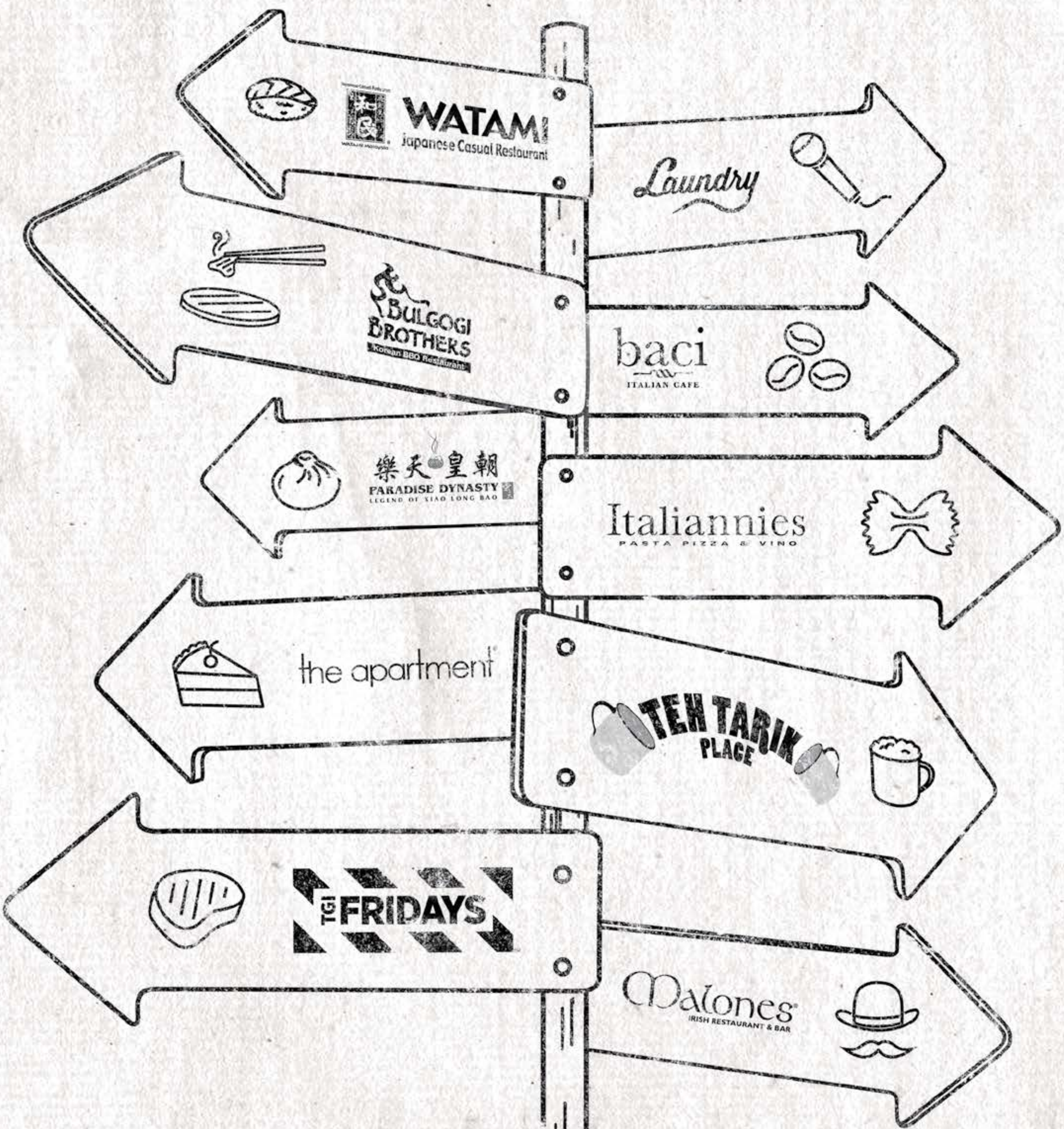

chaswood

RESOURCES

ANNUAL REPORT

2014

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This annual report has been prepared by the Company 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 annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is:
Eric Wong (Director, Investment Banking)
CIMB Bank Berhad, Singapore Branch,
50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623
Telephone: +65 6337 5115

CORPORATE PROFILE

Established in 2002, Chaswood Resources Group is currently one of the leading casual dining operators in Malaysia. Having consistently invigorated the food and beverage industry with the most compelling trends, we have expanded our market share and in doing so received numerous accolades.

Chaswood manages various international brands such as the celebrated TGI Fridays℠ from the USA, award-winning Bulgogi Brothers Korean Barbecue Restaurant from South Korea, the famed WATAMI Japanese Casual Restaurant from Japan and the innovative Paradise Dynasty from Singapore. We have also established homegrown proprietary brands like Teh Tarik Place, Italiannies®, The Apartment®, Malones® Irish Restaurant & Bar, Baci Italian Café and Laundry Bar. In addition to managing brands, Chaswood has recently taken on the role of franchisor as well as brand owner and developer with the Teh Tarik Place.

An ever growing Group, Chaswood has strong presence in 4 countries such as Malaysia, Singapore, China and Indonesia. It currently operates 67 outlets with 10 brands.

OUR VISION

To become the leading restaurant brand developer, owner and operator in Southeast Asia.

OUR MISSION

As a Group, we are committed to creating value. Our guests are always treated to excellent cuisines, exceptional service and genuine hospitality at each eatery.

In creating value, we are dependent on people. Our key asset is our dynamic team. We are committed to inspiring and developing each team member to his or her fullest potential. This means creating the opportunity for them to learn and grow. Coaching, training and mentoring are the key elements in building our team and business.

To excel, we add value to our relationships with our business partners and investors by driving efficiencies and investing in growth for long term value.

OUR BRANDS

Franchise and licensed brands

Category:	American, Casual Dining
Brand Promise:	In Here, It's Always Friday
Brand Essence:	Infectious Energy
Number of Restaurants:	16 in Malaysia, 1 in Singapore and 3 in Indonesia

fridays.com.my, fridays.com.sg, fridays.com.id

As the original casual dining bar and grill, TGI Fridays℠ offers authentic American food and legendary drinks, served with genuine personal service. Bringing people together to socialise and celebrate the freeing and liberating spirit of "Friday" was the concept's founding premise, from which the brand promise "In Here, It's Always Friday" was born. To share that social Fridays experience all over the world, TGI Fridays℠ proudly serves guests with over 900 restaurants in more than 60 countries. Making every day feel like a Friday wouldn't be possible without creating a place where friends feel free to get together.

Category:	Korean, Casual Dining
Brand Promise:	Contemporary Korean Dining Experience
Brand Essence:	Treating Our Guests Like Honoured Guests in Our Own Home
Number of Restaurants:	3 in Malaysia, 1 in Indonesia and 1 in Shanghai

bulgogibros.com.my, bulgogibros-indonesia.com

Fire up the grill because it's going to be a delicious time at Bulgogi Brothers. Specialising in Korean cuisine and bulgogi, the restaurant serves high quality meat dishes at over 50 branches spread over South Korea, Philippines, Malaysia, Indonesia, China and more. Apart from the succulent barbecue, guests can feast on bibimbap; a type of rice dish and jjigae; a special Korean stew.

OUR BRANDS

Franchise and licensed brands

Category:	Japanese, Casual Dining
Brand Promise:	Much Care for Good Taste
Brand Essence:	To Receive the Most Number of "Thank Yous" in the World
Number of Restaurants:	3 in Malaysia

watami.com.my

Japanese food made with intricacy. WATAMI is a casual dining restaurant that pioneered the ishokuya concept — one that features the delights of modern Japanese cuisine, coupled with exceptional, high standards of service. With an extensive menu, WATAMI offers favourites and even original dishes coupled with signature beverages. 700 branches worldwide and growing.

Category:	Southern Chinese, Casual Dining
Brand Promise:	The Legend of Xiao Long Bao
Brand Essence:	Amaze People with New Creations

facebook.com/ParadiseDynastyTH

Paradise Dynasty serves up feasts fit for an Emperor in bustling Bangkok. Here, you'll taste imperial Chinese dishes and experience the unique flavours of Xiao Long Bao; steamed dumplings infused with crab roe, foie gras, black truffle and more.

OUR BRANDS

Franchise and licensed brands

Category:	Modern European, Casual Dining
Brand Promise:	Fresh & Simple
Brand Essence:	Where Dining Out Means Coming Home
Number of Restaurants:	2 in Malaysia

atheapartment.com

A little bit of luxury never hurt. At The Apartment®, you get a taste for the finer things in life served with a side of comfort. Both branches have distinct looks, with KLCC being a little trendier and the one at The Curve being a little cosier. Large open spaces, glistening with natural light and an array of delectable dishes, The Apartment® is the perfect place to unwind. It's a place where Western and local flavours are fused into a contemporary menu.

Category:	Irish Restaurant and Bar
Brand Promise:	You're Guaranteed a Warm Welcome
Brand Essence:	Emotional Connection
Number of Restaurants:	5 in Malaysia and 1 in Singapore

malones.my, malonesbar.com.sg

If you're looking for a bit of Irish luck, this is the spot for you. A local gastropub that's been pouring out creamy pints since 2009. The bar also serves up a delightful menu with an array of authentic Irish specialities along with our very own chefs' creations.

OUR BRANDS

Franchise and licensed brands

Italiannies
PASTA PIZZA & VINO

Category:	Italian-American, Casual Dining
Brand Promise:	Every Guest Leaves Happy
Brand Essence:	Food is a Celebration of Life
Number of Restaurants:	7 in Malaysia

italiannies.com.my

Quality ingredients cooked up for an enjoyable time with great company. Following the rich tradition of Italy, it merges family and food for a feast-ive occasion. Authentic flavours, Italian ambiance and the aroma of freshly cooked dishes emanating from its open kitchen, Italiannies® makes guests feel right at home. The A'more di Merrier shared menu concept complete the dining experience; it's a true family affair.

baci
ITALIAN CAFE

Category:	Italian, Quick Service
Brand Promise:	Taste the Difference Here
Brand Essence:	Start Your Day Right
Number of Restaurants:	1 in Malaysia

baci.com.my

Taking its inspiration from Italian café culture, Baci is a place where people take time to savour life. Quality coffee beans brewing in cups, providing a backdrop for people to relax, share, and enjoy each other's company.

OUR BRANDS

Franchise and licensed brands

Category:	Local, Quick Service
Brand Promise:	Freshly Made Food and Beverages
Brand Essence:	From Malaysia with Love
Number of Restaurants:	22 in Malaysia

tehtarikplace.my

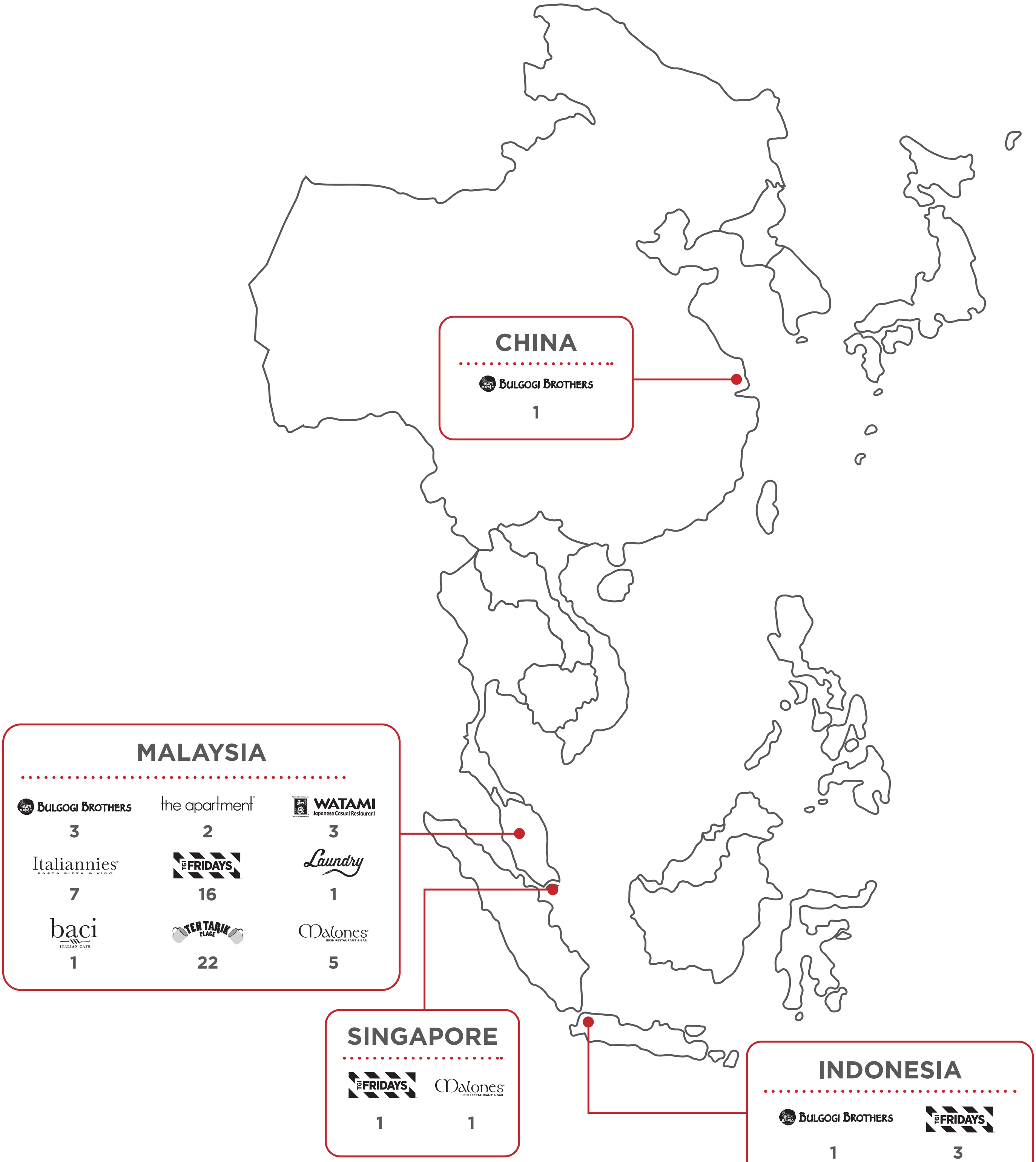
A hip spot serving comfort food in a comfortable setting. Teh Tarik Place shatters the standards of a usual Malaysian eatery, it's a favourite spot for people from all walks of life. Its kitchens carry a variety of local dishes, from nasi lemak to roti canai and the namesake teh tarik. The store blends culture and tradition giving it a modern twist.

Category:	Live Venue, Bar
Number of Restaurants:	1 in Malaysia

laundrybar.net

Come for the music stay for the cold drafts. Born out of a passion for life and its pleasures, Laundry is a firm supporter of the music scene. The cool bar provides a platform for international and local artistes to strut their stuff. A modern bar and lounge, Laundry is the ideal place to catch up with friends over a couple of drinks and a bite to eat.

OUR BRANDS



Total: 67 outlets

KEY **MILESTONES**

2002

Chaswood was founded after a management buyout of the initial 4 TGI Fridays[SM] outlets in Malaysia.

2003

Chaswood secured development rights for TGI Fridays[SM] in Malaysia.

2004

Chaswood developed Italiannies®, its first proprietary brand.

2007

3 new brands launched under Chaswood.

2009

Chaswood took its first step into Singapore with the launch of TGI Fridays[SM].

The first Malones® outlet launched in Malaysia.

2010

Posh Corridor Sdn Bhd became a major shareholder of Chaswood.

2011

The 2nd franchised brand, WATAMI, launched in Malaysia.

Chaswood debuted Baci.

2012

Chaswood listed on the Catalist Board of the SGX-ST via a reverse takeover exercise.

The 3rd licensed brand, Bulgogi Brothers, launched in Malaysia.

Paradise Dynasty, the 4th franchised brand under Chaswood debuted in Thailand.

TGI Fridays[SM] was introduced to the Indonesian market.

2013

1st franchisee restaurant for Teh Tarik Place opened in Malaysia.

2014

Bulgogi Brothers debuted in Shanghai, People's Republic of China.

Mega Village Sdn Bhd was awarded the master development rights to develop 100 Teh Tarik Place restaurants in Malaysia (except Klang Valley & East Malaysia).

20th anniversary of TGI Fridays[SM] in Malaysia.

AWARDS & ACCOLADES

YEAR	AWARDS & ACCOLADES	AWARDED BY
2014	Gold Award – Service Excellence (Malones® Irish Restaurant & Bar)	Hospitality Asia Pacific Award
2014	Silver Award – Most Innovative Guest (Malones® Irish Restaurant & Bar)	Hospitality Asia Pacific Award
2013	Best General Manager, Asia Pacific	Carlson Restaurants Worldwide
2012	Overall International General Manager of the Year	Carlson Restaurants Worldwide
2012	Best General Manager, Asia Pacific	Carlson Restaurants Worldwide
2012	Franchisee of the Year	ET and Zeus, Inc.
2012	Best Value Mall Food	Yum List
2012	Ernst & Young Entrepreneur of the Year – Andrew Roach Reddy as Finalist	Ernst & Young Malaysia
2010	2010 Successful Entrepreneur Award to Andrew Reddy Platinum Category in Singapore	The GRC Press Holdings, Singapore
2009	Bull Dog Award to Andrew Reddy	Carlson Restaurants Worldwide
2009	Best Family Restaurant: TGI Fridays℠	Time Out Malaysia
2009	Best Modern European Restaurant: The Apartment®	Time Out Malaysia
2009	Sales Excellence Award	Boustead Curve Sdn Bhd
2008	Best Laureate Award for Best Brands TGI Fridays℠ F&B American Restaurant	The Asia Pacific Brands Foundation
2008	Sales Achievement Award	Boustead Curve Sdn Bhd
2007	Best Live Entertainment Venue Laundry	Juice Magazine
2007	Best Laureate Award for Best Brands TGI Fridays℠ F&B American Restaurant	The Asia Pacific Brands Foundation
2007	Vice President Gold Star	Carlson Restaurants Worldwide
2007	Top 30 under 30	Le Prestige Magazine
2007	Best Live Performance: Laundry	Klue Magazine
2006	Best Live Entertainment: Laundry	Juice Magazine
2006	Best General Manager, International	Carlson Restaurants Worldwide
2006	Best General manager, Asia Pacific	Carlson Restaurants Worldwide
2006	Vice Presidential Gold Star	Carlson Restaurants Worldwide
2006	Best Italian Restaurant: Italiannies®	KLue Magazine
2006	Best Live Performance: Laundry	KLue Magazine
2006	The Curve Sales Excellence Award	Boustead Curve Sdn Bhd
2005	Vice President Gold Star	Carlson Restaurants Worldwide
2003	Karl Davis Award	Carlson Restaurants Worldwide
2002	Best General Manager, Asia Pacific	Carlson Restaurants Worldwide

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 ending 31 December 2014 ("FY2014").

Financial Overview

FY2014 was a challenging year for the Group, particularly in the second half of 2014 due to softer market sentiments which affected the consumers' spending behaviour. Despite the challenges, the Group reported a revenue of RM154.7 million in FY2014, a slight decrease of 3.5% as compared to the corresponding preceding year ("FY2013").

Gross profit decreased by approximately RM4.9 million, or 4.4% from approximately RM111.3 million in FY2013 to approximately RM106.4 million in FY2014, in line with the decrease in revenue. Gross margin remained stable at approximately 69% in FY2013 and FY 2014.

In FY2014, the Group incurred a net loss after tax of approximately RM12 million as compared to a net loss after tax of approximately RM5.3 million in FY2013. The increase in net loss after tax was mainly attributed to the net increase of impairment allowance on franchise fees and equipment in FY2014 for certain non-performing outlets and also higher rental expenses resulting from lease renewals. This was offsetted by lower staff costs due to lower head count, operating supplies and other administrative expenses following better cost control.

Moving ahead

The Group expects consumer sentiment to improve in 2015 and will be continuing to expand its footprint in the Southeast Asian region and also China. To date, the Group operates a total of 10 brands, 67 outlets (including 18 Teh Tarik Place franchisee restaurants) in Malaysia, Singapore, Indonesia, and China. The Group expects an improvement in revenue in 2015 with the planned marketing strategies coupled with the leveraging on the growing Pinch of Salt® loyalty card members (about 200,000 members to date) which are expected to drive consumer behaviour.

In line with the Group's expansion strategy to China, December 2014 saw the Group opening the first Bulgogi Brothers outlet in Shanghai, China. This was followed on 24 December 2014 when the Group entered into Share Purchase Agreements with TGI Friday's Inc to acquire the existing 6 TGI Fridays℠ restaurant in Shanghai and Beijing. This proposed acquisition provides an immediate platform together with the existing operating infrastructure to further expand its territorial rights for the TGI Fridays℠ brand. The Group has already secured the exclusive development rights for Shenzhen and will be awarded the development rights for Beijing, Shanghai, Tianjin, Nanjing, Suzhou and Zhejiang pursuant to the Proposed Acquisition. The Proposed Acquisition also demonstrates TGI Friday's Inc's (as a franchisor) confidence in Chaswood to be a strong steward of the brand. The expansion into China is a significant milestone for the Group and is expected to contribute positively to the Group.

The Teh Tarik Place ("TTP") franchising programme which was launched in 2013 had gained strong traction and performed up to expectations. In FY2014, 12 new franchisee owned restaurants were opened and an additional 6 restaurants have opened to date in 2015. In April 2014, the Group signed and awarded the exclusive development rights to a franchisee to develop and operate 100 restaurants in various parts of Peninsular Malaysia (excluding Klang Valley & East Malaysia) in the next 10 years. The Group is excited by the strong growth of the Teh Tarik Place franchise as evident by the number of enquiries and new franchises signed. In addition, the generic appeal of the brand allows the franchising model to be scalable especially around the Southeast Asian region.

The Group will continue to focus on the rationalising of non-performing outlets and continue to drive cost controls to improve the performance of the Group.

In Appreciation

On behalf of the Board, I would like to express our gratitude to our shareholders for the strong support and confidence in us. 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 fulfil our vision to be one of the leading multi-concept casual dining operators in Southeast Asia.

The Board also wishes to welcome Mr Tee Guan Pian who has recently been appointed to the Board in March 2015 and we look forward to benefiting from his experience and insight.

NG TECK WAH
Non-Independent Non-Executive Chairman

BOARD OF DIRECTORS

MR NG TECK WAH
Non-Independent Non-Executive Chairman

Mr Ng Teck Wah 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 Teck Wah'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 served in Singapore, Hong Kong, Manila, Thailand as well as Indonesia and has helped to develop the emerging corporate finance division in Southeast Asia.

Teck Wah 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 built a strong track record in leading large turnaround and insolvency assignments across a spectrum of industries.

Teck Wah 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 is the Managing Director and was appointed to the Board on 1 March 2012. He is responsible for the formulation of the Chaswood Group's strategic directions and expansion plans while managing the overall business development. He has been in the hotel and service industry for more than 30 years.

The seed of his casual dining empire were planted when he joined BistroAmericana Holdings Sdn. Bhd. as a general manager in 1993 and subsequently became the director of various TGI Fridays^{SM} restaurants six years later. With a wealth of experience under his belt, and an unrelenting drive for success, he founded Chaswood with two other partners in 2002 and took the business under his personal charge; buying the TGI Fridays^{SM} franchise from BistroAmericana Holdings Pte. Ltd.. As the Managing Director, Mr Andrew Reddy spearheaded the growth of the Chaswood Group business and operations to the present size and scale. Under his charge, Chaswood Group has expanded to being one of Malaysia's largest multi-concept casual dining operator with pr esence in Southeast Asia region.

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

DATUK JARED LIM CHIH LI
Non-Independent Non-Executive Director

Datuk Jared Lim Chih Li was appointed to the Board as the Non-Independent Non-Executive Director on 1 March 2012. Datuk Jared is a founder and Managing Director of Asiasons Capital Limited. He is the visionary behind the setting up of an Asian-owned and locally-grown private equity fund and conceptualised Asiasons' investment model of combining traditional value enhancing exercises with branding, design and online strategies.

Prior to the formation of the Asiasons Group in 2007, Datuk Jared was an investment banker with Avenue Securities and was responsible for the setting up of the corporate finance unit, eventually building it up to a 40 man strong unit with a strong track record in Equity offerings, Restructurings, M&A and Bond Issues. Datuk Jared built a niche in Malaysia in cross border equity offerings involving PRC enterprises, which eventually led to his conviction that it was timely to start an Emerging East Asian private equity model.

Datuk Jared has a Bachelors degree in Economics and Accounting from the University of Bristol and obtained a First Class in Masters of Finance from the University of Hull and the Chartered Financial Analyst (CFA) qualification.

BOARD OF DIRECTORS

MR CHRISTOPHER JOHN MCAULIFFE

Independent Non-Executive Director

Mr Christopher John McAuliffe was appointed to the Board of Chaswood Resources as an Independent Non-Executive Director on 30 April 2012. He has more than 18 years of investment banking experience in London, Singapore and Hong Kong and is presently the Managing Director of Sprint Capital Partners Limited, an investment manager and advisory firm based in Hong Kong, which he established in 2008.

In 1993, Mr McAuliffe joined Barclays de Zoete Wedd where he was involved in general corporate finance advisory activities across Europe. In 1998, Barclays de Zoete Wedd was acquired by Credit Suisse First Boston and Chris became a Vice President and subsequently, a Director of its Transportation and Logistics Group. He relocated to Singapore in 2000 and was promoted to Managing Director and head of the Asia-Pacific Industrials Group of Credit Suisse First Boston, Singapore. From 2005 to 2008, he was the Managing Director and co-head of Citigroup's Asia Pacific Industrials Group, based in Hong Kong where he managed the firm's industrial sector investment banking activities across the Asia-Pacific region.

Mr McAuliffe is a Board Member of Stanmore Coal Limited, an Australian Securities Exchange listed coal mine developer, Satimola LLP, a private potash mine developer in Kazakhstan and Xplorer Plc a UK main board listed oil & gas focused acquisition vehicle. He is also Vice Chairman of the Supervisory Board of Asian Bamboo AG which is listed on the Frankfurt Stock Exchange.

Mr McAuliffe holds a degree in Bachelor of Business Law (LLB Hons) from the University of Huddersfield, United Kingdom and a Master in Business Administration from University of Bradford, United Kingdom.

MR TEE GUAN PIAN

Independent Non-Executive Director

Mr Tee Guan Pian was appointed to the Board as the Independent Non-Executive Director on 31 March 2015.

Mr Tee has 25 years of professional experience which includes 5 years of experience as a bank examiner with the Malaysian Central Bank, Bank Negara Malaysia ("BNM") where his responsibilities included inspecting financial institutions under the purview of BNM. He subsequently moved on to the public practice sector and was a partner of another accounting firm for 14 years before being appointed as Senior Partner of the present firm with international affiliation in 87 countries. Other than overseeing the day to day running of the firm, he is actively involved in the corporate advisory and insolvency practice of the firm.

Mr Tee holds a degree in Bachelor of Accounting (Hons) from University of Malaya. He is a Fellow Member of the Certified Public Accountants of Australia as well as a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, Chartered Tax Institute of Malaysia and Malaysian Institute of Management.

MR KEK POH HEAN

Group Chief Financial Officer

Mr Kek Poh Hean is the Group Chief Financial Officer of the Company and was appointed in 16 May 2012. He oversees finance (including corporate finance), compliance and investor relations of the Chaswood Group and also oversees the China business. He possesses close to 16 years of broad finance and capital market experience and gained cross-border experience in various countries including Malaysia, Thailand, Indonesia and China during his career.

He was formerly the Chief Financial Officer of China Fibretech Ltd. from 2007 to 2012, listed in the SGX-ST. During his tenure, he oversaw the IPO process of China Fibretech Ltd. and successfully listed the group in the SGX-ST in June 2008. He was previously the Chief Financial Officer of China-KL International Limited. Prior to these appointments, he was a Manager with the advisory arm of PricewaterhouseCoopers from 2005 to 2006 managing internal audit, enterprise risk management and Sarbanes Oxley projects for a portfolio of clients which range from listed companies and government linked companies in Singapore. He was previously the finance manager of Wearnes Automotive Pte. Ltd., the automotive arm of Wearnes International Limited from 2004 and 2005. He started his career as an associate in PricewaterhouseCoopers in 1999 and was promoted to Assistant Manager before he left to join Wearnes Automotive Pte. Ltd.

Mr Kek obtained a Bachelor in Accountancy (2nd Upper Class Hons) from Nanyang Technological University in 1999. He is also a Chartered Accountant with the Institute of Singapore Chartered Accountants and obtained a Chartered Financial Analyst qualification from the CFA Institute and a Certified Internal Auditor qualification from the International Institute of Auditors.

MR LIM CHENG SEONG

Chief Financial Officer

Mr Lim Cheng Seong was appointed as the Chief Financial Officer of the Chaswood Group on 1 March 2012. He is responsible for the overall financial accounting and financial reporting of the Chaswood Group. He possesses more than 10 years of financial management experience in various roles and capacities including his engagement in Chaswood Group.

Mr Lim joined Chaswood Resources Sdn. Bhd. as an Accounts Manager in 2005 and was promoted to the Financial Controller in 2008 and the Chief Financial Officer in 2011. Prior to joining Chaswood Resources Sdn. Bhd., he was the finance and accounts assistant manager with TA Enterprise Berhad, a Bursa Malaysia listed company from 2004 to 2005 where he was responsible for analysing the performance of the group for decision making purposes. Mr Lim was an audit supervisor with P.G. Lim & Associates for six years from 1999 till 2004 where his duties included performing external audit, advisory, taxation and accounting services for companies as well as performing due diligence reviews on potential acquisitions.

He graduated with a professional qualification from The Association of Chartered Certified Accountants, United Kingdom (ACCA) in 1999 and qualified as a Chartered Accountant in 2003. He is a member of the Malaysian Institute of Accountants and a fellow member of ACCA.

MR CHANDRA SUPANDI

Chief Operating Officer – Indonesia

Mr Chandra Supandi, was appointed as the International Chief Operating Officer ("ICOO") of the Chaswood Group on 1 July 2013. He is also Chaswood Group's local partner for the operations in Indonesia given his food and beverage ("F&B") experience in the Southeast region particularly in Indonesia, Thailand and Singapore.

Mr Supandi is a successful businessman and entrepreneur with more than 10 years of experience in trading, transportation and business management operations in Indonesia and Singapore before venturing into F&B in 2006. His business interest in F&B includes being a F&B operator in Thailand and Indonesia which manages multiple brands such as Waraku Japanese Casual Dining, Mr Curry Japanese Curry Concept, Café De Waraku, Pasta De Waraku and Waku Grill Japanese Yakiniku. In 2011, he also invested in Bonchon Singapore Pte Ltd, the master franchise holder for Bonchon Chicken, a South Korean based fried chicken restaurant chain in Singapore. Given that he has no executive duties in these companies, there is no material conflict of interest and various clauses have been incorporated in his employment contract to prevent any conflict of interest.

Mr Supandi graduated with a Diploma from East Los Angeles College, California USA and went on to earn a Bachelor of Science in Business Administration (BSBA) from Oklahoma State University, USA.

KEY EXECUTIVES

MR NICOL ROACH REDDY

Acting Chief Operating Officer

Mr Nicol Roach Reddy is the Acting Chief Operating Officer of the Chaswood Group. He joined Bistroamericana (M) Sdn. Bhd. as a server in 1999 and has been part of the Chaswood Group since its establishment. He held various positions including bartender, cook, kitchen manager, general manager and regional manager in all the brands of the Chaswood Group before being promoted to his current position on 7 November 2014.

He oversees the overall operations of the Chaswood Group including all aspects of operations, sales, business development, procurement and cost controls. He is very hands on and with over 15 years in the business, he is currently leading the team to roll out operational improvement exercises involving cost saving measures, lower labour redundancy and margin improvement. Mr Nicol had also been the driving force for the creation and remodelling of some of the Group's brands such as Baci Café, Italiannies® and Teh Tarik Place (which has embarked into a franchising model).

Mr Nicol graduated from Taylor's College in Malaysia with a higher diploma in electrical and electronic engineering in 2001.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Executive
Mr Andrew Roach Reddy - Managing Director

Non-Independent Non-Executive
Mr Ng Teck Wah - Chairman
Datuk Jared Lim Chih Li

Independent Non-Executive
Mr Tee Guan Pian
Mr Christopher John McAuliffe

AUDIT COMMITTEE
Mr Tee Guan Pian - Chairman
Mr Christopher John McAuliffe
Mr Ng Teck Wah

NOMINATING COMMITTEE
Mr Christopher John McAuliffe - Chairman
Mr Ng Teck Wah
Mr Tee Guan Pian

REMUNERATION COMMITTEE
Mr Tee Guan Pian - Chairman
Mr Christopher John McAuliffe
Mr Ng Teck Wah

SECRETARY
Ms Low Siew Tian
Ms Loh Mei Ling

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Mr Lock Chee Wee
(appointed since financial year ended 31 December 2014)

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Singapore 068898

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Selangor Malaysia

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37th Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur Malaysia

Ambank (M) Berhad
Level 18 Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

CONTENTS

Report on Corporate Governance

The Board of Directors (the "**Board**") of Chaswood Resources Holdings Ltd. (the "**Company**") is committed to maintaining a high standard of corporate governance within and throughout the Company and its subsidiaries (collectively known as, the "**Group**") in complying with the principles and guidelines set out in the Code of Corporate Governance 2012 (the "**Code**") which forms part of the Continuing Obligations of the Singapore Exchange Securities Trading Limited ("**SGX-ST**")'s Catalist Rules. This report outlines the Company's corporate governance practices throughout the financial year with specific reference to the Code and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

The Board confirmed that for FY2014, the Company has adhered to the principles and guidelines of the Code and where applicable, has specified and explained the deviation from the Code and/or Guide in this Report. The Company will continually review its corporate governance processes to strive to fully comply with the Code and/or Guide.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

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

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

(a) approving corporate policies, strategic directions and financial objectives of the Group and monitor the achievement of these objectives;

(b) approving annual reports and periodic financial announcements;

(c) reviewing management performance to ensure management leadership of high quality, effectiveness and integrity;

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

(e) ensuring the adequacy and integrity of the Group's internal controls, risk management systems and periodic reviews of the Group's financial performance and compliance;

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

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

The Company recognises that stakeholders' perceptions may affect the Company's reputation and the Company may consider stakeholder planning exercise in the near future to address this issue.

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 in the execution of its responsibilities, the Board is supported by a number of committees which include the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"). These committees have written mandates and operating procedures, which are reviewed on a regular basis.

The Board and AC meet at least four times a year to oversee the business affairs of the Group to review, considered and approved financial, business strategies and objectives of the Group. Where necessary, additional Board meetings and committee meetings are held to deliberate on urgent substantive matters. The Company's Articles of Association allow 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 FY2014 is summarised in the table below:

	Board		Board Committees: Audit		Nominating		Remuneration	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Directors/ Board Members								
Andrew Roach Reddy *	6	6	4	2	2	2	2	2
Ng Teck Wah [(1)]	6	5	4	3	2	2	2	2
Datuk Jared Lim Chih Li *	6	6	4	4	2	2	2	2
Dato' Mohammed Azlan bin Hashim [(2)]	6	1	4	1	2	1	2	1
Ng Teck Sim Colin [(3)]	6	4	4	4	2	2	2	2
Christopher John McAuliffe	6	5	4	3	2	1	2	1

Notes:

* Both Mr Andrew Roach Reddy and Datuk Jared Lim Chih Li were present at the Board Committees' meetings by invitation.

(1) Ng Teck Wah, the Non-Independent Non-Executive Director was appointed as Chairman of the Board and member of the Audit, Nominating and Remuneration Committees on 25 July 2014.

(2) Dato' Mohammed Azlan bin Hashim retired as Non-Independent Non-Executive Chairman and member of the Audit, Nominating and Remuneration Committees on 28 April 2014.

(3) Ng Teck Sim Colin resigned as an Independent Non-Executive Director, Chairman of the Audit and Remuneration Committees and member of the Nominating Committee on 30 November 2014.

The Group has adopted internal guidelines governing matters that require the Board's approval. The Board Authority Matrix forms a guideline and provides clear directions on matters requiring Board's approval which include:

- issuance of shares
- investments
- material acquisitions and disposal of assets
- major corporate or financial restructurings
- major divestment or capital expenditure
- material legal suits and or claims
- announcement of the Group's half yearly and full year results and the release of the Annual Reports

The Board as a whole are 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, new releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") were circulated to the Board.

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 will, at its expense, provides on-going education on Board processes, corporate governance practices, updates on regulatory changes to the Catalist Rules of the SGX-ST, changes to the accounting standards and industry developments. Directors are encouraged to keep themselves abreast of the latest developments relevant to the business of the Group.

New Director will upon appointed be provided with a formal letter setting out their roles, duties, responsibilities as members of the Board. The Company, at its expense, will arrange for new Directors 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.

There was no new director appointed on Board during FY2014.

The Board has on 31 March 2015 appointed Mr Tee Guan Pian as a new Independent Non-Executive Director, Chairman of the AC and RC and, member of the NC in place of Mr Ng Teck Sim Colin, who had resigned as an Independent Non-Executive Director and board committees' Chairman and member on 30 November 2014. Detailed information of Mr Tee Guan Pian can be found under the section entitled "Board of Directors" of the Annual Report. The Company will institute an orientation programme to familiarise Mr Tee Guan Pian with the Group's core business and governance policies.

Principle 2: Board Composition and Guidance

The Board currently comprises 5 Directors of whom one is Executive, two are Non-Independent Non-Executive and two are Independent Non-Executive Directors, as at the date of this Report.

There were changes to the Board during FY2014 and on 31 March 2015 respectively. The Board composition during FY2014 was as follows:

Dato' Mohammed Azlan bin Hashim	Non-Independent Non-Executive Chairman
Mr Andrew Roach Reddy	Executive Director and Managing Director
Mr Ng Teck Wah	Non-Independent Non-Executive Director
Datuk Jared Lim Chih Li	Non-Independent Non-Executive Director
Mr Ng Teck Sim Colin	Independent Non-Executive Director
Mr Christopher John McAuliffe	Independent Non-Executive Director

The following directors had resigned/retired in FY2014:

Dato' Mohammed Azlan bin Hashim	(retired on 28 April 2014)
Mr Ng Teck Sim Colin	(resigned on 30 November 2014)

Mr Ng Teck Wah, the Non-Independent Non-Executive Director was appointed as Chairman of the Board and member of the Audit, Nominating and Remuneration Committees with effect from 25 July 2014.

Mr Tee Guan Pian was appointed as an Independent Non-Executive Director, Chairman of the Audit and Remuneration Committees and member of the Nominating Committee on 31 March 2015. The composition of the Board as at 31 March 2015 and as of the date of this Report are as follows:

Mr Ng Teck Wah	Non-Independent Non-Executive Chairman
Mr Andrew Roach Reddy	Executive Director and Managing Director
Datuk Jared Lim Chih Li	Non-Independent Non-Executive Director
Mr Christopher John McAuliffe	Independent Non-Executive Director
Mr Tee Guan Pian	Independent Non-Executive Director

The NC reviewed the independence of 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 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.

The Company has 2 Independent Directors who are non resident in Singapore. The Company noted Rule 720 of the Catalist Rules, read in conjunction with Rule 406(3) that a listed company should have at least one Independent Director who is resident in Singapore. The Company is looking into the matter and efforts are being made to identify and appoint a suitable resident Independent Director.

The Company has no independent director who has served on Board beyond nine years.

To date, none of the Independent Directors of the Company have been appointed as a director of the Company's principal subsidiaries. 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 Management will from time to time review the board structures of the principal subsidiaries and make an appropriate corporate decision of considering the appointment of an Independent Director into the principal subsidiaries.

The Board constantly examines its size with a view to determining the composition is appropriate for effective decision-making taking into account of 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 current size of the Board is not so large as to be unwieldy. With two out of five members of the Board being independent, the Company maintains a satisfactory independent element on the Board.

The Board also considers that its composition of Non-Executive and Independent Directors provide an effective Board with a combination of core competencies of knowledge, business contacts and extensive business and commercial experience necessary to meet the requirements of the Group which 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, 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 sufficiently strong independent element on the Board to enable independent exercise of objective judgment on corporate affairs of the Group by members of the Board, taking into account factors such as the number of Independent Directors 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 and assist in develop proposals on strategy, as well as review the performance of management in meeting identified goals and monitor the reporting of performance. All Directors take decisions objectively in the interests of the Company. No individual or group of individuals dominates the Board's decision-making.

Principle 3: Chairman and Chief Executive Officer

The Board subscribes to the principle set out in the Code on the separation of the roles of the Chairman and the Chief Executive Officer. 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's responsibilities include:

(a) scheduling meetings and leading the Board to ensure its effectiveness and approves 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 ensures that Board members are provided with accurate and timely information in order to make sound, informed Group decisions;

(c) encourages active and effective engagement, participation by and contribution from all Directors, and facilitates constructive relations among and the Directors and the Management on various matters including strategic issues and business planning processes;

(d) promoting effective communication with the Shareholders; and

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

The Company noted Guideline 2.2 of the Code with regard to the appointment of a Lead Independent Director, in view that the Executive Chairman of the Board is not an Independent Director. The Board is considering and will appoint a Lead Independent Director to preserve good corporate governance practice.

BOARD MEMBERSHIP

Principle 4: Nominating Committee ("NC")

The members of the NC as at the date of this Report comprise entirely of Non-Executive Directors, the majority of whom including the Chairman, is independent.

The members of the NC during FY2014 (prior to the changes of the Board composition as explained in section "Principle 2: Board Composition and Guidance" above) were as follow:

Mr Christopher John McAuliffe (Chairman)
Dato' Mohammed Azlan bin Hashim
Mr Ng Teck Sim Colin

The NC was reconstituted and its member as at 31 March 2015 and as of the date of this Report are:-

Mr Christopher John McAuliffe (Chairman)
Mr Ng Teck Wah
Mr Tee Guan Pian

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) identifying, reviewing and recommending candidates for appointment as Directors of the Company and appointment to the Board committees as well as to senior management positions in the Company;

(b) re-nomination, appointment and re-appointment of Directors having regard to the Director's contribution and performance;

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

(d) deciding 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) formulate succession plan for Directors, in particular, the Chairman and for the CEO;

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

(h) 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; and

(i) review training programs for the Board.

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 effective of the Board and to add value to the Group's business in line with its strategic objective.

REPORT ON CORPORATE GOVERNANCE

Pursuant to the provision of Article 89 of the Company's Articles of Association, at least one third of the Directors are required to retire by rotation from office and subject themselves to re-election by Shareholders at every annual general meeting. Every Director must retire from office at least once in every three years. A retiring Director is eligible for re-election. In addition, Article 88 of the Company's Article of Association 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 annual general meeting ("AGM"), the following Directors will be retiring and eligible for re-election:

(i) Mr Andrew Roach Reddy (retiring pursuant to Article 89 of the Company's Articles of Association)

(ii) Mr Christopher John McAuliffe (retiring pursuant to Article 89 of the Company's Articles of Association)

(iii) Mr Tee Guan Pian (retiring pursuant to Article 88 of the Company's Articles of Association)

The NC had recommended to the Board that Mr Andrew Roach Reddy and Mr Christopher John McAuliffe be nominated for re-election at the forthcoming AGM in accordance with Article 89 of the Company's Articles of Association. In making its recommendation, the NC evaluates such Directors' 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 also recommended to the Board the re-election and re-appointment of Mr Tee Guan Pian, the newly appointed Independent Director at the forthcoming AGM in accordance with Article 88 of the Company's Articles of Association.

The NC is also responsible for determining annually, and as and when circumstances required, the independence of directors, bearing in mind the salient factors set out in the Code as well as other relevant circumstances and facts. In its annual review, the NC, having considered the guidelines set out in the Code, has confirmed independence status of the Independent Directors, namely Mr Christopher John McAuliffe and Mr Tee Guan Pian.

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. The Board will review as and when required and if necessary determine the maximum number of listed company board representations and other principal commitments.

There is no alternate director on the Board.

The NC reviews and assesses candidates for directorship 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.

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

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

Director	Position	Date of Initial Appointment	Date of Last Re-Election	Membership of Board Committee	Directorship/ Chairmanship both present and those held over the preceding three years in other listed company
Ng Teck Wah	Non-Independent Non-Executive Chairman	1 March 2012	28 April 2014 (Art. 89)	Audit, Nominating and Remuneration Committees	Present – Past three years Asiasons Capital Limited ISR Capital Limited
Andrew Roach Reddy	Executive Director and Managing Director	1 March 2012	25 April 2013 (Art. 89)	–	–
Datuk Jared Lim Chih Li	Non-Independent Non-Executive Director	1 March 2012	28 April 2014 (Art. 89)	–	Present Asiasons Capital Limited Past three years ISR Capital Limited
Christopher John McAuliffe	Independent Non-Executive Director	30 April 2012	25 April 2013 (Art. 88)	Audit, Nominating (Chairman) and Remuneration Committees	Present Asian Bamboo AG Stanmore Coal Limited Xplorer PLC Past three years –
Tee Guan Pian	Independent Non-Executive Director	31 March 2015	–	Audit (Chairman), Nominating and Remuneration (Chairman) Committees	Present – Past three years Spring Gallery Berhad (formerly known as PFCE Berhad)

The NC held two (2) meetings during the year under review.

Principle 5: Board Performance

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 a 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 used in FY2014.

The performance criteria for the board evaluation are in respect of board processes, board independence, board information and accountability, board performance in relation to discharging its principal functions, and board committee performance in relation to discharging their responsibilities as set out in their respective terms of reference. 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 the view to determining its impact upon its effectiveness.

Individual Director Evaluation

The NC, in assessing the contribution of each director, had considered his attendance and participation at Board and Board Committee Meetings, his 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.

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.

Principle 6: Access to Information

In order to ensure that the Board is able to fulfill its responsibilities, 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 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 staff and whenever necessary, senior management staff will be invited to attend the Board meetings and Committee Meetings to answer additional queries from the Board Members and provide detailed insights into their areas of operations to the Board Members. Board paper and related materials specifying relevant information and rationale for each proposal for which Board 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 budget 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, advising the Board through the Chairman on all governance matters, as well as facilitating orientation and assisting with professional development as required. A Company Secretary attends Board meetings and Committee meetings. The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

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.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The members of the RC as at the date of this Report comprise entirely of Non-Independent Directors, the majority of whom including the Chairman, is independent.

The members of the RC during FY2014 (prior to the changes of the Board composition as explained in section "Principle 2: Board Composition and Guidance" above) were as follow:

Mr Ng Teck Sim Colin (Chairman)
Dato' Mohammed Azlan bin Hashim
Mr Christopher John McAuliffe

The RC was reconstituted on 31 March 2015. The RC comprises the following as of the date of this Report:-

Mr Tee Guan Pian (Chairman)
Mr Ng Teck Wah
Mr Christopher John McAuliffe

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.

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 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 top four Key Management Personnel of the Company, including those employees related to the Executive Directors and controlling Shareholders of the Company;

(b) review the service contract of each Director;

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

(d) 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 effort 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.

(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 access to expert professional advice on human resource matters whenever there is a need to consult externally. The Company did not engage a remuneration consultant in FY2014.

The RC held two (2) meetings during the year under review.

Principle 8: Level and Mix of Remuneration

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 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 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 committees. Directors' fees are subject to the approval of the shareholders at the forthcoming AGM and such payment to be paid quarterly in arrears.

Mr Andrew Roach Reddy, the Executive Director and Managing Director has 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 shall be renewable automatically on a yearly basis thereafter. Pursuant to the expiration of Mr Andrew Roach Reddy's service agreement, the RC, in consultation with the Board, recommended the renewal of Mr Andrew Roach Reddy's service for a further term of three years, in accordance with the terms and conditions of his past service agreement, having considered his contributions and commitment in performance of his duties in the Group.

The service agreement spells out the terms of employment such as salary and other benefits. Mr Andrew Roach Reddy's service contract 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.

The Non-Executive and Independent Directors do not have any service contracts with the Company and their terms are specified in the Articles of Association. There are no share-based compensation schemes in place for Independent Directors.

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.

Principle 9: Disclosure on Remuneration

The RC reviewed and deliberated the Director's fees and remuneration of top four Key Management Personnel. A breakdown, showing the level and mix of each Director's remuneration for FY2014 is as follows:

Name of Director	Salary	Director's fees[1]	Performance Based Bonuses	Other Benefits	Total Remuneration
	%	%	%	%	%
$250,000 to $500,000					
Executive Directors					
Andrew Roach Reddy	86	–	–	14[2]	100
$250,000 and below					
Non-Independent Non-Executive Directors					
Ng Teck Wah	–	100	–	–	100
Datuk Jared Lim Chih Li	–	100	–	–	100
Dato' Mohammed Azlan bin Hashim [3]	–	100	–	–	100
Independent Non-Executive Directors					
Ng Teck Sim Colin [4]	–	100	–	–	100
Christopher John McAuliffe	–	100	–	–	100

Note:

(1) The Director's fees for the FY2014 has been approved at the AGM held on 28 April 2014.

(2) The other benefits include provision for contractual bonus.

(3) Dato' Mohammed Azlan bin Hashim retired on 28 April 2014

(4) Ng Teck Wah Colin resigned on 30 November 2014

As at the date of this Report, the Company has four Key Management Personnel.

The remuneration of the top four Key Management Personnel of the Company for the FY2014 is shown in the following bands:

Name of Key Management Personnel	Title	Salary	Performance Based Bonuses	Other Benefits[3]	Total Remuneration
		%	%	%	%
$250,000 and below					
Kek Poh Hean	Group Chief Financial Officer	96	–	4	100
Lim Cheng Seong	Chief Financial Officer	89	–	11	100
Nicol Roach Reddy[1]	Acting Chief Operating Officer	89	–	11	100
Chandra Supandi[2]	Chief Operating Officer - Indonesia	95	–	5	100

Notes:

(1) Mr Nicol Roach Reddy was promoted from the position of Vice President of Business Development to Acting Chief Operating Officer with effect from 7 November 2014. He is the son of Mr Andrew Roach Reddy, the Executive Director and Managing Director.

(2) Mr Chandra Supandi was redesignated from the position of International Chief Operating Officer to Chief Operating Officer – Indonesia with effect from 7 November 2014.

(3) The other benefits comprises of employers contribution paid to defined contribution plan.

The aggregate amount of the remuneration paid to the abovementioned Key Management Personnel is S$588,928.

It's in the best interest of the Company for not disclosing the details remuneration of each Director and Key Management Personnel to maintain confidentiality of remunerations matters, given the competitive conditions in the industry. Instead, the Company is disclosing the remuneration of each Director and Key Management Personnel in bands of $250,000 up to $500,000.

The remuneration for Mr Nicol Roach Reddy, who is the son of Mr Andrew Roach Reddy, the Executive Director and Managing Director, whose annual remuneration exceeds S$50,000, has been disclosed in the remuneration band of S$250,000. As at the end of FY2014, there were four employees related to Mr. Andrew Roach Reddy, whose annual remuneration was below S$50,000.

The Executive Director and Key Management Personnel remuneration includes fixed salary, 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 except for post-employment benefit comprises of employers contribution paid to defined contribution plan for the Key Management Personnel is in the aggregate amount of approximately S$38,000. The Company does not have any share-based compensation scheme or any long-term scheme involving the offer of shares or options in place.

The RC conducted annual reviews of the remuneration to ensure that the remuneration of the Executive Directors 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 8: Level and Mix of Remuneration.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Group recognises the importance of providing the Board with a continual flow of relevant information on an accurate and timely basis in order 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 the review by the Board. The Company ensures compliance with legislative and regulatory requirements, including compliance with the Catalist Rules of the SGX-ST to released half-yearly and annual financial results to the Shareholders. The half-yearly 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 half yearly basis confirming that the Group financial reporting, processes, control and procedures are in place, highlighting material risks and impacts, and providing updates on status of significant financial issues of the Group. In accordance with Rule 705(5) of the Catalist Rules, the Management provides confirmation in its half-yearly financial results announcements 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 member of the Board with management accounts which present a balanced and understandable assessment of the company's performance, position and prospects on a quarterly basis and/or when requested. Such reports provides highlight of key business indicators and major issues relevant to the Group's performance, position and prospects.

Principle 11: Risk Management and Internal Controls

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 the internal audit plan taking into consideration the risks identified which is approved by the AC and the 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, work performed by the internal auditors and reviews performed by management, is not aware of any issues causing it believe that the system of internal controls as inadequate and the same was reported to the Board. The Board with the concurrence of the AC is of the opinion that currently there are adequate internal controls systems in the Company in addressing financial, operational compliance and information technology controls and risk management systems. The Board regularly reviews the effectiveness of all internal controls, including operational controls.

The Board has received assurance from the Managing Director and the Group Chief Financial Officer at the Board Meeting held on 26 February 2015 that the Group's risk management and internal control systems in place is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks and also that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's business operations and finances.

The internal auditors, Nexia TS Risk Advisory Pte Ltd ("**Nexia**") was engaged to conduct risk assessment review in accordance with the Group's business operation in identifying and manage operational, compliance and financial risks and assisted the Group in establishing a separate Risk Management Working Group to assist it in carrying out its responsibility of overseeing the Company's risk management framework and policies. The Risk Management Working Group would determine the Group's levels of risk tolerance and risk policies, and oversees the Management in the design, implementation and monitoring of the risk management and internal control systems. The Board would also monitors the Group's risks through the work performed by the AC, Risk Management Working Group, internal auditors and external auditors.

Principle 12: Audit Committee

The members of the AC as at the date of this Report comprise entirely of Non-Executive Directors, the majority of whom including the Chairman is independent.

The members of the AC during FY2014 (prior to the changes of the Board composition as explained in section "Principle 2: Board Composition and Guidance" above) were as follow:

Mr Ng Teck Sim Colin (Chairman)
Dato' Mohammed Azlan bin Hashim
Mr Christopher John McAuliffe

The AC was reconstituted on 31 March 2015. The AC comprises the following as of the date of this Report:-

Mr Tee Guan Pian (Chairman)
Mr Ng Teck Wah
Mr Christopher John McAuliffe

The Board is of the view that the members of the AC who possess the appropriate accounting experience 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 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 four times a year, whose principal functions include the following:

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

(b) review the half-yearly financial information and annual financial statements ensuring the integrity of the financial statements before submission to our Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, significant financial reporting issues and judgements, compliance with accounting standards and compliance with the Catalist Rules of the SGX-ST and any other relevant statutory or regulatory requirements;

(c) review the internal control procedures and ensure co-ordination between the external auditor and our management, and review the assistance given by our management to the auditor, and discuss problems and concerns, if any, arising from audits, and any matters which the auditor may wish to discuss (in the absence of the management, where necessary);

(d) discuss with the external auditor of any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our management's response;

(e) consider the appointment or re-appointment of the external auditor and matters relating to the resignation or dismissal of the auditor;

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

(g) review potential conflicts of interest, if any;

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

(i) generally 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 held four (4) meetings during the year under review.

The AC met with internal and external auditors, without the presence of the Company's management, at least once a year to review the overall scope of both internal and 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 announcement (on a half-yearly basis) before their submission to the Board for approval.

The AC is kept abreast by the Management of changes to accounting standards, the Catalist Rules of the SGX-ST 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 auditor and the independence and objectivity of the external auditor as well as the cost effectiveness. The AC also reviewed the audit and non-audit fees paid to the external auditor. The AC, having reviewed all non-audit services provided by the external auditor of the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The detailed information on the audit and non-audit fees paid/ payable to external auditor for FY2014 can be found on page 62 of this Annual Report.

The external auditor, RSM Chio Lim LLP has indicated to the AC and the Board of their intention not to seek re-appointment as auditor of the Company at the forthcoming AGM. Management has been tasked by the AC and the Board to obtain quotations from other audit firms and efforts are being made in identify the suitable audit firm as the new auditor of the Company. The Company will convene an Extraordinary General Meeting to appoint new auditor as soon as practicable.

The Group has appointed different auditors for certain overseas subsidiaries. The Board and the AC are satisfied that the appointment 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 715 of the Catalist Rules in relation to the appointment of auditors for the Group.

No former partner or director of the Company's existing auditing firm or audit corporation is a member of the AC.

The Company has put in place a whistle-blowing policy (the "**Policy**") to provide an avenue to all employees and outside 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.

During the financial year, there was no material whistle-blowing report received by the AC regarding the abovementioned concerns.

A dedicated and secured e-mail address is established to allow whistle-blowers to contact the AC members directly. All concerns or irregularities raised will be treated with 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.

Principle 13: Internal Audit

The AC is responsible in ensuring that internal control system has been appropriately implemented and monitored. The internal audit function is outsourced to Nexia TS Risk Advisory Pte Ltd ("**Nexia**"). The AC approves the hiring, removal, evaluation and compensation of the outsourced internal auditing firm. The Internal Auditor has 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 it reports directly to the AC on audit matters and to the Group Chief Financial Officer on administrative matters. The Internal Auditor assists the Board in monitoring and managing risks and internal controls of the Group.

The AC reviews and approves the internal auditor's plan, the findings and recommendations presented by the Internal Auditor. Management together with the Board will review all audit reports and findings from internal auditors and external auditors during the AC meetings.

During FY2014, internal auditors' report and risk assessment review report were presented by Nexia to the AC, focusing on findings of the existence and adequacy of the Group's material accounting and financial control, operational and compliance controls and recommendations were made by the auditors in this respect.

The AC had reviewed the adequacy of the internal audit function and is satisfied that the outsourced internal audit function is adequately resourced, effective and has the appropriate standing within the Group. The AC is also of the view that the outsourced internal audit function is staffed with persons with the relevant qualifications and experience. The internal audit work performed by Nexia is based on the Standards for the Professional Practices of Internal Auditing set by The Institute of Internal Auditors.

The Board recognizes 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 as inadequate and the same was reported to the Board. Based on the aforesaid, the AC and the Board are satisfied that currently there are adequate internal controls systems in the Company in addressing financial, operational and compliance and information technology risks. The Board regularly reviews the effectiveness of all internal controls, including operational controls. The AC oversees and monitors the implementation of any improvement thereto.

SHAREHOLDER RIGHT AND RESPONSIBILITIES

Principle 14: Shareholder Rights

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 half-yearly basis and other ad hoc announcements as required by the SGX-ST. The Company's Annual Report is sent to all shareholders and is available to other investors on request and accessible at 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 through notices published in the newspapers and 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 meeting. The Chairmen of the Audit, Remuneration and Nominating Committees are normally available at the meeting 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.

Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Articles of Association of the Company allow each shareholder to appoint up to two proxies to attend General Meetings.

Principle 15: Communication with Shareholders

With the Investor Relations ("**IR**") Policy to regularly convey pertinent information to shareholders, the Company is committed to disclose as much relevant information as is possible to shareholders in a timely basis through SGXNet and other information channels, including a well-maintained and update corporate website - http://www.chaswood.com.my in which contains 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.

When opportunities arise, the Managing Director will solicits and try to understand the views of the shareholders before and or after General Meetings of the Company.

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 the FY2014 as the Company has deemed it more appropriate to retain the cash in the Group for its future growth plans.

Principle 16: Conduct of shareholders' meetings

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 Articles of Association of the Company. Thus, the Company is not encouraged voting in absentia.

Resolutions at general meetings are on each substantially separate issue. All the resolutions at the general meetings are single item resolutions.

The Company's management, the Chairmen of the AC, RC and NC are in attendance at each Shareholder's meeting to respond to shareholders' queries. The Company's external auditor, RSM Chio Lim LLP, are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Company will prepare the detailed Shareholders' Meeting minutes, which include comments and the questions received from shareholders, if available. The Company will be pleased to make these minutes available to shareholders upon their request.

DEALINGS IN SECURITIES

The Company has adopted as its own internal compliance code, the best practices guide in Rule 1204 (19) of the Catalist Rules with regard to dealing in the Company's securities by the directors and its officers. The Directors, management and officers of the Group are prohibited from dealing in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year financial results. 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

Save as disclosed under Section Interested Person Transaction and in the financial statements, there were no material contracts of the Company and its subsidiaries involving the interests of the Chairman, any director or controlling shareholder have been entered into, since 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 Board and the AC has reviewed the IPTs entered during the FY2014 by the Group and the aggregate value of IPTs entered during the FY2014 is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	RM'000	**RM'000**
Asiasons Capital Limited[1] - Provision of branding and web communication services	562	Not applicable - the Company does not have a shareholders' mandate under Rule 920
TAP Venture Fund I Pte. Ltd. (formerly known as Asiasons Venture Fund Pte. Ltd.[2]		
- Fees on issuance of Exchangeable Bonds	147	
- Interest expenses on Exchangeable Bonds	263	
- Net proceeds from issuance of Exchangeable Bonds	3,971	

Notes:

(1) Provision of services by a company which Datuk Jared Lim Chih Li and Mr Ng Teck Wah has deemed interest.

(2) Fees and interest expenses paid to and subscription of Exchangeable Bonds by a company in which Datuk Jared Lim Chih Li and Mr Ng Teck Wah are deemed interested in the company by virtue that the company is a private equity investment company managed by TAP Private Equity Pte. Ltd. (formerly known as Asiasons Private Equity Pte. Ltd.) ("**TAPPE**") on a full discretionary basis and TAPPE is in turn wholly owned by Asiasons Capital Limited.

To avoid a potential conflict of interest arises, the directors do not participate in discussions and refrains from exercising any influence over other members of the Board.

During FY2014, the aggregate value of transactions less than S$100,000 entered by the Group with interested person is as follows:

(a) Provision of corporate services by Tricor CNP Corporate Services Pte. Ltd. which Mr. Ng Teck Sim Colin, a former director is deemed interested in the company by virtue that the company is a joint venture between Colin Ng & Partners LLP and Tricor Singapore Pte. Ltd.. Mr. Ng Teck Sim Colin is the founding partner of Colin Ng & Partners LLP; and

(b) Purchases of equipment from an entity owned by Mr. Nicol Roach Reddy, the Acting Chief Operating Officer, the son of Mr. Andrew Roach Reddy. The engagement with the entity was terminated during FY2014.

Apart from the above, there were no other IPTs during the financial year.

USE OF PROCEEDS FROM EXCHANGEABLE BONDS

The shareholders of the Company had at the Extraordinary General Meeting ("**EGM**") convened on 28 February 2014 approved the issuance of the Redeemable Exchangeable Bonds ("**Exchangeable Bonds**") by the Company's wholly-owned subsidiary Chaswood Capital Pte. Ltd. ("**Chaswood Capital**") to TAP Venture Fund I Pte. Ltd. (formerly known as Asiasons Venture Fund Pte. Ltd.)(the "**Investor**").

Chaswood Capital had on 25 April 2014, 5 December 2014 and 27 January 2015 issued a total of six Exchangeable Bonds at the issue price of S$500,000 for each Exchangeable Bonds for an aggregate principal amount of S$3,000,000 million (approximately RM7,500,000 million) and the Exchangeable Bonds were fully subscribed by the Investor on the respective issuance date.

As at the date of this Report, a total of RM3,726,000 had been utilised. The status on the use of proceeds is 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 restaurants expansion in China and/or Indonesia	7,075	3,330	3,745
Expenses relating to the Exchangeable Bonds	425	396	29
TOTAL	7,500	3,726	3,774

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

The use of the proceeds from the issuance of Exchangeable Bonds have been translated using the exchange rate of S$1 to RM2.50 as at 13 February 2014.

NON-SPONSOR FEES

No fees relating to non-sponsorship activities or services were paid to the Company's sponsor, CIMB Bank Berhad, Singapore Branch, during FY2014.

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2014.

1. Directors at date of report

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

Ng Teck Wah	-	Non-Independent Non-Executive Chairman
Andrew Roach Reddy	-	Executive Director and Managing Director
Datuk Jared Lim Chih Li	-	Non-Independent Non-Executive Director
Tee Guan Pian	-	Independent Non-Executive Director (appointed on 31 March 2015)
Christopher John McAuliffe	-	Independent Non-Executive Director

2. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year, did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and options of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

	Number of Ordinary Shares			
	Shareholdings registered in the name of director or nominee		Shareholdings in which a director is deemed to have an interest	
	As at 1.1.2014	As at 31.12.2014	As at 1.1.2014	As at 31.12.2014
The Company:				
Andrew Roach Reddy	52,054,455	52,054,455	–	–
Datuk Jared Lim Chih Li (1)	–	–	145,951,367	145,951,367
Ng Teck Wah (2)	–	–	145,951,367	145,951,367

(1) By virtue of Section 7 of the Act, Datuk Jared Lim Chih Li is deemed interested in all shares held by Posh Corridor Sdn. Bhd. in the Company, through his deemed interest of 44.01% (2013: 49.3%) in Asiasons Capital Limited, a company incorporated and domiciled in Singapore. Posh Corridor Sdn. Bhd. is a subsidiary of Asiasons Capital Limited.

(2) 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 44.01% (2013: 49.3%) in Asiasons Capital Limited, a company incorporated and domiciled in Singapore. Posh Corridor Sdn. Bhd. is a subsidiary of Asiasons Capital 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.

The directors' interests as at 21 January 2015 were the same as those as at 31 December 2014.

4. Contractual benefits of directors

Since the beginning of the financial year, no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

There were certain transactions (shown in the financial statements under related party transactions) with corporations in which certain directors have an interest.

5. Share options

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

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.

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

6. Audit committee

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

Tee Guan Pian	Chairman
Christopher John McAuliffe	Member
Ng Teck Wah	Member

The AC performs the functions specified by Section 201B (5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their report on the financial statements and the assistance given by the Company's officers to them;
- Reviewed with the internal auditor the scope and results of the internal audit procedures;
- Reviewed the financial statements of the Company and its subsidiaries prior to their submission to the directors of the Company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

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 provide non-audit services.

7. Independent auditor

RSM Chio Lim LLP has expressed that they will not be seeking re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting. Efforts are being made by the Company to appoint a new auditor as soon as practical.

8. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 1 March 2015, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report, except for an increase of RM1,532,000 to loss after tax and an increase of RM3,274,000 to other comprehensive loss for the year due primarily to audit adjustments made to certain subsidiaries' financial statements subsequent to the preliminary announcement.

On behalf of the directors

Ng Teck Wah
Director

Andrew Roach Reddy
Managing Director

9 April 2015

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results and cash flows of the Group and changes in equity of the Company and of the Group for the financial year then ended; 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 due.

The Board of Directors approved and authorised these financial statements for issue.

On behalf of the directors

Ng Teck Wah
Director

Andrew Roach Reddy
Managing Director

9 April 2015

INDEPENDENT AUDITOR'S REPORT

to the Members of CHASWOOD RESOURCES HOLDINGS LTD. (Registration No.: 200401894D)

Report on the financial statements

We have audited the accompanying financial statements of Chaswood Resources Holdings Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 41 to 92, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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 statements of profit or loss and other comprehensive income and statements of financial position and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

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 and by those subsidiaries incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

9 April 2015

Partner in charge of audit: Lock Chee Wee

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2014

	Notes	Group 2014 RM'000	Group 2013 RM'000
Revenue	5	154,659	160,215
Cost of sales		(48,305)	(48,920)
Gross profit		106,354	111,295
Other items of income			
Interest income		53	103
Other gains	6	744	–
Other items of expense			
Marketing and distribution costs		(7,017)	(7,526)
Administrative expenses	7	(88,832)	(92,413)
Finance costs	8	(2,134)	(1,510)
Other losses	6	(11,201)	(5,521)
Other expenses	9	(6,157)	(6,448)
Loss before tax		(8,190)	(2,020)
Income tax expense	10	(3,837)	(3,228)
Loss after tax		(12,027)	(5,248)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of net assets of foreign subsidiaries, net of tax		(507)	153
Total comprehensive loss		(12,534)	(5,095)
Loss attributable to owners of the company, net of tax		(11,810)	(4,946)
Loss attributable to non-controlling interests, net of tax		(217)	(302)
Loss after tax		(12,027)	(5,248)
Total comprehensive loss attributable to owners of the company, net of tax		(12,311)	(4,794)
Total comprehensive loss attributable to non-controlling interests, net of tax		(223)	(301)
Total comprehensive loss		(12,534)	(5,095)
Loss per share			
Loss per share currency unit			
Basic and diluted (in sen)	11	(5.2)	(2.2)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2014

		Group		Company	
	Notes	2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property and equipment	12	55,142	61,433	–	–
Intangible assets	13	9,238	10,588	–	855
Investments in subsidiaries	14	–	–	150,000	150,954
Other assets, non-current	15	6,621	4,428	–	–
Total non-current assets		71,001	76,449	150,000	151,809
Current assets					
Inventories	16	3,913	3,178	–	–
Trade and other receivables, current	17	5,662	3,710	355	4,017
Other assets, current	18	8,442	7,205	83	100
Cash and cash equivalents	19	8,089	13,272	–	–
Total current assets		26,106	27,365	438	4,117
Total assets		97,107	103,814	150,438	155,926
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	20	20,776	20,776	158,444	158,444
Retained earnings/(accumulated losses)		8,546	20,356	(9,041)	(3,667)
Other reserves	21	(108)	315	155	266
Equity, attributable to owners of the parent		29,214	41,447	149,558	155,043
Non-controlling interests		(152)	71	–	–
Total equity		29,062	41,518	149,558	155,043
Non-current liabilities					
Deferred tax liabilities	10	2,535	2,859	–	–
Other financial liabilities, non-current	22	14,469	15,822	–	–
Total non-current liabilities		17,004	18,681	–	–
Current liabilities					
Provision for taxation		2,810	1,529	–	–
Trade and other payables	23	28,495	29,792	880	883
Other financial liabilities, current	22	19,133	11,579	–	–
Other liabilities, current	24	603	715	–	–
Total current liabilities		51,041	43,615	880	883
Total liabilities		68,045	62,296	880	883
Total equity and liabilities		97,107	103,814	150,438	155,926

The accompanying notes form an integral part of these financial statements.

		Attributable to owners of the Company				Non-	
		Share capital	Other reserves	Retained earnings	Total	controlling interests	Total equity
Group:	Notes	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year:							
Balance as at 1 January 2014		20,776	315	20,356	41,447	71	41,518
Movements in equity:							
Issuance of exchangeable bonds	21B	–	78	–	78	–	78
Loss for the financial year		–	–	(11,810)	(11,810)	(217)	(12,027)
Effects of translation of net assets of foreign subsidiaries		–	(501)	–	(501)	(6)	(507)
Total comprehensive loss for the year		–	(501)	(11,810)	(12,311)	(223)	(12,534)
Balance as at 31 December 2014		20,776	(108)	8,546	29,214	(152)	29,062
Previous year:							
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
Movements in equity:							
Loss for the financial year		–	–	(4,946)	(4,946)	(302)	(5,248)
Effects of translation of net assets of foreign subsidiaries		–	152	–	152	1	153
Total comprehensive loss for the year		–	152	(4,946)	(4,794)	(301)	(5,095)
Balance as at 31 December 2013		20,776	315	20,356	41,447	71	41,518

	Share capital	Other reserves	Accumulated losses	Total equity
Company:	RM'000	RM'000	RM'000	RM'000
Current year:				
Opening balance as at 1 January 2014	158,444	266	(3,667)	155,043
Movements in equity:				
Loss for the year	–	–	(5,374)	(5,374)
Foreign currency translation	–	(111)	–	(111)
Total comprehensive loss for the year	–	(111)	(5,374)	(5,485)
Balance as at 31 December 2014	158,444	155	(9,041)	149,558
Previous year:				
Opening balance as at 1 January 2013	158,444	178	(2,458)	156,164
Movements in equity:				
Loss for the year	–	–	(1,209)	(1,209)
Foreign currency translation	–	88	–	88
Total comprehensive loss for the year	–	88	(1,209)	(1,121)
Balance as at 31 December 2013	158,444	266	(3,667)	155,043

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2014

	2014 RM'000	2013 RM'000
Cash flows from operating activities		
Loss before tax	(8,190)	(2,020)
Adjustments for:		
Amortisation of franchise agreement cost	490	479
Impairment allowance on franchise agreement cost	1,501	142
Depreciation of property and equipment	5,667	5,735
Property and equipment written-off	2,182	2,590
Gains on disposal of property and equipment	(543)	–
Impairment allowance on property and equipment	7,518	2,613
Interest income	(53)	(103)
Interest expense	2,134	1,510
Operating profit before working capital changes	10,706	10,946
Inventories	(735)	(292)
Trade and other receivables	(1,952)	(405)
Other assets, current	(1,237)	(2,153)
Trade and other payables	(1,508)	1,522
Net cash flows from operations	5,274	9,618
Tax paid	(2,880)	(3,371)
Net cash flows from operating activities	2,394	6,247
Cash flows from investing activities		
Purchases of property and equipment	(10,070)	(8,774)
Net proceeds from disposal of equipment	1,881	–
Franchise agreement cost paid	(528)	(218)
Other assets, non-current	(2,193)	1,108
Interest received	53	103
Net cash flows used in investing activities	(10,857)	(7,781)
Cash flows from financing activities		
Increase in bills payable	205	929
Drawdown of borrowings	8,565	8,228
Repayment of borrowings	(7,622)	(4,314)
Repayment of finance lease payables	(264)	(374)
Cash restricted in use	(689)	(599)
Proceeds from non-controlling interests	–	236
Net proceeds from issuance of exchangeable bonds	3,971	–
Interest paid	(2,027)	(1,510)
Net cash flows from financing activities	2,139	2,596
Net (decrease) increase in cash and cash equivalents	(6,324)	1,062
Foreign exchange differences	(865)	417
Cash and cash equivalents, statement of cash flows, beginning balance	7,429	5,950
Cash and cash equivalents, statement of cash flows, ending balance (Note 19A)	240	7,429

The accompanying notes form an integral part of these financial statements.

1. General

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Malaysian ringgit.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activities of the Company are that of investment holding. It is listed on Catalist which is a market of the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are described in Note 14 below.

The registered office is: 80 Robinson Road, #02-00, Singapore 068898. The Company is situated in Singapore.

During the financial year ended 31 December 2014, the Group's total current liabilities exceeded its total current assets by RM24,935,000. In the opinion of the directors, the Company and its subsidiaries are able to continue as a going concern as the directors are of the view that the Company and its subsidiaries will be profitable in the financial year 2015 and be able to generate net cash inflows from operating activities for period of 12 months from the date of these financial statements, to enable the Company and its subsidiaries to meet their financial obligations as and when they fall due. Accordingly, the directors of the Company and its subsidiaries are of the view that the use of going concern assumption is appropriate for the preparation of these financial statements.

2. Summary of significant accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where a FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

2. Summary of significant accounting policies (cont'd)

Basis of presentation (cont'd)

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the Company's separate statement of profit or loss and other comprehensive income is not presented.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimates, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the financial year arising from the course of the activities of the entity and it is shown net of any related sales taxes and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when the significant acts have been completed. Interest income is recognised using the effective interest method.

Fees charged for the use of continuing rights granted by the franchise and royalty agreement, or for other services provided during the period of the agreement, are recognised as revenue as the services are provided or the rights used.

Employee benefits

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.

2. Summary of significant accounting policies (cont'd)

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).

Customer loyalty programme

The Company operates a customer loyalty programme called "Pinch of Salt" in Malaysia that provides awards or points to programme members based on accumulated purchases. A portion of revenue attributable to the award of customer loyalty benefits, estimated based on expected utilisation of these benefits, is deferred until they are utilised. These are included under deferred revenue on the statement of financial position. Any remaining unutilised benefits are recognised as revenue upon expiry.

Foreign currency transactions

Most of the subsidiaries in the Group operate principally in Malaysia, and the functional currency of these entities is the Malaysian ringgit, as it reflects the primary economic environment in which these subsidiaries operate. The functional currency of the Company and the Singapore subsidiaries is the Singapore dollar.

Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the 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 statement is in Malaysian ringgit as the financial statements are meant primarily for users in Malaysia.

The translations of S$ amounts into RM amounts are included solely for the convenience of readers. The reporting year end rates used are S$1 to RM2.647 (2013: S$1 to RM2.595) which approximate the rate of exchange at the end of the reporting year. The average rates of exchange for the reporting year were S$1 to RM2.58 (2013: S$1 to RM2.517). Such translation should not be construed as a representation that the Singapore dollar amounts could be converted into RM at the above rate or other rate.

2. Summary of significant accounting policies (cont'd)

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.

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.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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 buildings	-	2%
Equipment	-	5% - 20%
Leasehold improvements	-	5% - 10%

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 derecognition 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.

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.

2. Summary of significant accounting policies (cont'd)

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases.

For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use.

The useful life for franchise agreement cost is between 10 to 15 years.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

2. Summary of significant accounting policies (cont'd)

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39.

As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. If the acquirer has made a gain from a bargain purchase that gain is recognised in profit or loss. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately 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.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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 the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Summary of significant accounting policies (cont'd)

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised.

Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with FRS 103 (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this FRS 103.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill (and also an intangible asset with an indefinite useful life or an intangible asset not yet available for use) is tested for impairment, at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Inventories

Inventories are measured at the lower of cost (first in first out method) 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.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset 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 asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2. Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the financial year date there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the financial year date there were no financial assets classified in this category.

4. Available for sale financial assets: As at end of the financial year date there were no financial assets classified in this category.

Cash and cash equivalents

Cash and cash equivalents include bank and cash 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 less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

Initial recognition, measurement and derecognition:

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.

2. Summary of significant accounting policies (cont'd)

Financial liabilities (cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Other financial liabilities: 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.

Classification of equity and liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

Exchangeable bonds

Exchangeable bonds are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the exchangeable bonds and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the entity, is included in capital reserves in equity. The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt of the instrument. The difference between this amount and the interest paid is the carrying value of the exchangeable bonds.

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.

2. Summary of significant accounting policies (cont'd)

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.

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.

Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies 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 financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessment of impairment of goodwill and franchise agreement cost

An assessment is made annually whether goodwill and franchise agreement cost have suffered any impairment losses. The assessment process is complex and highly judgemental and is based on assumptions that are affected by expected future market or economic conditions. Judgement is required in identifying the cash generating units ("CGU") and the use of estimates as disclosed in Notes 13A and 13B. Projections of future revenues were a critical estimate in determining fair value. Actual outcomes could vary from these estimates as disclosed in Notes 13A and 13B.

2. Summary of significant accounting policies (cont'd)

Critical judgements, assumptions and estimation uncertainties (cont'd)

Property and equipment

The Group has property and equipment stated at carrying value of RM55,142,000 (2013: RM61,433,000). An assessment is made at each end of the 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 is 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.

Useful lives of leasehold improvements and equipment

The estimates for the useful lives and related depreciation charges for property and equipment is based on commercial and other factors which could change significantly as a result of innovations and competitor actions in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. 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. The carrying amount of the specific asset (or class of assets) at the end of the financial year affected by the assumption is RM53,814,000 (2013: RM60,077,000).

Consolidation of Chaswood Resources (Thailand) Co., Ltd. ("Chaswood Thailand")

In 2012, the Company subscribed for 49% of the paid up capital of 100,000 shares in Chaswood Thailand for a cash consideration of Baht 4,410,000.

De-facto control exists when the size of an entity's own voting rights relative to the size and dispersions of other vote holders give the entity, the practical ability unilaterally to direct the relevant activities of the Company. The Group holds 49% of voting rights in Chaswood Thailand.

The Group has an agreement with the other shareholder which owns the remaining voting shares, where the other shareholder agreed to always vote in the same way as the Group and that the Group is entitled to 90% of the profits.

Accordingly, management considers Chaswood Thailand as a subsidiary of the Group and the Group has consolidated 90% of the results of Chaswood Thailand in the Group's financial statements.

Assessment of impairment of subsidiaries

Where an investee is in net equity deficit and has suffered losses, a test is made whether the investment in the investee has suffered any impairment. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. 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. The carrying amount of the specific asset (or class of assets) at the end of the financial year affected by the assumption is RM150,000,000 in Note 14.

2. Summary of significant accounting policies (cont'd)

Critical judgements, assumptions and estimation uncertainties (cont'd)

Income taxes

The Group is presently subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the Group-wide provision for income taxes. The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

Necessary public house licences / beer house licences ("Liquor Licences") have not been obtained for certain restaurants in Malaysia

The Group has yet to obtain the Liquor Licences for certain restaurants in Malaysia. The Group is therefore not in compliance with the relevant legislation in Malaysia regulating the business which involves providing intoxicating beverages (such as beer and liquor) to its patrons. Management has assumed that the Liquor License will be obtained in due course. In the event that the regulatory authority in Malaysia requires the strict compliance by the Group, the affected restaurants may have to cease providing such beverages, which may have an adverse effect on the Group's business and financial performance.

Customer loyalty programme

The Group operates a customer loyalty programme called "Pinch of Salt" in Malaysia that provides awards or points to programme members based on accumulated purchases. A portion of revenue attributable to the award of customer loyalty benefits is deferred until they are utilised. The deferment of the revenue is estimated based on historical trends of redemption, which is then used to project the expected utilisation of these benefits. Any remaining unutilised benefits are recognised as revenue upon expiry. This estimation requires significant judgement. The carrying amount of the Group's and the Company's deferred revenue at 31 December 2014 is RM603,000 (2013: RM715,000) in Note 24.

3. Related party relationships and transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the 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 the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (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. (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). (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.

3. Related party relationships and transactions (cont'd)

3A. 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. The ultimate controlling party is Dragonrider Opportunity Fund L.P..

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 below.

During the financial year ended 31 December 2014, Posh Corridor Sdn. Bhd. the immediate parent of the Company and Andrew Roach Reddy, a shareholder and Executive Director of the Company (collectively the "Shareholders") has provided a guarantee of RM1,400,000 to TAP Venture Fund I Pte. Ltd. (formerly known as Asiasons Venture Fund Pte. Ltd.) (the "Investor") for the Exchangeable Bonds in favour of Chaswood Capital Pte. Ltd. the issuer of the Exchangeable Bonds in the event Chaswood Capital Pte. Ltd. fails to meet its obligations to the Investor. The guarantee was provided by the Shareholders in their personal capacity at no cost to the Group. The guarantee was subsequently released.

Significant related party transactions:

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

		Group	
	Note	2014 RM'000	2013 RM'000
Salaries and other short-term employee benefits	(a)	499	341
Provision of branding and web communication services	(b)	562	578
Provision for entertainment and social media services	(c)	–	116
Provision of corporate services	(d)	106	63
Provision of design and fit-out services	(e)	–	56
Refundable deposit for the proposed issuance of exchangeable bonds	(f)	–	2,550
Fees on issuance of exchangeable bonds	(g)	147	–
Interest expenses on exchangeable bonds	(g)	263	–
Net proceeds from issuance of exchangeable bonds	(h)	3,971	–
Purchases of equipment	(i)	87	–

(a) Employees related to Mr Andrew Roach Reddy.

(b) Provision of services by a company owned by Datuk Jared Lim Chih Li's brother and a company in which Dato' Mohammed Azlan bin Hashim, a former director who has resigned during the financial year, Datuk Jared Lim Chih Li and Mr Ng Teck Wah are the controlling shareholders.

(c) Provision of services by an entity owned by Mr Andrew Roach Reddy's daughter.

(d) Provision of services by an entity in which Mr Ng Teck Sim Colin, a director during the year but resigned before 31 December 2014, has deemed interest.

3. Related party relationships and transactions (cont'd)

3A. Related companies and related parties: (cont'd)

(e) Provision of services by Mr. Andrew Roach Reddy's daughter.

(f) Refundable deposit provided by an entity in which Dato' Mohammed Azlan bin Hashim, a former director who has resigned during the financial year, Datuk Jared Lim Chih Li and Mr Ng Teck Wah have deemed interests.

(g) Fees and interest expenses in relation to the issuance of exchangeable bonds paid to an entity in which Datuk Jared Lim Chih Li and Mr Ng Teck Wah have deemed interests.

(h) Subscription of exchangeable bonds by an entity in which Datuk Jared Lim Chih Li and Mr Ng Teck Wah have deemed interests.

(i) Purchases of equipment from an entity owned by Mr. Andrew Roach Reddy's son.

The above named directors have significant influence over the Company.

3B. Key management compensation:

	Group	
	2014 RM'000	**2013 RM'000**
Salaries and other short-term employee benefits	3,185	2,893

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2014 RM'000	**2013 RM'000**
Remuneration of directors of the Company	1,240	1,246
Fees to directors of the Company	423	480

Further information about the remuneration of individual directors is provided in the report of corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The above amounts for key management compensation are for all the directors and key department heads.

4. Financial information by operating segments

4A. 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 FRS 108 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. Others

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.

4. Financial information by operating segments (cont'd)

4B. Profit or loss from continuing operations and reconciliations

	Malaysia RM'000	Singapore RM'000	Thailand RM'000	Indonesia RM'000	Others RM'000	Total RM'000
Year ended 31 December 2014						
Revenues from external customers	134,265	7,335	3,102	9,957	–	154,659
Recurring earnings/(loss) before interest, taxes, depreciation and amortisation ("EBITDA")	17,512	(4,365)	(452)	(786)	(607)	11,302
Finance costs	(1,871)	(263)	–	–	–	(2,134)
Depreciation	(4,823)	(91)	(378)	(375)	–	(5,667)
Amortisation	(376)	(98)	–	(16)	–	(490)
Operating revenue before tax	10,442	(4,817)	(830)	(1,177)	(607)	3,011
Property and equipment written-off	(2,182)	–	–	–	–	(2,182)
Impairment allowance on property and equipment	(5,440)	–	(2,078)	–	–	(7,518)
Impairment allowance on franchise agreement cost	(748)	(753)	–	–	–	(1,501)
Loss before tax	2,072	(5,570)	(2,908)	(1,177)	(607)	(8,190)
Income tax expense	(3,739)	(98)	–	–	–	(3,837)
Loss after tax	(1,667)	(5,668)	(2,908)	(1,177)	(607)	(12,027)
Assets and Liabilities						
Segment assets						
Cash and cash equivalents	6,185	389	30	789	696	8,089
Trade and other receivables	4,366	191	721	252	132	5,662
Inventories	3,540	88	25	260	–	3,913
Other assets	11,450	934	159	2,391	129	15,063
Intangible assets	7,742	197	–	461	838	9,238
Property and equipment	45,567	621	738	7,069	1,147	55,142
Total assets	78,850	2,420	1,673	11,222	2,942	97,107
Segment liabilities						
Deferred and current tax liabilities	5,264	81	–	–	–	5,345
Exchangeable bonds	–	4,000	–	–	–	4,000
Borrowings	29,602	–	–	–	–	29,602
Trade and other payables	21,857	2,278	926	3,357	77	28,495
Other liabilities	603	–	–	–	–	603
Total liabilities	57,326	6,359	926	3,357	77	68,045
Other segment information						
Expenditure for non-current assets:						
Property and equipment	6,260	–	–	2,760	1,149	10,169
Intangible assets	–	193	–	107	228	528
	6,260	193	–	2,867	1,377	10,697
Other non-cash expenses other than depreciation/amortisation						
- Property and equipment written-off	2,182	–	–	–	–	2,182
- Impairment allowance on property and equipment	5,440	–	2,078	–	–	7,518
- Impairment allowance on franchise agreement cost	748	753	–	–	–	1,501
	8,370	753	2,078	–	–	11,201

4. Financial information by operating segments (cont'd)

4B. Profit or loss from continuing operations and reconciliations (cont'd)

	Malaysia RM'000	Singapore RM'000	Thailand RM'000	Indonesia RM'000	Others RM'000	Total RM'000
Year ended 31 December 2013						
Revenues from external customers	137,498	9,694	4,020	9,003	–	160,215
Recurring earnings/(loss) before interest, taxes, depreciation and amortisation ("EBITDA")	16,953	(4,053)	(1,076)	(775)	–	11,049
Finance costs	(1,510)	–	–	–	–	(1,510)
Depreciation	(4,990)	(247)	(340)	(158)	–	(5,735)
Amortisation	(272)	(159)	–	(48)	–	(479)
Operating revenue before tax	10,181	(4,459)	(1,416)	(981)	–	3,325
Property and equipment written-off	(2,590)	–	–	–	–	(2,590)
Impairment allowance on equipment	–	(2,613)	–	–	–	(2,613)
Impairment allowance on franchise agreement cost	–	(142)	–	–	–	(142)
Loss before tax	7,591	(7,214)	(1,416)	(981)	–	(2,020)
Income tax expense	(3,228)	–	–	–	–	(3,228)
Loss after tax	4,363	(7,214)	(1,416)	(981)	–	(5,248)
Assets and Liabilities						
Segment assets						
Cash and cash equivalents	10,715	1,148	56	1,353	–	13,272
Trade and other receivables	1,299	94	885	1,432	–	3,710
Inventories	2,889	81	54	154	–	3,178
Other assets	9,895	1,448	138	152	–	11,633
Intangible assets	8,853	810	–	200	725	10,588
Property and equipment	53,090	700	3,043	4,600	–	61,433
Total assets	86,741	4,281	4,176	7,891	725	103,814
Segment liabilities						
Deferred and current tax liabilities	4,388	–	–	–	–	4,388
Borrowings	27,401	–	–	–	–	27,401
Trade and other payables	24,526	716	1,170	3,380	–	29,792
Other liabilities	715	–	–	–	–	715
Total liabilities	57,030	716	1,170	3,380	–	62,296
Assets and Liabilities						
Expenditure for non-current assets:						
Property and equipment	4,861	–	693	3,220	–	8,774
Intangible assets	–	–	–	–	218	218
	4,861	–	693	3,220	218	8,992
Other non-cash expenses other than depreciation/amortisation						
- Property and equipment written-off	2,590	–	–	–	–	2,590
- Impairment allowance on equipment	–	2,613	–	–	–	2,613
- Impairment allowance on franchise agreement cost	–	142	–	–	–	142
	2,590	2,755	–	–	–	5,345

5. Revenue

	Group 2014 RM'000	Group 2013 RM'000
Sale of food and beverages	139,416	147,323
Service charges	12,789	12,892
Franchise fee income	2,454	–
	154,659	160,215

6. Other gains and (other losses)

	Group 2014 RM'000	Group 2013 RM'000
Foreign exchange translation gains/(losses)	15	(176)
Property and equipment written-off	(2,182)	(2,590)
Impairment allowance on property and equipment	(7,518)	(2,613)
Impairment allowance on franchise agreement cost	(1,501)	(142)
Gains on disposal of property and equipment	543	–
Others	186	–
	(10,457)	(5,521)
Presented in the profit or loss as:		
Other gains	744	–
Other losses	(11,201)	(5,521)
	(10,457)	(5,521)

7. Administrative expenses

The major components include the following:

	Group 2014 RM'000	Group 2013 RM'000
Audit fees to the independent auditors of the Company	298	275
Audit fees to the independent auditors of the subsidiaries	393	369
Non-audit fees to the independent auditors of the Company	41	35
Non-audit fees to the independent auditors of the subsidiaries	38	9
Employee benefits expenses	39,807	41,091
Operating supplies	2,685	2,862
Rental of apartments	1,384	427
Rental of restaurant premises	25,309	24,413
Repairs and maintenance	2,725	2,407
Utilities	7,618	8,166

7. Administrative expenses (cont'd)

7A. Employee benefits expenses

	Group 2014 RM'000	Group 2013 RM'000
Salaries and other short-term employee benefits including the directors	37,132	38,827
Contribution to defined contribution plans	2,675	2,264
Total employee benefits expenses	39,807	41,091

8. Finance costs

	Group 2014 RM'000	Group 2013 RM'000
Interest on exchangeable bonds	263	–
Interest on bank borrowings	1,816	1,446
Interest on finance lease payables	55	64
	2,134	1,510

9. Other expenses

The major components include the following:

	Group 2014 RM'000	Group 2013 RM'000
Amortisation of franchise agreement cost	490	479
Depreciation of property and equipment	5,667	5,735

10. Income tax expense

10A. Components of tax expense recognised in profit or loss include:

	Group 2014 RM'000	Group 2013 RM'000
Current tax expense:		
Current tax expense	4,342	3,467
Overprovision in the previous financial year	(181)	(178)
	4,161	3,289
Deferred tax (income) expense:		
Deferred tax (income) expense	(330)	58
Under/(over) provision in the previous financial year	6	(119)
	(324)	(61)
Total income tax expense	3,837	3,228

10. Income tax expense (cont'd)

10A. Components of tax expense recognised in profit or loss include: (cont'd)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2013: 17%) to loss before income tax as a result of the following differences:

	Group	
	2014 RM'000	2013 RM'000
Loss before tax	(8,190)	(2,020)
Income tax benefit at the above rate	(1,392)	(343)
Tax effects of:		
Non-deductible expenses	3,654	2,390
Non-taxable gain	(22)	–
Effect of different tax rates in different countries	(57)	(88)
Utilisation of previously unrecognised deferred tax assets	(26)	(46)
Deferred tax assets not recognised during the financial year	1,857	1,602
Overprovision in the previous financial year	(177)	(287)
Total income tax expense	3,837	3,228

10B. Deferred tax expense recognised in profit or loss include:

	Group	
	2014 RM'000	2013 RM'000
Deferred tax liabilities:		
Excess of net book value of equipment over tax values	(231)	(241)
Deferred tax assets:		
Unutilised tax losses	(135)	9
Unabsorbed capital allowances	42	171
Total deferred income tax expense recognised in profit or loss	(324)	(61)

10. Income tax expense (cont'd)

10C. Deferred tax balance in the statement of financial position:

The deferred tax amounts during the year are as follows:

	Group	
	2014 **RM'000**	**2013** **RM'000**
Deferred tax liabilities:		
Excess of net book value of equipment over tax values	2,976	3,207
Deferred tax assets:		
Unutilised tax losses	(160)	(25)
Unabsorbed capital allowances	(281)	(323)
Net balance	2,535	2,859
Unrecognised deferred tax assets:		
Unutilised tax losses available	3,035	1,817
Unabsorbed capital allowances	1,230	925
Deferred tax assets recognised	–	(348)
Unrecognised deferred tax assets	4,265	2,394

The realisation of the future income tax benefits from tax loss carryforwards 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 per share

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

Loss per share is calculated by dividing the Group's results (net loss attributable to equity holders of the Company) for the financial year by the weighted average number of ordinary shares outstanding during the financial year as follows:

	Group	
	2014 **RM'000**	**2013** **RM'000**
Net loss attributable to equity holders	(11,810)	(4,946)
Interest on exchangeable bonds	263	–
Diluted earnings	(11,547)	(4,946)
Weighted average number of equity shares	**No:'000**	**No:'000**
Basic	226,818	226,818
Dilutive exchangeable bonds effect	5,000	–
Diluted	231,818	226,818

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

11. Loss per share (cont'd)

There is no dilutive effect from the exchangeable bonds as they are anti-dilutive because their conversion to ordinary shares would decrease loss per share.

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. The average number of ordinary shares assumed to be outstanding during the reporting year as if the exchangeable bonds had been converted into ordinary shares and the profit or loss is after giving effect to the elimination of interest expense, net of tax benefit applicable to the exchangeable bonds.

The Group issued redeemable exchangeable bonds ("Exchangeable Bonds") on 25 April 2014 and 5 December 2014 for an aggregate subscription price of SGD1,500,000 (approximately RM3,900,000). The Exchangeable Bonds will result in the issuance of 5,000,000 ordinary shares in the event they are converted based on a conversion price of SGD0.30 per ordinary share.

12. Property and equipment

Group:	Leasehold Buildings RM'000	Leasehold Improvements RM'000	Equipment RM'000	Total RM'000
Cost:				
Balance as at 1 January 2013	1,569	34,354	45,136	81,059
Additions	–	4,977	3,797	8,774
Write-off	–	(1,167)	(2,580)	(3,747)
Foreign exchange adjustments	–	148	(233)	(85)
At 31 December 2013	1,569	38,312	46,120	86,001
Additions	–	5,183	4,986	10,169
Write off	–	(1,976)	(2,163)	(4,139)
Disposal	–	(828)	(786)	(1,614)
Reclassification	–	(2,019)	2,019	–
Foreign exchange adjustments	–	60	77	137
At 31 December 2014	1,569	38,732	50,253	90,554
Accumulated depreciation and impairment losses:				
Balance as at 1 January 2013	181	4,685	12,394	17,260
Depreciation for the year	32	1,874	3,829	5,735
Impairment loss	–	1,988	625	2,613
Write-off	–	(334)	(823)	(1,157)
Foreign exchange adjustments	–	84	33	117
At 31 December 2013	213	8,297	16,058	24,568
Depreciation for the year	28	1,746	3,893	5,667
Impairment loss	–	6,879	639	7,518
Write-off	–	(640)	(1,317)	(1,957)
Disposal	–	(90)	(186)	(276)
Foreign exchange adjustments	–	(45)	(63)	(108)
At 31 December 2014	241	16,147	19,024	35,412
At 1 January 2013	1,388	29,669	32,742	63,799
At 31 December 2013	1,356	30,015	30,062	61,433
At 31 December 2014	1,328	22,585	31,229	55,142

12. Property and equipment (cont'd)

The depreciation expense is charged to other expenses.

Certain items are under finance lease agreements (see Note 22B).

During the reporting year leasehold improvements and equipment with carrying amount of RM7,518,000 was fully impaired due to weaker performance of certain subsidiaries. This arose from the management regular review of the recoverable amount of properly and equipment. Management estimated the recoverable amount of the asset on the basis of its value-in-use. The discount rate used in measuring value-in-use was 15.3% (2013: 7.4%).

Leasehold building with net book value amounting to RM88,000 (2013: RM851,000) is pledged as security for a banking facility (Note 22).

13. Intangible assets

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Goodwill (Note 13A)	6,953	6,953	–	–
Franchise agreement cost (Note 13B)	2,285	3,635	–	855
Total	9,238	10,588	–	855

13A. Goodwill

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cost:				
Balance at beginning and end of the year	6,953	6,953	–	–

The goodwill mainly relates to the initial acquisition of TGI Fridays business in 2002.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment by each primary reporting segment as follows:

Group	2014 Malaysia RM'000
Assets allocations:	
Goodwill	6,953
Total assets allocated	6,953

	2013 Malaysia RM'000
Assets allocations:	
Goodwill	6,953
Total assets allocated	6,953

13. Intangible assets (cont'd)

13A. Goodwill (cont'd)

During the financial year, the Group assessed the recoverable amount of the goodwill, and determined that the goodwill on consolidation is not impaired.

The basis of the determination of the recoverable amount is set out below.

The recoverable amount of a cash-generating unit is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from this segment computed based on the projections of financial budgets approved by management covering a period of five years. The key assumptions used in the determination of the recoverable amount are as follows:

	Gross margin		Growth rate of revenue		Discount rate	
	2014	2013	2014	2013	2014	2013
Operating restaurants	66%	68%	0%	5%	15.3%	7.4%

(a) Budgeted gross margin — The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements and cost saving measures, if any.

(b) Growth rate — Pre-tax cash flow projections based on the most recent financial budgets approved by the management covering a five year period based on the above stipulated growth rate.

(c) Discount rate — The discount rate used is based on the weighted average cost of capital.

Actual outcomes could vary from these estimates. If the revised growth rate of revenue had been 5% less favourable than management's estimates at the end of the reporting year, there would not be a need to reduce the carrying value of goodwill. If the revised discount rate applied to the discounted cashflows had been 1% less favourable than management's estimates these would not be a need to reduce the carrying values of goodwill.

13B. Franchise agreement cost

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cost:				
At beginning of year	5,191	5,035	983	952
Additions	528	218	–	–
Foreign exchange adjustments	113	(62)	(4)	31
At end of year	5,832	5,191	979	983
Accumulated amortisation and impairment:				
At beginning of year	1,556	935	128	32
Amortisation for the year	490	479	98	96
Impairment loss	1,501	142	753	–
At end of year	3,547	1,556	979	128
Carrying value at end of year	2,285	3,635	–	855

13. Intangible assets (cont'd)

13B. Franchise agreement cost (cont'd)

The franchise agreement cost, which relate to the licence agreements entered with four franchisors for the operation of four restaurant concepts, namely TGI Fridays, Bulgogi Brothers, Watami and Paradise Dynasty, were tested for impairment at the end of the financial year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs to sell or its value in use. The recoverable amounts of cash-generating units have been determined based on its value in use method. The value is regarded as the lowest level for fair value measurement as the valuation includes inputs for the asset that are not based on observable market data (unobservable inputs).

During the financial year, an impairment loss was recognised to write down the carrying amount of franchise agreement cost for Bulgogi Brothers Malaysia, Watami and Paradise Dynasty. The impairment loss of RM1,501,000 (2013: RM: 142,000) has been recognised in profit or loss under the line item "other losses" as disclosed in Note 6. The impairment loss was as a result of deteriorating financial performance of the above restaurant concepts.

The franchise fees which related to the license agreement entered with the franchisor for the operation of Bulgogi Brothers restaurant concept in certain provinces of China, amounting to RM1,035,000 (2013: RM725,000) were not amortised or tested for impairment as the restaurant started its operations on 29 December 2014.

The basis of the determination of the recoverable amount is set out below.

The recoverable amount of a cash-generating unit is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the franchises computed based on the projections of financial budgets approved by management covering a period of five years. The key assumptions used in the determination of the recoverable amount are as follows:

	Gross Margin		Growth Rate of Revenue		Discount Rate	
	2014	2013	2014	2013	2014	2013
Operating restaurants	65 – 71%	65 – 76%	0-5%	5-17%	15.3%	16.3 – 17.73%

(a)	Budgeted gross margin	The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements and cost savings measures, if any.
(b)	Growth rate	Pre-tax cash flow projections based on the most recent financial budgets approved by the management covering a five year period based on the above stipulated growth rate.
(c)	Discount rate	The discount rate used is based on the weighted average cost of capital

Management believes that any reasonably possible change in the key assumptions on which the franchise agreement cost recoverable amount is based on would not cause the carrying amount to exceed its recoverable amount.

The value is use as a recurring fair value measurement (Level 3). The quantitative information about the value-in-use measured using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last perform.

Actual outcomes could very from these estimates.

If the revised growth rate of TGI Fridays revenue had been 5% less favourable than management's estimates at the end of the reporting year, there would not be a need to reduce the carrying value of franchise agreement cost. If the revised discount rate applied to TGI Fridays discounted cash flows had been 1% less favourable then management estimates, these would also not be a need to reduce the carrying value of franchise agreement cost.

14. Investments in subsidiaries

	Company 2014 RM'000	Company 2013 RM'000
At cost:		
Movements during the year:		
Balance at beginning of the year	150,954	150,954
Allowance for impairment	(954)	–
Cost at the end of the year	150,000	150,954
Movements in allowance for impairment:		
Balance at beginning of the year	–	–
Impairment loss charge to profit or loss	(984)	–
Exchange translation difference	30	–
	(954)	–
Total cost comprising:		
Unquoted equity shares at cost	150,000	150,954

The subsidiaries held are listed below:

Name of subsidiaries, countries of incorporation, place of operations and principal activities	Cost in books of Company 2014 RM'000	Cost in books of Company 2013 RM'000	Effective percentage of equity interest 2014 %	Effective percentage of equity interest 2013 %
Held by the company				
Chaswood Resources Sdn. Bhd. [1] Malaysia Investment holding and restaurant operator	150,000	150,000	100	100
Chaswood Resources (Thailand) Co. Ltd. [2] Thailand Restaurant operator	–	954	90	90
Chaswood Global Pte. Ltd. [4] Singapore Investment holding	(*)	(*)	100	100
Chaswood Sino Pte. Ltd. [4] [6] Singapore Investment holding	(*)	(*)	100	100
	150,000	150,954		

14. Investments in subsidiaries (cont'd)

Name of subsidiaries, countries of incorporation, place of operations and principal activities	Effective percentage of equity interest	
	2014 %	2013 %
Held by subsidiaries		
Chaswood Resources Sdn. Bhd.:		
Bistroamericana (P.J.) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (M) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (S.J.) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (J.B.) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (T.C.) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistro Italiana (SJ) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (B.U.) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Trinity Square Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistro Italiana (JB) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistro Italiana (TC) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistro Italiana (TG) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100

14. Investments in subsidiaries (cont'd)

Name of subsidiaries, countries of incorporation, place of operations and principal activities	Effective percentage of equity interest	
	2014 %	2013 %
Held by subsidiaries		
Chaswood Resources Sdn. Bhd.:		
Teh Tarik Place Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (Q.B.) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (BB) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (SP) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
The Apartment Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Teh Tarik Place Holdings Sdn. Bhd. (1) Malaysia Dormant	100	100
Curry Leaf's Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistromalones (S) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Teh Tarik Place (SA) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (IOI) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (Hartamas) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100

14. Investments in subsidiaries (cont'd)

Name of subsidiaries, countries of incorporation, place of operations and principal activities	Effective percentage of equity interest 2014 %	2013 %
Held by subsidiaries		
Chaswood Resources Sdn. Bhd.:		
Bistroamericana (TG) Sdn. Bhd. [(1)] Malaysia Restaurant operator	100	100
Bistroamericana (WW) Sdn. Bhd. [(1)] Malaysia Restaurant operator	100	100
Bistromalones (BB) Sdn. Bhd. [(1)] Malaysia Restaurant operator	100	100
The Apartment (BB) Sdn. Bhd. [(1)] Malaysia Restaurant operator	100	100
Bistroamericana (A) Sdn. Bhd. [(1)] Malaysia Restaurant operator	100	100
Bistrojapan (BB) Sdn. Bhd. [(1)] Malaysia Restaurant operator	100	100
Bistrojapan (BU) Sdn. Bhd. [(1)] Malaysia Restaurant operator	100	100
Chaswood Communications Sdn. Bhd. [(1)] Malaysia Dormant	100	100
Cafe Baci Sdn. Bhd. [(1)] Malaysia Restaurant operator	100	100
Bistroamericana (PM) Sdn. Bhd. [(1)] Malaysia Restaurant operator	100	100
Bistrojapan (PM) Sdn. Bhd. [(1)] Malaysia Restaurant operator	100	100

14. Investments in subsidiaries (cont'd)

Name of subsidiaries, countries of incorporation, place of operations and principal activities	Effective percentage of equity interest 2014 %	2013 %
Held by subsidiaries		
Chaswood Resources Sdn. Bhd.:		
Bistro Italiana (PM) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bistroamericana (SA) Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Bulgogi Brothers Restaurants Sdn. Bhd. (1) Malaysia Restaurant operator	100	100
Chaswood Resources Pte. Ltd. (4) Singapore Investment holding	100	100
PT Chaswood Resources (3) Indonesia Investment holding	99	99
Held by subsidiaries		
Chaswood Resources Pte. Ltd.:		
Chaswood Resources (OR) Pte. Ltd. (4) Singapore Restaurant operator	100	100
Bistroamericana (KM) Pte. Ltd. (4) Singapore Restaurant operator	100	100
Bistromalones (313) Pte. Ltd. (4) Singapore Restaurant operator	100	100
Chaswood Capital Pte. Ltd. (4) Singapore Investment holding	100	100
PT Chaswood Resources:		
PT Chaswood Resources Jakarta (3) Indonesia Restaurant operator	75	75

14. Investments in subsidiaries (cont'd)

Name of subsidiaries, countries of incorporation, place of operations and principal activities	**Effective percentage of equity interest**	
	2014	**2013**
	%	**%**
Held by subsidiaries		
PT Chaswood Resources: (cont'd)		
PT Chaswood Resources BB (3) Indonesia Restaurant operator	75	75
Chaswood Global Pte. Ltd.:		
Chaswood Resources (HK) Private Limited (5) Hong Kong Dormant	100	100
Chaswood Sino Pte. Ltd.:		
Chaswood Restaurant Management Shanghai Co. Ltd. (7) People's Republic of China Restaurant operator	94	–

(*) Cost of investment is less than RM1,000.

(1) Audited by Crowe Horwath, Malaysia, a firm of independent auditors other than a member firm of RSM International of which RSM Chio Lim LLP, Singapore is a member.

(2) Audited by RSM Audit Services (Thailand) Limited, a member firm of RSM International of which RSM Chio Lim LLP, Singapore is a member.

(3) Audited by RSM AAJ Associates, Indonesia, a member firm of RSM International of which RSM Chio Lim LLP, Singapore is a member.

(4) Audited by RSM Chio Lim LLP, Singapore.

(5) Not audited as immaterial.

(6) On 16 June 2014, Chaswood Sino Pte. Ltd. ("Chaswood Sino"), incorporated a subsidiary, Chaswood Restaurant Management Shanghai Co., Ltd in the People's Republic of China with a registered capital of RMB4,000,000 of which Chaswood Sino controls 94% of the equity interest. Chaswood Sino has subscribed for the 94% of the equity interest for a cash consideration of RMB3,760,000.

(7) Not audited as newly incorporated during the year.

As required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

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

15. Other assets, non-current

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits to secure services	6,621	4,428	–	–

16. Inventories

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Food and beverage	3,913	3,178	–	–
The amount of inventories included in cost of sales	(48,305)	(48,920)	–	–

There are no inventories pledged as security for liabilities.

17. Trade and other receivables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables:				
Outside parties	3,260	1,656	–	–
Subtotal	3,260	1,656	–	–
Other receivables:				
Outside parties	2,402	2,054	–	–
Subsidiaries (Note 3)	–	–	355	4,017
Subtotal	2,402	2,054	355	4,017
Total trade and other receivables	5,662	3,710	355	4,017

18. Other assets

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Prepayments	4,858	2,863	–	18
Deposits to secure services	3,584	4,342	83	82
	8,442	7,205	83	100

19. Cash and cash equivalents

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Not restricted in use	4,933	10,805	–	–
Restricted in use [(a)]	3,156	2,467	–	–
	8,089	13,272	–	–

The interest-earning balances are not significant.

(a) This amount is pledged as security for bank borrowings obtained (Note 22).

19A. Cash and cash equivalents in the statement of cash flows:

	Group	
	2014 RM'000	2013 RM'000
Amount as shown above	8,089	13,272
Bank overdrafts (Note 22)	(4,693)	(3,376)
Cash restricted in use over 3 months	(3,156)	(2,467)
Cash and cash equivalents for statement of cash flows purposes at end of the year	240	7,429

19B. Non-cash transactions:

The equipment with a total cost of RM99,000 (2013: Nil) was acquired by means of finance leases.

20. Share capital

	Number of shares issued In '000	Issued and paid up share capital RM'000
Group		
Ordinary shares of no par value:		
Balance as at 1 January 2013, 31 December 2013 and 31 December 2014	226,818	20,776
Company		
Ordinary shares of no par value:		
Balance as at 1 January 2013, 31 December 2013 and 31 December 2014	226,818	158,444

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

20. Share capital (cont'd)

Capital management:

In order to maintain its listing on the Singapore Stock Exchange, the Company has to have share capital with at least a free float of 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury shares purchases mean it will automatically continue to satisfy that requirement, as it did throughout the year. Management received a report from the registrars frequently on substantial share interests showing the non-free float and it demonstrated continuing compliance with the 10% limit throughout the year.

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. Adjusted 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.

	Group	
	2014 RM'000	**2013 RM'000**
Term loans	22,787	21,844
Finance lease payables	566	830
Exchangeable bonds	4,000	–
Bills payable	1,556	1,351
Bank overdrafts	4,693	3,376
	33,602	27,401
Less: Cash and cash equivalents	(8,089)	(13,272)
Net debts	25,513	14,129
Total equity	29,062	41,518
Debt-to-equity ratio	0.878	0.340

The unfavourable change as shown by the increase in the debt-to-adjusted capital ration for the reporting year resulted primarily from the increase in new debt. These was an unfavourable change with decreased retained earnings.

21. Other reserves

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Translation reserve (Note 21A)	(186)	315	155	266
Capital reserve (Note 21B)	78	–	–	–
At end of the year	(108)	315	155	266

21. Other reserves (cont'd)

21A. Translation reserve

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.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At beginning of the year	315	163	266	178
Net currency translation differences of net assets of foreign subsidiaries	(501)	152	(111)	88
At end of the year	(186)	315	155	266

21B. Capital reserve

Capital reserve relate to the value of the options granted to the bondholder to convert their exchangeable bonds (Note 22C) into shares.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Exchangeable bonds				
At beginning of year	–	–	–	–
Equity element of the issue	78	–	–	–
At end of year	78	–	–	–

22. Other financial liabilities

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current:				
Bank borrowings (Note 22A)	10,164	15,342	–	–
Finance lease payables (Note 22B)	305	480	–	–
Exchangeable bonds (Note 22C)	4,000	–	–	–
Non-current, total	14,469	15,822	–	–
Current:				
Bank borrowings (Note 22A)	12,623	6,502	–	–
Finance lease payables (Note 22B)	261	350	–	–
Bank overdrafts (secured) (Note 22D)	4,693	3,376	–	–
Bills payable (Note 22E)	1,556	1,351	–	–
Current, total	19,133	11,579	–	–

22. Other financial liabilities (cont'd)

22A. Bank borrowings

The bank borrowings are term loans that bear interest rates ranging from 4.9% to 8.1% (2013: 4.9% to 8.4%) per annum.

The term loans at the end of the financial year are secured by:

(i) Fixed and floating charges over all the present and future assets of certain subsidiaries; and

(ii) Pledge of the fixed deposits with licensed banks of the Group.

Certain term loans are also covered by:

(i) Corporate guarantees of the Company and Chaswood Resources Sdn. Bhd.;

(ii) Legal charge over a leasehold building of the Group; and

(iii) Legal assignment to licensed bank all rights, titles, benefits and interests to and in the insurance policies of certain subsidiaries.

Callable term loans include an overriding payment on demand clause which gives lenders the right to demand repayment at any time, at their sole discretion irrespective of whether a default event has occurred. Callable term loans are classified as current liabilities in their entirety, irrespective of the probability that the lender will exercise the demand clause.

As at 31 December 2014, the amount due after more than one year which falls under the definition of callable term loans was RM3,832,000 (2013: RM223,000). This amount has been classified as current liabilities in the statement of financial position.

Management believes that the banks concerned will not exercise the demand clause on the callable loan agreements. An analysis of the repayment amounts based on the repayment schedules in the loan agreements assuming the banks void the demand clause is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
- repayable between 2 to 5 years	3,832	223	–	–
	3,832	223	–	–

During the financial year there was a breach of loan agreement terms. The required gearing ratio of 1.25 for the loan amounting to RM3,859,000 was not maintained. The lender has not made a demand for accelerated repayment. The lender agreed after the end of reporting year to waive the requirements and as such the loan of RM2,506,000 is classified as "current" at the end of the reporting year.

22. Other financial liabilities (cont'd)

22A. Bank borrowings (cont'd)

Details of the repayment terms are as follows:-

Term Loans	Number Of Monthly Instalments	Monthly Instalment Amount RM	Commencement Date Of Repayment	Amount Outstanding 2014 RM'000	Amount Outstanding 2013 RM'000
1	120	1,140	June 2005	12	22
2	60	27,137	July 2008	–	133
3	60	23,541	April 2009	–	68
4	60	23,230	September 2009	–	230
5	60	15,954	January 2010	–	223
6	60	27,100	April 2010	119	424
7	60	23,228	October 2010	241	493
8	60	21,442	April 2011	317	542
9	60	19,710	April 2011	52	276
10	54	13,791	December 2011	228	371
11	54	34,478	December 2011	560	929
12	54	27,582	January 2012	644	924
13	54	32,075	February 2012	835	1,220
14	53	22,300	April 2013	665	932
15	53	28,500	April 2013	853	1,196
16	54	13,340	April 2013	–	525
17	60	36,039	January 2014	1,559	1,900
18	60	36,039	January 2014	1,559	1,900
19	53	26,200	April 2013	785	1,099
20	54	41,080	April 2013	1,226	1,616
21	54	34,710	April 2013	1,023	1,353
22	50	18,807	August 2013	740	925
23	54	61,753	January 2014	5,698	3,343
24	60	35,734	November 2014	1,839	1,200
25	60	39,934	October 2014	1,916	–
26	60	39,934	October 2014	1,916	–
				22,787	21,844

22. Other financial liabilities (cont'd)

22B. Finance lease payables

	Minimum Payments RM'000	Finance Charges RM'000	Present Value RM'000
2014			
Minimum finance lease payments:			
- not later than one year	293	(32)	261
- later than one year and not later than five years	355	(50)	305
	648	(82)	566
2013			
Minimum finance lease payments:			
- not later than one year	407	(57)	350
- later than one year and not later than five years	536	(56)	480
	943	(113)	830

The hire purchase payables of the Group bore effective interest rates ranging from 4.9% to 7.0% (2013 : 4.9% to 7.0%) per annum.

Net book value of equipment under finance leases amounted to RM635,000 (2013: RM958,000).

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

22C. Exchangeable bonds

	2014 RM'000	2013 RM'000
Net proceeds	3,971	–
Equity component	(78)	–
Liability component at date of issue	3,893	–
Interest accreted	263	–
Interest paid	(156)	–
Liability component at end of the year	4,000	–

The exchangeable bonds are convertible at the holder's option into ordinary shares of the Company on or before the maturity date (being three years from the date of the issuance of the Tranche 1 Exchangeable Bonds). The amount reserved for the exchangeable bond is split between the liability component without conversion option and the equity component with conversion option.

The exchangeable bonds are secured by a corporate guarantee of the Company.

22. Other financial liabilities (cont'd)

22C. Exchangeable bonds (cont'd)

The main features are as follows:

Tranche 1:

Date of issue	24 April 2014
Issue amount	SGD1,000,000 (approximately RM2,647,000)
Maturity date	23 April 2017
Interest rate	10.00 % per year paid quarterly
Rate for an equivalent non-convertible bond of comparable companies	11.07%
Conversion features	Convertible at the holder's option into ordinary shares of the company on or before the maturity date.
Conversion ratio on issue	SGD0.30 per share for SGD1,000,000 of exchangeable bonds
Redemption features	Redeemable by maturity date

Tranche 2:

Date of issue	5 December 2014
Issue amount	SGD500,000 (approximately RM1,324,000)
Maturity date	23 April 2017
Interest rate	10.00 % per year paid quarterly
Rate for an equivalent non-convertible bond of comparable companies	11.07%
Conversion features	Convertible at the holder's option into ordinary shares of the company on or before the maturity date.
Conversion ratio on issue	SGD0.30 per share for SGD500,000 of exchangeable bonds
Redemption features	Redeemable by maturity date

The above exchangeable bonds remained outstanding as at 31 December 2014.

The Company and its wholly-owned subsidiary Chaswood Capital Pte. Ltd. (the "Issuer") had on 30 September 2013 entered into a legally binding term sheet (the "Term Sheet") with TAP Venture Fund I Pte. Ltd. (formerly known as Asiasons Venture Fund Pte. Ltd.) (the "Investor") in relation to the proposed issuance of an aggregate principal amount of SGD3,000,000 redeemable exchangeable bonds (the "Exchangeable Bonds") by the Issuer to the Investor at the issue price of SGD500,000 per Exchangeable Bond.

The Issuer undertakes to the Investor that the Issuer shall not issue new shares and securities (including convertible securities) in any companies within the Group without the prior written consent of the Investor.

The Investor is a private equity investment company incorporated in Singapore and managed by TAP Private Equity Pte. Ltd. (formerly known as Asiasons Private Equity Pte. Ltd.) ("TAPPE") on a full discretionary basis. TAPPE is a wholly-owned subsidiary of Asiasons Capital Limited ("ACL"), a controlling shareholder of the Company.

In addition, Datuk Jared Lim Chih Li who is the Non-Executive Director of the Company is the director and controlling shareholder of ACL. Ng Teck Wah who is the Non-Executive Director of the Company is the controlling shareholder of ACL. Accordingly, the issuance of the Exchangeable Bonds constitute an interested person transactions pursuant to Chapter 9 of the Catalist Rules which was approved by the shareholders of the Company at the Extraordinary General Meeting ("EGM") convened on 28 February 2014.

22. Other financial liabilities (cont'd)

22D. Bank overdrafts

The bank overdrafts of the Group bore interest rates ranging from 7.9% to 9.0% (2013: 7.6% to 8.1%) per annum and are secured by:

(i) Fixed and floating charges over all the present and future assets of certain subsidiaries;

(ii) Pledge of the fixed deposits with licensed banks; and

(iii) Corporate guarantees of the Company and Chaswood Resources Sdn. Bhd.

22E. Bills payable

The bills payable of the Group bore a weighted average interest rate of 5.0% (2013: 5.0%) per annum and are secured by the same securities as the bank overdrafts (Note 22D).

23. Trade and other payables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables:				
Outside parties	12,031	12,913	–	–
Other payables:				
Outside parties [(a)]	13,121	11,008	–	46
Related company	484	2,955	–	–
Accruals	2,859	2,916	880	837
Sub-total	16,464	16,879	880	883
Total trade and other payables	28,495	29,792	880	883

(a) The above amount includes balances with Tiny Synergy Sdn Bhd ("Tiny Synergy"), a company specialising in renovation works for food and beverage and retail outlets had performed several renovation works for the Group in the current financial year for an aggregate amount of RM3,097,000. Tiny Synergy was appointed as the Group's main contractor for renovation works for the Group's restaurants in Malaysia since 2009. An aggregate amount of RM1,400,000 was paid in advance by the Group to Tiny Synergy on 31 December 2013 and 29 January 2014 as commitment for the continuation of renovation works to be performed by Tiny Synergy in the Group's restaurants in the financial year ended 31 December 2014.

24. Other liabilities, current

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deferred revenue	603	715	–	–

25. Financial instruments: information on financial risks

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 by FRS 39 categories:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Financial assets:				
Cash and cash equivalents	8,089	13,272	–	–
Trade and other receivables	5,662	3,710	355	4,017
At end of the year	13,751	16,982	355	4,017
Financial liabilities:				
All current and non-current borrowings including finance lease payables and exchangeable bonds at amortised cost	33,602	27,401	–	–
Trade and other payables at amortised cost	28,495	29,792	880	883
At end of the year	62,097	57,193	880	883

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, currency risk and price risk exposures. Management has certain practices 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.

25C. Fair values of financial instruments

The analyses 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 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.

25. Financial instruments: information on financial risks (cont'd)

25D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. 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.

Note 19 discloses the maturity of the cash and cash equivalents balances.

Due to the nature of the business, all trade receivables as at end of the financial year are aged less than 30 days.

Other receivables are normally with no fixed terms and therefore there is no maturity.

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

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).

Group	**Less than 1 year**	**1 - 5 years**	**Total**
	RM'000	**RM'000**	**RM'000**
Non-derivative financial liabilities:			
2014:			
Gross borrowings commitments	20,849	10,859	31,708
Gross finance lease payables	293	355	648
Trade and other payables	28,495	–	28,495
Exchangeable bonds	–	4,792	4,792
At end of the year	49,637	16,006	65,643
Non-derivative financial liabilities:			
2013:			
Gross borrowings commitments	12,547	17,224	29,771
Gross finance lease payables	407	536	943
Trade and other payables	29,792	–	29,792
At end of the year	42,746	17,760	60,506

25. Financial instruments: information on financial risks (cont'd)

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

Company	Less than 1 year RM'000	1 - 5 years RM'000	Total RM'000
Non-derivative financial liabilities:			
2014:			
Trade and other payables	880	–	880
At end of the year	880	–	880
Non-derivative financial liabilities:			
2013:			
Trade and other payables	883	–	883
At end of the year	883	–	883

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. 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. At the end of the reporting year no claims on the financial guarantees are expected to be repayable.

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 (2013: 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 interest rate risk exposure is mainly from changes in fixed rates and floating interest rates. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rates:

	Group	
	2014 RM'000	2013 RM'000
Financial assets:		
Floating rates	3,156	2,467
Financial liabilities:		
Fixed rates	4,567	830
Floating rates	29,035	26,571
Total at end of the financial year	33,602	27,401

25. Financial instruments: information on financial risks (cont'd)

25F. Interest rate risk (cont'd)

The interest rates are disclosed in the respective notes.

Sensitivity analysis:

	Group 2014 RM'000	Group 2013 RM'000
Financial liabilities:		
A hypothetical variation in interest rates by 50 basis points (2013: 50 basis points) with all other variables held constant, would have an increase (decrease) in pre-tax loss for the year by	152	125

At Company level, the amounts are not significant and are therefore not disclosed.

25G. Foreign currency risks

Analysis of amounts denominated in non-functional currencies.

Group	Singapore Dollars ("SGD") RM'000	Indonesian Rupiah ("IDR") RM'000	Others RM'000	Total RM'000
2014				
Financial liabilities:				
Trade and other payables	2,540	3,357	1,394	7,291
Total financial liabilities	2,540	3,357	1,394	7,291
2013				
Financial liabilities:				
Trade and other payables	5,687	3,342	1,260	10,289
Total financial liabilities	5,687	3,342	1,260	10,289

Company	Ringgit Malaysia RM'000	Total RM'000
2014		
Financial assets:		
Trade and other receivables	355	355
Total financial assets	355	355
2013		
Financial assets:		
Trade and other receivables	4,017	4,017
Total financial assets	4,017	4,017

25. Financial instruments: information on financial risks (cont'd)

25G. Foreign currency risks (cont'd)

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

	2014 RM'000	2013 RM'000
A hypothetical 10% strengthening in the exchange rate of the functional currency RM against the SGD with all other variables held constant would have a favourable effect on post-tax loss of	649	569
A hypothetical 10% strengthening in the exchange rate of the functional currency RM against the IDR with all other variables held constant would have a favourable effect on post-tax loss of	336	334

The above table shows sensitivity to a hypothetical 10% variation in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the following basis that there without taking into consideration hedged transactions.

26. Capital commitments

Estimated amounts committed at the end of the financial year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2014 RM'000	2013 RM'000
Commitments to purchase equipment	1,684	–
Commitments to acquire subsidiaries (Note 29)	12,932	–

27. Operating lease payment commitments

At the end of the financial year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Not later than one year	20,547	19,480	–	–
Later than one year and not later than five years	22,633	18,269	–	–
	43,180	37,749	–	–
Rental expense for the year	26,693	25,842	–	–

Operating lease payments are for rentals payable for restaurants, offices, signage, storage, equipment and apartments. The lease rental terms are negotiated for periods between one and five years and certain rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage. The variable rent is calculated based on a percentage of monthly revenue. Contingent rent is not included in the above amounts.

28. Contingent liabilities

	Company	
	2014 RM'000	**2013 RM'000**
Corporate guarantees given to licensed banks for banking facilities granted to subsidiaries	21,164	14,763

29. Events after the End of the Financial Year

a. Issuance of Exchangeable Bonds

Pursuant to the Company's announcement dated 27 January 2015, subsequent tranche of Exchangeable Bonds at an aggregate principal amount of SGD1,500,000 were issued and subscribed by the Investor. The entire six Exchangeable Bonds at the issue price of SGD500,000 for each Exchangeable Bonds, amounting to SGD3,000,000 have been fully subscribed by the Investor.

b. Development of TGI Fridays restaurant franchise in Shenzhen, Southern China

The Company and its indirect wholly-owned subsidiary, Chaswood Resources (HK) Private Limited ("Chaswood HK") entered into a development agreement ("Shenzhen DA") with TGI Friday's Inc for the exclusive development rights to develop and operate 4 new TGI Fridays restaurants in Shenzhen, Southern China on 25 April 2014. The Shenzhen DA is effective from 1 February 2014 to 1 November 2017. The Group has yet to develop any TGI Fridays restaurants in Shenzen, Southern China as at the financial year end.

29. Events after the End of the Financial Year (cont'd)

c. Proposed acquisition of Yi Jun Restaurant Management (Shanghai) Co., Ltd. and Beijing T.G.I. Friday's Restaurant Co. Ltd ("Proposed Acquisition") and proposed development of TGI Fridays restaurant franchise in Beijing, Tianjin and Shanghai, and Jiangsu and Zhejiang Provinces, the People's Republic of China.

On 24 December 2014, the Company announced that its wholly-owned subsidiary Chaswood Resources Sdn. Bhd. ("Chaswood Malaysia") has entered into a share purchase agreement with TGI Friday's Inc, to acquire the entire share capital of two of its wholly-owned subsidiaries incorporated in the People's Republic of China, namely Yi Jun Restaurant Management (Shanghai) Co., Ltd and Beijing T.G.I. Friday's Restaurant Co. Ltd (collectively the "Target Companies") for an aggregate consideration of approximately RMB24,400,000 (RM12,932,000) subject to the terms and conditions of the share purchase agreement. Upon completion of the Proposed Acquisition, each of the Target Companies will become indirect wholly-owned subsidiaries of the Company.

Pursuant to the completion of the Proposed Acquisition, the following transactions shall take place:

(i) Chaswood Malaysia shall enter into revised franchise agreements with TGI Friday's Inc for the existing franchise restaurants owned by the Target Companies;

(ii) Chaswood Malaysia, shall enter into a Development Agreement with TGI Friday's Inc for the exclusive development rights to develop and operate 17 new TGI Fridays restaurants in Beijing, Tianjin and Shanghai, and Jiangsu and Zhejiang Provinces; and

(iii) The existing development agreement entered into between TGI Friday's Inc and Chaswood (HK), will be revised to include 2 further restaurants to be developed in addition to the existing commitment to develop 4 TGI Fridays restaurants pursuant to the Shenzhen DA.

The Proposed Acquisition has yet to be completed as at the date of this report, as the parties have yet to fulfil the conditions such as obtaining government authority approvals and consents necessary for the completion of the Proposed Acquisition.

d. Closure of Paradise Dynasty restaurant franchise in Thailand.

In February 2015, the Company has discontinued the operation of Paradise Dynasty restaurant franchise in Thailand due to deteriorating performance of the restaurant.

30. Changes and adoption of financial reporting standards

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require material modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 27	Consolidated and Separate Financial Statements (Amendments to)
FRS 27	Separate Financial Statements (Revised)
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill)
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting
FRS 110	Consolidated Financial Statements
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112
FRS 111	Joint Arrangements (*)
FRS 112	Disclosure of Interests in Other Entities
INT FRS 121	Levies (*)

(*) Not relevant to the entity.

30. Future changes in financial reporting standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 19	Amendments To FRS 19: Defined Benefit Plans: Employee Contributions	1 Jul 2014
	Improvements to FRSs (Issued in January 2014). Relating to	1 Jul 2014
	FRS 102 Share-based Payment	
	FRS 103 Business Combinations	
	FRS 108 Operating Segments	
	FRS 113 Fair Value Measurement	
	FRS 16 Property, Plant and Equipment	
	FRS 24 Related Party Disclosures	
	FRS 38 Intangible Assets	
	Improvements to FRSs (Issued in February 2014). Relating to	
	FRS 103 Business Combinations	1 Jul 2014
	FRS 113 Fair Value Measurement	
	FRS 40 Investment Property (*)	
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*)	1 Jan 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements (*)	1 Jan 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (*)	1 Jan 2016
FRS 110, FRS 112, FRS 28	Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations (*)	1 Jan 2016
FRS 114	Regulatory Deferral Accounts (*)	1 Jan 2016
Various	Improvements to FRSs (November 2014)	1 Jan 2016
FRS 115	Revenue from Contracts with Customers	1 Jan 2017
FRS 109	Financial Instruments	1 Jan 2018

(*) Not relevant to the entity.

Toal number of issued shares	:	226,817,819
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company does not have any Treasury Shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of Shareholders	%	No of Shares	%
1 ~ 99	3	0.51	182	0.00
100 ~ 1,000	196	33.22	98,166	0.04
1,001 ~ 10,000	226	38.31	1,133,604	0.50
10,001 ~ 1,000,000	153	25.93	12,464,845	5.50
1,000,001 and above	12	2.03	213,121,022	93.96
Total	590	100.00	226,817,819	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	POSH CORRIDOR SDN BHD	83,367,877	36.76
2	ANDREW ROACH REDDY	52,054,455	22.95
3	RHB SECURITIES SINGAPORE PTE LTD	51,532,490	22.72
4	G1 INVESTMENTS PTE LTD	13,340,000	5.88
5	ABN AMRO NOMINEES SINGAPORE PTE LTD	2,083,000	0.92
6	UOB KAY HIAN PTE LTD	1,828,000	0.81
7	RAMESH S/O PRITAMDAS CHANDIRAMANI	1,710,000	0.75
8	CIMB SECURITIES (SINGAPORE) PTE LTD	1,701,000	0.75
9	OCBC SECURITIES PRIVATE LTD	1,603,200	0.71
10	ONG LAY SAN (WANG LISHAN)	1,559,000	0.69
11	LIM SIEW HOOI	1,336,000	0.59
12	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,006,000	0.44
13	MAYBANK KIM ENG SECURITIES PTE LTD	648,000	0.29
14	FRIENDSHIP BRIDGE HOLDING COMPANY PTE LTD	623,000	0.27
15	TAN AIK TI RON	533,000	0.23
16	NOMURA SINGAPORE LIMITED	504,900	0.22
17	SOH HAN CHUEN	500,000	0.22
18	PHILLIP SECURITIES PTE LTD	459,100	0.2
19	BNP PARIBAS SECURITIES SERVICES (SINGAPORE) PTE LTD	361,000	0.16
20	CHEOK SIEW KHIM	295,600	0.13
	TOTAL	217,045,622	95.69

SHAREHOLDERS' INFORMATION
as at 19 March 2015

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 19 March 2015:

Name	No. of Ordinary shares			
	Direct Interest	%	Indirect Interest	%
Andrew Roach Reddy	52,054,455	22.95	–	–
G1 Investments Pte Ltd (1)	13,340,000	5.88	–	–
Blumont Group Ltd. (1)	–	–	13,340,000	5.88
Posh Corridor Sdn. Bhd. (2) (3)	83,367,877	36.76	58,095,490	25.61
Asiasons Capital Limited (3) (4)	–	–	145,951,367	64.35
Asiasons Private Equity Inc. (3)	–	–	141,463,367	62.37
Asiasons Investment Ltd. (3) (4)	–	–	145,951,367	64.35
Dragonrider Opportunity Fund L.P. (3)			141,463,367	62.37
Datuk Jared Lim Chih Li (5)	–	–	145,951,367	64.35
Ng Teck Wah(5)	–	–	145,951,367	64.35

Notes:

(1) G1 Investments Pte. Ltd. is a wholly owned subsidiary of Blumont Group Ltd.. By virtue of Section 7 of the Companies Act, Blumont Group Ltd. is deemed to be interested in all the Shares held by G1 Investments Pte. Ltd.

*(2) Posh Corridor Sdn. Bhd. ("**Posh Corridor**") is deemed interested in 44,755,490 Shares held by RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte. Ltd.) as its nominee and 13,340,000 Shares held by G1 Investments Pte. Ltd. due to an assignment of shares arrangement.*

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

(4) AIL is deemed interested in 141,463,367 Shares held by Posh Corridor and 4,488,000 Shares held by RHB Securities Singapore Pte. Ltd. (formerly known as DMG & Partners Securities Pte. Ltd.) as its nominee. By virtue of Section 7 of the Companies Act, ACL is deemed to be interested in all the Shares held by AIL.

(5) Each of Datuk Jared Lim Chih Li and Ng Teck Wah has a deemed interest of 44.01% in ACL. 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 19 March 2015, 12.70% 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 will be held at 22 Cross Street, #03-54/61 China Square Central Singapore 048421 on Wednesday, 29 April 2015 at 10.30 am 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 2014 together with the Directors' Report and Independent Auditor's Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$143,125/- (2014: S$185,000/-) for the financial year ending 31 December 2015, payable quarterly in arrears. **Resolution 2**

3. To re-elect Mr Andrew Roach Reddy who is retiring in accordance with Article 89 of the Articles of Association of the Company.
[See Explanatory Note 1] **Resolution 3**

4. To re-elect Mr Christopher John McAuliffe who is retiring in accordance with Article 89 of the Articles of Association of the Company.
[See Explanatory Note 2] **Resolution 4**

5. To re-elect Mr Tee Guan Pian who is retiring in accordance with Article 88 of the Articles of Association of the Company.
[See Explanatory Note 3] **Resolution 5**

6. To note that RSM Chio Lim LLP has expressed that they will not seek re-appointment as auditor of the Company.
[See Explanatory Note 4]

7. 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 amendments.

8. **Authority to issue shares**

That pursuant to Section 161 of the Companies Act, Cap. 50 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) 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:

(a) 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 (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 (as calculated in accordance with sub-paragraph (b) below):

(b) (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 total number of issued shares shall be based on the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(iii) any subsequent consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(d) unless revoked or varied by the Company in a general meeting, such authority shall continue 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 5] **Resolution 6**

BY ORDER OF THE BOARD

Andrew Roach Reddy
Managing Director
14 April 2015
Singapore

Explanatory Notes:

Ordinary Business

1. Mr Andrew Roach Reddy will upon re-election as a Director, remain as the Executive Director and Managing Director of the Company. Detailed information of Mr Andrew Roach Reddy can be found under the section entitled “Board of Directors” of the Annual Report.

2. Mr Christopher John McAuliffe if elected, shall remain as an Independent Non-Executive Director, Chairman of the Nominating Committee and member of the Audit and Remuneration Committees. Mr Christopher John McAuliffe is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rule. Detailed information of Mr Christopher John McAuliffe can be found under the section entitled “Board of Directors” of the Annual Report.

3. Mr Tee Guan Pian if elected, shall remain as an Independent Non-Executive Director, Chairman of the Audit and Remuneration Committees and member of the Nominating Committee. Mr Tee Guan Pian is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rule. Detailed information of Mr Tee Guan Pian can be found under the section entitled “Board of Directors” of the Annual Report.

4. RSM Chio Lim LLP has expressed that they would not be seeking re-appointment as auditor at this Annual General Meeting. Efforts are being made by the Company to appoint a new auditor as soon as practicable. Further announcement would be released in due course once the new appointment has been confirmed.

Special Business

5. The Ordinary Resolution 6, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding in total, 100% of the total number of issued shares in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to the shareholders.

Notes:

i. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

ii. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.

iii. A corporation which is a member of the Company may authorize by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the meeting.

iv. The instrument appointing a proxy must be deposited at the registered office of the Company at 80 Robinson Road #02-00 Singapore 068898 not less than forty-eight (48) hours before the time for holding the Annual General Meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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.
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. For investors who have used their CPF monies to buy Chaswood Resources Holdings Ltd's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM
(Please see notes overleaf before completing this Form)

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

of ____ (Address)

being a member/members of the above-mentioned Company, hereby appoint:-

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of shares	%
Address			

or failing him/her/them, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at 22 Cross Street, #03-54/61 China Square Central Singapore 048421 on Wednesday, 29 April 2015 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with an " X " within the box provided)

No	Resolutions relating to:	For	Against
	Ordinary Business		
1.	To receive and adopt the Audited Financial Statements, Directors' Report and Independent Auditor's Report for the year ended 31 December 2014.		
2.	To approve payment of Directors' Fees of S$143,125/- for the financial year ending 31 December 2015, payable quarterly in arrears.		
3.	To re-elect Mr Andrew Roach Reddy as a director.		
4.	To re-elect Mr Christopher John McAuliffe as a director.		
5	To re-elect Mr Tee Guan Pian as a director.		
	Special Business		
6.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap.50		

Dated ________ day of __________________ 2015

Total number of Shares in	No. of Shares
(a) CDP Register	
(B) Register of Members	

____

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

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 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, 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, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.If no such proportion is specified, the first-named proxy shall be deemed to represent 100 per cent of his/her shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the registered office of the Company at 80 Robinson Road, #02-00 Singapore 068898 not less than forty-eight (48) hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

8. Please indicate with an “X” in the spaces provided whether you wish your vote(s) to be for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/ they will on any other matter arising at the Meeting.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 April 2015.

TGI FRIDAYS
Italiannies PASTA PIZZA & VINO
the apartment restaurant & bar
TEH TARIK PLACE
Malones IRISH RESTAURANT & BAR
Laundry
baci ITALIAN CAFE
樂天皇朝 PARADISE DYNASTY LEGEND OF XIAO LONG BAO THAILAND
불고기 브라더스 BULGOGI BROTHERS
和民 WATAMI Japanese Casual Restaurant