



Chaswood Resources Holdings Ltd.

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

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2015

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

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

THE GROUP	HALF YEAR ENDED 30 JUNE			
	2015 (unaudited) RM'000	2014 (unaudited) RM'000	Increase / (Decrease)	
			RM'000	%
Revenue	79,120	79,494	(374)	-0.5%
Cost of sales	(26,248)	(24,881)	(1,367)	5.5%
Gross profit/Gross margin	52,872	54,613	(1,741)	-3.2%
<u>Other Items of Income</u>				
Interest income	21	53	(32)	-60.5%
Other credits	-	356	(356)	N.M
<u>Other Items of Expense</u>				
Marketing and distribution costs	(3,735)	(3,173)	562	17.7%
Administrative expenses	(47,196)	(43,121)	4,075	9.4%
Finance costs	(1,016)	(1,042)	(26)	-2.5%
Other expenses	(3,433)	(3,175)	258	8.1%
(Loss)/Profit before taxation	(2,487)	4,511	(6,998)	-155.1%
Income tax expense	(797)	(1,299)	(502)	-38.6%
(Loss)/Profit after taxation	(3,284)	3,212	(6,496)	-202.3%
Other comprehensive income, net of tax:-				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	1,860	(107)	1,967	N.M
Total comprehensive (loss) / income	(1,424)	3,105	(4,529)	-145.9%
(Loss)/Profit, Net of Tax Attributable to:-				
Owners of the Company	(3,163)	3,225	(6,388)	-198.1%
Non-Controlling Interests	(121)	(13)	(108)	830.8%
(Loss) / Profit after tax	(3,284)	3,212	(6,496)	-202.3%
Income Attributable to:-				
Owners of the Company	(1,417)	3,118	(4,535)	-145.4%
Non-Controlling Interests	(7)	(13)	6	-46.2%
Total Comprehensive Income	(1,424)	3,105	(4,529)	-145.9%

N.M: Not Meaningful



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1(a)(ii) Other Information

The Group's profit net of tax is arrived at after charging/(crediting):

THE GROUP	HALF YEAR ENDED 30 JUNE		Increase / (Decrease)
	2015	2014	
	(unaudited) RM'000	(unaudited) RM'000	%
Depreciation of property and equipment	3,311	2,927	25.2%
Amortisation of franchise fees	122	249	-44.9%
Gain on disposal of business	-	(356)	N.M
Interest Income	(21)	(53)	N.M



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

	The Group		The Company	
	30 June 2015 RM'000 (Unaudited)	31 Dec 2014 RM'000 (Audited)	30 June 2015 RM'000 (Unaudited)	31 Dec 2014 RM'000 (Audited)
ASSETS				
Non-current assets				
Property and equipment	64,168	55,142	-	-
Intangible assets	15,884	9,238	-	-
Investment in subsidiaries	-	-	150,000	150,000
Other assets, non current	6,621	6,621	-	-
Total non current assets	86,673	71,001	150,000	150,000
Current assets				
Inventories	4,754	3,913	-	-
Trade & other receivables	8,060	5,662	-	355
Other assets, current	9,605	8,442	83	83
Cash & cash equivalent	11,435	8,089	-	-
Total current assets	33,854	26,106	83	438
Total assets	120,527	97,107	150,083	150,438
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	20,776	20,776	158,444	158,444
Retained earnings / (accumulated loss)	5,262	8,546	(11,422)	(9,041)
Other reserves	1,752	(108)	828	155
Equity attributable to owners of the parent	27,790	29,214	147,850	149,558
Non Controlling interest	(276)	(152)	-	-
Total equity	27,514	29,062	147,850	149,558
Non-current liabilities				
Deferred tax liabilities	2,535	2,535	-	-
Other financial liabilities	25,642	14,469	-	-
Total non-current liabilities	28,177	17,004	-	-
Current liabilities				
Provision for taxation	4,350	2,810	-	-
Trade & other payables	39,549	28,495	2,233	880
Other financial liabilities	20,937	19,133	-	-
Other liabilities, current	-	603	-	-
Total Current Liabilities	64,836	51,041	2,233	880
Total Liabilities	93,013	68,045	2,233	880
Total Equity & Liabilities	120,527	97,107	150,083	150,438



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

Amount repayable in one year or less, or on demand

	As at 30 June 2015		As at 31 December 2014	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease payables	131	-	306	-
Interest bearing loans and borrowings	20,806	-	18,827	-
	20,937	-	19,133	-

Amount repayable after one year

	As at 30 June 2015		As at 31 December 2014	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease payables	163	-	262	-
Interest bearing loans and borrowings	25,479	-	14,207	-
	25,642	-	14,469	-

Details of any collateral

- (1) The bills payable and bank overdrafts are secured by:-
 - (i) Fixed and floating charges over all the present and future assets of certain subsidiaries;
 - (ii) Pledge of fixed deposits with licensed banks; and
 - (iii) Corporate guarantees of the Company and Chaswood Resources Sdn Bhd.

- (2) The term loans are secured by:-
 - (i) Fixed and floating charge over all present and future assets of certain subsidiaries; and
 - (ii) Pledge of fixed deposits with licensed banks of the Group.

Certain of the term loans are also covered by:

 - (i) Corporate guarantees of the Company and Chaswood Resources Sdn Bhd; and
 - (ii) Legal assignment to the lender of all rights, titles, benefits and interests in insurance policies of certain subsidiaries.

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

	Group	
	Unaudited 30 June 2015 RM'000	Unaudited 30 June 2014 RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before tax	(2,487)	4,511
Adjustment for:		
Amortisation of franchise agreement cost	122	249
Depreciation of property and equipment	3,311	2,927
Gain on disposal of property and equipment	-	(356)
Interest income	(21)	(53)
Interest expense	1,016	1,042
Operating Profit Before Working Capital Changes	1,941	8,320
Inventories	(18)	183
Trade and Other Receivables	(2,397)	14
Other Assets, Current	(1,163)	(4,289)
Trade and Other Payables	4,029	(4,274)
Net Cash Flows From/(Used) in Operations	2,392	(46)
Tax Paid	(2,336)	(1,026)
Net Cash Flows From Operating Activities	56	(1,072)
Balance carried forward	56	(1,072)



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

	Group	
	Unaudited 30 June 2015 RM'000	Unaudited 30 June 2014 RM'000
Balance brought forward	56	(1,072)
Cash Flows From Investing Activities		
Purchases of Property and Equipment	(2,677)	(2,921)
Net Proceeds from Divestment of outlet	-	1,300
Acquisition of subsidiaries	(10,226)	-
Interest Received	21	53
Net Cash Flows Used in Investing Activities	(12,882)	(1,568)
Cash Flows From Financing Activities		
Decrease in Bills Payable	(404)	(731)
Drawdown of Borrowings	12,763	3,093
Repayment of Borrowings	(3,104)	(2,664)
Repayment of Finance Lease Payables	(132)	(186)
Cash Restricted in Use	784	(502)
Net proceeds from issuance of redeemable exchangeable bonds	4,013	2,550
Interest Paid	(1,016)	(1,042)
Net Cash Flows From Financing Activities	12,904	518
Net Increase/(Decrease) in Cash and Cash Equivalents	78	(2,122)
Foreign Exchange Differences	1,860	(107)
Cash and Cash Equivalents At the Beginning Of The Financial Period	240	7,429
Cash and Cash Equivalents At the End Of The Financial Period	2,178	5,200
<u>Cash and cash equivalents:-</u>		
Not restricted in use	8,755	8,375
Restricted in use	2,680	2,969
	11,435	11,344
<u>Cash and cash equivalents in the Statement of Cash Flows:-</u>		
Amount as shown above	11,435	11,344
Bank Overdraft	(6,577)	(3,175)
Cash restricted in use over 3 months	(2,680)	(2,969)
At the end of the financial period	2,178	5,200



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

The Group	Attributable to owners of the Company				Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
Balance as at 1 January 2014	20,776	315	20,356	41,447	71	41,518
Transaction with owners of the Company						
Shares subscribed by non-controlling shareholders	-	-	-	-	-	-
Total contribution by owners	-	-	-	-	-	-
Total comprehensive income/(loss) for the year						
Loss for the financial year	-	-	(11,810)	(11,810)	(217)	(12,027)
Effect of translation of net assets of foreign subsidiaries	-	(501)	-	(501)	(6)	(507)
Total comprehensive income/(loss) for the year	-	(501)	(11,810)	(12,311)	(223)	(12,534)
Issuance of redeemable exchangeable bonds	-	78	-	78	-	78
Balance as at 31 December 2014 (audited)	20,776	(108)	8,546	29,214	(152)	29,062
Balance as at 1 January 2015	20,776	(108)	8,546	29,214	(152)	29,062
Transaction with owners of the Company						
Shares subscribed by non-controlling shareholders	-	-	-	-	-	-
Total contribution by owners	-	-	-	-	-	-
Total comprehensive income/(loss) for the year						
Loss for the financial year	-	-	(3,284)	(3,284)	(122)	(3,406)
Effect of translation of net assets of foreign subsidiaries	-	1,860	-	1,860	(2)	1,858
Total comprehensive income/(loss) for the year	-	1,860	(3,284)	(1,424)	(124)	(1,548)
Balance as at 30 June 2015 (unaudited)	20,776	1,752	5,262	27,790	(276)	27,514



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

The Company

	Share Capital RM'000	Translation Reserve RM'000	Accumulated Losses) RM'000	Total Equity RM'000
Balance as at 1 January 2014	158,444	266	(3,667)	155,043
Total comprehensive income/(loss) for the year				
Loss for the financial period	-	-	(5,374)	(5,374)
Foreign currency translation	-	(111)	-	(111)
Total comprehensive income / (loss) for the year	-	(111)	(5,374)	(5,485)
Balance as at 31 December 2014 (audited)	158,444	155	(9,041)	149,558
Balance as at 1 January 2015	158,444	155	(9,041)	149,558
Total comprehensive income/(loss) for the year				
Loss for the financial year	-	-	(2,381)	(2,381)
Foreign currency translation	-	673	-	673
Total comprehensive income/(loss) for the year	-	673	(2,381)	(1,708)
Balance as at 30 June 2015 (unaudited)	158,444	828	(11,422)	147,850



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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 follow:

Issued and paid up share capital	Number of shares	Issued and paid up share capital (RM)
Share capital as at 30 June 2015 and 31 December 2014	226,817,819	158,443,972
	As at 30 June 2015	As at 30 June 2014
	Shares ('000)	Shares ('000)
Additional shares that would be issued on conversion of all convertible instruments	10,000	3,333

The Group has issued redeemable exchangeable bonds ("Exchangeable Bonds") of an aggregate principal amount of S\$3.0 million in three (3) tranches of S\$1.0 million, S\$0.5 million and S\$1.5 million on 25 April 2014, 5 December 2014 and 27 January 2015 respectively. Based on the exchangeable price of S\$0.30 per new shares, the Company will be obliged to issue up to 10,000,000 new shares ("New Shares") in the event that the investor exercises its right to exchange the entire Exchangeable Bonds into New Shares.

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

	As at 30 June 2015	As at 31 December 2014
Total number of issued shares excluding treasury shares	226,817,819	226,817,819

The Company has no treasury shares as at 30 June 2015 and 31 December 2014.

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 2014.

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 2014. 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 Earnings Per Share

	The Group	
	Half Year Ended 30 JUNE 2015	2014
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(3,163)	3,225
Weighted average number of ordinary shares in issue ('000)	226,818	226,818
(Loss)/earnings per share (RM sen)	<u>(1.4)</u>	<u>1.4</u>

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive instruments in issue during the financial period.



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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 30 JUNE 2015 (Unaudited)	As at 31 DECEMBER 2014 (Audited)	As at 30 JUNE 2015 (Unaudited)	As at 31 DECEMBER 2014 (Audited)
Net asset value per ordinary share (RM sen)	12.1	12.8	65.2	65.9

Net asset value per ordinary share of the Group and the Company was calculated based on 226,817,819 shares (2014: 226,817,819 shares) in issue at the end of the financial year/period.

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

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

Review of Financial Performance

Revenue

The revenue in 1H2015 included revenue contribution from the newly acquired China subsidiaries amounting to approximately RM8.3 million. Despite the additional revenue contribution, total revenue decreased by approximately RM0.4 million, or 0.5% from approximately RM79.5 million in 1H 2014 to approximately RM79.1 million in 1H2015. The Group's revenue from the existing operations were affected by the softer market sentiment in 1H2015 due to the implementation of Goods and Services Tax (GST) in Malaysia and the weakening of Malaysian and Indonesian currencies. These have affected consumer spending in Malaysia and Indonesia (where majority of the Group's outlets are located) which have thereby impacted the general F&B industry.

Gross profit and gross profit margin

Gross profit reduced by approximately RM1.7 million, or 3.2% from approximately RM54.6 million in 1H2014 to approximately RM52.9 million in 1H2015 due to the increase in cost of sales resulted from more expensive imported products purchased in view of the weakened currency of RM/Rupiah against USD. Gross profit margin dropped to approximately 66.8% in 1H2015 as compared to 1H2014 of approximately 68.7% .



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Other Credits

The other credits in 1H2014 were mainly due to gain from the disposal of property and equipment in one of the Group's outlets to its franchisee.

Marketing and Distribution Costs

Marketing and distribution costs increased by approximately RM0.6 million, or 17.7% from approximately RM3.2 million in 1H2014 to approximately RM3.7 million in 1H2015. The increase in marketing and distribution costs was mainly due to higher marketing expenses incurred to roll out more aggressive marketing campaigns to address the declining trend for dining out in view of the weak consumer sentiment and the consolidation of the new China subsidiaries.

Administrative expenses

Administrative expenses increased by approximately RM4.1 million, or 9.4% from approximately RM43.1 million in 1H2014 to approximately RM47.2 million in 1H2015. The increased was mainly attributable to the consolidation of the new China subsidiaries.

Other expenses

Other expenses, which consist of depreciation and amortisation of franchise fees increased by approximately RM0.2 million or 8.1% from approximately RM3.2 million in 1H2014 to approximately RM3.4 million in 1H2015 mainly due to the consolidation of the newly acquired China subsidiaries.

Income tax

Income tax expense decreased by approximately RM0.5 million, or 38.6% from approximately RM1.3 million in 1H2014 to approximately RM0.8 million in 1H2015, which is in line with the decrease in profit.



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Review of Financial Position

Non-current assets

Property and equipment increased from RM55.1 million as at 31 December 2014 to RM64.2 million as at 30 June 2015 mainly due to purchases of new equipment and the consolidation of the new China subsidiaries offset by depreciation charges.

Intangible assets comprise of franchise fee and goodwill arising from acquisition. The increase from RM9.2 million as at 31 December 2014 to RM15.9 million as at 30 June 2015 was due to an increase in goodwill arising from the acquisition of the new China subsidiaries, amounting to RM6.7 million, offset against the amortisation of franchise fee amounting to RM0.1 million.

Current assets

Trade and other receivables increased from RM5.7 million as at 31 December 2014 to RM8.1 million as at 30 June 2015 mainly due to the increase in receivables from franchisees for billings on food supplies, royalties and marketing fund amounting to RM2.0 million.

Inventories increased from RM3.9 million as at 31 December 2014 to RM4.8 million as at 30 June 2015 due to the consolidation of the new China subsidiaries.

Other assets relate to (i) deposits placed with the lessors for the leases of the Group's outlets which are due within one year and (ii) prepayments and booking fees for identified sites for new outlets. The increase from RM8.4 million as at 31 December 2014 to RM9.6 million as at 30 June 2015 was mainly due to the payment of new booking fees for identified sites amounting to RM0.7 million as well as the consolidation of the new China subsidiaries.

Current liabilities

Trade and other payables increased from RM28.5 million as at 31 December 2014 to RM39.5 million as at 30 June 2015. The increase was mainly due to the recognition of earn out payable to the vendor of approximately RM5.5 million pursuant to the acquisition of the new China subsidiaries coupled with the consolidation of the trade and other payables of the new China subsidiaries amounting to RM3.6 million.

Other financial liabilities comprise of term loan, hire purchase, bills payables and bank overdraft facilities granted by financial institutions. The increase in bank borrowings from RM19.1 million as at 31 December 2014 to RM20.9 million as at 30 June 2015 was due to net drawdown of borrowings from the financial institutions during the period.

Provision for taxation

Provision for taxation increased by RM1.5 million resulting from higher tax provision for certain subsidiaries of which the tax benefit had been utilised.



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Working capital

The Group's net current liabilities increased by approximately RM6.1 million from approximately RM24.9 million as at 31 December 2014 to approximately RM31.0 million as at 30 June 2015 mainly due to the increase trade and other payables as well as financial liabilities.

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 RM14.2 million as at 31 December 2014 to RM25.5 million as at 30 June 2015 mainly due to the drawdown of term loan which was utilised for the acquisition of the new China subsidiaries.

Redeemable exchangeable bonds

Redeemable exchangeable bonds amounting to RM7.9 million comprises of three tranches which were issued in the following manner:

- a) First tranche of S\$1.0 million on 25 April 2014;
- b) Subsequent tranche of S\$0.5 million on 5 December 2014; and
- c) Subsequent tranches of S\$1.5 million on 27 January 2015.

Review of Statement of Cash Flows

Cash flows from operating activities

Cash inflow from operating activities before working capital amounted to approximately RM1.9 million. Net cash from operating activities of approximately RM0.06 million was mainly due to an increase in trade & other payables of RM4.0 million, offset against an increase in trade and other receivables and other assets of RM2.4 million and RM1.2 million respectively.

Cash flows used in investing activities

Net cash used in investing activities of approximately RM12.9 million was mainly due to the acquisition of the new China subsidiaries amounting to RM10.2 million, as well as new purchases of equipment of RM2.7 million.

Cash flows from financing activities

Net cash from financing activities of approximately RM12.9 million was mainly from the drawdown of term loan of approximately RM12.8 million as well as the proceeds from the issuance of redeemable exchangeable bonds of approximately RM4.0 million, offset by the repayment of term loans of approximately RM3.1 million, repayment of finance lease payables of approximately RM0.1 million, reduction in fixed deposits pledged to financial institutions of approximately RM0.8 million and payment of interest of approximately RM1.0 million.

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

Not applicable.



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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 F&B industry during the first half of 2015 faced challenges with increasing competition and weak consumer sentiment due to the rising cost of living coupled with the negative impact on consumer spending arising from the implementation of Goods and Services Tax (GST) in April 2015 in Malaysia, where the majority of the Group's restaurants are located. Given this, the Group has rolled out various marketing campaigns and strategies to attract the more price sensitive consumers.

In the first half of 2015, the Group has closed several non-performing outlets to rationalise losses and is also looking into implementation of cost controls. The Group will continue to focus on franchising the Group's Teh Tarik Place outlets, a fast casual concept that has performed well in terms of comparable outlet sales for the Group's owned outlets and new franchisee owned outlets opened in the first half of 2015. These will allow the Group's performance to be cushioned in view of the softer market sentiment.

Barring any unforeseen circumstances, the Group is anticipating an improved performance in the second half of 2015.

11. Dividend

(a) Current Financial period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial period

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for the half year ended 30 June 2015.



Chaswood Resources Holdings Ltd.

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

HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2015

13. Interested Person Transactions

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

14. Use of Placement proceeds

The Board wishes to provide an update on the use of proceeds from the issuance of the Exchangeable Bonds of S\$3.0 million equivalent RM7.87 million¹. Approximately RM7.11 million of the proceeds have been utilised as follows:

Use of Proceeds from Exchangeable Bonds	Amount Allocated RM'000	Amount Utilised RM'000	Balance RM'000
Capital expenditure and working capital for outlets expansion in China and/or Indonesia	7,446	6,719	727
Expenses relating to the Exchangeable Bonds	425	396	29
TOTAL	7,871	7,115	756

The above utilisation of the proceeds from the issuance of Exchangeable Bonds is consistent with the intended uses as disclosed in the Circular. The Company will continue to make periodic announcements on the utilisation of proceeds raised from the issuance of Exchangeable Bonds as and when such proceeds are materially utilised.

¹ The Exchangeable Bonds subscribed in three (3) tranches of S\$1.0 million, S\$0.5 million and S\$1.5 million were converted into Ringgit Malaysia ("RM") for utilisation at the then prevailing exchange rate of RM2.55, RM2.62 and RM2.68 per Singapore Dollar ("S\$") respectively.



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Negative confirmation on pursuant to Rule 705(5)

The Board of Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the financial statements for the Half Year Ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ng Teck Wah
Non-Executive Chairman

Andrew Roach Reddy
Managing Director

By order of the Board
Ng Teck Wah
Non-Executive Chairman

14 August 2015

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.

The contact person for the Sponsor is Mr Eric Wong (Director, Investment Banking), CIMB Bank Berhad, Singapore Branch, 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 63375115.