



# Chaswood Resources Holdings Ltd.

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

---

## **DIFFERENCES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

---

The Board of Directors of Chaswood Resources Holdings Ltd (the "Company") and together with its subsidiaries (the "Group") refers to the unaudited consolidated full year financial statements for the financial year ended 31 December 2014 ("FY2014") released by Company on 1 March 2015.

The Board wishes to announce and clarify certain reclassifications and material differences to the unaudited consolidated financial statements for FY2014, following the finalisation of the audit.

Pursuant to Rule 704(5) of the Catalist Rules, the clarification of the aforesaid reclassifications or differences are set out in Appendix A below.

**On behalf of the Board of Directors**

**Andrew Roach Reddy**  
**Managing Director**  
**15 April 2015**

---

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

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



# Chaswood Resources Holdings Ltd.

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

## Appendix A

### Profit or Loss and Other Comprehensive Income For the Financial Year Ended 31 December 2014

	Group		Variance RM'000	Notes
	Unaudited FY2014 RM'000	Audited FY2014 RM'000		
Revenue	154,845	154,659	(186)	1
Cost of sales	(48,306)	(48,305)		
<b>Gross profit</b>	<b>106,539</b>	<b>106,354</b>		
<b>Other Items of Income</b>				
Interest income	53	53		
Other gains	542	744	202	1
<b>Other Items of Expense</b>				
Marketing and distribution costs	(7,553)	(7,017)	536	2
Administrative expenses	(87,001)	(88,832)	(1,831)	3
Finance costs	(2,177)	(2,134)	43	2
Other losses	(11,121)	(11,201)	(80)	4
Other expenses	(6,083)	(6,157)	(74)	4
<b>Loss before tax</b>	<b>(6,801)</b>	<b>(8,190)</b>		
Income tax expense	(3,694)	(3,837)	(143)	5
<b>Loss after tax</b>	<b>(10,495)</b>	<b>(12,027)</b>		
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss:-</b>				
Exchange differences on translation of net assets of foreign subsidiaries, net of tax	1,235	(507)	(1,742)	6
Total comprehensive loss	(9,260)	(12,534)		
Loss attributable to owners of the company, net of tax	(10,154)	(11,810)	(1,656)	12
Loss attributable to non-controlling interests, net of tax	(341)	(217)	124	5
<b>Loss after tax</b>	<b>(10,495)</b>	<b>(12,027)</b>		
Total comprehensive loss attributable to owners of the company, net of tax	(8,915)	(12,311)		
Total comprehensive loss attributable to non-controlling interests, net of tax	(345)	(223)		
Total comprehensive loss	(9,260)	(12,534)		



# Chaswood Resources Holdings Ltd.

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

## Appendix A

### Statements of Financial Position For the Financial Year Ended 31 December 2014

	Unaudited 31 December 2014		Audited 31 December 2014		Variance		Note
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000	
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property and equipment	53,908	-	55,142	-	1,234	-	7
Intangible assets	9,238	-	9,238	-	-	-	
Investment in subsidiaries	-	149,945	-	150,000	-	55	8
Other assets, non-current	4,428	-	6,621	-	2,193	-	9
<b>Total Non-Current Assets</b>	<b>67,574</b>	<b>149,945</b>	<b>71,001</b>	<b>150,000</b>	<b>3,427</b>	<b>55</b>	
<b>Current assets</b>							
Inventories	3,912	-	3,913	-	1	-	N.M
Trade and other receivables, current	5,493	-	5,662	-	169	-	4
Other assets, current	9,775	84	8,442	83	(1,333)	(1)	9
Amount owing by subsidiaries	-	2,477	-	355	-	(2,122)	10
Cash and cash equivalents	7,416	-	8,089	-	673	-	11
<b>Total current assets</b>	<b>26,596</b>	<b>2,561</b>	<b>26,106</b>	<b>438</b>	<b>(490)</b>	<b>(2,123)</b>	
<b>Total assets</b>	<b>94,170</b>	<b>152,506</b>	<b>97,107</b>	<b>150,438</b>	<b>2,937</b>	<b>(2,068)</b>	
<b>EQUITY AND LIABILITIES</b>							
<b>Equity attributable to owners of the parent</b>							
Share capital	20,776	158,444	20,776	158,444	-	-	
Retained earnings/(accumulated losses)	10,202	(7,124)	8,546	(9,041)	(1,656)	(1,917)	12
Other reserves	1,632	355	(108)	155	(1,740)	(200)	6
<b>Equity, attributable to owners of the parent</b>	<b>32,610</b>	<b>151,675</b>	<b>29,214</b>	<b>149,558</b>	<b>(3,396)</b>	<b>(2,117)</b>	
Non-controlling interest	(274)	-	(152)	-	122	-	13
<b>Total equity</b>	<b>32,336</b>	<b>151,675</b>	<b>29,062</b>	<b>149,558</b>	<b>(3,274)</b>	<b>(2,117)</b>	
<b>Non-current liabilities</b>							
Deferred tax liabilities	2,453	-	2,535	-	82	-	5
Other financial liabilities, non-current	20,001	-	14,469	-	(5,532)	-	15
<b>Total non-current liabilities</b>	<b>22,454</b>	<b>-</b>	<b>17,004</b>	<b>-</b>	<b>(5,450)</b>	<b>-</b>	
<b>Current liabilities</b>							
Provision for taxation	3,537	-	2,810	-	(727)	-	5,9
Trade and other payables	22,348	831	28,495	880	6,147	49	14
Other financial liabilities, current	13,495	-	19,133	-	5,638	-	15
Other liabilities, current	-	-	603	-	603	-	14
<b>Total current liabilities</b>	<b>39,380</b>	<b>831</b>	<b>51,041</b>	<b>880</b>	<b>11,661</b>	<b>49</b>	
<b>Total liabilities</b>	<b>61,834</b>	<b>831</b>	<b>68,045</b>	<b>880</b>	<b>6,211</b>	<b>49</b>	
<b>Total equity and liabilities</b>	<b>94,170</b>	<b>152,506</b>	<b>97,107</b>	<b>150,438</b>	<b>2,937</b>	<b>(2,068)</b>	

N.M = Not material



# Chaswood Resources Holdings Ltd.

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

Appendix A

## Consolidated Statement of Cash Flows For the Financial Year Ended 31 December 2014

	Group		Variance RM'000	Notes
	Unaudited FY2014 RM'000	Audited FY2014 RM'000		
<b><u>Cash flows from operating activities</u></b>				
Loss before tax	(6,801)	(8,190)		
Adjustment for:				
Amortisation of franchise agreement cost	554	490	(64)	4
Impairment allowance on franchise agreement cost	1,499	1,501	2	4
Depreciation of property and equipment	5,629	5,667	38	4
Property and equipment written-off	2,182	2,182	-	
Gain on disposal of property and equipment	(542)	(543)	(1)	
Impairment allowance on property and equipment	7,340	7,518	178	4
Interest income	(53)	(53)	-	
Interest expense	2,177	2,134	(43)	
Operating profit before working capital changes	11,985	10,706		
Inventories	734	(735)	(1,469)	16
Trade and other receivables	1,783	(1,952)	(3,735)	16
Other assets, Current	2,570	(1,237)	(3,807)	16
Trade and other payables	(8,159)	(1,508)	6,651	16
Net cash flows from operations	8,913	5,274		
Tax paid	(4,913)	(2,880)	2,033	16
Net cash flows from operating activities	4,000	2,394		
<b><u>Cash Flows From Investing Activities</u></b>				
Purchases of property and equipment	(8,964)	(10,070)	(1,106)	7
Net proceeds from disposal of equipment	1,880	1,881	1	N.M
Franchise agreement cost paid	(702)	(528)	174	16
Other assets, non-current	-	(2,193)	(2,193)	9,16
Interest received	53	53	-	
Net cash flows used in investing activities	(7,733)	(10,857)		
<b><u>Cash Flows From Financing Activities</u></b>				
Increase in bills payable	205	205	-	
Drawdown of borrowings	4,405	8,565	4,160	17
Repayment of borrowings	(9,518)	(7,622)	1,896	17
Repayment of finance lease payables	(308)	(264)	44	17
Cash restricted in use	(689)	(689)	-	
Net proceeds from issuance of exchangeable bonds	3,893	3,971	78	4
Interest paid	(2,177)	(2,027)	150	16
Net cash flows(used in) / from financing activities	(4,189)	2,139		
<b>Net decrease in cash and cash equivalents</b>	<b>(7,922)</b>	<b>(6,324)</b>		
Foreign exchange differences	60	(865)	(925)	6
Cash and cash equivalents, statement of cash flows, beginning balance	7,429	7,429		
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	<b>(433)</b>	<b>240</b>	<b>673</b>	<b>11</b>
<b>Cash and cash equivalents:-</b>				
Not restricted in use	4,260	4,933	673	11
Restricted in use	3,156	3,156		
	7,416	8,089		
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>				
Amount shown as above	7,416	8,089	673	11
Bank overdrafts	(4,693)	(4,693)		
Cash restricted in use over 3 months	(3,156)	(3,156)		
	(433)	240	673	11

N.M = Not material



# Chaswood Resources Holdings Ltd.

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

---

## Notes:

1. The decrease in revenue was mainly due to reclassification from revenue to other gains.
2. The decrease in marketing and distribution costs and finance cost were mainly due to the reclassification of these expenses to Administrative expenses.
3. The increase in administrative expenses was mainly due to:
  - (i) Recognition of additional employee benefits expenses of RM1,494,000 in the Company which was paid on behalf by a subsidiary in FY2014 not recognised as administrative expenses in the unaudited financial statements. These expenses were previously under accrued, as explained in Note 14.
  - (ii) Recognition of expenses amounting to RM167,000 incurred by Chaswood Restaurant Management Shanghai Co. Ltd., a wholly owned indirect subsidiary ("Chaswood Shanghai"), as a result of inadvertent omission of its financial statements from the unaudited financial statements as Chaswood Shanghai only started operations at the end of FY2014.
4. The variances were due to the recognition of unrealised foreign exchange differences arising from foreign subsidiaries.
5. The increase in income tax expenses was due to the recognition of additional deferred tax liabilities.
6. The variance is mainly due to recognition of exchange differences on translation of net assets of foreign subsidiaries, net of tax derived from adjustment to translation reserve.
7. The increase in property and equipment was mainly due to the recognition of property and equipment amounting to RM1,147,000, recorded in Chaswood Shanghai, as a result of inadvertent omission of its financial statements from the unaudited financial statements as Chaswood Shanghai only started operations at the end of FY2014.
8. The increase in the Company's investment in subsidiaries was due to exchange differences on translation.
9. The net decrease in other assets, current of RM1,333,000 was mainly due to:
  - (i) Reclassification of security deposits to other assets, non-current of RM2,193,000; and
  - (ii) A credit amount of RM806,000 in respect of tax refundable which was classified under other assets, current being reclassified to provision for taxation.
10. Amount owing by subsidiaries decreased mainly due to the provision for impairment allowance on the amount receivable from the subsidiaries, which amounted to RM2,072,000.
11. The increase in cash and cash equivalents was mainly due to cash and bank arising from Chaswood Shanghai, as a result of inadvertent omission of its financial statements from the unaudited financial statements.
12. The decrease in retained earnings was due to the decrease in loss attributable to owners of the Company, net of tax by RM1,656,000.



# Chaswood Resources Holdings Ltd.

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

- 
13. The increase in non-controlling interest was due to the lower share of loss attributable to non-controlling interests, net of tax arising from the group's operation in Thailand and Indonesia.
  14. The increase in trade and other payables was mainly due to:
    - (i) Reversal of additional employee benefits expenses of RM1,494,000 which was previously under accrued in other payables in unaudited financial statements as explained in Note 3;
    - (ii) Reclassification of balance aroused from amount due from subsidiaries which was included in other payables of RM2,884,000. This reclassification was resulted from management fee charged by the Company to subsidiaries;
    - (iii) Trade and other payables arising from Chaswood Shanghai, as a result of inadvertent omission of its financial statements from the unaudited financial statements, of RM2,100,000, as explained in Note 7 and 11; and
    - (iv) Reclassification of deferred revenue to other liabilities, current of RM603,000.
  15. The decrease in other financial liabilities, non-current was due to the reclassification of non-current liabilities to current liabilities in respect of bank borrowings of RM5,638,000 due to the reclassification of loan with callable clauses, and adjustment for unamortised discount on exchangeable bonds of RM106,000 which was previously classified as trade and other payables.
  16. Reclassification due to changes in the presentation of the Statement of Financial Position in the audited accounts and unaudited financial statements.
  17. The differences in cash flows from financing activities are due to the understatement of proceeds from borrowings of RM4,160,000 and overstatement of repayment of borrowings and finance lease of RM1,896,000 and RM44,000 respectively.