



Chaswood Resources Holdings Ltd.

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

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

Consolidated statements of comprehensive income

	2nd HALF-YEAR ENDED 31			YEAR ENDED 31		
	DECEMBER		Increase/ (Decrease) %	DECEMBER		Increase / (Decrease) %
	2013 RM'000 (Unaudited)	2012 RM'000 (Audited)		2013 RM'000 (Unaudited)	2012 RM'000 (Audited)	
Revenue	81,956	77,064	6.3%	160,215	149,742	7.0%
Cost of Sales	(24,908)	(24,330)	2.4%	(48,920)	(47,514)	3.0%
Gross Profit	57,048	52,734	8.2%	111,295	102,228	8.9%
Other Items of Income						
Interest Income	72	55	30.9%	103	98	5.1%
Other Credits	-	273	N.M	-	5,070	N.M
Other Items of Expense						
Marketing and Distribution Costs	(3,784)	(4,614)	-18.0%	(7,526)	(7,721)	-2.5%
Administrative Expenses	(49,083)	(46,926)	4.6%	(92,870)	(88,448)	5.0%
Finance Costs	(811)	(665)	22.0%	(1,510)	(1,344)	12.4%
Other Charges	(4,794)	(2,643)	81.4%	(5,064)	(12,406)	-59.2%
Other Expenses	(3,037)	(3,251)	-6.6%	(6,448)	(5,563)	15.9%
Loss Before Tax	(4,389)	(5,037)	-12.9%	(2,020)	(8,086)	-75.0%
Income Tax Expense	(2,529)	(1,301)	94.4%	(3,228)	(3,832)	-15.8%
Loss, Net of Tax	(6,918)	(6,338)	9.2%	(5,248)	(11,918)	-56.0%
Other Comprehensive Income/(Expense), Net of Tax:-						
Items that may be reclassified subsequently to profit or loss:-						
Exchange Differences on Translating of Net Assets of Foreign Subsidiaries	302	(10)	N.M	153	153	N.M
Total Comprehensive Expense of the Period, Net of Tax	(6,616)	(6,348)	4.2%	(5,095)	(11,765)	-56.7%
Loss, Net of Tax Attributable to:-						
Owners of the Company	(6,581)	(6,131)	7.3%	(4,946)	(11,711)	-57.8%
Non-Controlling Interests	(337)	(207)	62.8%	(302)	(207)	45.9%
Loss, Net of Tax	(6,918)	(6,338)	9.2%	(5,248)	(11,918)	-56.0%
Expense Attributable to:-						
Owners of the Company	(6,298)	(6,141)	N.M	(4,794)	(11,558)	-58.5%
Non-Controlling Interests	(318)	(207)	N.M	(301)	(207)	45.4%
Total Comprehensive Expense	(6,616)	(6,348)	N.M	(5,095)	(11,765)	-56.7%

N.M: Not meaningful



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1(a)(ii) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group's (loss)/profit before taxation is arrived at after charging/(crediting):

	2ND HALF-YEAR ENDED			YEAR ENDED		
	31 DECEMBER		Increase / (Decrease) %	31 DECEMBER		Increase / (Decrease) %
	2013	2012		2013	2012	
	RM'000	RM'000		RM'000	RM'000	
(Unaudited)	(Audited)		(Unaudited)	(Audited)		
Depreciation of property and equipment	2,543	2,644	-3.8%	5,735	4,831	18.7%
Amortisation of franchise fees	297	222	33.8%	537	340	57.9%
Franchise fees written off	147	111	32.4%	147	111	32.4%
Equipment written off	4,647	2,532	83.5%	4,917	4,510	9.0%
Goodwill arising from the RTO exercise written off	-	-	N.M	-	7,785	N.M
Fees incurred in relation to RTO exercise	-	-	N.M	-	2,623	N.M
Compensation from a third party	-	-	N.M	-	(4,706)	N.M
Interest Income	(72)	(55)	30.9%	(103)	(98)	5.1%
Gain on disposal of equipment	-	(40)	N.M	-	(40)	N.M

N.M: Not meaningful



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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Consolidated statements of financial position

	The Group		The Company	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-Current Assets				
Property and Equipment	61,433	63,799	-	-
Intangible Assets	10,588	11,053	855	920
Investment in Subsidiaries	-	-	150,953	150,954
Other Assets, Non-current	4,428	5,536	-	-
Total Non-Current Assets	76,449	80,388	151,808	151,874
Current Assets				
Inventories	3,178	2,886	-	-
Trade and Other Receivables	4,570	3,305	-	4,987
Other Assets	7,205	5,052	101	18
Amount owing by subsidiaries	-	-	1,833	-
Cash and Cash Equivalents	13,272	8,746	-	6
Total Current Assets	28,225	19,989	1,934	5,011
Total Assets	104,674	100,377	153,742	156,885
EQUITY AND LIABILITIES				
Equity				
Share Capital	20,776	20,776	158,444	158,444
Retained Earnings/(Accumulated Losses)	20,356	25,302	(5,851)	(2,458)
Translation Reserve	315	163	266	178
Total Equity Attributable to Owners of the Parent	41,447	46,241	152,859	156,164
Non-Controlling Interest	71	136	-	-
Total Equity	41,518	46,377	152,859	156,164
Non-Current Liabilities				
Deferred Tax Liabilities	2,859	2,920	-	-
Other Financial Liabilities	18,362	12,405	-	-
Total Non-Current Liabilities	21,221	15,325	-	-
Current Liabilities				
Provision for Taxation	1,529	1,611	-	-
Trade and Other Payables	27,665	28,985	883	721
Amount owing to related company	3,701	-	-	-
Other Financial Liabilities	9,040	8,079	-	-
Total Current Liabilities	41,935	38,675	883	721
Total Liabilities	63,156	54,000	883	721
Total Equity and Liabilities	104,674	100,377	153,742	156,885



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1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 31 December 2013		As at 31 December 2012	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease payables	675	-	454	-
Interest bearing loans and borrowings	8,365	-	7,625	-
	<u>9,040</u>	<u>-</u>	<u>8,079</u>	<u>-</u>

Amount repayable after one year

	As at 31 December 2013		As at 31 December 2012	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease payables	155	-	750	-
Interest bearing loans and borrowings	18,207	-	11,655	-
	<u>18,362</u>	<u>-</u>	<u>12,405</u>	<u>-</u>

Details of any collateral

- (1) The bills payable and bank overdrafts are secured by:-
- Fixed and floating charges over all the present and future assets of certain subsidiaries;
 - Pledge of the fixed deposits with licensed banks of the Group;
 - Joint and several guarantee of a director of the Company ; and
 - Corporate guarantees of Chaswood Resources Holdings Ltd. and Chaswood Resources Sdn. Bhd.

- (2) The term loans are secured by:-

- Fixed and floating charge over all the present and future assets of certain subsidiaries;
- Pledge of the fixed deposits with licensed banks of the Group; and
- Legal assignment to licensed bank all rights, titles, benefits and interests to and in the insurance policies of certain subsidiaries.

Certain of the term loans are also covered by:

- Joint and several guarantee of a director of the Company;
- Joint and several guarantees of a former director of Chaswood Resources Sdn. Bhd.;
- Corporate guarantees of Chaswood Resources Holdings Ltd. and Chaswood Resources Sdn Bhd and;
- 80% of a banking facility covered by a guarantee of an agency of the Government of Malaysia.

- (3) The obligations under finance lease payables are secured by the lessor's charge over the leased assets.



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

Consolidated statements of cash flows

	2nd Half Year Ended		Year Ended	
	31 December		31 December	
	2013	2012	2013	FY2012
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Cash Flows From Operating Activities				
Profit/(Loss) before tax	(4,389)	(5,036)	(2,020)	(8,086)
Adjustment for:				
Goodwill Written-Off	-	-	-	7,785
Amortisation of Franchise Fees	297	222	537	340
Franchise Fees Written-Off	147	111	147	111
RTO Expenses	-	-	-	2,623
Depreciation of Property and Equipment	2,543	2,644	5,735	4,831
Equipment Written-Off	4,647	2,532	4,917	4,510
Gain on Disposal of Equipment	-	(40)	-	(40)
Interest Income	(72)	(55)	(103)	(98)
Interest Expense	811	665	1,510	1,344
Operating Profit Before Working Capital Changes	3,984	1,043	10,723	13,320
Inventories	(195)	(377)	(292)	(114)
Trade and Other Receivables	(2,140)	(1,604)	(1,477)	610
Other Assets, Current	271	3,926	(1,942)	631
Trade and Other Payables	1,985	8,114	(1,289)	9,319
Amount owing to related companies	3,701	-	3,701	-
Net Cash Flows From Operations	7,606	11,102	9,424	23,766
Tax Paid	(2,186)	(1,995)	(3,164)	(3,286)
Net Cash Flows From Operating Activities	5,420	9,107	6,260	20,480
Cash Flows From Investing Activities				
Purchases of Property and Equipment	(6,228)	(15,503)	(8,287)	(25,871)
Net Proceeds from Disposal of Equipment	-	40	-	40
Franchise Fees Paid	(218)	(2,371)	(218)	(2,940)
Other Assets, Non-Current	1,108	(805)	1,108	(454)
Interest Received	72	55	103	98
Net Cash Paid upon Completion of RTO	-	-	-	(97)
Net Cash Flows Used in Investing Activities	(5,266)	(18,584)	(7,294)	(29,224)
Balance carried forward	154	(9,477)	(1,034)	(8,744)



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Consolidated statements of cash flows

	2nd Half Year Ended		Year Ended	
	31 December		31 December	
	2013	2012	2013	FY2012
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Balance brought forward	154	(9,477)	(1,034)	(8,744)
Cash Flows From Financing Activities				
Increase/(Decrease) in Bills Payable	606	(74)	929	(77)
Drawdown of Borrowings	4,408	4,753	8,122	8,174
Repayment of Borrowings	(1,881)	(3,074)	(4,208)	(6,153)
Repayment of Finance Lease Payables	(229)	(195)	(374)	(463)
Cash Restricted in Use	(231)	1,289	(599)	1,147
Proceeds from Non-Controlling Interests	-	343	-	343
Net Proceeds from Issuance of Shares	-	-	-	7,465
Interest Paid	(811)	(665)	(1,510)	(1,344)
Net Cash Flows From Financing Activities	1,862	2,377	2,360	9,092
Net Increase in Cash and Cash Equivalents	2,016	(7,100)	1,326	348
Foreign Exchange Differences	302	153	153	153
Cash and Cash Equivalents At Beginning Of The Financial Period	5,111	12,897	5,950	5,449
Cash and Cash Equivalents At End Of The Financial Period	7,429	5,950	7,429	5,950
Cash and Cash Equivalents:-				
Not restricted in use	10,805	6,878	10,805	6,878
Restricted in use	2,467	1,868	2,467	1,868
	13,272	8,746	13,272	8,746
Cash and Cash Equivalents in The Statement of Cash Flows:-				
Amount as shown above	13,272	8,746	13,272	8,746
Bank Overdrafts	(3,376)	(928)	(3,376)	(928)
Cash restricted in use over 3 months	(2,467)	(1,868)	(2,467)	(1,868)
Cash and cash equivalents for statement of cash flows purposes at the end of the financial period	7,429	5,950	7,429	5,950



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

Consolidated statements of changes in equity

The Group	Share Capital RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance as at 1 January 2012	3,000	10	37,013	40,023	-	40,023
Transaction with owners of the Company						
Additional shares arising from Reverse Takeover ("RTO") exercise	10,311	-	-	10,311	-	10,311
Issuance of new compliance shares	7,696	-	-	7,696	-	7,696
Share issuance expense	(231)	-	-	(231)	-	(231)
Shares subscribed by non-controlling shareholders	-	-	-	-	343	343
Total contribution by owners	17,776	-	-	17,776	343	18,119
Total comprehensive income/(expense) for the year						
Loss after taxation for the financial year	-	-	(11,711)	(11,711)	(207)	(11,918)
Effect of translation of net assets of foreign subsidiaries	-	153	-	153	-	153
Total comprehensive income/(expense) for the year	-	153	(11,711)	(11,558)	(207)	(11,765)
Balance as at 31 December 2012 (Audited)	20,776	163	25,302	46,241	136	46,377
Balance as at 1 January 2013	20,776	163	25,302	46,241	136	46,377
Transaction with owners of the Company						
Shares subscribed by non-controlling shareholders	-	-	-	-	236	236
Total contribution by owners	-	-	-	-	236	236
Total comprehensive income/(expense) for the year						
Loss after taxation for the financial year	-	-	(4,946)	(4,946)	(302)	(5,248)
Effect of translation of net assets of foreign subsidiaries	-	152	-	152	1	153
Total comprehensive income/(expense) for the year	-	152	(4,946)	(4,794)	(301)	(5,095)
Balance as at 31 December 2013 (Unaudited)	20,776	315	20,356	41,447	71	41,518



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

Statement of changes in equity for the Company

The Company	Share Capital RM'000	Translation Reserve RM'000	(Accumulated	Total Equity RM'000
			Losses)/ Retained Earnings RM'000	
Balance as at 1 January 2012	979	-	1,787	2,766
Transaction with owners of the Company				
Additional shares arising from Reverse Takeover ("RTO") exercise	150,000	-	-	150,000
Issuance of new compliance shares	7,696	-	-	7,696
Share issuance expense	(231)	-	-	(231)
Total contribution by owners	157,465	-	-	157,465
Total comprehensive income/(expense) for the year				
Loss after taxation for the financial year	-	-	(4,245)	(4,245)
Foreign currency translation	-	178	-	178
Total comprehensive income/(expense) for the year	-	178	(4,245)	(4,067)
Balance as at 31 December 2012 (Audited)	158,444	178	(2,458)	156,164
Balance as at 1 January 2013	158,444	178	(2,458)	156,164
Total comprehensive income/(expense) for the year				
Loss after taxation for the financial year	-	-	(3,393)	(3,393)
Foreign currency translation	-	88	-	88
Total comprehensive income/(expense) for the year	-	88	(3,393)	(3,305)
Balance as at 31 December 2013 (Unaudited)	158,444	266	(5,851)	152,859



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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The issued and paid-up share capital of the Company are as follows:

	Number of shares	Issued and paid up share capital (RM)
Issued and paid up share capital		
Share capital as at 1 January 2013, 30 June 2013 and 31 December 2013	226,817,819	158,443,972

The Company has no outstanding convertible securities as at 31 December 2013.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

	The Group	
	As at 31 December 2013	As at 31 December 2012
Number of ordinary shares in issue, after consolidation of every 10 shares into 1 share	226,817,819	226,817,819

The Company has no treasury shares as at 31 December 2013 and 31 December 2012.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

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



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

Not applicable.

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

The accounting policies and methods of computation are consistent with the latest audited financial statements for the year ended 31 December 2012.

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

The Group has adopted all new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2012. The adoption of these new/revised FRS and INT FRS does not result in substantial change to the Group's and Company's accounting policies or have any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.

Basic (Loss)/Earnings Per Share

	2nd HALF-YEAR ENDED		Year Ended 31 December	
	2013	2012	2013	2012
(Loss) attributable to equity holders of the Company (RM'000)	(6,581)	(6,131)	(4,946)	(11,711)
Weighted average number of ordinary shares in issue (RM'000)	226,818	222,277	226,818	222,277
(Loss) per share (RM cents)	(2.9)	(2.8)	(2.2)	(5.3)



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

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

	The Group		The Company	
	As at 31 December 2013 (Unaudited)	As at 31 December 2012 (Audited)	As at 31 December 2013 (Unaudited)	As at 31 December 2012 (Audited)
Net asset value per ordinary share (RM sen)	18.3	20.4	67.4	68.8

Net asset value per ordinary share of the Group and the Company were calculated based on 226,817,819 shares (2012: 226,817,819 shares) in issue at the end of the year.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

Review of Financial Performance

Revenue

The Group's revenue increased by approximately RM10.5 million, or 7.0% from approximately RM149.7 million in 2012 to approximately RM160.2 million in 2013 mainly due to contribution from new outlets as compared to prior year and the full year's revenue recognition from the outlets opened in 2012.

Gross profit and gross profit margin

Gross profit increased by approximately RM9.1 million, or 8.9% from approximately RM102.2 million in 2012 to approximately RM111.3 million in 2013, which is in line with the increase in revenue. Gross margin improved from approximately 68.3% in 2012 to approximately 69.5% of total revenue in 2013.

Other Credits

The decrease in other credits was mainly due to compensation from a third party in FY2012 which was non-recurring in FY2013.



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Marketing and Distribution Costs

Marketing and distribution costs decreased by approximately RM0.2 million, or 2.5% from approximately RM7.7 million in 2012 to approximately RM7.5 million in 2013. The decrease in marketing and distribution costs was mainly due to reduction in advertising and marketing expenses, offset by the higher royalties paid to franchisors/licensor as a result of the increase in revenue for franchised/licenced brands.

Administrative expenses

Administrative expenses increased by approximately RM4.4 million, or 5.0% from approximately RM88.4 million in 2012 to approximately RM92.9 million in 2013. The increase was mainly attributable to higher staff costs due to higher headcount, higher rental expenses, utilities costs, operating supplies and repair and maintenance, mainly due to more operating outlets and/or higher revenue. In addition, the higher administrative expenses were attributable to higher administrative and compliance cost associated with a Catalist listed company.

Finance costs

Finance costs increased by approximately RM0.2 million or 12.4% from approximately RM1.3 million in 2012 to approximately RM1.5 million in 2013 mainly due to the higher interest expense in relation to the drawdown of new term loans to finance capital expenditure of new and refurbishment outlets.

Other charges

Other charges decreased by approximately RM7.3 million from approximately RM12.4 million in 2012 to approximately RM5.1 million in 2013. The decrease was due to the non-recurrence of write off of goodwill arising from the RTO in Year 2012 of approximately RM7.8 million (which represented the excess of the consideration over the fair value of net assets acquired). This goodwill was written off in accordance with Financial Reporting Standards. This was offset by net increase in equipment written off by approximately RM0.5 million due to refurbishment and closure of certain outlets.

Other expenses

Other expenses increased by approximately RM0.9 million or 15.9% from approximately RM5.6 million in 2012 to approximately RM6.5 million in 2013. The increase in other expenses was mainly due to the higher depreciation of property and equipment and amortisation of franchise fees due to the full year operations of outlets opened during various periods in 2012.

Income tax

Income tax expense decreased by approximately RM0.6 million, or 15.8% from approximately RM3.8 million in 2012 to approximately RM3.2 million in 2013. There was a tax charge for 2013 despite the loss before tax of RM2.0 million which arose due to the write off of fixed assets which are not tax deductible.



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Review of Financial Position

Non current assets

Property and equipment decreased from RM63.8 million as at 31 December 2012 to RM61.4 million as at 31 December 2013 due mainly to depreciation of property and equipment and property and equipment written off for certain outlets, offset by increase of property and equipment as a result of new outlets.

Intangible assets decrease from RM11.1 million as at 31 December 2012 to RM10.6 million as at 31 December 2013. The decrease was due mainly to the amortisation of the franchise fees which was offset by the increase in franchise fees paid for new outlets.

Other assets, non-current consist of long term security deposits for restaurant leases. The decrease from RM5.5 million as at 31 December 2012 to RM4.4 million as at 31 December 2013 was due to the reclassification from long term to short term security deposits.

Current assets

Trade and other receivables increased from RM3.3 million as at 31 December 2012 to RM4.6 million as at 31 December 2013 was due to timing differences.

Inventories increased from RM2.9 million as at 31 December 2012 to RM3.2 million as at 31 December 2013 mainly due to timing differences.

Other assets relate to (i) deposits placed with the lessors for the leases of the Group's outlets which are due within one year, (ii) prepayments and booking fees for the identified sites and (iii) prepayments to the Group's suppliers. The increase from RM5.1 million as at 31 December 2012 to RM7.2 million as at 31 December 2013 was mainly due to booking fees and prepayment to lessors for identified sites.

Current liabilities

Trade payables and other payables decreased from RM29.0 million as at 31 December 2012 to RM27.7 million as at 31 December 2013. The decrease in trade and other payables was mainly due to settlement of amount owing to contractors by term loans.

The amount owing to related company of approximately RM3.7 million as at 31 December 2013 relates to refundable deposit received from Asiasons Venture Fund Pte Ltd subject to the terms of the proposed issuance of redeemable exchangeable bonds and amounts owing to Asiasons Capital Limited in relation to provision of branding and web communication services.

Other financial liabilities comprise of term loans, hire purchases, bill payables and bank overdraft facilities granted by financial institutions. The increase in bank borrowings from RM8.1 million as at 31 December 2012 to RM9.0 million as at 31 December 2013 was due to additional banking facilities obtained for working capital purposes. The drawdown of term loans to finance the acquisition of equipments of new and refurbished outlets have also resulted in an increase in other financial liabilities.



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Working Capital

The Group's net current liabilities decreased by approximately RM5.0 million from approximately RM18.7 million as at 31 December 2012 to approximately RM13.7 million as at 31 December 2013 was mainly due to the increase in other assets and cash and cash equivalents.

Non-current liabilities

Other financial liabilities mainly consist of term loans and hire purchase payables. The increase was mainly due to the increase in bank borrowings from RM12.4 million as at 31 December 2012 to RM18.4 million as at 31 December 2013 as a result of drawdown of term loans to finance the purchase of equipments for new and refurbishment outlets.

Review of statement of cash flows

Cash flows from operating activities

Cash inflow from operating activities before working capital amounted to approximately RM10.7 million. Net cash generated from operating activities of approximately RM6.3 million was mainly due to increase in amount owing to related companies of RM3.7 million, offset by an increase in inventories of RM0.3 million, an increase in trade and other receivables of RM1.5 million, an increase in other assets of RM1.9 million, a decrease in trade and other payables of RM1.3 million and payment of income tax of RM3.2 million.

Cash flows from investing activities

Net cash used in investing activities of approximately RM7.3 million was mainly due to the purchase of equipment.

Cash flows from financing activities

Net cash generated from financing activities of approximately RM2.4 million was mainly due to drawdown of term loans and utilisation of trade facilities of RM8.1 million and RM0.9 million respectively, partly offset by repayment of term loans of RM4.2 million, repayment of finance lease payables of RM0.4 million, increase in fixed deposit pledged to financial institution of RM0.6 million and payment of interest of RM1.5 million.



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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The global macroeconomic environment remains uncertain. However, the outlook in South East Asia, where the Group primarily operates, appears resilient due to growing affluence and favourable demographics in the region.

The Group has embarked on Teh Tarik Place Franchising ('TTP') to transform itself from a pure owner operator to owner operator and franchisor. This business model will allow the Group to grow the number of outlets more rapidly and diversify the Group's earnings stream.

In terms of owner operated outlets, the Group's expansion plan will be focused on the TGI Friday's brand and in Indonesia. In addition, the Group is also re-focusing its efforts on cost management to enhance the overall profitability of the Group.

Barring any unforeseen circumstances, the Group is cautiously optimistic of its performance in 2014.

11. Dividend

(a) Current Financial period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial period

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded for the year ended 31 December 2013.

13. Interested Person Transactions

The Group does not have any general mandate from shareholders for Interested Person Transactions.



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14. Use of Placement proceeds

As at 31 January 2014, the net proceeds from the Company's compliance placement has been utilised as follows:

Use of IPO Proceeds	Amount Allocated RM'000	Amount Utilised* RM'000	Balance RM'000
Capital Expenditure for new restaurants in existing markets and new regional markets	5,022	5,022	0
Refurbishment of existing restaurant	2,443	2,443	0
Expenses relating to the placement	231	231	0
TOTAL	7,696	7,696	0

The above utilisation of the proceeds from the Compliance Placement is consistent with the intended uses as disclosed in the Company's offer information statement dated 12 March 2012 in relation to the Compliance Placement.

The use of placement proceeds have been translated using the closing exchange rate of S\$1 to RM2.4430 as at 21 March 2012.

15. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

Business segment

As the Group operates principally in a single segment business which is the casual dining business serving food and beverages, no business segment reporting is presented.

Geographical segment

The geographical segment is presented as follows:



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	Malaysia RM'000	Singapore RM'000	Thailand RM'000	Indonesia RM'000	Others RM'000	Adjustment RM'000	Total RM'000
Year ended 31 December 2013 (Unaudited)							
Revenues from external customers	137,499	9,694	4,019	9,003	-		160,215
Recurring earnings/(loss) before interest, taxes, depreciation and amortisation ("EBITDA")	14,421	(6,807)	(1,076)	(775)	-		5,763
Finance costs	(1,510)	-	-	-	-		(1,510)
Depreciation	(4,990)	(247)	(340)	(158)	-		(5,735)
Amortisation	(331)	(159)	-	(48)	-		(538)
Operating revenue before interest and tax ("ORBIT")	7,590	(7,213)	(1,416)	(981)	-		(2,020)
Other unallocated items	-	-	-	-	-	-	-
Profit/(Loss) before tax	7,590	(7,213)	(1,416)	(981)	-		(2,020)
Income tax expense	(3,228)	-	-	-	-		(3,228)
Profit/(Loss) after tax	4,362	(7,213)	(1,416)	(981)	-		(5,248)
Year ended 31 December 2013 (Unaudited)							
Assets and Liabilities							
Segment assets							
Cash and cash equivalents	10,715	1,148	56	1,353	-		13,272
Trade receivables	977	94	385	200	-		1,656
Inventories	2,888	81	55	154	-		3,178
Other assets	10,264	1,449	1,338	1,496	-		14,547
Intangible assets	8,637	855	-	370	726		10,588
Property and equipment	53,090	700	3,043	4,600	-		61,433
Total assets	86,571	4,327	4,877	8,173	726		104,674
Segmental liabilities							
Deferred and current tax liabilities	4,388	-	-	-	-		4,388
Borrowings	31,102	-	-	-	-		31,102
Trade and other payables	20,730	2,388	1,170	3,379	-		27,667
Total liabilities	56,220	2,388	1,170	3,379	-		63,157
Other Segment Information							
Expenditure for non-current assets:							
Property and equipment	4,564	132	693	2,898	-		8,287
Intangible assets	-	-	-	218	-		218
	4,564	132	693	3,116	-		8,505
Other non-cash expenses other than depreciation/amortisation							
- Equipment written-off	2,294	2,623	-	-	-		4,917
- Franchisee fee written-off	-	147	-	-	-		147
	2,294	2,770	-	-	-		5,064



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	Malaysia RM'000	Singapore RM'000	Others RM'000	Adjustment RM'000	Total RM'000
Year ended 31 December 2012					
(Audited)					
Revenues from external customers	133,055	15,109	1,578		149,742
Recurring earnings/(loss) before interest, taxes, depreciation and amortisation ("EBITDA")	10,885	(3,712)	(1,199)		5,974
Finance costs	(1,288)	(56)	-		(1,344)
Depreciation	(4,416)	(321)	(94)		(4,831)
Amortisation	(243)	(97)	-		(340)
Operating revenue before interest and tax	4,938	(4,186)	(1,293)		(541)
Other unallocated items	-	-	-	(7,545)	(7,545)
Profit/(Loss) before tax	4,938	(4,186)	(1,293)		(8,086)
Income tax expense	(3,814)	(18)	-		(3,832)
Profit/(Loss) after tax	1,124	(4,204)	(1,293)		(11,918)
Year ended 31 December 2012					
(Audited)					
Assets and Liabilities					
Segment assets					
Cash and cash equivalents	6,494	1,044	1,208		8,746
Trade receivables	1,486	103	529		2,118
Inventories	2,721	105	60		2,886
Other assets	9,188	1,291	1,296		11,775
Intangible assets	9,127	1,079	847		11,053
Property and equipment	55,810	3,438	4,551		63,799
Total assets	84,826	7,060	8,491		100,377
Segmental liabilities					
Deferred and current tax liabilities	4,531	-	-		4,531
Borrowings	20,484	-	-		20,484
Trade and other payables	23,923	2,103	2,959		28,985
Total liabilities	48,938	2,103	2,959		54,000
Other Segment Information					
Expenditure for non-current assets:					
Property and equipment	21,096	946	4,368		26,410
Intangible assets	1,142	951	847		2,940
	22,238	1,897	5,215		29,350
Other non-cash expenses other than depreciation/amortisation					
- Equipment written-off	2,950	1,560	-		4,510
- Franchisee fee written-off	-	111	-		111
- Goodwill written-off	-	7,785	-		7,785
	2,950	9,456	-		12,406



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16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 for the review.

17. Breakdown of sales

THE GROUP	YEAR ENDED 31 DECEMBER		Changes %
	2013 RM'000 (Unaudited)	2012 RM'000 (Audited)	
(a) Sales reported for first half year	78,259	72,678	7.7%
(b) Profit/(Loss) attributable to shareholders reported for first half year	1,635	(5,580)	129.3%
(c) Sales reported for second half year	81,956	77,064	6.4%
(d) Loss attributable to shareholders reported for second half year	(6,581)	(6,131)	-7.3%

N.M - Not meaningful

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

None



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19. Disclosure of person occupying an managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Nicol Roach Reddy	32	Son of Andrew Roach Reddy, the Managing Director of the Company	Vice President of Business Development	Appointed on 16 August 2013
Andrea Roach Reddy	30	Daughter of Andrew Roach Reddy, the Managing Director of the Company	Group Human Resources Manager	Not Applicable
Louisa Benny George Benny	34	Niece of Andrew Roach Reddy, the Managing Director of the Company	Head Designer	Not Applicable

On behalf of the Board of Directors

Dato' Mohammed Azlan Bin Hashim
Non Executive Chairman

Andrew Roach Reddy
Executive Director

By order of the Board
Dato' Mohammed Azlan Bin Hashim
Non Executive Chairman

1 March 2014

This Announcement and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST and Sponsor assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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