

CHASWOOD RESOURCES HOLDINGS LTD.

(Company Registration No. 200401894D)

(Incorporated in the Republic of Singapore)

**VARIANCES BETWEEN THE UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT
AND AUDITED FINANCIAL STATEMENTS IN RESPECT OF THE FINANCIAL YEAR ENDED 31
DECEMBER 2018**

The Board of Directors of Chaswood Resources Holdings Limited (the “**Company**”) together with its subsidiaries (the “**Group**”) refer to the unaudited financial statements for the full year ended 31 December 2018 (“**FY2018**”) released by the Company on 1 March 2019. Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to highlight certain reclassifications or changes to the unaudited financial statements for FY2018 following the finalization of the Group’s audit. The clarifications of the aforesaid reclassifications or changes are annexed hereto.

BY ORDER OF THE BOARD

ANDREW ROACH REDDY

Managing Director

3 July 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Asian Corporate Advisors Pte Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**Exchange**”). The Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes 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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Consolidated Statement of Comprehensive Income

	Group		Variance RM'000	Notes
	FY2018 (Unaudited) RM'000	FY2018 (Audited) RM'000		
Revenue	88,537	3,603	(84,934)	N1
Cost of sales	<u>(28,616)</u>	<u>(1,508)</u>	27,108	N1
Gross profit/Gross margin	59,921	2,095	(57,826)	
<u>Other Items of Income</u>				
Interest income	48	-	(48)	N1
Other gains	381	148	(233)	N1
<u>Other Items of Expense</u>				
Marketing and distribution costs	(3,747)	(22)	3,725	N1
Administrative expenses	(59,115)	(3,418)	55,697	N1
Finance costs	(3,368)	-	3,368	N1
Other losses	(548)	-	548	N1
Share of profit/(loss) of Associate	4	-	(4)	N1
Other expenses	<u>(1,187)</u>	<u>(125)</u>	1,062	N1
Loss before taxation	(7,611)	(1,322)	6,289	N1
Income tax expense	<u>(283)</u>	<u>(190)</u>	93	N1
Loss after taxation	(7,894)	(1,512)	6,382	N1
Discontinued operations				
Loss for the year from discontinued operations	-	<u>(8,467)</u>	<u>(8,467)</u>	N1
Total loss for the year	(7,894)	(9,979)	(2,085)	N2
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:-				
Exchange differences on translation of net assets of foreign operations, net of income tax	(1,186)	604	1,790	N3
Total comprehensive loss for the year	<u>(9,080)</u>	<u>(9,375)</u>	<u>(295)</u>	
Loss for the year attributable to:				
Owners of the Company	(7,895)	(9,965)	(2,070)	N2
Non controlling interests	1	(14)	(15)	
Loss after tax	<u>(7,894)</u>	<u>(9,979)</u>	<u>(2,085)</u>	

Note 1: In accordance with the Singapore Financial Reporting Standards (International), results of Chaswood Resources Sdn Bhd (“**CRSB**”) and effectively CRSB's subsidiaries, save for Bistro Italiana (TC) Sdn Bhd, has been separately stated in the statement of comprehensive income as discontinued operation pursuant to the share sale agreement entered into by the Company with Tremendous Asia Management Inc. (“**TAMI**”) on 14 September 2018 for the sale of 100% equity interest in CRSB.

Note 2: Due to the adjustment for impairment allowance for property and equipment of closed outlets of approximately RM2.0 million and accrual of the Group's restructuring fees of approximately RM0.8 million, offsetted by deferred tax adjustments of approximately RM0.7 million.

Note 3: Due to the adjustment on foreign translations of foreign subsidiaries' net assets.

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Statements of Financial Position

	Group			Note
	December 2018 RM'000 Unaudited	December 2018 RM'000 Audited	Variance RM'000	
ASSETS				
Non-Current Assets				
Property and Equipment	11,605	1,359	(10,246)	N4
Intangible Assets	183	-	(183)	N4
Investment in Associate Company	199	-	(199)	N4
Total Non-Current Assets	11,987	1,359	(10,628)	
Current Assets				
Inventories	1,794	57	(1,737)	N4
Trade and Other Receivables	2,179	89	(2,090)	N4
Other Assets	6,612	268	(6,344)	N4
Tax recoverable	486	-	(486)	N4
Cash and Cash Equivalents	3,104	85	(3,019)	N4
Total Current Assets	14,175	499	(13,676)	
Assets classified as held for sale	-	21,891	21,891	N4
Total Assets	26,162	23,749	(2,413)	
EQUITY AND LIABILITIES				
Equity				
Share Capital	24,464	24,464	-	
Other reserves	(2,599)	(824)	1,775	N5
Accumulated Losses	(92,793)	(94,863)	(2,070)	N6
Total Equity Attributable to Owners of the Parent	(70,928)	(71,223)	(295)	
Non-controlling interests	(233)	(233)	-	
Total Equity	(71,161)	(71,456)	(295)	
Non-Current Liabilities				
Deferred Tax Liabilities	1,388	132	(1,256)	N4
Total Non-Current Liabilities	1,388	132	(1,256)	
Current Liabilities				
Provision for Taxation	-	123	123	N4
Trade and Other Payables	57,005	7,951	(49,054)	N4
Other Financial Liabilities	38,684	8	(38,676)	N4
Contract liabilities	246	-	(246)	N4
	95,935	8,082	(87,853)	
Liabilities directly associated with assets classified as held for sale	-	86,991	86,991	N4
Total Current Liabilities	95,935	95,073	(862)	
Total Liabilities	97,323	95,205	(2,118)	
Total Equity and Liabilities	26,162	23,749	(2,413)	

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Note 4: In accordance with the Singapore Financial Reporting Standards (International), the assets and liabilities included within the CRSB Group to be disposed have been classified separately as assets and liabilities classified as held for sale.

Note 5: Due to the adjustment on foreign exchange translations of foreign subsidiaries' net assets.

Note 6: Due to the adjustment for impairment allowance for property and equipment of closed outlets of approximately RM2.0 million and accrual of group restructuring fees of approximately RM0.8 million, offsetted by deferred tax adjustments of approximately RM0.7 million.

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Consolidated Statement of Cash Flows

	Group		Variance RM'000	Note
	Unaudited FY2018 RM'000	Audited FY2018 RM'000		
Cash Flows From Operating Activities				
Loss before tax	(7,614)	(10,427)	(2,813)	N7
Adjustment for:				
Amortisation for franchise agreement cost	26	25	(1)	
Deposits and prepayment written off	463	303	(160)	
Depreciation of property and equipment	1,161	1,165	4	
Impairment loss on :				
Property and equipment	(330)	1,705	2,035	N7
Interest expense	3,368	3,358	(10)	
Interest income	(48)	(48)	-	
(Gain)/ loss on disposal of property and equipment	(51)	(51)	-	
Property and equipment written off	85	-	(85)	
Share of loss of associate	(4)	3	7	
Unrealised loss on foreign exchange	262	260	(2)	
	<u>(2,682)</u>	<u>(3,707)</u>	<u>(1,025)</u>	
Operating Loss Before Working Capital Changes	(2,682)	(3,707)	(1,025)	
Inventories	1,213	1,212	(1)	
Other assets	4,347	4,840	493	N8
Trade and other receivables	219	342	123	
Trade and other payables	(5,044)	(4,411)	633	N9
	<u>(1,947)</u>	<u>(1,724)</u>	<u>223</u>	
Net Cash Flows From Operations	(1,947)	(1,724)	223	
Tax paid	(304)	(304)	-	
Tax refund	-	-	-	
	<u>(2,251)</u>	<u>(2,028)</u>	<u>223</u>	
Net Cash Flows From Operating Activities	(2,251)	(2,028)	223	
	<u>(2,251)</u>	<u>(2,028)</u>	<u>223</u>	
Cash Flows From Investing Activities				
Interest received	48	48	-	
Proceeds from disposal of property and equipment	51	53	2	
Purchase of property and equipment	-	(37)	(37)	
	<u>99</u>	<u>64</u>	<u>(35)</u>	
Net Cash Flows Used in Investing Activities	99	64	(35)	
	<u>99</u>	<u>64</u>	<u>(35)</u>	
Cash Flows From Financing Activities				
Repayment of Borrowings	(1,753)	(1,753)	-	
Net finance lease payables	(195)	(315)	(120)	
Decrease in cash restricted in use	1,753	1,753	-	
Interest Paid	(21)	(21)	-	
Decrease in bills payable	(1,000)	(1,000)	-	
	<u>(1,216)</u>	<u>(1,336)</u>	<u>(120)</u>	
Net Cash Flows From Financing Activities	(1,216)	(1,336)	(120)	
	<u>(1,216)</u>	<u>(1,336)</u>	<u>(120)</u>	
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,368)	(3,300)	68	
Effect of exchange rate changes	(140)	(140)	-	
Cash and cash equivalents at the beginning of the year	447	(684)	(1,131)	N10
	<u>(3,061)</u>	<u>(4,124)</u>	<u>(1,063)</u>	
Cash and Cash Equivalents At the End Of The Financial Period	(3,061)	(4,124)	(1,063)	

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- Note 7:** Due to the adjustment for impairment allowance for property and equipment of closed outlets of approximately RM2.0 million and accrual of the Group's restructuring fees of approximately RM0.8 million.
- Note 8:** Due to adjustment on refund of security deposit for certain outlets closed during the year.
- Note 9:** Due to the adjustment on foreign translations of foreign subsidiaries' net assets.
- Note 10:** Due to error in presentation of the announced unaudited Cash and cash equivalents at the beginning of the year, now being restated accordingly.