the Annual General Meeting held on 30 April 2021. Nevertheless, all Directors have voluntarily waived their Directors' Fees entitlement respectively for FY2021.

(2) Mr. Andrew Roach Reddy has voluntarily waived his salary for FY2021.

(3) Mr. Er Kwong Wah resigned as the Lead Independent Director on 5 July 2021 and concurrently relinquished his position as the Chairman of the AC and a member of the RC and NC.

(4) Mr. Chong Ming Jun appointed as the Independent Director on 7 August 2020 and as Chairman of the NC, RC and member of AC.

The remuneration policy for Key Management Personnel takes into consideration the responsibility and performance of individual personnel. A breakdown, showing the level and mix of each of the Company's Key Management Personnel's remuneration for FY2021, is as follows:

Name of Key Management Personnel [1]	Title	Salary %	Bonus & Other Benefits[1] %	Total Remuneration %
$250,000 and below				
Mr Mel-Vinder Singh Dhillon [2&3]	Chief Executive Officer	-	-	Nil
Mr Tham Keen Tek [3]	Group Chief Financial Officer	-	-	Nil

Notes:

(1) The other benefits comprise allowances and employers contribution paid to defined contribution plan.

(2) Mr. Mel-Vinder Singh appointed as the Chief Executive Officer on 31 March 2021.

(3) Mr. Mel-Vinder Singh and Mr. Tham Keen Tek has voluntarily waived their salary for FY2021.

Save as disclosed above, there are no other Key Management Personnel.

After careful consideration in the best interest of the Company, all Directors and both Key Management Personnel has voluntary waived completely their remunerations for FY2021. The Company has instead disclosed the remuneration of each Director and Key Management Personnel as "Nil".

As at the end of FY2021, there were no employees who are immediate family members of a director, the Chief Executive Officer or a substantial shareholder of the Company.

The Executive Director and Key Management Personnel remuneration includes fixed salary, allowances, bonus and employers contribution to defined contribution plan. The Company does not provide any termination and retirement benefits to the Executive Director and Key Management Personnel. The Company does not have any share-based compensation scheme or any long-term scheme involving the offer of shares or options in place. Further, the Company does not currently practice short-term or long-term incentive schemes that are subject to performance conditions as the Company is focusing on strengthening the financial position of the Group. Moving forward, the RC may review the need for short-term or long-term incentive schemes when it is appropriate to do so.

The RC conducted annual reviews of the remuneration to ensure that the remuneration of the Executive Director and Key Management Personnel commensurate with their performance and corporate performance of the Company. Please refer to explanation for framework of remuneration policies in Principle 6.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is responsible for the governance of risk and is fully aware of the need to put in place a sound system of risk management and internal controls to safeguard the shareholders' interests and the Group's assets. On an annual basis, the internal audit function prepares an internal audit plan taking into consideration the risks identified which is approved by the AC and audits are conducted to assess the adequacy and the effectiveness of the Group's internal control systems put in place, including financial, operational, compliance and information technology controls and risk management systems. Any material non-compliance or lapses in internal controls, together with recommendation for improvement, are reported to the AC.

The AC has reviewed and, based on the internal control system established and maintained by the Group and reviews performed by the Management, is not aware of any issues causing it to believe that the system of internal controls are inadequate and the same was reported to the Board. Based on the internal controls established and maintained by the Group, work performed by the external auditors as well as reviews performed by the Management, the AC and the Board, the Board with the concurrence of the AC is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems, are adequate and effective to meet the needs of the Group within the current scope of the Group's business operations.

The Board reviews the adequacy and effectiveness of the company's risk management and internal control systems on an annual basis. The Board has received assurance from the Managing Director and the Group Chief Financial Officer at the Board Meeting held on 22 February 2022 that the Group's risk management and internal control systems in place are adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology controls and risk management systems, also that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

The Group recognises the importance of providing the Board with a continual flow of relevant information on an accurate and timely basis so that it may effectively discharge its duties. The Group ensures that price-sensitive information is first publicly released and announced within the prescribed period after review by the Board. The Company ensures compliance with legislative and regulatory requirements, including compliance with the Catalist Rules and to release its quarterly, half-year and annual financial results to the shareholders. The quarterly and half-year financial results are released to the shareholders within 45 days of the reporting period while the annual financial results are released to the shareholders within 60 days of the financial year end. The Management of the Company issues a representation letter to the AC on a quarter-yearly basis confirming the Group financial reporting, processes, control and procedures thereof, highlighting material risks and impacts (if any), and providing updates where necessary on the status of significant financial issues of the Group. During FY2021, the Management had confirmed to the Board that the Group financial reporting, process, control and procedures are proper and in place.

The Board in accordance with Rule 705(5) of the Catalist Rules provides confirmation in the Company's quarterly financial results announcements and has in February 2022 confirmed that, to the best of its knowledge, nothing had come to the attention of the Board which might render the financial statements to be false or misleading in any material aspect. The Management provides all members of the Board with full presentation of management accounts which present a balanced and understandable assessment of the Group's performance, position and prospects on a quarter-yearly basis due to resource limitations in view of the scale of the Group's operations but the Management endeavours to provide monthly consolidated reports together with summary performance and financial position of the Group on a monthly basis as and when requested. Such reports provide highlight of key business indicators and major issues relevant to the Group's performance, position and prospects.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

The AC as at the date of this Report comprised of two members, all of them are Non-Executive Directors. The Company is not in compliance with provision 10.2 of the Singapore Code of Corporate Governance 2018 with regards to the compositions of the Audit Committee.

The reason for variation is due to the delay in the Company's application for the extension of time for the submission of a trading resumption proposal to SGX-ST. The delay has limited the number of potential Independent Non-Executive Director to conclude their opinion on its appointment and also with the uncertainty surrounding the ongoing restructuring exercise, prospective independent directors are unable to consider acceptance until there is greater information that allows them to determine as such.

The current measures implemented to be consistent with the intent of maintaining the independence element in the Board is for the managing director to abstain from the AC where the committees only consist of one independent and a non-independent are Board members where both are also non executives with have recent and relevant accounting or related financial management expertise or experience.

The AC as of the date of this Report comprises:

Mr Chong Min Jun	Independent Non-Executive Director
Mr Ng Teck Wah	Member and Non-Independent Non-Executive Chairman

None of the members of the AC is a former partner or director of the Company's external or internal auditors.

The Board is of the view that the members of the AC who possess the appropriate accounting experience, business and/or related financial management expertise have sufficient financial management expertise and experience to discharge the AC's functions.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC has adopted specific written terms of reference and is scheduled to meet at least two times a year, whose principal functions include the following:

(a) to review with the external auditors the audit plan, their results of the external audit, their letter to management and the management's response, and the independence and objectivity of the external auditors;

(b) to review adequacy, effectiveness, independence, scope and result of the internal audit function;

(c) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(d) to review at least annually the adequacy and effectiveness of the Company's internal control procedures (including financial, operational, compliance, information technology controls and risk management systems) and effectiveness of the Company's internal audit function, and ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);

(e) to review the assurance from the Managing Director and the Group Chief Financial Officer on the financial records and financial statements;

(f) to recommend to the Board on (i) the proposals to the shareholders on the appointment or removal of external auditors and (ii) the remuneration and terms of engagement of the external auditors;

(g) to review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(h) to review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;

(i) to oversee the significant matters raised through the whistle-blowing channel;

(j) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(k) to undertake such other functions and duties as may be required by the legislation, regulations or the Catalist Rules, or by such amendments as may be made thereto from time to time.

The AC met with external and internal auditors, without the presence of the Company's Management, at least once a year to review the overall scope of the external audits, and the assistance given by the Management to the auditors.

On a quarterly basis, the AC reviews the interested person transactions and the financial results announcements before their submission to the Board for approval.

The AC is kept abreast by the Management of changes to accounting standards, the Catalist Rules and other regulations which could have an impact of the Group's business and financial statements.

During the financial year, the AC has reviewed the scope and quality of audit by the external auditors and their independence and objectivity as well as the cost effectiveness. The AC has also reviewed the audit and non-audit fees paid to the external auditors. There are no non-audit services performed by the external auditors for FY2021. The AC, having reviewed all non-audit service provided by the external auditors of the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The detailed information on the audit fees paid/payable to external auditors for FY2021 can be found in the Notes to the financial statements. The AC has evaluated the performance of the External Auditor, taking into consideration the Audit Quality Indicators Disclosure Framework published by ACRA.

Moore Stephens LLP ("**Moore Stephens**") is the Company's Auditors since 18 September 2015.

Moore Stephens audits all of the Company's Singapore-incorporated subsidiaries and under Rule 718 for the purposes of Rule 716 of the Catalist Rules, the following significant foreign-incorporated subsidiaries are audited by the below mentioned auditing firms:

Name of subsidiary	Country of incorporation	Auditing firm
Bistro Italiana (TC) Sdn Bhd	Malaysia	HLB AAC PLT (formerly known as Morison AAC PLT)

The Board and the AC are satisfied that the appointment of the different auditors of the abovementioned foreign-incorporated subsidiary would not compromise the standard and effectiveness of the audit of the Group. The Company confirms that it is in compliance with Rule 712 and 716 of the Catalist Rules in relation to the appointment of auditors for the Group.

The AC has recommended to the Board that Moore Stephens to be re-appointed as the auditors of the Company at the forthcoming AGM.

Internal Audit

The AC is responsible in ensuring that internal control system has been appropriately implemented and monitored. The internal audit function was outsourced to PKF Advisory Sdn Bhd ("**Internal Auditors**"), a qualified professional firm based in Malaysia that is independent of the Company's business activities. The AC approves the hiring, removal, evaluation and compensation of the outsourced internal auditing firm. The Internal Auditors have unfettered access to the accounting, records, properties and personnel of the Company, including the AC.

The main objective of the internal audit function is to assist the Group in evaluating and assessing the effectiveness of internal controls and consequently to highlight the areas where control weaknesses exist, if any, and thus improvements could be made.

The internal audit function is independent and the Internal Auditors reports directly to the AC on audit matters and to the Managing Director and/or Group Chief Financial Officer on administrative matters. The Internal Auditors assists the Board in monitoring and managing risks and internal controls of the Group.

The AC reviews and approves the plan, findings and recommendations presented by the Internal Auditors. The Management together with the Board will review all audit reports and findings from the Internal Auditors and the external auditors during the AC meetings at least annually.

During FY2021, the Internal Auditors was tasked to evaluate the effectiveness of internal controls with respect to a subsidiary company in Malaysia. A review report was presented to the AC, focusing on findings of the existence and adequacy of the subsidiary's operational controls and recommendations were made by the Internal Auditors.

The AC reviews the adequacy and effectiveness of the internal audit function on an annual basis and is satisfied that the internal audit function performed by the Internal Auditors is, independent, adequately resourced, effective and has the appropriate standing within the Group. The internal audit work performed by the Internal Auditors is based on the relevant internal audit standards.

The Board recognises that no cost effective internal control system will preclude all errors and irregularities as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The AC is not aware of any issues causing it to believe that the system of internal controls is inadequate and the same was reported to the Board. Based on the aforesaid, the AC and the Board are satisfied that currently there is an adequate internal controls system in the Company (in addressing financial, operational, compliance and information technology risks) and risk management system. The Board regularly reviews the effectiveness of all internal controls, including operational controls. The AC oversees and monitors the implementation of any improvement thereto.

Whistle-blowing policy

The Company has put in place a whistle-blowing policy to provide an avenue to all employees and external parties to report any concern or complaint regarding questionable accounting or auditing matters, internal controls, disclosure matters, conflict of interest, insider trading, collusion with competitors, serious breaches of the Group policy, unsafe work practices or any other matters involving fraud, corruption and employee misconduct. The Audit Committee is responsible for oversight and monitoring of whistleblowing exclusively and ensures protection of the whistle-blower against detrimental or unfair treatment. No whistle-blowing report regarding the abovementioned concerns was received by the AC during the financial year under review.

A dedicated and secured e-mail address ac@chaswood.com.my is established to allow whistle-blowers to contact the AC members directly. All concerns or irregularities raised will be treated in confidence and every effort will be made to ensure that confidentiality is maintained throughout the process.

The AC members may, in consultation with the Managing Director and/or senior management, direct the complaint to the division or department best placed to address it, or lead the investigation to ensure prompt and appropriate investigation and resolution.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Board is mindful of the obligation to provide regular, effective and fair communication with shareholders. Information is communicated to the shareholders on a timely basis. The Board provides shareholders with an assessment of the Company's performance, position and prospects on a quarterly and half-yearly basis and other ad hoc announcements as required by the SGX-ST. The Company's Annual Report is accessible at the SGX-ST's and the Company's website.

The Board welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. Shareholders are informed of shareholders' meetings, including the rules governing the meetings, through notices published in the newspapers or reports or circulars sent to all shareholders. Each item of special business included in the notice of the meeting is accompanied by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meetings. The Chairmen of the AC, RC and NC are required to be available at the meetings to answer those questions relating to the work of these committees. The external auditors are also present to assist the directors in addressing any relevant queries by shareholders.

Since 3 January 2016, the legislation has been amended, among other things to allow certain members, defined as "relevant intermediary" under Section 181(1C) of the Companies Act, Chapter 50, to attend and participate in general meetings without being constrained by the two (2) proxy requirement. Relevant intermediary includes holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors. As a result, the relevant intermediaries are entitled to appoint more than two (2) proxies to attend, speak and vote at the general meetings of the Company. As the authentication of Shareholders' identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means. The Board will review its Constitution from time to time. Where amendment to its Constitution is required to align the relevant provisions with the requirements of the Catalist Rules, Shareholders' approval will be obtained.

The Company supports active shareholder participation at general meetings. The shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and development. In the event that the shareholders are unable to attend the meetings, they are allowed to appoint up to two proxies to attend and vote in place of the shareholders pursuant to the Constitution of the Company. The Company does not encourage voting in absentia.

At general meetings, separate resolutions will be set out on distinct issues for approval by shareholders.

For the FY2021 Annual General Meeting ("AGM"), all the directors of the Company (including the Chairman, executive director and chairman of the board committees) will attend the meeting via "live" audio-visual webcast. The Company's external auditors, Moore Stephens, will be present during the AGM to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Company prepares minutes of general meetings and include where necessary, substantial and relevant queries or comments from the shareholders relating to the agenda of the meeting and the responses from the Board and the Management. The minutes will be available to the shareholders upon their request. The Company will publish minutes of FY2021 AGM on its corporate website as soon as practicable.

All resolutions put forth at the general meetings are to be voted by poll. Voting results of all votes cast for and against each resolution and the respective percentage will be announced via the SGXNET.

The Group does not have a policy on payment of dividends at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's cash position, cash flow in relation to operating activities, projected capital requirements for business growth and other factors as the Board may deem appropriate. After review, the Board has not declared dividends for FY2021 in view of the restructuring exercise currently being undertaken by the Company and the need to preserve the cash for this purpose.

In order to enhance shareholders' participation in general meetings, the Company will use its best endeavour to avoid scheduling meetings during peak periods when the meetings may coincide with those of other companies. The Company may consider other avenues of engaging shareholders, such as through townhall meetings, briefings and roadshows, or webcasting meetings and allowing electronic online voting of shares.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

With the Investor Relations (**"IR"**) Policy to regularly convey pertinent information to shareholders, the Company is committed to disclose as much relevant information as possible to shareholders in a timely basis through SGXNet and other information channels, including a well-maintained and updated corporate website - www.chaswood.com.my containing various investor-related information on the Company which serves as an important resource for investors.

To enable shareholders to contact the Company easily, the contact details of the IR team is set out on the Company's website. The shareholders can also contact the Independent Director via email at ac@chaswood.com.my.

Shareholders' meetings are the principal forum for dialogue and interaction with shareholders including soliciting and understanding their views. During these meetings, shareholders are given the opportunity to voice their views and ask Directors and/or Management relevant questions regarding the Company and the Group. These meetings provide excellent opportunity for the Board to engage with shareholders to solicit their feedback. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notice is also release via SGX-NET and published in local newspapers.

Shareholders may provide feedback through the Company's designated email address - invest@chaswood.com.my, provided in the Company's corporate website.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve management strategies, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as entities or individuals who are either directly or indirectly involved in the Group are aligned with those of the stakeholder the Group and may be significantly impacted by how the Group operates. The key stakeholders include the investors, shareholders, government, regulators, employees and customers. The Company identified and prioritised the factors and ranked them in accordance to importance to the stakeholders and importance to the Group.

The Company has undertaken a process to determine the environmental, social and governance ("ESG") factors which are important to these stakeholders. A more detailed elaboration on the Company's sustainability strategy and key areas of focus in relation to the management of stakeholder relationship will be set out in the section Sustainability Report of this 2021 annual report.

All media releases, financial results, annual report, SGXNET announcements and other corporate information relating to the Group are available on the Company's website at www.chaswood.com.my.

DEALINGS IN SECURITIES

The Company has adopted as its own internal compliance code, the best practices guide in Rule 1204 (19)(c) of the Catalist Rules with regard to dealing in the Company's securities by the Directors and its officers. The Directors, the Management and the officers of the Group are prohibited from dealing in the Company's shares during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of the financial year and one month before the announcement of the Company's full year financial statements. They are also prohibited from dealing in the Company's shares on short-term consideration and while they are in possession of unpublished price-sensitive, financial or confidential information.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

MATERIAL CONTRACTS

All other material contracts entered into between the Company and its subsidiaries involving the interests of the Chairman, the Chief Executive Officer any Director or controlling shareholder during the financial year under review have been disclosed in the Interested Person Transaction section below.

Save as disclosed under Interested Person Transaction section below and in the financial statements, there were no material contracts have been entered into by the Company, since the end of the previous financial year.

INTERESTED PERSON TRANSACTION (“IPTs“)

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 IPTs.

The Group does not have any IPT of which the value of such transactions is S$100,000 or more during FY2021.

NON-SPONSOR FEES

The Continuing Sponsor of the Company is Asian Corporate Advisors Pte. Ltd. There was no non-sponsor fee paid by the Company in FY2021.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the directors who are seeking for re-election at the forthcoming Annual General Meeting of the Company, as set out in Appendix 7F to the Catalist Rules, is set out below:

During FY2021 Mr Chong Ming Jun has not completed the Mandatory Training serving first year directorship due to pandemic challenges and the Company at its expense, did not arrange any training for Mr Chong. The Company is committed to enrol Mr Chong Ming Jun beginning May 2022 and complete the Mandatory Training as soon as possible with the Singapore Institute of Directors as stipulated in the Appendix 4D of the Catalist Rules.

The Nominating Committee and the Board is aware and have considered the non-compliance in deciding on the re-election of Mr Chong Ming Jun.

Details	**Name of Director**	
	Mr. Andrew Roach Reddy	**Mr. Chong Ming Jun**
Age	67	40
Date of Appointment	1 March 2012	7 August 2020
Date of last re-appointment (if applicable)	29 June 2020	30 April 2021
Country of principal residence	Malaysia	Singapore

CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Mr. Andrew Roach Reddy	**Mr. Chong Ming Jun**
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered among others, the recommendation of the NC and has reviewed and considered Mr. Andrew Roach Reddy, possess the requisite qualification and experience to carry out his duties as the Executive and Managing Director of the Company.	The Board and NC are aware, have considered the non-completion of the Mandatory Training with the breach of CR406(3)(a) and Appendix 4D. The Company did not arrange any training during FY2021 and is committed to enrol Mr Chong Ming Jun beginning May 2022 to complete the Mandatory Training as soon as possible with the Singapore Institute of Directors as stipulated in the Appendix 4D of the Catalist Rules. The Board with the recommendation of the NC has considered Mr. Chong Ming Jun, possess the requisite qualification and experience to carry out his duties as the Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Responsible for the management of the affairs of the Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive and Managing Director	Independent Non-Executive Director, Chairman of RC, Chairman of NC and Member of AC
Professional qualifications	Masters of Business Administration in General and Strategic Management (Honorary) from the Maastrich School of Management, Netherlands.	Bachelor of Business Administration in Marketing from University of Canberra, Australia.
Working experience and occupation(s) during the past 10 years	Executive and Managing Director of the Chaswood Resources Group (2002 - Current)	Founder, M Build Concepts Pte Ltd (June 2018 – Current) Founder, Chong's Environmental Services (April 2014 – Current) Project Manager, HFH Design and Build Pte Ltd (August 2012 – June 2018) Educational Consultant, Your Inside Solutions Pte Ltd (June 2011 – August 2012) International Affluence Banking Relationship Manager, ANZ Banking Group (August 2010 – May 2011)

Details	Name of Director	
	Mr. Andrew Roach Reddy	Mr. Chong Ming Jun
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest of 58,310,906 shares	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships	<u>Past Directorships (for the last 5 years)</u> • Bistroamericana (SJ) Sdn Bhd • Bistro Italiana (JB) Sdn Bhd • Bistro Italiana (SJ) Sdn Bhd • Teh Tarik Place (SA) Sdn Bhd • Bistroamericana (WW) Sdn Bhd • Bistroamericana (SA) Sdn Bhd • Bistro Italiana (PM) Sdn Bhd • Bistroamericana (PM) Sdn Bhd • Bulgogi Brothers Restaurant Sdn Bhd • Bistro Italiana (TG) Sdn Bhd • The Apartment (BB) Sdn Bhd • Bistroamericana (M) Sdn Bhd • Trinity Square Sdn Bhd • Bistro Italiana (TC) Sdn Bhd • Bistro Italiana (BB) Sdn Bhd • Bistro Italiana (EC) Sdn Bhd • Bistro Italiana (MT) Sdn Bhd • Bistromalones (BB) Sdn Bhd • Bistromalones (S) Sdn Bhd • Curry Leafs Sdn Bhd • Café Baci Sdn Bhd • Bistrojapan (BB) Sdn Bhd • Bistrojapan (BU) Sdn Bhd • Bistrojapan (PM) Sdn Bhd • Bistroamericana (IOI) Sdn Bhd • The Apartment Sdn Bhd • Bistroamericana (MT) Sdn Bhd • Bistroamericana (EC) Sdn Bhd • Bistroamericana (TG) Sdn Bhd • Chaswood Resources Sdn Bhd • Bistroamericana (TC) Sdn Bhd • Bistroamericana (BB) Sdn Bhd • Bistroamericana (SP) Sdn Bhd • Bistroamericana (QB) Sdn Bhd • Bistroamericana (BU) Sdn Bhd	<u>Other Principal Commitments</u> Founder of M Build Concepts Pte. Ltd. and Chong's Environmental Services Pte. Ltd. <u>Present Directorships</u> • M Build Concepts Pte Ltd • Handsome Builder Bros Pte Ltd • M Trade and Investments Pte Ltd • Chong's Environmental Services Pte Ltd • HI5 Hol Sembawang Pte Ltd <u>Past Directorships (for the last 5 years)</u> • HFH Contractors Pte. Ltd. • Your Inside Solutions\ • YIS International • Your inside solutions LLP.]

CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Mr. Andrew Roach Reddy	Mr. Chong Ming Jun
Other Principal Commitments* Including Directorships	Past Directorships (for the last 5 years) • Bistroamericana (Hartamas) Sdn Bhd • Teh Tarik Place Sdn Bhd • Bistroamericana (PJ) Sdn Bhd • Bistroamericana (A) Sdn Bhd • Craveat International Sdn Bhd (formerly known as Bistromalones (PJ) Sdn Bhd) Present Directorships • Chaswood Resources Pte Ltd • Chaswood Resources (OR) Pte Ltd • Bistroamericana (KM) Pte Ltd • Chaswood Capital Pte. Ltd. • Bistromalones (313) Pte Ltd • Chaswood Global Pte. Ltd. • Chaswood Sino Pte. Ltd. • PT Chaswood Resources • PT Chaswood Resources Jakarta • PT Chaswood Resources BB • Chaswood Resources (Thailand) Co., Ltd • Chaswood Resources (HK) Private Limited • Yi Jun Restaurant Management (Shanghai) Co Ltd • Chaswood Restaurant Management (Beijing) Co. Ltd • Chaswood Restaurant Management Shanghai Co., Ltd. • Laundry Productions Sdn. Bhd. • Silvercrest Synergy Sdn. Bhd. • Knotts Landing Pty Ltd	

Details	Name of Director	
	Mr. Andrew Roach Reddy	Mr. Chong Ming Jun
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes. He was a former director of Bistroamericana (SA) Sdn Bhd and Bistro Italiana (JB) Sdn Bhd which has been wound up under Malaysia's Companies (Winding-up) Rules 1972. He was also a former director of Bistroamericana (SJ) Sdn Bhd which has received a winding up petition under Malaysia's Companies (Winding-up) Rules 1972.	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Details	Name of Director	
	Mr. Andrew Roach Reddy	Mr. Chong Ming Jun
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

Details	Name of Director	
	Mr. Andrew Roach Reddy	Mr. Chong Ming Jun
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

This is the annual sustainability report by Chaswood Resources Holdings Ltd ("Company") and its subsidiaries ("Chaswood" or our "Group" or "we") pursuant to Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules") and in accordance with the Global Reporting Initiative ("GRI") Standards Sustainability Reporting Guidelines 2016 - Core Option and its reporting principles. We continued to adopt the GRI framework as it is an internationally recognised reporting framework that covers a wide range of sustainability disclosures.

In this report, we will be updating the status of our Group's operations in Malaysia from 1 January 2021 to 31 December 2021 ("FY2021"). Sustainability reporting should encompass both information obtained in the past and sustainability goals established by our Group to provide for a better overall view of the Group's sustainability performance on environmental, social and governance factors ("ESG"). However, in view of our Group's restructuring exercise which is still ongoing, the information in this report may not meaningfully represent the future business operations and strategies of our Group. We have not sought external assurance for this reporting period.

As part of our environmental conservation efforts, we will not be printing this report. A copy of this report is available by 12 April 2022 for download from SGXNET and our website at http://www.chaswood.com.my/.

We are committed in upholding good governance and sustainable development, and we will continuously report on our progress annually. We are also committed to listening to our stakeholders and we look forward to your feedback. For any enquiry related to this report, please contact us at invest@chaswood.com.my.

Board Statement

The Board of Directors ("Board") would like to present our annual Sustainability Report which seeks to reaffirm our commitment towards sustainability and discusses the challenges and material issues identified to be of importance to our stakeholders. As our Group embarks on the ongoing restructuring and resumption exercise, we are mindful of the importance to manage ESG impacts with transparent and consistent disclosure.

In FY2021, the unprecedented Covid-19 pandemic had significantly impacted the global economy and disruption to businesses, employments and health and the Group's restaurant business was not spared with the enforcement of movement control order in Malaysia. Our focus in FY2021 had been to manage overheads and implement targeted strategies to drive sales while continuing to complete the restructuring exercise of our Group to restore the financial position of the Group. The current restructuring exercise was crucial to provide better value to all stakeholders, including shareholders and creditors.

In FY2021, there were unfortunately some delays in certain milestones of the restructuring exercise due to the Covid-19 pandemic which resulted in more time required for the completion of the milestones. Updates on the restructuring exercise during the financial year are as follows:

(i) Proposed issuance of redeemable convertible note

Our 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 our Company proposes to issue to the Subscribers 1.0% equity-linked RCN due 2022 with an aggregate principal amount of up to S$50.0 million. The proceeds will be utilized for the funding of our Group's working capital and future expansions and investments. The issuance of the RCN is subject to fulfilment of certain conditions precedent which includes inter-alia the share trading resumption. On 1 March 2022 via a fifth supplemental agreement to amend the definition of "Fulfilment Date" (as varied by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement) to 31 August 2022 or such other date as the Parties may agree in writing. There are no changes to the other terms and conditions of the Subscription Agreement. The parties have agreed for the extension as more time is required by the parties to fulfil the conditions precedent under the Subscription Agreement.

(ii) Proposed scheme of arrangement with scheme creditors ("SOA")

To address the remaining liabilities of our Company, a proposed SOA with our creditors was undertaken. 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. On 26 June 2020, the Court granted an order that the proposed SOA be approved and the Scheme was thus binding on our Company and our creditors. The SOA was thereafter amended to extend the dateline to 30 June 2021 for the completion of the SOA ("Amended SOA"). The Amended SOA obtained the requisite approval from the scheme creditors on 27 November 2020 and the Court provided its approval on 7 December 2020. The Scheme Manager has communicated to all SOA creditors on the current SOA status. The Company would seek for the necessary extension of time from the Scheme Creditors upon the receipt of SGX-ST's approval. However, in the event that no extension of time for the deadline to complete the

Amended SOA is obtained, the Amended SOA shall be deemed terminated and shall cease to be binding on the Scheme Creditors and each Scheme Creditor shall be entitled to exercise any and all of its rights, powers and remedies against the Company.

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. Please refer to the announcement made via SGXNET by the Company for more details of the above-mentioned.

In FY2021, the group only operated one(1) Italianies restaurant and our Board understands the importance of sustainability and continue to work closely with the management to incorporate sustainability goals and efforts as part of our business objectives and strategy formulation. The Board oversees the management and monitoring of material ESG for the Group.

We appreciate the support and confidence from our stakeholders amidst the challenging time experienced by the Group as we look ahead to a better future.

The Board of Directors
12 April 2022

ABOUT US

Our Group was founded in 2002 as a notable casual dining operator in Malaysia under various brands including international franchise brand, TGI Friday's and proprietary brands, Teh Tarik Place, Italiannies and Malones. Over the years, the operations also expanded to Indonesia and China. In 2012, the Company reached another milestone when it was listed on the Catalist Board of SGX-ST. Pursuant to the completion of the disposal of CRSB in October 2019 and as part of the ongoing restructuring exercise, our Group's current sole business is the operation of the restaurant business under the Italiannies brand. Since its existence in 2004, Italiannies is famously known for bringing uniquely rustic Italian cuisine to the tables. Fresh ingredients are used with its characteristic recipes from starters, salads, pizzas, meat dishes and desserts. To give the best of taste and freshness, Italiannies' signature sauces and bread dough are made fresh every morning.

Currently, there are 2 outlets located in Malaysia but the brand is poised for expansion with the completion of our Group's restructuring exercise.

SUPPLY CHAIN

We aim to build a responsible and sustainable supply chain with a clear guidance via our procurement policies and procedures. Our Group places utmost importance towards the quality of ingredients used in our restaurants. We undertake stringent procurement evaluation process on our suppliers and ensure our suppliers meet high standards in terms of ethical conduct, food and workplace standards and environmental compliance. We consistently monitor these approved suppliers to ensure such compliance to the standards, quality and services provided.

We believe that responsible sourcing is essential in maintaining the success of our business and we will continue to identify opportunities to streamline and reduce costs, protect our reputation and the safety of our customers. There were no substantial changes to our supply chain in FY2021.

During the Covid-19 pandemic, the suppliers which our Group sources the raw ingredients from did not encounter any disruption in their supplies. Thus, our raw ingredients supply chain was not affected during this period. Nevertheless, we do have a diversification of raw ingredients suppliers as a sourcing strategy in the event there is any potential disruption of raw ingredients supplies in any particular supplier.

Sustainable Supply Chain Process

Procurement	▪ Secure raw ingredients supply from local independent suppliers based on set guidelines for quality assurance. ▪ Periodic evaluation of major suppliers such as random audits is conducted to ensure quality assurance and compliance with our guidelines. ▪ Continuous review of supply chain to ensure cost competitiveness and compliance with relevant standards.
Distribution	▪ Suppliers deliver food directly to the restaurant. Freshness and quality are checked before acceptance of supply.
Restaurant	▪ Food is cooked fresh in restaurant and served to customers.

GOVERNANCE & SUSTAINABILITY APPROACH

Our Company recognises that having a good corporate governance is key to the sustainability of our business. Our Board continues to be committed in maintaining a high standard of corporate governance within our Group although the current board composition is not in compliance with Rules 704(7) and 406(3)(c) of the Catalist Rules and provisions 2.2, 3.3, 4.2, 6.2 and 10.2 of the Singapore Code of Corporate Governance 2018 with regards to the compositions of the Board, the Audit Committee, Nominating Committee and Remuneration Committee of the Company respectively. guideline 2.2 of the code whereby the independent directors are to make up a majority of the Board where the Chairman is not Independent. Our sustainability efforts are driven by our Group's desire to ensure that our business objectives are in line with our commitment to sustainable development. We constantly review our processes, policies and practices to ensure that it meets the changing needs of our Group and the industry. The senior management is responsible for on-going communication to the Board of Directors.

During FY2021 the Company did not comply to Rule 406(3)(a), Appendix 4D of the Catalist Rules, at its expense, did not arrange any training for Mr Chong Ming Jun to attend due to the pandemic challenges and constrains encountered. The Company, has committed to enroll Mr Chong Ming Jun beginning May 2022 and complete the Mandatory Training as soon as possible with the Singapore Institute of Directors as stipulated in the Appendix 4D of the Catalist Rules.

Our Group continues to maintain our whistle-blowing policy to provide an avenue to all employees and external parties to report any concern or complaint regarding questionable accounting or auditing matters, internal controls, disclosure matters, conflict of interest, insider trading, collusion with competitors, serious breaches of the Group's policy, unsafe work practices or any other matters involving fraud, corruption and employee misconduct. We utilise a secured e-mail address (ac@chaswood.com.my) as a whistle blowing channel for direct contact to the Audit Committee ("AC"). All concerns or irregularities raised will be treated in confidence and every effort will be made to ensure that confidentiality is maintained throughout the process. The AC members may, in consultation with the Managing Director and/or senior management, direct the complaint to the division or department best placed to address it, or lead the investigation to ensure prompt and appropriate investigation and resolution. There has been no report of whistleblowing for FY2021 and we target for the same for FY2022.

The Board maintains its responsibility for the governance of risk and understands the need to ensure that a sound system of risk management and internal controls to safeguard the shareholders' interests and the Group's assets are in place. We have established internal monitoring and review processes to assess the adequacy and the effectiveness of the Group's internal control systems, including financial, operational, compliance and information technology controls and risk management systems. Any material non-compliance or lapses in internal controls, together with recommendation for improvement, are reported to the AC.

Our Group places great emphasis on accountability, transparency, ethical business conduct and good corporate governance. We are committed to deliver value to all our stakeholders upon the completion of the ongoing restructuring exercise by ensuring sustainable growth in our businesses.

STAKEHOLDER ENGAGEMENT

We aspire to understand the needs and expectation of our key stakeholders and strive to build and foster mutual beneficial relationships through active engagement. We regularly engage with our stakeholders through various channels and encourage feedback from them to promote fair and open communications and have a better understanding of their expectations and needs. We believe that responding to rapidly changing stakeholder interests is critical in sustaining our growth. The key stakeholders that we engage are those that have an impact of their interest on our business, which we have identified as follows:

Stakeholder Group	Methods of Engagement*	Stakeholders' Expectations	Frequency of Engagement
Customers	Front line interaction at the restaurants. Response to feedbacks via various channels.	Good food and beverage, service and genuine hospitality. Food safety and hygiene.	Daily
Suppliers	Constant communication with suppliers to ensure standards compliance and quality assurance.	Good business relationship, mutual understanding on expectations and open communication.	Periodic
Employees	Coaching, training, mentoring are the key elements in our relationship with each of our team members.	Staff benefits, employee rights, personal development and good working environment.	Daily
Investors	Annual general meetings ("AGM") and corporate announcements to keep shareholders updated about the Group's performance and updates.	Sustainable business, profitability, transparency, timely reporting and fair business practices.	AGM – Annually Periodic
Business Partners	Business meetings and constant communication to maintain business dealings such as landlords.	Foster good relationship and partnership for opportunities and growth.	Periodic
Government and Regulators	Keep abreast with awareness of regulations. Communicate with regulators and disclose pertinent timely information.	Compliance with regulations, timely reporting and resolution of issues.	Periodic

**In view of the Covid-19 pandemic, proper social and physical distancing will be practiced in the engagements with stakeholder.*

SUSTAINABILITY REPORT

MATERIAL ESG FACTORS

In this report, we will continue to utilise the factors identified in the previous sustainability reports which was ranked and prioritised amongst the ESG factors after taking into consideration stakeholders' feedbacks, challenges faced by the industry, risks, business objectives and qualitative perspectives. Pursuant thereto, we will continue to focus our sustainability efforts on the following ESG factors:

Sustainability Factors Focused
<u>Environmental</u>
ENERGY

Conserving energy is an integral part of our Group's sustainability strategy. We are committed to operate in a green environment, to minimize impact of our operations to the environment.

Energy saving features for most of our kitchen equipment help to reduce energy usage and reduce carbon output. We are also using eco-friendly food packaging for take-away in our restaurant as a form of sustainable packaging. We have also stopped providing disposable straws unless the customer requests for it. The continuous awareness and education to our employees also aid to reduce wastage through our daily operations. In our existing operations, we strive to continue to explore measures which we can incorporate into our daily operations to reduce energy usage and embark on energy-saving initiatives once our financial position has been restored.

Based on our Group's existing operating restaurant, the total energy used in terms of kWh for FY2021 was approximately 0.19 million kWh, a decrease of approximately 9% as compared to FY2020 and has met the targeted energy savings. In addition to the continuous awareness to our employees to reduce energy usage in our daily operations, the decrease of energy used was due to the limited operations of the restaurant where only dine-in services were not allowed during the movement control order imposed by the Malaysian government due to the Covid-19 pandemic. Thus, the energy usage in FY2022 may increase when our restaurant is in full operation and with 1 additional new outlet in FY2022. However, we will still target for an average 2% reduction by each individual outlet basis in FY2022 as compared to FY2021.

<u>Economic</u>
MARKET PRESENCE

The focus of our Group in FY2021 was to complete the ongoing restructuring exercise of our Group. Concurrently, we remain committed to our remaining operations in Malaysia and maintain our social interaction and connection with the local community.

As we continue our operations on a much smaller scale pending the completion of the restructuring exercise, efforts and measures are still in place to ensure that our Group conforms to the local laws and regulations. The Human Resource Department attends conference and seminars conducted by the relevant authorities to keep themselves updated with the corporate best practices in the HR field as well as any changes to the local labour laws and regulations. Our Group continues to strive on providing wages above the minimal wage level and ensures that minimal wage level is in compliance with Malaysia's manpower regulations.

Our Group is conscious on the importance of engaging local talents, establishing ties with the local communities and creating a sense of relatability. Due to the ongoing restructuring exercise and pandemic environment we are unable to clearly represent our market presence in FY2021 comparatively with other groups in the industry

A new outlet commenced its operations on 14 January 2022.Our Group intends to expand the Italiannies brand in Malaysia with the opening of more newly developed kiosk model which is more efficient or scalable to cater for the current market and may be the key growth driver for the brand. In addition, our Group will be expanding the brand internationally at a faster pace via a franchise business model where development agreements have been entered into with several developers. For further details of the development agreements, please refer to our Company's announcement dated 7 March 2021.

We aim to maintain our relationship with the local communities moving forward to allow for our continuous presence to the local communities as our operations continue to adapt accordingly.

ANTI-CORRUPTION

We adopt good corporate governance to establish and maintain an ethical environment within our Group. We are committed to a high standard of ethics and adopts a zero-tolerance approach towards fraud, bribery, corruption and other improprieties. All our employees must comply with all applicable prevention of corruption laws. Policies and procedures on conflict of interest are established and communicated to all employees.

We maintain and adhere to a whistle-blowing policy which was endorsed by the AC, approved by the Board and made readily available to our employees and stakeholders through our website. A dedicated and secured e-mail address is established to allow whistle-blowers to contact the AC Chairman directly at ac@chaswood.com.my.

This provides a platform for all employees and stakeholders to raise concerns about actual or potential corporate malpractices including conflict of interest, insider trading, collusion with competitors, serious breaches of our Group's policy, unsafe work practices or any other matters involving fraud, corruption and employee misconduct. All concerns or irregularities raised will kept confidential and whistle blowers are protected against detrimental or unfair treatment for whistleblowing conducted in good faith. The AC oversees and monitors the process and ensures the independent investigation of such matters and for appropriate follow-up action.

Our Group continues to have a record of "zero" corruption report received by the AC during FY2021. We will continue to maintain our anti-corruption culture with the help of our whistle blowing policy and internal controls established and should there be a need, fine-tune and update our whistle-blowing policy to adapt to the changing business environment. For FY2022, our Group targets to maintain its zero-incident record on non-compliance with laws and regulations relating to corruption or fraud.

Social

EMPLOYMENT, TRAINING AND EDUCATION

Notwithstanding that the level or our operations has reduced significantly as compared to previous years due to the ongoing restructuring exercise, employment continues to be an important part of our sustainability strategy due to our belief and commitment to our employees. We believe our employees are our most valuable assets and thus, attracting and retaining talent are part of our Group's strategy for ensuring sustainable growth for our business. We aim to provide a health work environment and provide equal opportunities to all our employees. Policies and practices are put in place to ensure transparency and fairness.

We adopt an open culture and focus on two-way communication which will allow us to obtain feedback from our employees and address any grievances. Annual performance review continues to be an integral part of our people management system to identify performing and calibre individuals for performance reward entitlement and the opportunity for career development. Employee benefits include life and medical insurance (not applicable to temporary or part-time employees), meal and traveling allowances and staff training. We ensure that all required benefits (including parental leave) and welfare are provided to each employee in compliance with the local laws. We also continuously monitor our compensation package to ensure we stay competitive and is able to retain talents. We do not have a gender preference in our recruitment but candidates who were interested in our recruitment adverts were generally males due to the nature of the work.

We also emphasize on employee development and identify areas for improvement for the respective employees via our annual performance appraisals. Technical trainings for outlet personnel or management training for executives could help to improve on the performance of the individuals. We are unable to provide the qualitative data and target for the number of hours of training in this report as currently most training is provided on the job due to limited resources available in view of the Group's restructuring exercise. Nevertheless, for FY2022, we will remain steadfast in the continuous development of our employees through in-house coaching and external courses.

We provide updates on the progress of the Group's ongoing restructuring exercise and relevant changes to our Group arising from the exercise to ensure our employees are aware and well-informed of the potential impacts they might be facing. Business rationalisation initiatives are implemented to better focus our existing resources which may assist in the financial restoration of our Group. As such, we are currently unable to set targets with regards to employment and training. Nonetheless, we believe that after the restructuring exercise, we would be able to better focus on employee development, training and education for our employees.

As at 31 December 2021, the Current numbers of employees stands at 15 with 67% being male and 33% being female. 9(60%) of the total 15 employees are aged 30 and below.

The Board's is not in compliance with Rules 704(7) and 406(3)(c) of the Catalist Rules and provisions 2.2, 3.3, 4.2, 6.2 and 10.2 of the Singapore Code of Corporate Governance 2018 with regards to the compositions of the Board, the Audit Committee, Nominating Committee and Remuneration Committee of the Company respectively. guideline 2.2 of the code whereby the independent directors are to make up a majority of the Board where the Chairman is not Independent but is satisfied that pending the fulfilment of vacancy of Non-Executives and Independent Director, provides sufficient combination of core competencies of knowledge, business contacts and extensive business and commercial experience necessary to meet the requirements of the Group and facilitates effective decision-making.

The Directors bring with them a wealth of expertise and experience with an appropriate balance and diversity of skills in areas such as accounting, finance, legal, business and management experience and industry knowledge. Its composition enables the management to benefit from a diverse and objective perspective on any issues raised before the Board.

With currently one member of the Board being independent, the Company shall endeavor to appoint a new independent director to the best including gender diversity following rule 710(A)(1) upon the completion of the restructuring exercise and approval of resumption of trading from SGX.

GRI Content Index

General Standard Disclosures

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
	GENERAL DISCLOSURE	
GRI 102: General Disclosures 2016	**Organizational Profile**	
	102-1 Name of the organisation	Page 32
	102-2 Activities, brands, products, and services	Page 32
	102-3 Location of headquarters	Page 32
	102-4 Location of operations	Page 32
	102-5 Ownership and legal form	Page 32
	102-6 Markets served	Page 32
	102-7 Scale of the organisation	Page 32
	102-8 Information on employees and other workers	Page 36
	102-9 Supply chain	Page 32
	102-10 Significant changes to the organisation and its supply chain	No changes to supply chain
	102-11 Precautionary principle or approach	Precautionary approach
	102-12 External initiatives	We will continue work on reporting this in the next report once restructuring exercise is complete
	102-13 Membership of associations	
	Strategy	
	102-14 Statement from senior decision maker	Page 32
	102-16 Values, principles, standards, and norms of behaviour	Page 31
	102-18 Governance structure	Page 33
	102-40 List of stakeholder groups	Page 34
	102-41 Collective bargaining agreements	Not applicable

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
	102-42 Identifying and selecting stakeholders	Page 34
	102-43 Approach to stakeholder engagement	Page 34
	102-44 Key topics and concerns raised	Page 34
	Reporting Practice	
	102-45 Entities included in the consolidated financial statements	Page 80
	102-46 Defining report content and topic boundaries	Page 31
	102-47 List of material topics	Page 35
	102-48 Restatements of information	Not applicable
	102-49 Changes in reporting	Not applicable
	102-50 Reporting period	Page 31
	102-51 Date of most recent report	27 May 2021
	102-52 Reporting cycle	Page 31
	102-53 Contact point for questions regarding the report	Page 31
	102-54 Claims of reporting in accordance with the GRI Standards	Page 31
	102-55 GRI content index	Page 37
	102-56 External assurance	Page 31
MATERIAL TOPICS		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 35
	103-2 The management approach and its components	Page 35
	103-3 Evaluation of the management approach	Page 35
GRI 302: Energy	302-1 Energy consumption within the organisation	Page 35
	302-2 Energy consumption outside of the organisation	
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	302-5 Reduction in energy requirements of products and services	
Market Presence		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 35
	103-2 The management approach and its components	Page 35
	103-3 Evaluation of the management approach	Page 35
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	We will work on reporting this in the next report once restructuring exercise is complete.
	202-2 Proportion of senior management hired from the local community	

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
Anti-Corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 36
	103-2 The management approach and its components	Page 36
	103-3 Evaluation of the management approach	Page 36
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Page 36
	205-2 Communication and training about anti-corruption policies and procedures	Page 36
	205-3 Confirmed incidents of corruption and actions taken	Page 36
Employment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 36
	103-2 The management approach and its components	Page 36
	103-3 Evaluation of the management approach	Page 36
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	We will work on reporting this in the next report once restructuring exercise is complete
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 36
	401-3 Parental leave	Page 36
Training and Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Page 36
	103-2 The management approach and its components	Page 36
	103-3 Evaluation of the management approach	Page 36
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 36
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 36
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 36

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Chaswood Resources Holdings Ltd (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2021, and the statement of financial position of the Company as at 31 December 2021.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall for the reasons disclosed in Note 3(a) to the financial statements.

1. Directors

The directors of the Company in office at the date of this statement are:

Ng Teck Wah	-	Non-Independent Non-Executive Chairman
Andrew Roach Reddy	-	Executive Director and Managing Director
Chong Ming Jun	-	Independent Non-Executive Director

2. Arrangements to Enable Directors to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures, of the Company or any other body corporate.

3. Directors' Interests in Shares and Debentures

The following directors, who held office at the end of the financial year, had, according, to the register of directors' shareholdings, required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Directors	Shareholdings registered in the name of director or nominee		Shareholdings in which a director is deemed to have an interest	
	As at 1.1.2021	As at 31.12.2021	As at 1.1.2021	As at 31.12.2021
The Company				
Number of ordinary shares				
Andrew Roach Reddy	58,310,906	58,310,906	-	-
Ng Teck Wah (1)	-	-	163,482,328	163,482,328

(1) By virtue of Section 7 of the Act, Ng Teck Wah is deemed interested in all shares held by Posh Corridor Sdn. Bhd. in the Company, through his deemed interest of 33.3% (2020: 33.3%) in Attilan Group Limited, a company incorporated and domiciled in Singapore. Posh Corridor Sdn. Bhd. is a subsidiary of Dragonrider Opportunity Fund L.P., which is a fund managed by TAP Private Equity Inc which is in turn wholly owned by Attilan Group Limited.

By virtue of Section 7 of the Act, the above directors with shareholdings are deemed to have an interest in the Company and in all the related corporations of the Company.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2022.

4. Share Options

Options Granted
During the financial year, no option to take up unissued shares of the Company or any subsidiary was granted.

Options Exercised
During the financial year, there were no shares of the Company or any subsidiary issued by virtue of the exercise of an option to take up unissued shares.

Options Outstanding
At the end of the financial year, there were no unissued shares of the Company or any subsidiary under option.

The Company does not have any option scheme in place.

5. Audit Committee

The members of the Audit Committee ("AC") at the date of this statement are as follows:

Ng Teck Wah	Member
Chong Min Jun	Member

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

- to review with the external auditors the audit plan, their results of the external audit, their letter to management and the management's response, and the independence and objectivity of the external auditors;
- to review adequacy, effectiveness, independence, scope and result of the internal audit function;
- to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- to review at least annually the adequacy and effectiveness of the Company's internal control procedures (including financial, operational, compliance, information technology controls and risk management systems) and effectiveness of the Company's internal audit function, and ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);
- to review the assurance from the Managing Director and the Group Chief Financial Officer on the financial records and financial statements;
- to recommend to the Board on (i) the proposals to the shareholders on the appointment or removal of external auditors and (ii) the remuneration and terms of engagement of the external auditors;
- to review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- to review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- to oversee the significant matters raised through the whistle-blowing channel;
- to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- to undertake such other functions and duties as may be required by the legislation, regulations or the Catalist Rules, or by such amendments as may be made thereto from time to time.

The Company confirms that Rules 712 and 716 of the Singapore Exchange Securities Trading Limited's Listing Manual have been complied with.

The Board and audit committee are satisfied that the appointment of different auditing firms for its subsidiaries would not compromise the standard and effectiveness of the audit of the issuer.

Other functions performed by the AC are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services (if any).

6. Independent Auditors

The independent auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants have expressed their willingness to accept re-appointment as the auditors.

On behalf of the Board of Directors,

………………………................
Ng Teck Wah
Director

………………………................
Andrew Roach Reddy
Managing Director

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chaswood Resources Holdings Ltd. (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2021 and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standard on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw your attention to Note 3(a) to the financial statements: as of 31 December 2021, the Group and Company have net liabilities of RM62,355,000 (2020: RM61,466,000) and RM61,936,000 (2020: RM61,094,000) respectively. Furthermore, the Group and Company have net current liabilities of RM64,029,000 (2020: RM62,636,000) and RM62,061,000 (2020: RM61,094,000) respectively.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

The ability of the Group and the Company to continue as a going concern is dependent on the successful outcome of the matters set out in Note 3(a) to the financial statements together with the future profitability of the operations of the Group.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently stated in the consolidated statement of financial position of the Group and the statement of financial position of the Company. No such adjustments have been made to these financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Valuation of property and equipment We refer to Note 3(j), Note 4 and Note 12 to the consolidated financial statements. The Group has property and equipment of RM2,418,000 as at 31 December 2021. Management reviews for any indicators of impairment on its property and equipment at year end. An impairment exists when the carrying amount of the property and equipment is higher than its recoverable amount, which is the higher of fair value less costs to sell and value in use. This is a key audit matter as the assessment of indicators of impairment and where such indicators exist, the determination of the recoverable amount, requires significant management judgement.	Our audit response: We have performed the following key audit procedures: ▪ Reviewed management's assessment by considering current internal and external sources of information for any indication that the property and equipment may be impaired; ▪ Assessed the reasonableness of key assumptions used in the cash flow projections. We also evaluated the reasonableness of growth rates and discount rate by comparing these against historical performance and externally derived data; and ▪ Performed sensitivity analysis on the related key assumptions used in management's computation. Our audit findings: We found management's assessment of the valuation of property and equipment to be reasonable and the disclosures to be appropriate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

(cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Christopher Bruce Johnson.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore

6 April 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Notes	Group 2021 RM'000	Group 2020 RM'000
Revenue	5	1,796	1,727
Cost of sales		(659)	(655)
Gross profit		1,137	1,072
Other items of income			
Other gains	6	1,219	1,102
Other expense items			
Marketing and distribution costs		(38)	(38)
Administrative expenses	7	(1,839)	(1,435)
Other expenses	8	(333)	(330)
Finance costs	9	(64)	(77)
Profit before tax		82	294
Income tax expense	10	(220)	(45)
(Loss)/Profit for the year		(138)	249
Other comprehensive loss, net of income tax			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations			
- Loss on translation of foreign operations		(751)	(666)
Total comprehensive loss for the year		(889)	(417)
(Loss)/Profit for the year attributable to:			
Owners of the Company		(138)	249
Non controlling interests		-	-
(Loss)/Profit after tax		(138)	249
Total comprehensive loss attributable to:			
Owners of the Company		(889)	(417)
Non controlling interests		-	-
Total comprehensive loss for the year		(889)	(417)
(Loss)/Earning per share			
- Basic and diluted	11	- *	0.1

* Amount less than 0.1

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

For the financial year ended 31 December 2021

		Group		Company	
		2021	2020	2021	2020
	Notes	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property and equipment	12	2,418	2,091	-	-
Investment in subsidiaries	13	-	-	125	-
		2,418	2,091	125	-
Current assets					
Inventories	14	39	21	-	-
Trade and other receivables	15	32	210	1	1
Other assets	16	205	169	-	-
Cash and cash equivalents	17	552	1,058	-	-
		828	1,458	1	1
TOTAL ASSETS		3,246	3,549	126	1
EQUITY AND LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	10	135	96	-	-
Lease liabilities	21	609	825	-	-
		744	921	-	-
Current liabilities					
Provision for taxation		430	502	42	1
Trade and other payables	20	64,211	63,391	62,020	61,094
Lease liabilities	21	216	201	-	-
		64,857	64,094	62,062	61,095
Total Liabilities		65,601	65,015	62,062	61,095
Capital and Reserves					
Share capital	18	24,464	24,464	162,132	162,132
Accumulated losses		(115,708)	(115,570)	(252,405)	(252,340)
Translation reserve	19	29,322	30,073	28,337	29,114
Equity attributable to owners of the Company		(61,922)	(61,033)	(61,936)	(61,094)
Non-controlling interests		(433)	(433)	-	-
Total equity		(62,355)	(61,466)	(61,936)	(61,094)
TOTAL EQUITY AND LIABILITIES		3,246	3,549	126	1

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Notes	Share Capital RM'000	Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Group							
2021							
Balance as at 1 January 2021		24,464	30,073	(115,570)	(61,033)	(433)	(61,466)
Movement in equity:							
Loss after tax		-	-	(138)	(138)	-	(138)
Effects of translation of net assets of foreign operations	19	-	(751)	-	(751)	-	(751)
Total comprehensive loss for the year		-	(751)	(138)	(889)	-	(889)
Balance as at 31 December 2021		24,464	29,322	(115,708)	(61,922)	(433)	(62,355)
2020							
Balance as at 1 January 2020							
Movement in equity:		24,464	30,739	(115,819)	(60,616)	(433)	(61,049)
Loss after tax		-	-	249	249	-	249
Effects of translation of net assets of foreign operations	19	-	(666)	-	(666)	-	(666)
Total comprehensive (loss)/income for the year		-	(666)	249	(417)	-	(417)
Balance as at 31 December 2020		24,464	30,073	(115,570)	(61,033)	(433)	(61,466)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Notes	Share Capital RM'000	Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000
Company					
2021					
Balance as at 1 January 2021		162,132	29,114	(252,340)	(61,094)
Movement in equity:					
Loss after tax		-	-	(65)	(65)
Effects of translation of net assets of foreign operations	19	-	(777)	-	(777)
Total comprehensive loss for the year		-	(777)	(65)	(842)
Balance as at 31 December 2021		162,132	28,337	(252,405)	(61,936)
2020					
Balance as at 1 January 2020		162,132	29,779	(252,375)	(60,464)
Movement in equity:					
Loss after tax		-	-	35	35
Effects of translation of net assets of foreign operations	19	-	(665)	-	(665)
Total comprehensive loss for the year		-	(665)	35	(630)
Balance as at 31 December 2020		162,132	29,114	(252,340)	(61,094)

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Notes	Group 2021 RM'000	Group 2020 RM'000
Cash flow from operating activities			
Profit before income tax		82	294
Adjustment for:			
Depreciation of property and equipment	8 & 12	333	330
Interest expense on lease liabilities	9 & 21	64	77
Operating profit before working capital changes		479	701
Inventories		(18)	6
Other assets		(36)	(17)
Trade and other receivables		178	(154)
Trade and other payables		(20)	723
Cash generated from operations		583	1,259
Tax paid		(163)	(43)
Net cash generated from operating activities		420	1,216
Cash flows from investing activity			
Payment for asset under construction	12	(660)	-
Net cash used in investing activity		(660)	-
Cash flows from financing activities			
Interest paid on lease liabilities		(64)	(77)
Principal payment on lease liabilities		(201)	(189)
Net cash used in financing activities		(265)	(266)
Net (decrease)/increase in cash and cash equivalents		(505)	950
Effect of exchange rate changes		(1)	(2)
Cash and cash equivalents at the beginning of the year		1,058	110
Cash and cash equivalents at the end of the year	17	552	1,058

The accompanying notes form an integral part of the financial statements

These notes form integral part of and should be read in conjunction with the accompanying financial statements.

1. **General**

Chaswood Resources Holdings Ltd. (the "Company") is listed on the SGX – Catalist Board and is incorporated in Singapore with limited liability. The financial statements are presented in Ringgit Malaysia ("RM"). The registered office is at 80 Robinson Road, #02-00, Singapore 068898 and its principal place of business is at Lot 241 and 242, 2nd Floor, The Curve, No.6, Jalan PJU 7/3, Mutiara Damansara, 47800 Petaling Jaya.

The principal activity of the Company is that of an investment holding. The principal activities of the subsidiaries are described in Note 13.

The financial statements for the financial year ended 31 December 2021 were approved and authorised for issue by the board of directors in accordance with a resolution of the directors on the date of the Directors' Statement.

2. Adoption of New and Revised Singapore Financial Reporting Standards (International) ("SFRS(I)")

Adoption of New and Revised SFRS(I) issued which are effective

On 1 January 2021, the Group has adopted the applicable new or amended SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INTs") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INTs. Other than the early adoption of SFRS(I) 16 COVID-19 related rent concessions (lessee only), the adoption of these new amendments SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group's accounting policies had no material effect on the amounts reported for the current or prior financial years.

Early adoption of amendments to SFRS(I) 16 COVID-19 related rent concessions (lessee only)

The Group has early adopted the further amendment to SFRS(I) 16 which was issued to extend the scope of the rent concessions to include payments orginally due on or before 30 June 2022.

The Group has applied this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of RM87,000 was recognised as other gains in profit or loss during the year (Note 6).

2. **Adoption of New and Revised Singapore Financial Reporting Standards (International) ("SFRS(I)")** (cont'd)

Adoption of New and Revised SFRS(I) issued but not yet effective

At the date of authorisation of these financial statements, the following standards have been issued and are relevant to the Group and Company but not yet effective:

		Effective for annual financial periods beginning on or after
SFRS(I) 10 and SFRS(I) 1-28	*Amendments to SFRS(I) 10 and SFRS(I) 1-28 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture*	Deferred indefinitely, early application is still permitted
Annual Improvements to SFRS(I) 2018-2020	*SFRS(I) 9 Financial Instruments – Fee in the '10 per cent' test for derecognition*	1 January 2022
Amendments to SFRS(I) 3	*Amendments to SFRS(I) 3: Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16	*Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37	*Amendment to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to SFRS(I) 1-1	*Amendment to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-1	*Amendement to SFRS(I) 1-1: Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements*	1 January 2023
Amendments to SFRS(I) 1-8	*Amendment to SFRS(I) 1-8: Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12	*Amendment to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

3. Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards International ("SFRS(I)"). These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Going concern

Notwithstanding that the Group has made a loss after tax of RM138,000 (2020: profit after tax of RM249,000) for the financial year ended 31 December 2021, as at that date the Group and Company have net liabilities of RM62,355,000 (2020: RM61,466,000) and RM61,936,000 (2020: RM61,094,000) respectively. Furthermore, the Group and Company have net current liabilities of RM64,029,000 (2020: RM62,636,000) and RM62,061,000 (2020: RM61,094,000) respectively.

These factors indicate the existence of material uncertainties which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

The Group is currently undergoing a restructuring exercise which involves the following:

i) 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 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 1 September 2021, the Company and the Subscribers have entered into a supplemental agreement for the last date to satisfy the conditions precedent to be extended to 28 February 2022 or such other date as the Parties may agree in writing. On 1 March 2022, the Company and the Subscribers have entered into a supplemental agreement to satisfy the conditions precedent to be extended to 31 August 2022 or such other date as the Parties may agree in writing. The proceeds will be utilised for the funding of the Group's working capital and future expansions and investments.

ii) 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 1967 ("Act") ("Scheme Order"). Pursuant to the Scheme Order, the Scheme is binding on the Company and its creditors.

3. Summary of Significant Accounting Policies (cont'd)

(a) Basis of Presentation (cont'd)

Going concern (cont'd)

ii) Proposed scheme of arrangement with creditors ("Proposed SOA") (cont'd)

During a creditors' meeting held on 27 November 2020, amendments to the Proposed SOA ("Amended Scheme") obtained the requisite approval from the scheme creditors and on 7 December 2020, the Court granted an order that the Amended Scheme be approved ("New Order"). The Amended Scheme relates 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. Pursuant to the New Order, the Amended Scheme is binding on the Company and its creditors.

Further and in accordance with the Amended 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 S$20,300,000 (equivalent to RM62,020,000) to its creditors.

The Amended SOA has lapsed on 30 June 2021 and the Company will seek the necessary extension of time from the Scheme Creditors for the completion of the Amended SOA after obtaining SGX-ST's approval for the waiver and extension of time for the submission of a trading resumption proposal pursuant to Rule 1304(1) of the Catalist Rules. Given that the extension to be granted by SGX-ST is critical to the Amended SOA, the Company is of the opinion that the decision by SGX-ST will be a consideration for the Scheme Creditors' decision in agreeing to the extension of time for the completion of the Amended SOA. Thus, the Company will seek for the necessary extension of time from the Scheme Creditors upon the receipt of SGX-ST's approval.

However, in the event that no extension of time for the deadline to complete the Amended SOA is obtained, the Amended SOA shall be deemed terminated and shall cease to be binding on the Scheme Creditors and each Scheme Creditor shall be entitled to exercise any and all of its rights, powers and remedies against the Company.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently stated in the consolidated statement of financial position of the Group and the statement of financial position of the Company. No such adjustments have been made to these financial statements.

3. Summary of Significant Accounting Policies (cont'd)

(a) Basis of Presentation (cont'd)

Going concern (cont'd)

ii) Proposed scheme of arrangement with creditors ("Proposed SOA") (cont'd)

Notwithstanding the above, the Group is expected to continue in operation and generate sufficient cash flows from the existing operations to meet the working capital needs for the foreseeable future, a period of not less than twelve months from the date of the financial statements. In addition, the cashflow position of the Group will also be further strengthened with the Group's expansion plan from the opening of new outlets and new franchise business.

The Company has received the undertaking from a substantial shareholder, Posh Corridor Sdn Bhd who would, on a best endeavour basis, provide financial support to the Group as and when required for the next 12 months from the financial year ended 31 December 2021, to enable the Group to continue as a going concern.

iii) Trading resumption proposal

The Company is currently contemplating on the viability of various acquisition targets including transactions that may result in a Reverse-Takeover (RTO) exercise. On 27 December 2021, the Company entered into a Sale and Purchase Agreement ("SPA") with a few vendors. The Proposed Acquisition, if undertaken and completed, is expected to result in a reverse takeover (the "RTO") of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and is subject to, inter alia, the approval of shareholders of the Company (the "Shareholders") at an extraordinary general meeting (the "EGM") to be convened and the approval of the SGX-ST.

(b) Group Accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous held equity interest in the acquire over the fair value of the investee's identifiable net assets acquired.

3. Summary of Significant Accounting Policies (cont'd)

(b) Group Accounting (cont'd)

Subsidiaries (cont'd)

Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the entity sold.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3. Acquisition-related costs are expensed as incurred.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

3. Summary of Significant Accounting Policies (cont'd)

(b) Group Accounting (cont'd)

Subsidiaries (cont'd)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal of interests in subsidiaries to non-controlling interests without loss of control are also recorded in equity.

When the Group loses control of the subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference as a gain or loss in profit or loss.

Non-Controlling Interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. Summary of Significant Accounting Policies (cont'd)

(c) Investment in Subsidiaries

Investment in subsidiary companies are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in the profit or loss.

(d) Revenue Recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Sale of food and beverages

Revenue is recognised when the Group satisfies a PO by transferring the promised goods to the customer, which is when the customer obtains control of the goods. A PO is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Development fee income

Development fee income is recognised when the development rights has been transferred.

(e) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset. Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (government managed defined contribution retirement benefit plan).

For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

3. Summary of Significant Accounting Policies (cont'd)

(f) Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss.

For such items recognised outside profit or loss, the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

(g) Foreign Currency Transactions

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Ringgit Malaysia ("RM"), which is the presentation currency for the consolidated financial statements.

Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At the end of each financial year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the financial year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation of the Company's separate financial statements is in RM as the financial statements are meant primarily for users in Malaysia.

3. **Summary of Significant Accounting Policies** (cont'd)

(h) Translation of Financial Statements of Other Entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the entity operates. In translating the financial statements of an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at end of the financial year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the financial year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant entity.

(i) Segment Reporting

The Group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(j) Property and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold property	-	As per lease term
Equipment	-	5% - 20%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the de-recognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the financial year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

3. **Summary of Significant Accounting Policies** (cont'd)

(j) Property and Equipment (cont'd)

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Group incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

(k) Leases

The Group as lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets in "property and equipment" and "lease liabilities" in the statement of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

3. Summary of Significant Accounting Policies (cont'd)

(k) ***Leases*** (cont'd)

The Group as lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

3. **Summary of Significant Accounting Policies** (cont'd)

(k) ***Leases*** (cont'd)

Short-term lease and lease of low-value assets

The Group applies the short-term leases recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payment on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

The Company has applied the amendments to SFRS(I) 16 *Leases*: Covid-19-Related Rent Concessions. The Company applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company choose not to apply the practical expedient, or that do not qualify for the practical expendient, the Company assesses whether there is a lease modification.

(l) Impairment of Non-Financial Assets

Non-financial assets are tested for impairment whenever there is any indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

3. **Summary of Significant Accounting Policies** (cont'd)

(l) ***Impairment of Non-Financial Assets*** (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(m) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(n) Financial Assets

Classification and Measurement

The Group classifies its financial assets as those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets measured at amortised costs are presented as "trade and other receivables", "other assets" and "cash and cash equvalents" on the statement of financial position.

3. **Summary of Significant Accounting Policies** (cont'd)

(n) Financial Assets (cont'd)

Subsequent measurement

(i) Debt instruments

Debt instruments comprise mainly of "trade and other receivables", "other assets" and "cash and cash equvalents". Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Impairment losses are deducted from the gross carrying amount of these assets and are presented as separate line item in the statement of profit or loss.

Interest income is recognised on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

Impairment

Loss allowances of the Group are measured on either of the following bases:
- 12-month expected credit losses ("ECLs") – represents the ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach – Trade receivables
The Group applies the simplified approach to provide ECLs for all trade receivables, as permitted by SFRS(I) 9, which require expected lifetime losses to be recognised from initial recognition of the receivables.

3. Summary of Significant Accounting Policies (cont'd)

(n) Financial Assets (cont'd)

Impairment (cont'd)

General approach – Other receivables
The Group applies the general approach to provide for ECLs on its other receivables, which require the loss allowance to be measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information that is reasonable and supportable, including the Group's historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

3. Summary of Significant Accounting Policies (cont'd)

(n) Financial Assets (cont'd)

Impairment (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not other consider (e.g. the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise);
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the, present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over a year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. **Summary of Significant Accounting Policies** (cont'd)

(n) Financial Assets (cont'd)

Recognition and De-recognition

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(o) Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents.

(p) Financial Liabilities

Initial recognition, measurement and de-recognition

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

3. Summary of Significant Accounting Policies (cont'd)

(p) Financial Liabilities (cont'd)

Subsequent measurement

All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

(q) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity, net of any tax effects.

(r) Fair Value Measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

3. Summary of Significant Accounting Policies (cont'd)

(r) Fair Value Measurement (cont'd)

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

(s) Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

3. Summary of Significant Accounting Policies (cont'd)

(t) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

a. A person or a close member of that person's family is related to a reporting entity if that person:

   i. has control or joint control over the reporting entity;
   ii. has significant influence over to reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions applies:

   i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   iii. both entities are joint ventures of the same third party;
   iv. one entity is a joint venture of a third party and the other entity is an associate of the third party;
   v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
   vi. the entity is controlled or jointly controlled by a person identified in (a);
   vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
   viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

4. Critical Judgements, Assumptions and Estimation Uncertainties

In addition to the critical judgement on the appropriateness of the going concern assumption, the critical judgements made in the process of applying the accounting policies as set out in Note 3 that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when the financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Impairment of property and equipment

As at 31 December 2021, the Group has property and equipment stated at carrying value of RM2,418,000 (2020: RM2,091,000) (Note 12). An assessment is made at the end of each financial year whether there is any indication that the assets may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the assets. The recoverable amounts of cash-generating units, if applicable, are determined based on value-in-use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions, could require a material adjustment to the carrying amount of the balances affected.

There was no impairment loss on property and equipment for the financial years 2021 and 2020.

5. Revenue

	Group	
	2021 RM'000	2020 RM'000
Sale of food and beverages	1,796	1,727

The Group's revenue is mainly derived from Malaysia and is recognised at a point in time.

6. Other Gains

	Group 2021 RM'000	Group 2020 RM'000
Bad debt recoverable	132	-
Development fee income	1,000	1,050
Rental rebate received	87	52
	1,219	1,102

Development fee income represents development rights awarded to operate the Italiannies brand and it is non-refundable.

Rental rebate is granted by the landlord of Bistro Italiana (TC) Sdn Bhd's Italiannies outlet (Note 2).

7. **Administrative Expenses**

	Group 2021 RM'000	Group 2020 RM'000
Audit fees paid and payable to:		
- independent auditors of the Company	185	152
- independent auditors of the subsidiaries	8	54
Employee benefits expenses	371	409
Operating supplies	85	67
Rental of apartments, office premises and storage	20	77
Rental of restaurant premises	114	63
Repair and maintenance	14	32
Utilities	127	144
Employee benefits expense:		
Salaries and other short-term employee benefits	341	357
Contributions to defined contribution plans	30	52
	371	409

As at 31 December 2021 and 2020, there are no non-audit fees paid/payable to the independent auditors of the Company and its subsidiaries.

8. Other Expenses

	Group 2021 RM'000	Group 2020 RM'000
Depreciation of property and equipment	333	330

9. Finance Cost

	Group	
	2021	2020
	RM'000	RM'000
Interest expenses on lease liabilities	64	77

10. Income Tax

The income tax in profit or loss varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2020: 17%) to profit before income tax as a result of the following differences:

	Group	
	2021	2020
	RM'000	RM'000
Current tax expense:		
- current financial year	77	81
- underprovision in prior year	104	-
	181	81
Deferred tax:		
- temporary differences	39	(36)
Total income tax expense	220	45

	Group	
	2021	2020
	RM'000	RM'000
Profit before tax	82	294
Income tax at the above rate	14	50
Tax effects of:		
- non deductible expenses	116	17
- effect of different tax rates in different countries	(14)	(22)
- underprovision of income tax expense in prior year	104	-
Total income tax expense	220	45

Expenses not deductible for tax purposes comprise transaction costs related to entertainment expenses and non-trade related expenses.

10. Income Tax (cont'd)

	Group 2021 RM'000	Group 2020 RM'000
Deferred tax balance in statement of financial position		
At the beginning of the financial year	96	132
Recognised in current financial year	39	(36)
At the end of the financial year	135	96

Deferred tax liabilities are presented after charge/(offsetting):

	Group 2021 RM'000	Group 2020 RM'000
Deferred tax liabilities:		
- Excess of net book value of equipment over tax values	96	132
- unutilised tax losses	39	(36)
	135	96

	Group 2021 RM'000	Group 2020 RM'000
Deferred tax assets have not been recognised in respect of the following temporary differences:		
- unabsorbed capital allowances	127	123

In accordance with Note 3(f) to the financial statements, deferred tax assets have not been recognised in respect of the above items as they relate to a subsidiary and it is not probable that they will be utilised by taxable profits in the foreseeable future.

The realisation of the future income tax benefits from tax loss carry forwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

11. (Loss)/Earning per Share

The following table illustrates the numerators and denominators used to calculate the basic amount per share of no par value.

(Loss)/Earning per share is calculated by dividing the Group's (loss)/profit after tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year as follows:

	Group	
	2021	2020
	RM'000	RM'000
(Loss)/profit attributable to owners of the Company	(138)	249
	No: '000	No: '000
Weighted average number of equity shares	250,605	250,605
(Loss)/Earnings per share		
Basic and diluted	- *	0.1

* Amount less than 0.1

The weighted average number of equity shares refers to shares in circulation during the reporting period.

The diluted (loss)/earning per share is the same as the basic (loss)/earning per share as there were no diluted potential ordinary shares outstanding as at 31 December 2021 and 2020.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. The diluted amount per share is based on the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during each reporting year.

12. Property and Equipment

	Leasehold property RM'000	Equipment RM'000	Asset under construction RM'000	Total RM'000
Group				
2021				
Cost				
At 1 January 2021	1,305	1,963	-	3,268
Additions	-	-	660	660
At 31 December 2021	1,305	1,963	660	3,928
Accumulated depreciation				
At 1 January 2021	326	851	-	1,177
Charge for the year	217	116	-	333
At 31 December 2021	543	967	-	1,510
Net book value				
At 31 December 2021	762	996	660	2,418
2020				
Cost				
Balance at 1 January and 31 December	1,305	1,963	-	3,268
Accumulated depreciation				
At 1 January 2020	109	738	-	847
Charge for the year	217	113	-	330
At 31 December 2020	326	851	-	1,177
Net book value				
At 31 December 2020	979	1,112	-	2,091

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 21.

12. Property and Equipment (cont'd)

Property and equipment

Management performed a regular review of the recoverable amount of property and equipment. Management estimated the recoverable amount of the asset on the basis of its value-in-use. Property and equipment is allocated to cash-generating units for the purpose of impairment testing and the key assumptions used in the value-in-use calculations are as follows:

	Gross profit margin		Terminal growth rate of revenue		Discount rate	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%
Operating restaurants	63.3%	63.3%	0%	0%	15.18%	11.01%

13. Investments in Subsidiaries

	Company	
	2021	2020
	RM'000	RM'000
Unquoted equity shares at cost	1,079	954
Allowance for impairment	(954)	(954)
Unquoted equity shares net of impairment	125	-
Movement in allowance for impairment loss		
At the beginning of the year	(954)	(954)
Disposal of subsidiaries for the year	-	-
At the end of the year	(954)	(954)

Management has assessed the recoverability of the investment in subsidiaries based on discounted cash flows and is of the view that an allowance for impairment of investment in subsidiaries is necessary. As a result, an impairment loss of RM954,000 (2020: RM954,000) was recognised for the year ended 31 December 2021.

13. Investments in Subsidiaries (cont'd)

Name of Subsidiaries, Place of operations, and Country of incorporation	Principal activities	Cost of investment		Effective percentage of Equity interest	
		2021	2020	2021	2020
		RM'000	RM'000	%	%
Held by the Company					
Bistro Italiana (SA) Sdn. Bhd. (1) Malaysia	Restaurant operator	125	(*)	100	-
Bistro Italiana (TC) Sdn. Bhd. (2) Malaysia	Restaurant operator	(*)	(*)	100	100
Chaswood Resources (Thailand) Co. Ltd (1) (3) Thailand	Restaurant operator	954	954	90	90
Chaswood Global Pte. Ltd. (1) Singapore	Dormant	(*)	(*)	100	100
Chaswood Sino Pte. Ltd.(1) Singapore	Dormant	(*)	(*)	100	100
		1,079	954		
Held by Subsidiaries					
Chaswood Global Pte. Ltd.					
Chaswood Resources (HK) Private Limited (1) (4) Hong Kong	Dormant			-	100
Chaswood Sino Pte. Ltd.					
Chaswood Restaurant Management Shanghai Co. Ltd (1) PRC	Dormant			100	100

(*) Cost of investment is less than RM1,000.
(1) Not audited as dormant.
(2) Audited by HLB AAC PLT, Malaysia (formerly known as Morison AAC PLT).
(3) Cost of investment was fully impaired in prior years.
(4) Dissolved during the year.

13. Investments in Subsidiaries (cont'd)

The subsidiaries with non-controlling interests are considered not significant to the reporting entity.

Increase paid up capital of subsidiary

During the current financial year, a wholly-owned subsidiary known as Bistro Italiana (SA) Sdn Bhd ("BISA") has increased its paid up capital to RM125,000 on 08 June 2021.

Dissolution of subsidiaries

On 15 April 2021, a wholly-owned subsidiary known as Chaswood Resources (HK) Private Limited ("CRHK") has been dissolved via a vonluntary deregistration from the Companies Registry (Hong Kong) by the Company on 1 April 2021. CRHK was a dormant company.

The deregistration of CRHK is not expected to have any material impact on the earnings per share or net tangible assets per share of the Company for the financial year ending 31 December 2021.

14. Inventories

	Group	
	2021	2020
	RM'000	RM'000
Food and beverage	39	21
The amount of inventories included in cost of sales	(659)	(655)

There are no inventories pledged as security for liabilities.

15. Trade and Other Receivables

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Gross				
Outside parties	10	5	-	-
Other receivables				
Outside parties	22	205	1	1
At the end of the year	32	210	1	1

16. Other Assets

	Group	
	2021	2020
	RM'000	RM'000
Prepayments	-	1
Rental deposits	205	168
	205	169

17. Cash and Cash Equivalents

	Group	
	2021	2020
	RM'000	RM'000
Cash and bank balances	552	1,058

18. Share Capital

	Group			
	2021		2020	
	No. of shares '000	RM'000	No. of shares '000	RM'000
Issued and paid up				
Ordinary shares of no par value:				
At the beginning and end of the year	250,605	24,464	250,605	24,464

	Company			
	2021		2020	
	No. of shares '000	RM'000	No. of shares '000	RM'000
Issued and paid up				
Ordinary shares of no par value:				
At the beginning and end of the year	250,605	162,132	250,605	162,132

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Group is in compliance with all externally imposed capital requirements.

Capital Management

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. The capital comprises all components of equity (that is, share capital and reserves).

The management monitors the capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt/equity. Net debt is calculated as total borrowings less cash and cash equivalents.

18. Share Capital (cont'd)

	Group	
	2021	2020
	RM'000	RM'000
Net cash	552	1,058
Total equity	(62,355)	(61,466)
Debt-to-equity ratio	N/A	N/A

N/A: Denote not meaningful

19. Translation Reserve

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At the beginning of the year	30,073	30,739	29,114	29,779
Net currency translation differences of net assets of foreign operations	(751)	(666)	(777)	(665)
At the end of the year	29,322	30,073	28,337	29,114

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations where the functional currencies are different from the presentation currency of the Group.

20. Trade and Other Payables

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Trade payables				
Outside parties	225	214	-	-
Other payables				
Outside parties	4,364	10,656	11,261	8,860
Accruals	59,622	52,521	50,759	52,234
	63,986	63,177	62,020	61,094
At the end of the year	64,211	63,391	62,020	61,094

As at 31 December 2021, included in accruals of the Company is an amount of RM48,217,000 (2020: RM47,800,000) which relates to accrued expenses pertaining to corporate guarantees granted by the Company as security for certain creditors, certain former subsidiaries' banking facilities and exchangeable bonds under the CRSB Group. The total liabilities of RM62,020,000 (2020: RM61,094,000) is included in the Proposed SOA as at 31 December 2021.

21. Leases

Group as Lessee

The Group has a lease contract for a restaurant. The Group also has certain leases with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets classified within property and equipment

	Leasehold property 2021 RM'000	Leasehold property 2020 RM'000
Group		
At 1 January	979	1,196
Depreciation	(217)	(217)
At 31 December	762	979

21. Leases (cont'd)

(b) Lease liabilities

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 6.85%.

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2021 RM'000	2020 RM'000
Group		
Current liabilities (unsecured)	216	201
Non-current liabilities (unsecured)	609	825
	825	1,026

A reconciliation of lease liabilities arising from financing activities is as follows:

	1 January	Cash flows	Non-cash changes: Rent concession	Non-cash changes: Accretion of interest	31 December
	RM'000	RM'000	RM'000	RM'000	RM'000
2021					
Lease liabilities	1,026	(352)	87	64	825
2020					
Lease liabilities	1,215	(318)	52	77	1,026

(c) Amounts recognised in profit or loss

	Group 2021 RM'000	Group 2020 RM'000
Depreciation of right-of-use assets	217	217
Short-term lease and low value leases	134	140
Interest expense on lease liabilities	64	77
Total amount recognised in profit or loss	415	434

22. Related Party Relationships and Transactions

22A. Related Companies and Related Parties

The Company is a subsidiary of Posh Corridor Sdn. Bhd., incorporated in Malaysia. The Company's ultimate parent company is Dragonrider Opportunity Fund L.P., incorporated in the Cayman Islands. Related companies in these financial statements include the members of the ultimate parent company's group of companies.

There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees, no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances as follows:

Significant related party transactions

During the financial year, the Company entered into the following transactions with related parties:

		Group	
		2021	2020
	Note	RM'000	RM'000
Development fee income	(i)	-	150

(i) The execution of the development fee agreement with EMS Discoveria Sdn Bhd ("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 above named directors have significant influence over the Company.

23. Corporate Guarantee

	Company	
	2021	2020
	RM'000	RM'000
Corporate guarantees granted by the Company as security for CRSB's banking facilities, exchangeable bonds and loans from certain creditors	48,217	47,800

The Company has accrued for the above corporate guarantees as at year end as disclosed in Note 20. A total of RM48,217,000 was admitted by the scheme manager, together with the other adjudicated debts, pursuant to the Proposed SOA.

The Proposed SOA was approved via a creditors' meeting held on 30 April 2020. 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 1967 ("Act") ("Scheme Order"). Pursuant to the Scheme Order, the Scheme is binding on the Company and its creditors.
Pursuant to the Scheme, the Company shall issue shares in the Company to all Scheme Creditors based on the last weighted average share price of S$0.009 prior to the suspension of the trading of the Company's shares on Catalist on 18 June 2018, at an 18% debt-to-equity conversion ratio to each of the Scheme Creditor's adjudicated outstanding liability of an aggregate amount of approximately S$20.26 million. Upon the issuance of the shares to the Scheme Creditors, each of the Scheme Creditors shall waive their rights or claims to the adjudicated outstanding liability.

During a creditors' meeting held on 27 November 2020, amendments to the Proposed SOA ("Amended Scheme") obtained the requite approval from the scheme creditors and on 7 December 2020, the Court granted an order that the Amended Scheme be approved ("New Order"). The Amended Scheme relates to the extension of the 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. Pursuant to the New Order, the Amended Scheme is binding on the Company and its creditors.

The Amended SOA has lapsed on 30 June 2021 and the Company will seek the necessary extension of time from the Scheme Creditors for the completion of the Amended SOA after obtaining SGX-ST's approval for the waiver and extension of time for the submission of a trading resumption proposal pursuant to Rule 1304(1) of the Catalist Rules. Given that the extension to be granted by SGX-ST is critical to the Amended SOA, the Company is of the opinion that the decision by SGX-ST will be a consideration for the Scheme Creditors' decision in agreeing to the extension of time for the completion of the Amended SOA. Thus, the Company will seek for the necessary extension of time from the Scheme Creditors upon the receipt of SGX-ST's approval.

24. Segment Information

24A. Information about Reportable Segment Profit or Loss, Assets and Liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 *Operating Segments*. This disclosure standard has no impact on the reported results or financial position of the Group.

The management considers the business from a geographic segment perspective. There is no business segment as the Group operates in substantially one business segment that is restaurant business serving food and beverages.

The geographic segments are as follows:
1. Malaysia
2. Singapore
3. Thailand
4. Indonesia
5. China

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The management reporting systems evaluates performance based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA") and (2) operating results before tax.

24. Segment Information (cont'd)

24B. Reportable Operating Segments

The following is an analysis of the Group's revenue and results from continuing operations and discontinued operations by reportable segment:

Segment Information

	Segment revenue		Segment (loss)/profit		Depreciation of property and equipment		Development fee income	
	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	1,796	1,727	(129)	240	333	330	1,000	1,050
Singapore	-	-	(9)	15	-	-	-	-
Thailand	-	-	-	(6)	-	-	-	-
	1,796	1,727	(138)	249	333	330	1,000	1,050

24. Segment Information (cont'd)

24B. Reportable Operating Segments (cont'd)

	Group	
	2021	2020
	RM'000	RM'000
Segment assets		
Malaysia	3,245	3,468
Singapore	1	1
Thailand	-	34
China	-	46
	3,246	3,549
Segment liabilities		
Malaysia	2,252	3,398
Singapore	62,989	62,245
Thailand	351	412
China	9	20
	65,601	65,015

For the purpose of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments; and
- All liabilities are allocated to reportable segments

25. Financial Instruments

25A. Classification of financial assets and liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the financial year:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Financial assets:				
Cash and cash equivalents	552	1,058	-	-
Trade and other receivables	32	210	1	1
Other assets	205	168	-	-
	789	1,436	1	1
Financial liabilities:				
Trade and other payables	64,211	63,391	62,020	61,094
Lease liabilities	825	1,026	-	-
	65,036	64,417	62,020	61,094

Further quantitative disclosures are included throughout these financial statements.

25B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate and currency risk exposures. Management has certain practice for the management of financial risks and action to be taken in order to manage the financial risks. However, these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior management staff.

4. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposure to risk, the objectives, policies and processes for managing the risk and the methods used to measure risk.

25. Financial Instruments (cont'd)

25C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3, are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values, either due to their short-term nature or they are floating rate instruments that are re-priced to market interest rates on or near the reporting date and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial liabilities are either calculated based on discounted expected future principal and interest cash flows or calculated by discounting the relevant cash flows using the current interest rates for similar instruments at the balance sheet date.

25D. Credit risk on financial assets

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group minimises credit risk by dealing exclusively with high credit rating counterparties. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 365 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Group has developed and maintained the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group considers available reasonable and supportive forward-looking information which includes internal credit rating, external credit rating, actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations, actual or expected significant changes in the operating results of the debtor, significant increases in credit risk on other financial instruments of the same debtor and significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

25. Financial Instruments (cont'd)

25D. Credit risk on financial assets (cont'd)

There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below. The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group determined that its financial assets are credit-impaired when there is significant difficulty of the debtor, a breach of contract, such as a default or past due event, it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation and there is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is <365 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >365 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

Cash and cash equivalents

The cash and cash equivalents are entered into with bank and financial institution counterparties, which are rated AA- to AA+, based on rating agency ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

25. Financial Instruments (cont'd)

25D. Credit risk on financial assets (cont'd)

Trade receivables

The Group uses a provision rate to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on these financial assets are estimated using a provision rate based on the Group's historical credit loss experience, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Credit risk exposure and significant credit risk concentration

The credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	Internal credit rating	ECL	Gross carrying amount	Loss allowance	Net carrying amount
			RM'000	RM'000	RM'000
Group					
2021					
Trade receivables (Note 15)	Performing	Lifetime ECL (Simplified)	10	-	10
Other receivables (Note 15)	Performing	12-month ECL	22	-	22
Other assets (Note 16)	Performing	12-month ECL	205	-	205
2020					
Trade receivables (Note 15)	Performing	Lifetime ECL (Simplified)	5	-	5
Other receivables (Note 15)	Performing	12-month ECL	205	-	205
Other assets (Note 16)	Performing	12-month ECL	168	-	168

25. Financial Instruments (cont'd)

25D. Credit risk on financial assets (cont'd)

Credit risk exposure and significant credit risk concentration (cont'd)

The credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	Internal credit rating	ECL	Gross carrying amount	Loss allowance	Net carrying amount
			RM'000	RM'000	RM'000
Company					
2021					
Other receivables (Note 15)	Performing	12-month ECL	1	-	1
2020					
Other receivables (Note 15)	Performing	12-month ECL	1	-	1

25E. Liquidity risk - financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Within 1 year RM'000	2 - 5 years RM'000	Total RM'000
Group			
2021			
Lease liabilities	266	665	931
Trade and other payables	64,211	-	64,211
	64,477	665	65,142
2020			
Lease liabilities	201	931	1,132
Trade and other payables	63,391	-	63,391
	63,592	931	64,523

25. Financial Instruments (cont'd)

25E. Liquidity risk - financial liabilities maturity analysis (cont'd)

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Within 1 year RM'000	2 - 5 years RM'000	Total RM'000
Company			
2021			
Trade and other payables	62,020	-	62,020
2020			
Trade and other payables	61,094	-	61,094

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 90 days (2020: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

25F. Interest rate risk

The Group and the Company are not subject to significant interest rate risks.

25G. Foreign currency risks

The Group and the Company are not subject to significant foreign currency risks as they transact mainly in Ringgit Malaysia.

26. COVID-19

In 2021, the Group's Malaysian business operations continued to be affected by the Covid-19 pandemic and the Movement Control Order ("MCO") measures which were implemented to curb the spread of the various Covid-19 variants. This was more so in the first 3 quarters of 2021 when stringent MCO measures were imposed. During this period, revenue streams primarily derived from walk-in and delivery platforms as dine-in business was strictly not allowed.

In October 2021 after 6 months of lockdown, the country achieved the desired vaccination targets with declining Covid-19 infection rates. Malaysia gradually moved to the 4th Phase of the National Recovery Plan where dine-ins were allowed and inter-state travel restrictions were slowly lifted. This has contributed to the Group's revenue growth in Q4 2021 as compared to the previous quarters and corresponding period in 2020.

In the next 12 months, the Covid-19 pandemic will likely still pose a threat to businesses at large. Nonetheless, the Group will continue to monitor 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 will continue to be enforced.

The Group is currently undergoing a restructuring 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. Further to the extension of time up to 16 June 2020 granted by SGX-ST for the submission of a trading resumption proposal, on 11 September 2020, SGX-ST has further informed the Company that it had no objection to the Company's application for a further 12-month extension up to 15 June 2021 for the submission of a trading resumption proposal subject to certain conditions. On 11 June 2021, the Company made an application to SGX-ST to seek for a further extension of time of up to 6 months until 15 December 2021 to submit the resumption proposal. The Company is currently seeking for a further extension of time from SGX-ST to submit a trading resumption proposal as the impact from the Covid-19 pandemic remains uncertain. Completion of the restructuring exercise would improve the financial position of the Company.

SHAREHOLDERS' INFORMATION

No. of shares	:	250,605,231
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company does not have any Treasury Shares nor subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of Shareholders	%	No of Shares	%
1~99	3	0.52	182	0.00
100 ~ 1,000	192	33.51	93,966	0.04
1,001 ~ 10,000	210	36.65	1,015,399	0.40
10,001 ~ 1,000,000	158	27.57	14,031,150	5.60
1,000.001 and above	10	1.75	235,464,534	93.96
Total	573	100.00	250,605,231	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	POSH CORRIDOR SDN BHD	100,898,838	40.26
2	ANDREW ROACH REDDY	58,310,906	23.27
3	PHILLIP SECURITIES PTE LTD	51,310,590	20.47
4	BLUMONT GROUP LTD	13,340,000	5.32
5	RAMESH S/O PRITAMDAS CHANDIRAMANI	2,936,400	1.17
6	OCBC SECURITIES PRIVATE LTD	2,132,200	0.85
7	CITIBANK NOMINEES SINGAPORE PTE LTD	2,112,600	0.84
8	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,701,000	0.68
9	ONG LAY SAN (WANG LISHAN)	1,559,000	0.62
10	UOB KAY HIAN PTE LTD	1,163,000	0.46
11	OOI CHEU KOK	940,000	0.38
12	LIM SIEW HOOI	836,000	0.33
13	IPCO INTERNATIONAL LIMITED	623,000	0.25
14	DBS NOMINEES PTE LTD	572,900	0.23
15	KAM FUNG CHAU & KAM FUNG CHIU, ANTHONY	504,900	0.20
16	MAYBANK KIM ENG SECURITIES PTE. LTD	416,000	0.17
17	LOW JEOK LEE	401,000	0.16
18	LIM TING SA	300,000	0.12
19	CHEOK SIEW KHIM	295,600	0.12
20	POK YORK KEAW	250,000	0.10
	TOTAL	240,603,934	96.00

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 25 March 2022:

Name	No. of Ordinary shares			
	Direct Interest	%	Indirect Interest	%
Andrew Roach Reddy	58,310,906	23.27	-	-
Blumont Group Ltd. (1)	13,340,000	5.32	-	-
Posh Corridor Sdn. Bhd. (1) (2)	100,898,838	40.26	58,095,490	23.18
Attilan Group Limited (2) (3)	-	-	163,482,328	65.24
TAP Private Equity Inc. (2)	-	-	158,994,328	63.44
Attilan Investment Ltd. (2) (3)	-	-	163,482,328	65.24
Dragonrider Opportunity Fund L.P. (2)	-	-	158,994,328	63.44
Datuk Jared Lim Chih Li (4)	-	-	163,482,328	65.24
Ng Teck Wah (4)	-	-	163,482,328	65.24

Notes:

(1) Posh Corridor Sdn. Bhd. ("Posh Corridor") is deemed interested in 44,755,490 Shares held by Phillip Securities Pte. Ltd. as its nominee and 13,340,000 Shares held by Blumont Group Ltd. due to an assignment of shares arrangement.

(2) Posh Corridor is owned by Dragonrider Opportunity Fund L.P. ("DOF") (78.4%) and Attilan Investment Ltd ("AIL") (21.6%). DOF is a fund managed by TAP Private Equity Inc. ("TAP") which is in turn wholly owned by Attilan Group Limited ("AGL"). AIL is a wholly owned subsidiary of AGL. By virtue of Section 7 of the Companies Act, DOF, TAP, AIL and AGL are deemed to be interested in all the Shares held by Posh Corridor.

(3) AIL is deemed interested in 158,994,328 Shares held by Posh Corridor and 4,488,000 Shares held by Phillip Securities Pte. Ltd. as its nominee. By virtue of Section 7 of the Companies Act, AGL is deemed to be interested in all the Shares held by AIL.

(4) Each of Datuk Jared Lim Chih Li and Ng Teck Wah has a deemed interest of 33.3% in AGL. By virtue of Section 7 of the Companies Act, each of them is deemed to be interested in all the Shares held by Posh Corridor and AIL.

FREE FLOAT

Based on the information available to the Company as at 25 May 2022, 11.50% of the issued share capital of the Company was held by the public. The Company is therefore in compliance with Rule 723 of SGX-ST Listing Manual Section B: Rules of Catalist.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Chaswood Resources Holdings Ltd (the "Company") will be held by way of electronic means on Friday, 29 April 2022 at 11.00 a.m. for the purpose of transacting the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2021 together with the Directors' Statement and Independent Auditors' Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$80,000 (2021: S$80,000) for the financial year ending 31 December 2022, payable quarterly in arrears. **Resolution 2**

3. To re-elect Mr. Chong Ming Jun who is retiring in accordance with Article 89 of the Company's Constitution.
   [See Explanatory Note 1] **Resolution 3**

4. To re-elect Mr. Andrew Roach Reddy who is retiring in accordance with Article 89 of the Company's Constitution. **Resolution 4**
   [See Explanatory Note 2]

5. To re-appoint Messrs Moore Stephens LLP as auditors of the Company and to authorize the Directors to fix their remuneration. **Resolution 5**

6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution, with or without modifications.

7. **AUTHORITY TO ALLOT AND ISSUE SHARES**
   That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Singapore Exchange Securities Trading Limited Listing ("SGX-ST") Manual Section B: Rules of Catalist (the "Catalist Rules"), the Directors of the Company be authorised and empowered to:

   (A) (i) allot and issue shares in the Company ("Shares") whether by way of bonus issue, rights issue or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any instruments made or granted by the Directors of the Company while this Resolution was in force,

   provided that:

(i) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares in the capital of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares in the capital of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (b) below):

(ii) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the percentage of the issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards provided that the share options or share awards, were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with (a) and (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time this Resolution is passed;

(C) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and

(D) unless revoked or varied by the Company in a general meeting, such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note 3] **Resolution 6**

BY ORDER OF THE BOARD

Andrew Roach Reddy
Managing Director
12 April 2022
Singapore

Explanatory Notes:

Ordinary Business

1. Mr. Chong Ming Jun ("Mr. Chong") will, upon re-election as a Director of the Company, remain as an Independent and Non-executive Director, Chairman of the Nominating and Remuneration Committees, as well as a member of the Audit Committee. Key information on Mr. Chong can be found under the section entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Company's 2021 Annual Report. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

2. Mr. Andrew Roach Reddy ("Mr. Andrew") will, upon re-election as a Director of the Company, remain as an Executive and Managing Director. Key information on Mr. Andrew can be found under the section entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Company's 2021 Annual Report. He will not be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

Special Business

3. The Ordinary Resolution 6, if passed, will empower the Directors of the Company from the date of the above Annual General Meeting until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). For the issue of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holding).

Notes:

1. The Annual General Meeting of the Company ("Meeting") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of Meeting will NOT be sent to members of the Company. Instead, this Notice of Meeting will be made available on SGX-ST's website and the Company's corporate website at http://www.chaswood.com.my/investor-relations-announcements.html. The AGM is conducted at no cost to shareholders and members.

2. Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the Meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions in advance of the Meeting, addressing of substantial and relevant questions at the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in this Notice of Meeting.

3. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. The Chairman of the Meeting will conduct the proceedings of the Meeting by way of electronic means. Members of the Company will be able to observe and/or listen to these proceedings through a "live" audio-visual webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio-only feed via telephone. In order to do so, Members must follow these steps:

   - Members (including CPF and SRS investors) must pre-register at the Company's pre-registration website at http://chaswood.com.my/agm2022/ from now till **26 April 2022, 11.00 a.m.** to enable the verification of the Members' status;
   - Authenticated Members will receive a confirmation email, which will contain the login instructions, password as well as the link to access the live audio-visual webcast of the Meeting proceedings by **28 April 2022, 11.00 a.m.**
   - Members who do not receive a confirmation email by **28 April 2022, 11.00 a.m.**, but have registered by the **26 April 2022** deadline, should contact the Company's Investor Relations at invest@chaswood.com.my or the Company's Share Registrar, Tricor Barbinder Share Registration Services at +65-6236 3550/3555 or via email to SG.IS.Enquiry@sg.tricorglobal.com for assistance.

4. Members will not be able to ask questions at the Meeting during the live webcast and therefore it is important for Members who wish to ask questions to submit questions related to the resolutions to be tabled for approval at the Meeting in advance:

   - All questions must be submitted by **20 April 2022, 11.00 a.m.** by email to Company's Investor Relations at invest@chaswood.com.my and provide their particulars as follows:
     (i) Full name (for individuals) / company name (for corporate) as per CDP/SRS Account records;
     (ii) NRIC or passport number (for individuals) / company registration number (for corporates);
     (iii) Address; and
     (iv) Manner in which the Member holds Shares in the Company (example via CDP, scrip, CPF or SRS.
   - The Company will endeavour to address all substantial and relevant questions received from Shareholders in advance of the Meeting via SGXNET and on its corporate website or during the Meeting. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at the Meeting in respect of substantial and relevant matters.
   - Substantial and relevant comments or queries from the Members relating to the agenda of the Meeting as well as responses from the Board of Directors and management will be recorded in the minutes and the Company will publish the minutes within one month after the Meeting on SGXNET and the Company's corporate website.
   - All the substantial and relevant questions will be addressed by, ensuring that the date is at least 48 hours (if time period between Notice of AGM and AGM date is 14 days) prior to the deadline for the submission of proxy form.

5. A member of the Company (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting, if such member wishes to exercise his/her/its voting rights at the Meeting. The accompanying proxy form for the Meeting can be downloaded at the SGX-ST's website as well as the Company's corporate website at http://www.chaswood.com.my/investor-relations-announcements.html.

In appointing the Chairman of the Meeting as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

6. The Chairman of the Meeting, as proxy, need not be a member of the Company. The proxy form must be submitted in the following manner:

   (a) if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.com; or
   (b) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898,

   in either case, by 27 April 2022, 11.00 a.m. (being not less than forty eight (48) hours before the time fixed for holding the Meeting).

7. CPF or SRS investors who hold the Company's Shares through CPF Agent Banks or SRS Operators and wish to request their CPF Agent Banks or SRS Operators to appoint the Chairman of the Meeting as their proxy in respect of the Company's Shares held by such CPF Agent Banks or SRS Operators on their behalf should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **20 April 2022, 11.00 a.m.**, being 7 working days before the Meeting.

8. The Company's 2021 Annual Report has been published and can be accessed at the Company's corporate website at the http://www.chaswood.com.my/investor-relations/publications-and-reports and is also made available on SGX-ST's website.

9. The Board and Auditor of the Company will be present virtually at the Meeting.

*This notice has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.*

The contact person for the Sponsor is Mr. Liau H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CHASWOOD RESOURCES HOLDINGS LTD. **PROXY FORM**

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

IMPORTANT:
1. The Annual General Meeting of the Company ("Meeting") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of Meeting will NOT be sent to members of the Company. Instead, this Notice of Meeting will be made available on SGX-ST's website and the Company's corporate website at http://www.chaswood.com.my/investor-relations-announcements.html
2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the Meeting. A member of the Company (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting, if such member wishes to exercise his/her/its voting rights at the Meeting.
3. The Chairman, as proxy, need not be a member of the Company.
4. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.
5. CPF or SRS investors who holds the Company's shares through CPF Agent Banks or SRS Operators and wish to appoint the Chairman of the Meeting as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 20 April 2022, 11.00 a.m.
6. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Meeting dated 12 April 2022.
7. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Meeting.

I/We ______________________________ (Name) ______________________ (NRIC/Passport No.)

of ____ (Address)

being a member/members of Chaswood Resources Holdings Ltd (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting of the Company (the "**Meeting**") as *my/our proxy to vote for *me/us on *my/our behalf at the Meeting to be held by electronic means on **Friday, 29 April 2022 at 11.00 a.m.** and at any adjournment thereof.

*I/We direct the Chairman of the Meeting, being *my/our proxy to vote for or against, or abstain from voting on the Resolutions to be proposed at the Meeting as indicated hereunder.

No	Resolutions relating to:	For	Against	Abstain
	Ordinary Business			
1.	To receive and adopt the Audited Financial Statements, Directors' Statement and Independent Auditors' Report for the year ended 31 December 2021.			
2.	To approve payment of Directors' Fees of S$80,000 for the financial year ending 31 December 2022, payable quarterly in arrears.			
3.	To re-elect Mr. Chong Ming Jun pursuant to Article 89 of the Company's Constitution.			
4.	To re-elect Mr. Andrew Roach Reddy pursuant to Article 89 of the Company's Constitution.			
5.	To re-appoint Moore Stephens LLP as the auditors of the Company and to authorise the Directors to fix their remuneration.			
	Special Business			
6.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act, Cap.50			

Notes:
* Delete accordingly.

Dated this __________ day of ______________ 2022

Total number of shares held

____
Signature(s) of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT
PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.

2. Due to the current COVID-19 restriction orders in Singapore, members of the Company will not be able to attend the Meeting in person. A member must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting, if such member wishes to exercise his/her/its voting rights at the Meeting.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company. The proxy form must be submitted in the following manner:

   (a) if submitted electronically, be submitted via email to sg.is.proxy@sg.tricorglobal.com; or
   (b) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898,

   in either case, by **27 April 2022, 11.00 a.m.** (being not less than forty eight (48) hours before the time fixed for holding the Meeting)

4. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form.

5. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.

6. CPF or SRS investors who hold the Company's Shares through CPF Agent Banks or SRS Operators and wish to request their CPF Agent Banks or SRS Operators to appoint the Chairman of the Meeting as their proxy in respect of the Company's Shares held by such CPF Agent Banks or SRS Operators on their behalf should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **20 April 2022, 11.00 a.m.**, being 7 working days before the Meeting.

Personal data privacy

By submitting a proxy form appointing the Chairman of the Meeting to vote at the Meeting, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2022.