



Chaswood Resources Holdings Ltd.

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

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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

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

	2ND HALF YEAR ENDED 31 DECEMBER			Increase/ (Decrease) %	YEAR ENDED 31 DECEMBER		Increase / (Decrease) %
	2014 RM'000 (Unaudited)	2013 RM'000 (Audited)			2014 RM'000 (Unaudited)	2013 RM'000 (Audited)	
Revenue	75,351	81,956	-8.1%	154,845	160,215	-3.4%	
Cost of Sales	(23,425)	(24,908)	-6.0%	(48,306)	(48,920)	-1.3%	
Gross Profit	51,926	57,048	-9.0%	106,539	111,295	-4.3%	
Other Items of Income							
Interest Income	-	72	-100.0%	53	103	-48.5%	
Other Credits	186	-	N.M	542	-	N.M	
Other Items of Expense							
Marketing and Distribution Costs	(4,380)	(3,784)	15.8%	(7,553)	(7,526)	0.4%	
Administrative Expenses	(43,880)	(49,083)	-10.6%	(87,001)	(92,413)	-5.9%	
Finance Costs	(1,135)	(811)	40.0%	(2,177)	(1,510)	44.2%	
Other Charges	(11,121)	(4,794)	N.M	(11,121)	(5,521)	N.M	
Other Expenses	(2,908)	(3,037)	-4.2%	(6,083)	(6,448)	-5.7%	
Loss Before Tax	(11,312)	(4,389)	N.M	(6,801)	(2,020)	N.M	
Income Tax Expense	(2,395)	(2,529)	-5.3%	(3,694)	(3,228)	14.4%	
Loss, Net of Tax	(13,707)	(6,918)	98.1%	(10,495)	(5,248)	100.0%	
Other Comprehensive Income/(Loss), Net of Tax:-							
Items that may be reclassified subsequently to profit or loss:-							
Exchange Differences on Translating of Net Assets of Foreign Subsidiaries	1,342	302	N.M	1,235	153	N.M	
Total Comprehensive Loss of the Period, Net of Tax	(12,365)	(6,616)	N.M	(9,260)	(5,095)	N.M	
Loss, Net of Tax Attributable to:-							
Owners of the Company	(13,379)	(6,581)	N.M	(10,154)	(4,946)	N.M	
Non-Controlling Interests	(328)	(337)	N.M	(341)	(302)	N.M	
Loss, Net of Tax	(13,707)	(6,918)	98.1%	(10,495)	(5,248)	100.0%	
Total Comprehensive Loss Attributable to :							
Owners of the Company	(12,033)	(6,298)	91.1%	(8,915)	(4,794)	86.0%	
Non-Controlling Interests	(332)	(318)	4.3%	(345)	(301)	14.6%	
Total Comprehensive Loss	(12,365)	(6,616)	86.9%	(9,260)	(5,095)	81.8%	

N.M: Not Meaningful



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1(a)(ii) Other Information

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

THE GROUP	2ND HALF YEAR ENDED 31			YEAR ENDED 31 DECEMBER		Increase / (Decrease) %	
	DECEMBER		Increase / (Decrease) %	2014	2013		Increase / (Decrease) %
	2014 RM'000 (Unaudited)	2013 RM'000 (Audited)		2014 RM'000 (Unaudited)	2013 RM'000 (Audited)		
Depreciation of property and equipment	2,702	2,543	6.2%	5,629	5,735	-1.9%	
Amortisation of franchise fees	305	239	27.8%	554	479	15.7%	
Impairment allowance on franchise fees	1,499	142	N.M	1,499	142	N.M	
Equipment written off	2,182	2,320	-5.9%	2,182	2,590	-15.7%	
Impairment allowance on property and equipment	7,340	2,613	N.M	7,340	2,613	N.M	
Exchange (gain) / loss	(594)	159	N.M	(487)	176	N.M	
Interest Income	-	(72)	-100.0%	(53)	(103)	-48.4%	

N.M: Not Meaningful



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

	The Group		The Company	
	31 December 2014 RM'000 (Unaudited)	31 December 2013 RM'000 (Audited)	31 December 2014 RM'000 (Unaudited)	31 December 2013 RM'000 (Audited)
ASSETS				
Non-Current Assets				
Property and Equipment	53,908	61,433	-	-
Intangible Assets	9,238	10,588	-	855
Investment in Subsidiaries	-	-	149,945	150,954
Other Assets, Non-current	4,428	4,428	-	-
Total Non-Current Assets	67,574	76,449	149,945	151,809
Current Assets				
Inventories	3,912	3,178	-	-
Trade and Other Receivables	5,493	3,710	-	-
Other Assets	9,775	7,205	84	100
Amount owing by subsidiaries	-	-	2,477	4,017
Cash and Cash Equivalents	7,416	13,272	-	-
Total Current Assets	26,596	27,365	2,561	4,117
Total Assets	94,170	103,814	152,506	155,926
EQUITY AND LIABILITIES				
Equity				
Share Capital	20,776	20,776	158,444	158,444
Capital Reserves	78	-	-	-
Retained Earnings/(Accumulated Losses)	10,202	20,356	(7,124)	(3,667)
Translation Reserve	1,554	315	355	266
Total Equity Attributable to Owners of the Parent	32,610	41,447	151,675	155,043
Non-Controlling Interest	(274)	71	-	-
Total Equity	32,336	41,518	151,675	155,043
Non-Current Liabilities				
Deferred Tax Liabilities	2,453	2,859	-	-
Exchangeable Bonds	3,893	-	-	-
Other Financial Liabilities	16,108	15,822	-	-
Total Non-Current Liabilities	22,454	18,681	-	-
Current Liabilities				
Provision for Taxation	3,537	1,529	-	-
Trade and Other Payables	22,348	30,507	831	883
Other Financial Liabilities	13,495	11,579	-	-
Total Current Liabilities	39,380	43,615	831	883
Total Liabilities	61,834	62,296	831	883
Total Equity and Liabilities	94,170	103,814	152,506	155,926



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

Amount repayable in one year or less, or on demand

	31 December 2014		31 December 2013	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Finance lease payables	262	-	350	-
Interest bearing loans and borrowings	13,233	-	11,229	-
	<u>13,495</u>	<u>-</u>	<u>11,579</u>	<u>-</u>

Amount repayable after one year

	31 December 2014		31 December 2013	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Finance lease payables	306	-	480	-
Exchangeable bonds	3,893	-	-	-
Interest bearing loans and borrowings	15,802	-	15,342	-
	<u>20,001</u>	<u>-</u>	<u>15,822</u>	<u>-</u>

Details of any collateral

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

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

Certain of the term loans are also covered by:

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

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

- (4) The Exchangeable Bonds due on 24 April 2017 are secured by a corporate guarantee of the Company.



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

	2nd Half Year Ended		Year Ended	
	31 December		31 December	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Cash Flows From Operating Activities				
Loss before tax	(11,312)	(4,389)	(6,801)	(2,020)
Adjustment for:				
Amortisation of Franchise Fees	305	239	554	479
Impairment allowance on Franchise Fee	1,499	142	1,499	142
Depreciation of Property and Equipment	2,702	2,543	5,629	5,735
Equipment Written Off	2,182	2,320	2,182	2,590
Gain on Disposal of Equipment	(186)	-	(542)	-
Impairment allowance on Equipment	7,340	2,613	7,340	2,613
Interest Income	-	(72)	(53)	(103)
Interest Expense	1,135	811	2,177	1,510
Operating Profit Before Working Capital Changes	3,665	4,207	11,985	10,946
Inventories	551	(195)	734	(292)
Trade and Other Receivables	1,769	(1,068)	1,783	(405)
Other Assets, Current	6,859	60	2,570	(2,153)
Trade and Other Payables	(3,885)	4,796	(8,159)	1,522
Net Cash Flows From Operations	8,959	7,800	8,913	9,618
Tax Paid	(3,887)	(2,393)	(4,913)	(3,371)
Net Cash Flows From Operating Activities	5,072	5,407	4,000	6,247
Cash Flows From Investing Activities				
Purchases of Property and Equipment	(6,043)	(6,715)	(8,964)	(8,774)
Net Proceeds from Disposal of Equipment	580	-	1,880	-
Franchise Fees Paid	(702)	(218)	(702)	(218)
Other Assets, Non-Current	-	1,108	-	1,108
Interest Received	-	72	53	103
Net Cash Flows Used in Investing Activities	(6,165)	(5,753)	(7,733)	(7,781)
Balance carried forward	(1,093)	(346)	(3,733)	(1,534)



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

	2nd Half Year Ended 31 December		Year Ended 31 December	
	2014 RM'000 (Unaudited)	2013 RM'000 (Audited)	2014 RM'000 (Unaudited)	2013 RM'000 (Audited)
Balance brought forward	(1,093)	(346)	(3,733)	(1,534)
Cash Flows From Financing Activities				
Increase in Bills Payable	936	606	205	929
Drawdown of Borrowings	1,312	4,514	4,405	8,228
Repayment of Borrowings	(6,854)	(1,987)	(9,518)	(4,314)
Repayment of Finance Lease Payables	(122)	(229)	(308)	(374)
Cash Restricted in Use	(187)	(231)	(689)	(599)
Proceeds from Non-Controlling Interests	-	236	-	236
Net Proceeds from Issuance of Redeemable Exchangeable Bonds	1,343	-	3,893	-
Interest Paid	(1,135)	(811)	(2,177)	(1,510)
Net Cash Flows (Used in) / From Financing Activities	(4,707)	2,098	(4,189)	2,596
Net (Decrease) / Increase in Cash and Cash Equivalents	(5,800)	1,752	(7,922)	1,062
Foreign Exchange Differences	167	566	60	417
Cash and Cash Equivalents At Beginning Of The Financial Period	5,200	5,111	7,429	5,950
Cash and Cash Equivalents At End Of The Financial Period	(433)	7,429	(433)	7,429
Cash and Cash Equivalents:-				
Not restricted in use	4,260	10,805	4,260	10,805
Restricted in use	3,156	2,467	3,156	2,467
	7,416	13,272	7,416	13,272
Cash and Cash Equivalents in The Statement of Cash Flows:-				
Amount as shown above	7,416	13,272	7,416	13,272
Bank Overdrafts	(4,693)	(3,376)	(4,693)	(3,376)
Cash restricted in use over 3 months	(3,156)	(2,467)	(3,156)	(2,467)
Cash and cash equivalents for statement of cash flows purposes at the end of the financial period	(433)	7,429	(433)	7,429



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

The Group	Attributable to owners of the Company				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Translation Reserve RM'000	Capital Reserves RM'000	Retained Earnings RM'000			
Balance as at 1 January 2014	20,776	315	-	20,356	41,447	71	41,518
Transaction with owners of the Company							
Shares subscribed by non-controlling shareholders	-	-	-	-	-	-	-
Total contribution by owners	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the year							
Loss for the financial year	-	-	-	(10,154)	(10,154)	(341)	(10,495)
Issuance of redeemable exchangeable bonds	-	-	78	-	78	-	78
Effect of translation of net assets of foreign subsidiaries	-	1,239	-	-	1,239	(4)	1,235
Total comprehensive income/(loss) for the year	-	1,239	78	(10,154)	(8,837)	(345)	(9,182)
Balance as at 31 December 2014 (unaudited)	20,776	1,554	78	10,202	32,610	(274)	32,336
Balance as at 1 January 2013	20,776	163	-	25,302	46,241	136	46,377
Transaction with owners of the Company							
Shares subscribed by non-controlling shareholders	-	-	-	-	-	236	236
Total contribution by owners	-	-	-	-	-	236	236
Total comprehensive income/(loss) for the year							
Loss for the financial year	-	-	-	(4,946)	(4,946)	(302)	(5,248)
Effect of translation of net assets of foreign subsidiaries	-	152	-	-	152	1	153
Total comprehensive income/(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



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

The Company

	Share Capital RM'000	Translation Reserve RM'000	Capital Reserves RM'000	(Accumulated Losses) RM'000	Total Equity RM'000
Balance as at 1 January 2014	158,444	266	-	(3,667)	155,043
Total comprehensive income/(loss) for the year					
Loss for the financial year	-	-	-	(3,457)	(3,457)
Foreign currency translation	-	89	-	-	89
Total comprehensive income/(loss) for the year	-	89	-	(3,457)	(3,368)
Balance as at 31 December 2014 (unaudited)	158,444	355	-	(7,124)	151,675
Balance as at 1 January 2013	158,444	178	-	(2,458)	156,164
Total comprehensive income/(loss) for the year					
Loss for the financial period	-	-	-	(1,209)	(1,209)
Foreign currency translation	-	88	-	-	88
Total comprehensive income / (loss) for the year	-	88	-	(1,209)	(1,121)
Balance as at 31 December 2013	158,444	266	-	(3,667)	155,043



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

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

Issued and paid up share capital	Number of shares	Issued and paid up share capital (RM)
Share capital as at 31 December 2014 and 2013	226,817,819	158,443,972
	As at 31 December 2014	As at 31 December 2013
	Shares ('000)	Shares ('000)
Additional shares that would be issued on conversion of all convertible instruments	5,000	-

The Group issued Redeemable Exchangeable bonds ("Exchangeable Bonds") on 25 April 2014 and 5 December 2014 for an aggregate subscription price of S\$1.5 million (approximately RM3.9 million). The Exchangeable bonds will result in the issuance of 5,000,000 exchange shares in the event they are converted based on a conversion price of S\$0.30 per exchange share.

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

	As at 31 December 2014	As at 31 December 2013
Total number of issued shares excluding treasury shares	226,817,819	226,817,819

The Company has no treasury shares as at 31 December 2013 and 31 December 2014.

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

Not applicable.

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

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



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

Not applicable.

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

The accounting policies and methods of computation are consistent with the latest audited financial statements for the year ended 31 December 2013.

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

The Group has adopted all new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014. The adoption of these new/revised FRS and INT FRS does not result in substantial change to the Group's and Company's accounting policies or have any significant impact on the financial statements.

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

	THE GROUP		THE GROUP	
	2ND HALF YEAR ENDED 31 DECEMBER		YEAR ENDED 31 DECEMBER	
	2014	2013	2014	2013
Net loss attributable to shareholders of the Company (RM'000)	(13,379)	(6,581)	(10,154)	(4,946)
(a) Basic Loss per share (RM sen)	(5.9)	(2.9)	(4.5)	(2.2)
(b) Diluted Loss per share (RM sen)	(5.9)	N.A	(4.5)	N.A
Weighted average number of ordinary shares in issue ('000)	226,818	226,818	226,818	226,818

N.A: Not applicable

As at 31 December 2014, the conversion effects of the Exchangeable Bonds were excluded from the weighted average number of ordinary shares for calculation of diluted loss per share as their effects would have been anti-dilutive.



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

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

	The Group		The Company	
	31 December 2014 (Unaudited)	31 December 2013 (Audited)	31 December 2014 (Unaudited)	31 December 2013 (Audited)
Net asset value per ordinary share (RM sen)	14.3	18.3	66.9	68.4

Net asset value per ordinary share of the Group and the Company was calculated based on 226,817,819 shares (2013: 226,817,819 shares) in issue at the end of the financial year.

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

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

Review of Financial Performance

Revenue

Revenue decreased by approximately RM5.4 million, or 3.4% from approximately RM160.2 million in FY2013 to approximately RM154.8 million in FY2014 due to the softer market sentiments in 2nd half of 2014. Consumers are being thriftier in spending due to rising cost of living mainly impacted by the increase in petrol prices in Malaysia during 2014, where the majority of the Group's outlets are located.

Gross profit and gross profit margin

Gross profit decreased by approximately RM4.8 million, or 4.3% from approximately RM111.3 million in FY2013 to approximately RM106.5 million in FY2014, in line with the decrease in revenue. Gross profit margin remained at approximately 69% in FY2013 and FY2014.

Other Credits

The other credits in FY2014 were mainly due to the gain from the disposal of property and equipment in three of the Group's outlets to its franchisees.



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Marketing and Distribution Costs

Marketing and distribution costs increased marginally by RM0.03 million, or 0.4% from approximately RM7.53 million in FY2013 to approximately RM7.56 million in FY2014. The increase in marketing and distribution costs was mainly due to higher advertising and marketing expenses offset by the reduction in royalties paid to franchisors/licensors as a result of the decrease in revenue.

Administrative expenses

Administrative expenses decreased by approximately RM5.4 million, or 5.9% from approximately RM92.4 million in FY2013 to approximately RM87.0 million in FY2014. The decrease was attributable to lower staff costs due to lower head count, operating supplies and other administrative expenses due to better cost management, offset by higher rental and repair and maintenance expenses.

Finance costs

Finance costs increased by approximately RM0.7 million or 44.2% from approximately RM1.5 million in FY2013 to approximately RM2.2 million in FY2014 mainly due to the higher interest expense in relation to the drawdown of new term loans to finance capital expenditure of new and refurbishment outlets and for working capital purposes.

Other charges

Other charges increased by approximately RM5.6 million in FY2014 as compared to FY2013, mainly due to the write off of property and equipment on refurbished outlets, which amounted to RM2.2 million, impairment of property and equipment on certain non-performing outlets, which amounted to RM7.3 million and impairment of franchise fee on non-performing outlets, which amounted to RM1.6 million.

Other expenses

Other expenses, which consist of depreciation and amortisation of franchise fees decreased by approximately RM0.3 million or 5.7% from approximately RM6.4 million in FY2013 to approximately RM6.1 million in FY2014. The decrease in other expenses was mainly due to lower depreciation and amortisation as a result of impairments made on certain non-performing outlets in FY2013.

Income tax

Income tax expense increased by approximately RM0.5 million, or 14.4% from approximately RM3.2 million in FY2013 to approximately RM3.7 million in FY2014. There was a tax charge for FY2014 despite the loss before tax of RM6.8 million due to the impairment allowance on franchise fee and equipment, and equipment written off which are not tax deductible.



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Review of Financial Position

Non-current assets

Property and equipment decreased from RM61.4 million as at 31 December 2013 to RM53.9 million as at 31 December 2014 mainly due to depreciation charges, property and equipment written off for certain refurbished outlets and impairment of property and equipment for certain non-performing outlets, offset by additions in property and equipment due to new outlets.

Intangible assets decreased from RM10.6 million as at 31 December 2013 to RM9.2 million as at 31 December 2014 mainly due to amortisation of franchise fees and impairment of franchise fees for certain brands, offset by the increase in franchise fees paid for new outlets.

Other assets consist of long term security deposits for restaurant leases.

Current assets

Trade and other receivables increased from RM3.7 million as at 31 December 2013 to RM5.5 million as at 31 December 2014 due to the increased in receivables from franchisees for billings on food supplies, royalties and marketing fund.

Inventories increased from RM3.2 million as at 31 December 2013 to RM3.9 million as at 31 December 2014 due to new outlets opened in FY2014.

Other assets comprise of (i) rental deposits placed with the lessors for the leases of the Group's outlets which are due within one year, (ii) rental prepayments and booking fees to landlord for identified sites, and (iii) prepayments to the Group's suppliers, The increase from RM7.2 million as at 31 December 2013 to RM9.8 million as at 31 December 2014 was mainly due to prepayment to landlord for new identified sites.

Current liabilities

Trade and other payables decreased from RM30.5 million as at 31 December 2013 to RM22.3 million as at 31 December 2014. The decrease was mainly due to the settlement of amounts owing to contractors by term loans.

Other financial liabilities comprise of term loan, hire purchase and bank overdraft facilities granted by financial institutions. The increase in bank borrowings (amount payable in one year or less) from RM11.6 million as at 31 December 2013 to RM13.5 million as at 31 December 2014 was mainly due to the additional banking facilities obtained for working capital purposes. The drawdown of term loans to finance the acquisition of equipment of new and refurbished outlets has also resulted in an increase in other financial liabilities.

Provision for taxation

Provision for taxation increased by RM1.0 million as at 31 December 2014, due to the higher tax payable for FY2014.



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Working capital

The Group's net current liabilities decreased by approximately RM4.5 million from approximately RM16.3 million as at 31 December 2013 to approximately RM11.8 million as at 31 December 2014 mainly due to the decrease in trade and other payables.

Non-current liabilities

Other financial liabilities consist of term loans and hire purchase payables. The increase was mainly due to the increase in bank borrowings (amount repayable after one year) from RM15.8 million as at 31 December 2013 to RM16.1 million as at 31 December 2014 as a result of additional bank borrowings from the financial institutions, offset by repayments during the year.

Exchangeable Bonds

Exchangeable bonds amounting to RM 3.9 million comprises of two tranches which were issued in the following manner:

- a) First tranche of S\$1.0 million on 25 April 2014 and;
- b) Subsequent tranche of S\$0.5 million on 5 December 2014.

Review of Statement of Cash Flows

Cash flows from operating activities

Cash inflow from operating activities before working capital amounted to approximately RM12.0 million in FY2014. Net cash flow from operating activities of approximately RM4.0 million was mainly due to an increase in other assets of RM2.6 million, inventories of RM0.7 million and trade and other receivables of RM1.8 million, offset by a decrease in trade and other payables of RM8.2 million and payment of income tax of RM4.9 million.

Cash flows from investing activities

Net cash used in investing activities of approximately RM7.7 million was mainly due to the purchase of equipment of approximately RM9.0 million as well as franchise fees of RM0.7 million paid for new outlets opened in FY2014, offset by the net proceeds from the disposal of equipments in certain Teh Tarik Place outlets to the Group's franchisees of approximately RM1.9 million.

Cash flows used in financing activities

Net cash used in financing activities of approximately RM4.2 million was mainly due to the repayment of term loans of approximately RM9.5 million, payment of interest of approximately RM2.2 million and increase in fixed deposits pledged to financial institutions of approximately RM0.7 million, offset by the drawdown of term loan facilities of approximately RM4.4 million and the proceeds from the issuance of redeemable exchangeable bonds of approximately RM3.9 million.

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

Not applicable.



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

In the 4th quarter of 2014, the Group observed a softer F&B market conditions particularly in Malaysia, where the majority of our restaurants are located. The Group also expects the implementation of the Goods and Service Tax ("GST") in Malaysia in April 2015 to have an impact on consumer sentiments in FY2015.

In FY2014, the Group provided for impairment for some of the Group's non-performing outlets amounting to RM8.9 million. Given this, the Group will focus on the rationalising of non-performing outlets and implement cost controls. The Group will also focus on franchising the Group's Teh Tarik Place outlets, a fast casual concept that has performed well in terms of comparable outlet sales for the Group's owned outlets and new outlets opened in FY2014. These will allow the Group to be adequately prepared for the softer market sentiment.

The Group also expects an improved performance in FY2015, barring any unforeseen circumstances.

11. Dividend

(a) Current Financial period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial period

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommendeded for the year ended 31 December 2014.



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13. Interested Person Transactions

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

14. Use of proceeds from Exchangeable Bonds

Pursuant to the Company's announcement dated 27 January 2015, subsequent tranche of Exchangeable Bonds at an aggregate principal amount of S\$1.5 million (approximately RM4.0 million) were issued and subscribed by Asiasons Venture Fund Pte. Ltd. ("the Investor"). Further to the announcement, the entire six Exchangeable Bonds at the issue price of S\$500,000 for each Exchangeable Bonds, amounting to S\$3.0 million has been fully subscribed by the Investor.

As at 28 February 2015, approximately S\$1.46 million (approximately RM3.73 million) of the proceeds from the issuance of Exchangeable Bonds of S\$3.0 million (approximately RM7.5 million) have been utilised as follows:

Use of Proceeds from Exchangeable Bonds	Amount Allocated RM'000	Amount Utilised RM'000	Balance RM'000
Capital expenditure and working capital for outlets expansion in China and/or Indonesia	7,075	3,330	3,745
Expenses relating to the Exchangeable Bonds	425	396	29
TOTAL	7,500	3,726	7,774

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 on the utilisation of proceeds raised from the issuance of Exchangeable Bonds 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.

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

Business segment

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

Geographical segment

The geographical segment is presented as follows:



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	Malaysia RM000	Singapore RM000	Thailand RM000	Indonesia RM000	Others RM000	Adjustment RM000	Total RM000
Year ended 31 December 2014 (Unaudited)							
Revenues from external customers	134,430	7,356	3,102	9,957	-	-	154,845
Recurring earnings/(loss) before interest,taxes, depreciation and amortization ("EBITDA")	18,417	(5,278)	(700)	141	-	-	12,580
Finance cost	(1,185)	(198)	-	(794)	-	-	(2,177)
Depreciation	(4,802)	(91)	(379)	(357)	-	-	(5,629)
Amortisation	(435)	(99)	-	(20)	-	-	(554)
Operating revenue before taxation	11,995	(5,666)	(1,079)	(1,030)	-	-	4,220
Property and Equipment Written Off	(2,182)	-	-	-	-	-	(2,182)
Impairment allowance on equipment	(5,440)	-	(1,900)	-	-	-	(7,340)
Impairment allowance on franchise fees	(747)	(752)	-	-	-	-	(1,499)
Profit/(Loss) before tax	3,626	(6,418)	(2,979)	(1,030)	-	-	(6,801)
Income tax expense	(3,694)	-	-	-	-	-	(3,694)
Profit/(Loss) after tax	(68)	(6,418)	(2,979)	(1,030)	-	-	(10,495)
Year ended 31 December 2014 (Unaudited)							
Assets and Liabilities							
Segment assets							
Cash and cash equivalents	6,185	416	26	789	-	-	7,416
Trade receivables	5,147	79	245	22	-	-	5,493
Inventories	3,542	88	22	260	-	-	3,912
Other assets	8,118	1,032	557	4,496	-	-	14,203
Intangible assets	7,742	197	-	461	838	-	9,238
Property and equipment	46,593	621	624	6,070	-	-	53,908
Total assets	77,328	2,432	1,474	12,098	838	-	94,170
Segmental liabilities							
Deferred and current tax liabilities	4,986	-	-	1,004	-	-	5,990
Exchangeable Bonds	-	3,893	-	-	-	-	3,893
Borrowings	29,603	-	-	-	-	-	29,603
Trade and other payables	12,240	769	5,134	3,357	848	-	22,348
Total liabilities	46,829	4,662	5,134	4,361	848	-	61,834
Other Segment Information							
Expenditure for non-current assets:							
Property and equipment	6,024	-	-	2,940	-	-	8,964
Intangible assets	-	-	-	111	591	-	702
	6,024	-	-	3,051	591	-	9,666
Other non-cash expenses other than depreciation/amortisation							
- Equipment written-off	2,182	-	-	-	-	-	2,182
- Impairment allowance on equipment	5,440	-	1,900	-	-	-	7,340
- Impairment allowance on franchise fee	747	752	-	-	-	-	1,499
	8,369	752	1,900	-	-	-	11,021



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	Malaysia RM000	Singapore RM000	Thailand RM000	Indonesia RM000	Others RM000	Adjustment RM000	Total RM000
Year ended 31 December 2013 (Audited)							
Revenues from external customers	137,498	9,694	4,020	9,003	-		160,215
Recurring earnings/(loss) before interest,taxes, depreciation and amortization ("EBITDA")	16,953	(4,053)	(1,076)	(775)	-		11,049
Finance cost	(1,510)	-	-	-	-		(1,510)
Depreciation	(4,990)	(247)	(340)	(158)	-		(5,735)
Amortisation	(272)	(159)	-	(48)	-		(479)
Operating revenue before taxation	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 fees	-	(142)	-	-	-		(142)
Profit/(loss) before tax	7,591	(7,214)	(1,416)	(981)	-		(2,020)
Income tax expense	(3,228)	-	-	-	-		(3,228)
Profit/(loss) after tax	4,363	(7,214)	(1,416)	(981)	-		(5,248)
Year ended 31 December 2013 (Audited)							
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
Segmental liabilities							
Deferred and current tax liabilities	4,388	-					4,388
Borrowings	27,401	-					27,401
Trade and other payables	25,241	716	1,170	3,380	-		30,507
Total liabilities	57,030	716	1,170	3,380	-		62,296
Other Segment Information							
Expenditure for non-current assets:							
Property and equipment	4,861	-	693	3,220	-		8,774
Intangible assets	-	-	-	218	-		218
	4,861	-	693	3,438			8,992
Other non-cash expenses other than depreciation/amortisation							
- Equipment written-off	2,590	-	-	-	-		2,590
- Impairment allowance on equipment	-	2,613	-	-	-		2,613
- Impairment allowance on franchise fee	-	142	-	-	-		142
	2,590	2,755	-	-	-		5,345



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

Please refer to Paragraph 8.

- 17 Breakdown of sales**

THE GROUP	YEAR ENDED 31 DECEMBER		Changes %
	2014 RM'000 (Unaudited)	2013 RM'000 (Audited)	
(a) Sales reported for first half year	79,494	78,259	1.6%
(b) Profit / (loss) attributable to shareholders reported for first half year	3,225	1,635	97.3%
(c) Sales reported for second half year	75,351	81,956	-8.1%
(b) Profit / (loss) attributable to shareholders reported for second half year	<u>(13,379)</u>	<u>(6,581)</u>	103.3%

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

None.



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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year position was held	Details of changes in duties and position held, if any, during the year
Nicol Roach Reddy	33	Son of Andrew Roach Reddy, the Managing Director of the Company	Acting Chief Operating Officer	Promoted from Vice President of Business Development to Acting Chief Operating Officer
Andrea Roach Reddy	31	Daughter of Andrew Roach Reddy, the Managing Director of the Company	Group Human Resources Manager	Not applicable
Louisa Benny George Benny	35	Niece of Andrew Roach Reddy, the Managing Director of the Company	Head Designer	Not applicable

On behalf of the Board of Directors

Ng Teck Wah
Non-Executive Chairman

Andrew Roach Reddy
Managing Director

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

1 March 2015

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

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