



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 2015

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

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

THE GROUP	2ND HALF YEAR ENDED 31 DECEMBER			YEAR ENDED 31 DECEMBER		
	2015 (unaudited)	2014 (Audited)	Increase/ (Decrease)	2015 (Unaudited)	2014 (Audited)	Increase/ (Decrease)
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	87,390	75,165	16.3%	166,510	154,659	7.7%
Cost of sales	(29,055)	(23,424)	24.0%	(55,303)	(48,305)	14.5%
Gross profit/Gross margin	58,335	51,741	12.7%	111,207	106,354	4.6%
<u>Other Items of Income</u>						
Interest income	22	-	N.M	43	53	N.M
Other credits	-	388	N.M	-	744	N.M
<u>Other Items of Expense</u>						
Marketing and distribution costs	(1,352)	(3,844)	-64.8%	(5,087)	(7,017)	-27.5%
Administrative expenses	(58,092)	(45,711)	27.1%	(105,287)	(88,832)	18.5%
Finance costs	(2,046)	(1,092)	87.4%	(3,062)	(2,134)	43.5%
Other losses	(2,243)	(11,201)	-80.0%	(2,243)	(11,201)	-80.0%
Other expenses	(4,010)	(2,982)	34.5%	(7,444)	(6,157)	20.9%
Loss before taxation	(9,386)	(12,701)	-26.1%	(11,873)	(8,190)	45.0%
Income tax expense	(1,081)	(2,538)	-57.4%	(1,878)	(3,837)	-51.1%
Loss after taxation	(10,467)	(15,239)	-31.3%	(13,751)	(12,027)	14.3%
Other comprehensive loss net of tax:- Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations	3,604	(400)	N.M	5,464	(507)	N.M
Total comprehensive loss	(6,863)	(15,639)	-56.1%	(8,287)	(12,534)	-33.9%
Loss attributable to owners of the company, net of tax	(10,585)	(15,035)	-29.6%	(13,748)	(11,810)	16.4%
Loss attributable to non-controlling interests, net of tax	118	(204)	N.M	(3)	(217)	N.M
Loss after tax	(10,467)	(15,239)	-31.3%	(13,751)	(12,027)	14.3%
Total comprehensive loss attributable to owners of the company, net of tax	(6,898)	(15,429)	-55.3%	(8,315)	(12,311)	-32.5%
Total comprehensive loss attributable to non-controlling interests, net of tax	35	(210)	-46.2%	28	(223)	-46.2%
Total comprehensive loss	(6,863)	(15,639)	-56.1%	(8,287)	(12,534)	-33.9%

N.M. = Not Meaningful

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 DECEMBER			YEAR ENDED 31 DECEMBER		
	2015	2014	Increase/ (Decrease)	2015	2014	Increase/ (Decrease)
	(unaudited) RM'000	(Audited) RM'000	%	(Unaudited) RM'000	(Audited) RM'000	%
Depreciation of property and equipment	3,930	2,740	43.4%	7,241	5,667	27.8%
Amortisation of franchise fees	81	305	-73.6%	203	554	-63.4%
Impairment allowance on franchise fees	-	1,509	N.M	-	1,509	N.M
Equipment written off	1,712	2,182	-21.5%	1,712	2,182	-21.5%
Impairment allowance on property and equipment	-	7,518	N.M	-	7,518	N.M
Exchange gain / (loss)	(455)	(594)	-23.4%	(448)	(487)	-8.0%
Interest Income	(22)	-	N.M	(43)	(53)	N.M

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 2015 RM'000 (Unaudited)	31 December 2014 RM'000 (Audited)	31 December 2015 RM'000 (Unaudited)	31 December 2014 RM'000 (Audited)
ASSETS				
Non-Current Assets				
Property and Equipment	62,202	55,142	-	-
Intangible Assets	16,041	9,238	-	-
Investment in Subsidiaries	-	-	150,000	150,000
Other Assets, Non-current	6,621	6,621	-	-
Total Non-Current Assets	84,864	71,001	150,000	150,000
Current Assets				
Inventories	3,810	3,913	-	-
Trade and Other Receivables	7,015	5,662	2,091	-
Other Assets	8,214	8,442	-	83
Amount owing by subsidiaries	-	-	-	355
Cash and Cash Equivalents	14,321	8,089	-	-
Total Current Assets	33,360	26,106	2,091	438
Total Assets	118,224	97,107	152,091	150,438
EQUITY AND LIABILITIES				
Equity				
Share Capital	20,776	20,776	158,444	158,444
Capital Reserves	5,356	(108)	2,543	155
Retained Earnings/(Accumulated Losses)	(5,205)	8,546	(9,851)	(9,041)
Translation Reserve	-	-	-	-
Total Equity Attributable to Owners of the Parent	20,927	29,214	151,136	149,558
Non-Controlling Interest	(127)	(152)	-	-
Total Equity	20,800	29,062	151,136	149,558
Non-Current Liabilities				
Deferred Tax Liabilities	2,639	2,535	-	-
Other Financial Liabilities	25,948	14,469	-	-
Total Non-Current Liabilities	28,587	17,004	-	-
Current Liabilities				
Provision for Taxation	1,636	2,810	-	-
Trade and Other Payables	52,499	28,495	955	880
Other Financial Liabilities	14,702	19,133	-	-
Other Liabilities, current	-	603	-	-
Total Current Liabilities	68,837	51,041	955	880
Total Liabilities	97,424	68,045	955	880
Total Equity and Liabilities	118,224	97,107	152,091	150,438



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

	31 December 2015		31 December 2014	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Finance lease payables	142	-	262	-
Interest bearing loans and borrowings	14,560	-	18,871	-
	<u>14,702</u>	<u>-</u>	<u>19,133</u>	<u>-</u>

Amount repayable after one year

	31 December 2015		31 December 2014	
	RM'000 (Secured)	RM'000 (Unsecured)	RM'000 (Secured)	RM'000 (Unsecured)
Finance lease payables	98	-	305	-
Exchangeable bonds	7,739	-	4,000	-
Interest bearing loans and borrowings	18,111	-	10,164	-
	<u>25,948</u>	<u>-</u>	<u>14,469</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 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 charges over all present and future assets of certain subsidiaries; and
 - (ii) Pledge of fixed deposits with licensed banks.

Certain of the term loans are also secured by:

 - (i) Corporate guarantees of the Company and Chaswood Resources Sdn Bhd;
 - (ii) Legal assignment to licensed banks of 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 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 31 DEC		YEAR ENDED 31 DEC	
	Unaudited 2015 RM'000	Audited 2014 RM'000	Unaudited 2015 RM'000	Audited 2014 RM'000
Cash Flows From Operating Activities				
Loss before tax	(9,386)	(12,701)	(11,873)	(8,190)
Adjustment for:				
Amortisation of franchise agreement cost	81	241	203	490
Impairment allowance on franchise agreement cost	-	1,501	-	1,501
Depreciation of property and equipment	3,930	2,740	7,241	5,667
Property and equipment written-off	1,712	2,182	1,712	2,182
Loss/(gain) on disposal of property and equipment	527	(187)	528	(543)
Impairment allowance on property and equipment	-	7,518	-	7,518
Interest income	(22)	-	(43)	(53)
Interest expense	2,046	1,092	3,062	2,134
Operating Profit Before Working Capital Changes	(1,112)	2,386	830	10,706
Inventories	(754)	(918)	(773)	(735)
Trade and Other Receivables	3,960	(1,966)	1,563	(1,952)
Other Assets, Current	935	3,052	(228)	(1,237)
Trade and Other Payables	11,664	2,766	13,763	(1,508)
Net Cash Flows From Operations	14,693	5,320	15,155	5,274
Tax Paid	(854)	(1,854)	(1,259)	(2,880)
Net Cash Flows From Operating Activities	13,839	3,466	13,896	2,394
Balance carried forward	13,839	3,466	13,896	2,394



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

	2ND HALF YEAR ENDED 31 DEC		YEAR ENDED 31 DEC	
	Unaudited 2015 RM'000	Audited 2014 RM'000	Unaudited 2015 RM'000	Audited 2014 RM'000
Balance brought forward	13,839	3,466	13,896	2,394
Cash Flows From Investing Activities				
Purchases of Property and Equipment	(3,767)	(7,149)	(6,444)	(10,070)
Net Proceeds from Disposal	440	581	440	1,881
Franchise Fees Paid	-	(528)	-	(528)
Other Assets, Non-Current	-	(2,193)	-	(2,193)
Acquisition of subsidiaries	(539)	-	(10,765)	-
Interest Received	22	-	43	53
Net Cash Flows Used in Investing Activities	(3,844)	(9,289)	(16,726)	(10,857)
Cash Flows From Financing Activities				
Decrease in Bills Payable	841	936	437	205
Drawdown of Borrowings	(668)	5,472	12,095	8,565
Repayment of Borrowings	(6,196)	(4,958)	(9,300)	(7,622)
Repayment of Finance Lease Payables	(66)	(78)	(198)	(264)
Cash Restricted in Use	(439)	(187)	345	(689)
Net proceeds from issuance of redeemable exchangeable bonds	-	1,421	4,014	3,971
Interest Paid	(2,046)	(985)	(3,062)	(2,027)
Net Cash Flows From Financing Activities	(8,574)	1,621	4,331	2,139
Net Increase/(Decrease) in Cash and Cash Equivalents	1,422	(4,202)	1,501	(6,324)
Foreign Exchange Differences	3,603	(758)	5,464	(865)
Cash and Cash Equivalents At the Beginning Of The Financial Period	2,180	5,200	240	7,429
Cash and Cash Equivalents At the End Of The Financial Period	7,205	240	7,205	240
<u>Cash and cash equivalents:-</u>				
Not restricted in use	11,510	4,933	11,510	4,933
Restricted in use	2,811	3,156	2,811	3,156
	14,321	8,089	14,321	8,089
<u>Cash and cash equivalents in the Statement of Cash Flows:-</u>				
Amount as shown above	14,321	8,089	14,321	8,089
Bank Overdraft	(4,305)	(4,693)	(4,305)	(4,693)
Cash restricted in use over 3 months	(2,811)	(3,156)	(2,811)	(3,156)
At the end of the financial period	7,205	240	7,205	240



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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	Non-Controlling Interests	Total Equity
	Share Capital	Translation Reserve	Capital Reserves	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2015	20,776	(186)	78	8,546	29,214	(152)	29,062
Total comprehensive income/(loss) for the year							
Loss for the financial year	-	-	-	(13,751)	(13,751)	(3)	(13,754)
Effect of translation of net assets of foreign subsidiaries	-	5,354	-	-	5,354	28	5,382
Total comprehensive income/(loss) for the year	-	5,354	-	(13,751)	(8,397)	25	(8,372)
Issuance of redeemable exchangeable bonds	-	-	110	-	110	-	110
Balance as at 31 December 2015 (unaudited)	20,776	5,168	188	(5,205)	20,927	(127)	20,800
Balance as at 1 January 2014	20,776	315	-	20,356	41,447	71	41,518
Total comprehensive income/(loss) for the year							
Loss for the financial year	-	-	-	(11,810)	(11,810)	(217)	(12,027)
Effect of translation of net assets of foreign subsidiaries	-	(501)	-	-	(501)	(6)	(507)
Total comprehensive income/(loss) for the year	-	(501)	-	(11,810)	(12,311)	(223)	(12,534)
Issuance of redeemable exchangeable bonds	-	-	78	-	78	-	78
Balance as at 31 December 2014	20,776	(186)	78	8,546	29,214	(152)	29,062



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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 2015	158,444	155	-	(9,041)	149,558
Total comprehensive income/(loss) for the year					
Loss for the financial year	-	-	-	(810)	(810)
Foreign currency translation	-	2,388	-	-	2,388
Total comprehensive income/(loss) for the year	-	2,388	-	(810)	1,578
Balance as at 31 December 2015 (unaudited)	158,444	2,543	-	(9,851)	151,136
Balance as at 1 January 2014	158,444	266	-	(3,667)	155,043
Total comprehensive income/(loss) for the year					
Loss for the financial period	-	-	-	(5,374)	(5,374)
Foreign currency translation	-	(111)	-	-	(111)
Total comprehensive income / (loss) for the year	-	(111)	-	(5,374)	(5,485)
Balance as at 31 December 2014	158,444	155	-	(9,041)	149,558



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

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

Issued and paid up share capital	Number of shares	Issued and paid up share capital (RM)
Share capital as at 31 December 2015 and 2014	226,817,819	158,443,972
	As at 31 December 2015	As at 31 December 2014
	Shares ('000)	Shares ('000)
Additional shares that would be issued on conversion of all convertible instruments	10,000	5,000

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

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

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

The Company has no treasury shares as at 31 December 2015.

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.



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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.

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

Not applicable.

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

The accounting policies and methods of computation are consistent with the latest audited financial statements for the year ended 31 December 2014.

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

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

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

	THE GROUP	
	YEAR ENDED 31 DECEMBER	
	2015	2014
Net loss attributable to shareholders of the Company (RM'000)	(13,748)	(11,810)
(a) Basic Loss per share (RM sen)	(6.1)	(5.2)
(b) Diluted Loss per share (RM sen)	(6.1)	N.A
Weighted average number of ordinary shares in issue ('000)	226,818	226,818

N.A: Not applicable

As at 31 December 2015, 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 2015 (Unaudited)	31 December 2014 (Audited)	31 December 2015 (Unaudited)	31 December 2014 (Audited)
Net asset value per ordinary share (RM sen)	9.2	12.8	65.7	65.9

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

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 increased by approximately RM11.8 million in FY2015 as compared to FY2014. Revenue included contribution from the newly acquired China subsidiaries which amounted to approximately RM29.2 million. However, the Group's revenue from the existing operations has decreased due to the weak market sentiment affected by the implementation of Goods and Services Tax (GST) in Malaysia and the weakening of the Malaysian and Indonesian currencies. These have affected consumer spending in Malaysia and Indonesia (where majority of the Group's outlets are located).

Gross profit and gross profit margin

Gross profit increased by approximately RM4.9 million, or 4.6%, from approximately RM106.3 million in FY2014 to approximately RM111.2 million in FY2015, in line with the increase in revenue. However, gross profit margin has decreased from approximately 68.8% in FY2014 to approximately 66.8% in FY2015 mainly due to the increase in cost of sales arising from imported products purchased in view of the weakened currency of RM/Rupiah against USD.

Marketing and Distribution Costs

Marketing and distribution costs decreased by RM1.9 million, or 27.5%, from approximately RM7.0 million in FY2014 to approximately RM5.1 million in FY2015. The decrease was mainly due to the waiver of royalty amounted to RM2.1 million from franchisor pursuant to the acquisition of the China operations.



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Administrative expenses

Administrative expenses increased by approximately RM16.5 million, or 18.5%, from approximately RM88.8 million in FY2014 to approximately RM104.9 million in FY2015. The increase was mainly attributable to the inclusion of administrative expenses for China operations amounted to RM20.0 million. Overall, the Group incurred lower administrative expenses in FY2015 resulted from cost cutting exercises implemented by the Group.

Finance costs

Finance costs increased by approximately RM0.9 million, or 43.5%, from approximately RM2.1 million in FY2014 to approximately RM3.0 million mainly due to the higher interest expense in relation to the drawdown of new term loans to finance the acquisition of the China operations coupled with the additional issuance of Exchangeable Bonds.

Other losses

Other losses decreased by approximately RM9.0 million in FY2015 as compared to FY2014, as there were impairments of plant and equipment in relation to certain outlets which were closed in FY2014.

Other expenses

Other expenses, which consist of depreciation and amortisation of franchise fees increased by approximately RM1.2 million, or 20.5%, from approximately RM6.2 million in FY2014 to approximately RM7.4 million in FY2015. The increase in other expenses was mainly due to additional depreciation from the newly acquired China operations amounted to RM1.7 million.

Income tax

Income tax expense decreased by approximately RM1.9 million, or 51.1%, from approximately RM3.8 million in FY2014 to approximately RM1.9 million in FY2015. There was tax charge for FY2014 and FY2015 despite the losses before tax mainly due to certain expenses such as impairment allowance on franchise fee and/or equipment write-off, which were not tax deductible.



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Review of Financial Position

Non-current assets

Property and equipment increased from RM55.1 million as at 31 December 2014 to RM62.2 million as at 31 December 2015 mainly due to the acquisition of the China operations coupled with additions in property and equipment in relation to new outlets, offset by depreciation charges, and property and equipment written off for certain outlets which were closed in FY2015.

Intangible assets increased from RM9.2 million as at 31 December 2014 to RM16.0 million as at 31 December 2015 mainly due to the goodwill of RM6.8 million arising from the acquisition of the China operations.

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

Current assets

Trade and other receivables increased from RM5.6 million as at 31 December 2014 to RM7.0 million as at 31 December 2015 due to the increase in other receivables arising from the China acquisition.

Inventories decreased marginally from RM3.9 million as at 31 December 2014 to RM3.8 million as at 31 December 2015.

Other current assets comprise of (i) rental deposits placed with the lessors for the leases of the Group's outlets which are due within one year, and (ii) rental prepayments and booking fees to landlord for identified sites. The decrease from RM8.4 million as at 31 December 2014 to RM8.2 million as at 31 December 2015 was mainly due to the refund of deposits by the landlords following the closure of certain outlets.

Current liabilities

Trade and other payables increased from RM28.5 million as at 31 December 2014 to RM52.5 million as at 31 December 2015 mainly due to the inclusion of trade and other payables from the China acquisition of RM8.1 million. In addition, in FY2015, there were interest-free loans from certain substantial shareholders ("Shareholders") amounted to approximately RM3.6 million pursuant to loan agreements signed between the Company and the Shareholders.

Generally, the Group has also obtained more favourable credit term from trade and other payables in 2015.

Other financial liabilities include term loan, hire purchase and bank overdraft facilities granted by financial institutions. The decrease in bank borrowings (amount payable in one year or less) from RM19.1 million as at 31 December 2014 to RM14.7 million as at 31 December 2015 was mainly due to the settlement on certain term loans.

Provision for taxation

Provision for taxation decreased by RM1.2 million as at 31 December 2015 due to the lower tax provision for FY2015.



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Working capital

Net current liabilities increased by approximately RM10.5 million from approximately RM24.9 million as at 31 December 2014 to approximately RM35.5 million as at 31 December 2015 mainly due to the increase in trade and other payables of RM24.0 million, offset by the increase in cash and cash equivalent of RM6.2 million mainly arising from the China acquisition and repayments of current financial liabilities of RM4.4 million.

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 RM14.5 million as at 31 December 2014 to RM25.9 million as at 31 December 2015 as a result of additional bank borrowings from financial institutions.

Exchangeable Bonds

Exchangeable Bonds amounting to approximately RM 7.7 million comprise three tranches which were issued in the following manner:

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

Review of Statement of Cash Flows

Cash flows from operating activities

Cash inflow from operating activities before working capital amounted to approximately RM0.9 million in FY2015. Net cash flow from operating activities of approximately RM13.9 million was mainly from the increase in trade and other payables of RM13.8 million and decrease in trade and other receivables of RM1.5 million, offset by income tax payment of RM1.3 million.

Cash flows used in investing activities

Net cash used in investing activities of approximately RM16.7 million was mainly from the acquisition of the China operations of RM10.8 million, purchase of property and equipment in relation to new outlets amounted to approximately RM6.4 million, offset by the net proceeds from the disposal of equipments of certain outlets amounted to RM0.4 million.

Cash flows from financing activities

Net cash from financing activities of approximately RM4.3 million was mainly from the drawdown of term loan facilities of approximately RM12.1 million, release of previously pledged fixed deposits of RM0.4 million and the proceeds from the issuance of Exchangeable Bonds of approximately RM4.0 million, and offset by the repayment of term loans (principal plus interest) of approximately RM12.1 million.



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

Not applicable.

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

In the first half of 2015, the Group completed the acquisition of TGI Fridays' business operations in China and these subsidiaries have contributed positively to the Group's overall 2015 performance.

However, the Malaysian and Indonesian F&B industry, faced challenges in 2015 with increasing competition and weak consumer sentiment due to the rising cost of living, the slower economy and the implementation of Goods and Services Tax (GST) in Malaysia in April 2015.

The Group expects market conditions to continue to be challenging for 2016. Notwithstanding, the Group will be implementing cost cutting measures and will focus on strengthening its core brands i.e. TGI Fridays, Italiannies, the Apartment, Malones and Teh Tarik Place, while growing the China business.

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 2015.



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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 TAP Venture Fund 1 Pte. Ltd. (formerly known as 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 the Exchangeable Bonds of S\$3.0 million (approximately RM7.5 million) have been utilised as follows:

Use of Proceeds from Exchangeable Bonds	Amount Allocated	Amount Utilised	Balance
	RM'000	RM'000	RM'000
Capital expenditure and working capital for outlets expansion in China and/or Indonesia	7,446	7,475	(29)
Expenses relating to the Exchangeable Bonds	425	396	29
TOTAL	7,871	7,871	0

The above utilisation of the proceeds from the issuance of the Exchangeable Bonds is consistent with the intended uses as disclosed in the Circular to the shareholders.

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.



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Geographical segment

The geographical segment is presented as follows:

	Malaysia RM000	Singapore RM000	Thailand RM000	Indonesia RM000	China RM000	Others RM000	Adjustment RM000	Total RM000
Year ended 31 December 2015 (Unaudited)								
Revenues from external customers	119,950	4,111	270	12,495	29,684	-	-	166,510
Recurring earnings/(loss) before interest,taxes, depreciation and amortization ("EBITDA")	1,934	(2,277)	(320)	71	1,017	-	-	425
Finance cost	(2,152)	(889)	-	(21)	-	-	-	(3,062)
Depreciation	(4,221)	(84)	(540)	(516)	(1,880)	-	-	(7,241)
Amortisation	(147)	-	-	(56)	-	-	-	(203)
Operating loss before taxation	(4,586)	(3,250)	(860)	(522)	(863)	-	-	(10,081)
Property and Equipment Written Off	(295)	-	-	-	(1,417)	-	-	(1,712)
Loss on disposal of equipment	(176)	(352)	-	-	-	-	-	(528)
Gain on foreign exchange	(59)	84	425	(2)	-	-	-	448
Profit/(Loss) before tax	(5,116)	(3,518)	(435)	(524)	(2,280)	-	-	(11,873)
Income tax expense	(1,838)	(6)	-	(34)	-	-	-	(1,878)
Profit/(Loss) after tax	(6,954)	(3,524)	(435)	(558)	(2,280)	-	-	(13,751)
Year ended 31 December 2015 (Unaudited)								
Assets and Liabilities								
Segment assets								
Cash and cash equivalents	4,150	(378)	-	971	9,578	-	-	14,321
Trade and other receivables	1,009	(8)	42	2,831	3,140	-	-	7,014
Inventories	2,626	23	5	427	730	-	-	3,811
Other assets	5,662	635	-	1,992	-	-	-	8,289
Intangible assets	14,355	228	-	619	-	839	-	16,041
Property and equipment	43,865	-	418	8,514	9,232	-	-	62,029
Total assets	71,667	500	465	15,354	22,680	839	-	111,505
Segmental liabilities								
Deferred and current tax liabilities	6,158	-	-	-	-	-	-	6,158
Exchangeable Bonds	-	7,739	-	-	-	-	-	7,739
Borrowings	32,911	-	-	-	-	-	-	32,911
Trade and other payables	31,305	3,032	264	7,277	8,235	847	-	50,960
Total liabilities	70,374	10,771	264	7,277	8,235	847	-	97,768
Other Segment Information								
Expenditure for non-current assets:								
Property and equipment	3,506	-	-	1,249	1,493	-	-	6,248
Intangible assets	147	-	-	56	-	-	-	203
	3,653	-	-	1,305	1,493	-	-	6,451
Other non-cash expenses other than depreciation/amortisation								
- Equipment written-off	295	-	-	-	1,417	-	-	1,712
	295	-	-	-	1,417	-	-	1,712



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	Malaysia RM000	Singapore RM000	Thailand RM000	Indonesia RM000	Others RM000	Adjustment RM000	Total RM000
Year ended 31 December 2014 (Audited)							
Revenues from external customers	134,265	7,335	3,102	9,957	-		154,659
Recurring earnings/(loss) before interest,taxes, depreciation and amortization ("EBITDA")	17,510	(4,365)	(452)	(786)	(605)		11,302
Finance cost	(1,871)	(263)	-	-	-		(2,134)
Depreciation	(4,823)	(91)	(378)	(375)	-		(5,667)
Amortisation	(376)	(98)	-	(16)	-		(490)
Operating revenue before taxation	10,440	(4,817)	(830)	(1,177)	(605)		3,011
Property and Equipment Written Off	(2,182)						(2,182)
Impairment allowance on equipment	(5,440)		(2,078)				(7,518)
Impairment allowance on franchise fees	(748)	(753)					(1,501)
Profit/(loss) before tax	2,070	(5,570)	(2,908)	(1,177)	(605)		(8,190)
Income tax expense	(3,739)	(98)	-				(3,837)
Profit/(loss) after tax	(1,669)	(5,668)	(2,908)	(1,177)	(605)		(12,027)
Year ended 31 December 2014 (Audited)							
Assets and Liabilities							
Segment assets							
Cash and cash equivalents	6,185	389	30	789	696		8,089
Trade and other receivables	2,946	38	276	-	-		3,260
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	622	738	7,069	1,147		55,143
Total assets	77,429	2,268	1,228	10,970	2,810		94,706
Segmental 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	22,460	2,278	926	3,357	77		29,098
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							
- Equipment written-off	2,182	-	-	-	-		2,182
- Impairment allowance on equipment	5,440	-	2,078	-	-		7,518
- Impairment allowance on franchise fee	748	753	-	-	-		1,500
	8,370	753	2,078	-	-		11,200



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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 %
	2015 RM'000 (Unaudited)	2014 RM'000 (Audited)	
(a) Sales reported for first half year	79,120	79,494	-0.5%
(b) Profit / (loss) attributable to shareholders reported for first half year	(3,163)	3,225	-198.1%
(c) Sales reported for second half year	87,390	75,165	16.3%
(b) Profit / (loss) attributable to shareholders reported for second half year	<u>(10,585)</u>	<u>(15,429)</u>	-31.4%

- 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	34	Son of Andrew Roach Reddy, the Managing Director of the Company	Chief Operating Officer	Not applicable
Andrea Roach Reddy	32	Daughter of Andrew Roach Reddy, the Managing Director of the Company	Group Human Resources Manager	Not applicable
Louisa Benny George Benny	36	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

29 February 2016

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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