

2013



chaswood

RESOURCES

ANNUAL
REPORT

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This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this annual report.

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

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Corporate Profile

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

Chaswood manages various international brands such as the celebrated TGI FridaysSM from USA, award-winning Bulgogi Brothers Korean Barbecue Restaurant from South Korea, the famed WATAMI Japanese Casual Restaurant from Japan and the innovative Paradise Dynasty from Singapore. We have also established homegrown proprietary brands like Teh Tarik Place, Italiannies, The Apartment, Malones Irish Restaurant & Bar, Baci Italian Café and Laundry bar.

In addition to managing brands, Chaswood has recently transformed itself from a mere Owner to an Owner cum Franchisor by developing franchise opportunities with the Teh Tarik Place.

An ever growing Group, Chaswood has a presence in Malaysia, Singapore, Thailand and Indonesia with 53 outlets as of today.

Our Brands

FRANCHISED & LICENSED BRANDS

TGI FridaysSM



Category	American, Casual Dining
Brand Essence	Infectious Energy
Number of Restaurants	16 in Malaysia, 1 in Singapore and 2 in Indonesia
Website	www.fridays.com.my , www.fridays.com.sg , www.fridays.com.id
Brand Promise	In Here, It's Always Friday

It's fun, it's familiar, it's where every day is Friday. TGI FridaysSM, credited as being the first American casual dining chain, has been a favorite place for millions of guests since 1965. TGI FridaysSM arrived in Kuala Lumpur in 1994 and quickly became the point of reference for American food lovers. Today, almost five decades on, there are more than 900 TGI FridaysSM outlets in 58 countries.

No matter who you are, or what the occasion is, you know you'll have a great time, every time at TGI FridaysSM restaurants.

Category	Korean, Casual Dining
Brand Essence	Treating Our Guests Like Honored Guests in Our Own Home
Number of Restaurants	4 in Malaysia and 1 in Indonesia
Website	www.bulgogibros.com.my , www.bulgogibros-indonesia.com
Brand Promise	Contemporary Korean Dining Experience

A meat and spice paradise that keeps tongues wagging, Bulgogi Brothers specialises in Korean cuisine and bulgogi.

Bulgogi refers to barbecued meat, the most popular form of gogigui or Korean barbecue. The word itself literally means 'fire meat' in Korean.

Opening its first restaurant in Gang-nam, Seoul, Korea in October 2006, Bulgogi Brothers has gone on to provide gourmands with high quality meat dishes at over 50 branches spread across South Korea, the Philippines, Malaysia, Indonesia, Canada and United Kingdom.

In 2012, Bulgogi Brothers was awarded the prestigious Brands Award by the government of South Korea for Best Korean Restaurant. At Bulgogi Brothers, guests can feast on different kinds of bulgogi dishes right at their tables which have built-in induction cookers. Aside from bulgogi, rice dishes (bibimbap), stew (jjigae) and noodles are also served.

Bulgogi Brothers



Our Brands

FRANCHISED & LICENSED BRANDS

Watami



Category	Japanese, Casual Dining
Brand Essence	To receive the most number of "Thank You's" in the world
Number of Restaurants	3 in Malaysia
Website	www.watami.com.my
Brand Promise	Much care for good taste

A restaurant that goes all out for your "Arigato!" Watami created the "Ishokuya" dining concept in Japan - one that features the delights of modern Japanese cuisine, coupled with exceptional, high standards of service. With a menu that includes all the Japanese standards you've come to love, original dishes and signature beverages, Watami promises memorable and enjoyable experiences for all guests.

Established in 1984, Watami Japanese Casual Restaurant is the leading brand under the Watami Group with over 700 outlets across Japan, Hong Kong, China, Taiwan, Malaysia, Singapore, and Korea.

Category	Southern Chinese, Casual Dining
Brand Essence	Amaze people with new creations
Number of Restaurants	1 in Thailand
Website	www.facebook.com/ParadiseDynastyTH
Brand Promise	The Legend of Xiao Long Bao

Preparing feasts that any Emperor would approve of, Paradise Dynasty in Bangkok draws on the rich history of Imperial China while adding a contemporary twist to time-honoured cuisine. Here, you'll experience the legend of Xiao Long Bao, steamed dumplings infused with crab roe, foie gras, black truffle and more.

Paradise Dynasty



Our Brands

OUR PROPRIETARY BRANDS

The Apartment



Category	Modern European, Casual Dining
Brand Essence	Where Dining Out Means Coming Home
Number of Restaurants	2 in Malaysia
Website	www.atheapartment.com
Brand Promise	Fresh & Simple

Adding zesty spirit to contemporary urban living, The Apartment at the Curve and KLCC revolves around homely comfort and luxury. With large open spaces and vast amounts of energised natural light, The Apartment satisfies the senses.

The Apartment is fresh, hip, and it stands for escaping conventional restaurant culture. It's a place where Western and local flavours are fused into a contemporary menu; a place where the modern and familiar coexist. We want to take you home.

Category	Irish Restaurant and Bar
Brand Essence	Emotional Connection
Number of Restaurants	5 in Malaysia and 1 in Singapore
Website	www.malones.my , www.malonesbar.com.sg
Brand Promise	You're Guaranteed A Warm Welcome

If there's one place you can always rely on for a pick-me-up, it's your local Irish pub. Pouring creamy pints of draft since 2009, Malones Irish restaurant and bar offers a delightful menu filled with an array of authentic Irish specialities along with our very own chefs' creations.

Malones is all about fun, letting loose and just being yourself; a perfect embodiment of Irish exuberance. If you're looking for luck, do so in Malones.

Malones



Category	Italian-American, Casual Dining
Brand Essence	Food is a Celebration of Life
Number of Restaurants	5 in Malaysia
Website	www.italiannies.com.my
Brand Promise	Every Guest Leaves Happy

The best ingredients for an enjoyable evening are good company and great food. Italians know this, and live by that formula. Following in this rich tradition, Italiannies is a place where families and friends gather together during dining time, sharing delectable dishes and stories of the day – in a simple celebration of life, and living.

With its welcoming authentic Italian ambience - from a unique continental facade, to sepia-toned photographs decorating the walls, lacey curtains and dark wooden furniture, plus the aroma of freshly cooked food emanating from its open kitchen - Italiannies makes guests feel right at home. The amiable staff and A'more di Merrier shared presentation menu concept complete the dining experience; it's a true family affair.

Italiannies



Our Brands



OUR PROPRIETARY BRANDS

Baci



Category	Italian, Quick Service
Brand Essence	Start Your Day Right
Number of Restaurants	1 in Malaysia and 1 in Singapore
Website	www.baci.com.my , www.baci.com.sg
Brand Promise	Taste the Difference Here

Taking its inspiration from Italian café culture, Baci is a place where people take time to savour the good things in life. From its quality Italian coffee and fresh café style food, it provides a backdrop for people to relax, share, and enjoy each other's company. Share the love.

Category	Local, Quick Service
Brand Essence	From Malaysia with Love
Number of Restaurants	9 in Malaysia
Website	www.tehtarikplace.my
Brand Promise	Freshly Made Food and Beverages

A contemporary reimagining of the beloved neighbourhood Mamak stalls with that same laid-back vibe, it's a hangout spot for people from all walks of life.

Teh Tarik Place's kitchen carries a variety of local dishes, from roti canai to nasi lemak, to mee goreng. You'll also find classic drinks like Milo, barley lychee and of course, teh tarik.

Teh Tarik Place



Category	Live Venue, Bar
Number of Restaurants	1 in Malaysia
Website	www.laundrybar.net

Born out of a passion for life and its many pleasures, Laundry is all about good music, great company, amazing food and drinks. Since its opening, Laundry has been a firm supporter of the local music scene while providing a platform for international artistes to strut their stuff.

A modern bar and lounge, Laundry is the ideal place to catch up with friends over a couple of drinks and a bite to eat. And with its location away from traffic jam central, you don't have to spend your downtime stuck in the car.

Laundry



OUTLETS ACROSS THE SOUTHEAST ASIAN REGION



KEY MILESTONES

2002

Chaswood is founded after a management buyout of the initial 4 FridaysSM outlets in Malaysia.



2003

Chaswood secures developmental rights for FridaysSM in Malaysia.



2004

Chaswood develops Italiannies, its first proprietary brand.



2007

3 new brands launched under Chaswood.



2009

Chaswood takes its first step into Singapore with the launch of FridaysSM.



The first Malones outlet launches in Malaysia.



2010

Asiasons acquires 75% of Chaswood.



2011

The 2nd franchised brand, Watami, launches in Malaysia.



Chaswood debuts Baci.



2012

Chaswood lists on the Catalist Board of the Singapore Stock Exchange (SGX) via a reverse takeover exercise.



The 3rd franchised and licensed brand, Bulgogi Brothers, launches in Malaysia.



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



FridaysSM is introduced to the Indonesian market.



2013

1st franchisee outlet for Teh Tarik Place opened in 2013.



PRESS CLIPPINGS

START YOUR DAY WITH

FOOD

DIGEST

CHEF ANDRI & CHEF VEERA
Rock the kitchen with easy and fun kid-friendly recipes & sumptuous desserts

NEVER DONE BEFORE:
13 EXCLUSIVE FOOD REVIEWS

Healthy Bites:
Have you Forgotten the Art of Chewing?

LEARN THE NATIONAL DISHES AROUND THE WORLD

The world of food issue

DON'T THROW AWAY:
Fast & Effective Food Saving Methods

MASTERCLASS:
How to Make Flavoured Butter

THE SAUJANA HOTEL REVIEW:

WATAMI JAPANESE CASUAL RESTAURANT

28 YEARS OF "KAJURU RESUTORAN" EXCELLENCE

Watami comes from the name of its founder, Watanabe Mak. At the same time, in Japanese, Kaju, Wu means "harmony", Juru means "people" and therefore "Watami" means "gather people to dine in harmony" as well. Now, turning 28, modern Japanese cuisine is here to stay and don't forget a glass of Sake to celebrate living with good Japanese food.

Combining the pursuit of flavour with health considerations and a range of foreign table cultures, Japanese cuisine is an increasingly appealing option for hotel contemporary taste buds. It is based on the enjoyment of a richly varied table offering the elegant presentation of delicate flavours and textures created from a refined sense of taste and varied seasonal ingredients. In doing so it reflects the Japanese people's discriminating approach to taste and ingredients and their readiness to explore the unknown.

The Japanese post-war economic miracle period began after the Cold War, and probably the "satellite" model have been borrowed and adapted from the USA into its own culture, such as Mappanise. Watami Casual Restaurant is no exception. Using the maximising of awareness of seasonal elements as an art form, traditional Japanese cuisine is creatively transformed by infusing Western touches such as Mappanise, French Fries, Croquette, Pizza, Pudding and Tronino.

Yet another Western touch which is not left out is the ubiquitous salad. **Watami Salad** is as light, refreshing and rich with delicate textures as it is healthy crisp greens with red onion, corn, cherry tomatoes, broccoli florets, shredded cucumber, shrimp, teriyaki chicken, Nori (Seaweed), Spring fish roe and fried wonton skin tossed with Yuzu Mayo and Sesame Cream dressing. Next up, the **Sempaka Kakemono** was served a traditional steel pot steamed fish cooked *tadainade* with bean, carrot, Shimeji mushrooms, tofu, potatoes, root vegetables and topped with salmon, shrimp, scallops, chicken and flying fish roe in broth. By cooking the rice and vegetable ingredients in an iron pot, the rice gets slightly burned *alight* *hikimae* which adds a desirable flavor to the rice. This dish is definitely worth a second helping.

Kanamonchi literally translates to "bottle rice" and is a traditional Japanese rice dish created in an ear pot called a *hama*. *Kanamonchi* originally referred to rice that was eaten communally from the *hama*. Coworkers or family members either ate directly from the *hama* pot or by transferring the rice to individual bowls. The term emerged in the late Meiji period, and is associated with the ceremonial eating of rice in the aftermath of the 1923 Great Kantu earthquake. Later, *Kanamonchi* came to refer to a type of Japanese salad cooked with various types of meat, seafood, and vegetables, and flavoured with soy sauce, or miso.



Japanese style burger with slices of beef, pork as the base of piggy burger because egg after allowing the egg. But the Japanese style burger with sliced beef, pork, egg (Japanese fish, cooki mushrooms, carrot, garland chrysanthemum but cabbage in sakjaki look like a pig burger).

Butate Butate Yaki, Watami's signature dish - oven-baked and Shazuo's masterpiece on steaming hot plate, topped with wasi abiko, The Wabi Pizza, a thin pancake-type pizza topped with yakisaki chicken, mushrooms and sage (egg) or honey for Japanese version is just the thing to have during lunch or a colleague and friends, and **Anago Tempura Maki** (Sea Urchin Roll) is a creative change of the traditional Uragi sushi with tempura.

Tempoyaki, a specialty dish from Osaka is made with beef, shredded cabbage, tempura flakes, spring onions and lots a cheese-filled Japanese omelette. Divided with may (Shimomonchi sauce and mustard), in an incredibly filling dish is the rich cheesy goodness enveloped in the golden egg yolk omelette. Finally try the **Matcha Tronino** for dessert. Tronino is a creative change of the traditional Uragi sushi with tempura.

True to the Japanese culture, the service style of Watami the finest details to welcome and delight each customer, with highlights including plastic table light that warm around surrounding the Diner's hama. Watami's great hospital method of serving HOT food encourages customer and eat among diners who seek for a full, emotional experience.

The concept of gratitude to the meal's preparer and the love that compose it is expressed by the Japanese by saying "Itadakimasu" (I humbly receive this food) before beginning a meal. Can't let better phrases before starting your meal?

Recommendation
Watami Salad (RM 15.90), Wabi Pizza (RM 17.90), Kakemono (RM 21.90), Sukiyaki (RM 26.90), Matcha Tronino (RM 9.90)



WATAMI 年味迎新

Watami restaurant advertisement featuring images of various Japanese dishes and text in Chinese.



BULLISHLY KOREAN

momissimo

Life & Culture

Advertisement for momissimo restaurant with a photo of the interior and a headline about Korean food.



famous

WATAMI 年味迎新

Advertisement for Watami restaurant with a photo of dumplings and text in Chinese.



People & Life

Italiannies

Advertisement for Italiannies restaurant with a photo of a chef and text in Chinese.



TASTE GOOD

BULGOGI BROTHERS 韩食新滋味

韩国餐厅如今在大马如雨后春笋般林立。但BULGOGI BROTHERS与众不同的地方就在于对食物标准的坚持。

自2006年韩国首尔开设了Bulgogi Brothers后，即在吉隆坡开设了分店。为了确保食物高品质，店内的料理师都被送到韩国接受专业的培训，食物也是经过严格管制。店里的牛菜与泡菜都是按照标准的规格生产，即便是行遍全球的小菜也有自己的保鲜期。制作的食物也不会再被放回货架上。店里甚至还有专门的专家在厨房监督食物品质，确保每天上桌的料理都是符合标准的。与传统的韩食不同，这里的定食餐更偏向于韩式，店内也安装了超酷的韩国料理，制作了平时难以见到的韩式泡菜等调味料。

1 LAMB GORGONZOLA PASTICCI
这道料理的灵感来自意大利，它以浓郁的香味和绵软的芝士为特色，搭配新鲜的蔬菜和肉片，是一道非常受欢迎的意大利料理。

2 PASTA, GARLIC SHALLOT, SPICY SAUCE
这道料理是一道非常受欢迎的意大利料理，它以浓郁的香味和绵软的芝士为特色，搭配新鲜的蔬菜和肉片，是一道非常受欢迎的意大利料理。

3 SPICY CHICKEN MASHKON PASTICCI
这道料理是一道非常受欢迎的意大利料理，它以浓郁的香味和绵软的芝士为特色，搭配新鲜的蔬菜和肉片，是一道非常受欢迎的意大利料理。

4 CHICKEN BOMBAY PASTICCI
这道料理是一道非常受欢迎的意大利料理，它以浓郁的香味和绵软的芝士为特色，搭配新鲜的蔬菜和肉片，是一道非常受欢迎的意大利料理。

5 BOMBAY BULGOGI PASTICCI
这道料理是一道非常受欢迎的意大利料理，它以浓郁的香味和绵软的芝士为特色，搭配新鲜的蔬菜和肉片，是一道非常受欢迎的意大利料理。

6 GROUND FLOOR BOUTIQUE, PARKSIDE MALL, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200

Publication: New Straits Times
Date: 28 September 2013
Headline: A Taste Of Real Mexican Dishes

A taste of real Mexican dishes

From: Lovers get the opportunity to enjoy a selection of Mexican food from TGI Friday's recipe.

S... The Apartment is in its second rotation of featuring three 4-course dinner set menus comprising a selection of recipes.

Region: NUTRITION

Semarak Resto Rasa Asia

Restoran yang menawarkan masakan Asia yang sedap dan lazat.

... The Apartment is in its second rotation of featuring three 4-course dinner set menus comprising a selection of recipes.

THE APARTMENT

Savour MasterChef Australia cuisine

REAL BITES: The Apartment is in its second rotation of featuring three 4-course dinner set menus comprising a selection of recipes.

A platter of Italy in heart of KL

With a name like Italianos, nothing short of an authentic Italian gastro menu that will do justice to the Italian name is not enough.

Awards and Accolades

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

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report and audited financial statements of Chaswood Resources Holdings Ltd and its subsidiaries ("Chaswood" or the "Group") for the financial year which ended on 31 December 2013 ("FY2013").

Financial Overview

In FY2013, the Group achieved record revenue of RM160.2 million, an increase of 7.0% compared to the corresponding preceding year ("FY2012"). The increase in revenue was mainly attributed to sales derived from new outlets and the full year's revenue recognition from the outlets opened in FY2012.

Gross profit increased by approximately RM9.1 million, or 8.9% from approximately RM102.2 million in FY2012 to approximately RM111.3 million in FY2013, in line with the increase in revenue. Gross margin improved from approximately 68.3% in FY2012 to approximately 69.5% of total revenue in FY2013.

In FY2013, the Group incurred a net loss after tax of RM5.3 million as compared to a net loss of RM11.9 million in FY2012. The reduction in net loss after tax was mainly attributable to the non-recurrence of expenses and goodwill written off arising from the reverse takeover exercise in FY2012. This was offset by a higher net equipment written-off and impairment allowance on equipment in FY2013 as a result of the closure and asset impairment for certain outlets as well as higher administrative and compliance cost associated with a SGX Catalist-listed company.

Moving ahead

To date, the Group operates a total of 10 brands, 53 outlets (including two Teh Tarik Place franchisee outlets) in four countries in Southeast Asia i.e. Malaysia, Singapore, Indonesia and Thailand. Although the global macroeconomic environment remains uncertain, the outlook for Southeast Asia in which the Group operates, appears resilient. Southeast Asia is one of the fastest-growing regions in the world, with an emerging and huge middle class that is becoming more affluent, discerning and cosmopolitan in nature, those of whom are the target customers of the Group. The rising middle income population has also translated to a higher household disposable income resulting in a more robust outlook for the F&B industry.

The Group has launched the Teh Tarik Place Franchising programme to transform itself from a pure owner operator to owner operator and franchisor. We are confident that this business model has huge potential and will allow the Group to grow the number of outlets more rapidly and diversify the Group's earning stream.

In addition, the Group also strengthened its marketing strategies and plans with specific emphasis on the Pinch of Salt loyalty card which was launched in Malaysia just over a year ago. Membership currently stands at approximately 120,000 and is growing daily. We are also in the process of branding and marketing our catering and F&B management capabilities to develop a larger commercial significance. To position the Group as a dynamic, progressive company constantly staying close and relevant to our consumers, we are actively incorporating digital marketing, in particular, social media, in our communication strategy. We intend to utilise social media as a key channel to build our presence in this area.

Looking forward, in addition to the expansion strategy and driving top line as outlined above, the Group will also be intensifying efforts on cost management to drive bottom line growth.

Given our strong brand offerings for distinctive quality food and excellent service, coupled with the promising market potential of Southeast Asia on which the Group will be focusing its expansion plans, we believe we are well-positioned to further expand in the region and take the business to a higher level.

In Appreciation

On behalf of the Board, I would like to express our gratitude to our shareholders for the strong support and confidence in us. We would also like to extend our gratitude to the management and staff, business partners and various professionals for the untiring efforts, support, dedication and commitment in assisting us to fulfill our vision to be the leading multi-concept casual dining operator in Southeast Asia.

With the support and confidence of the stakeholders, the Group is bracing itself for exciting times to achieve our vision of being the leading multi-concept casual dining operator in the region.

I would also like to take this opportunity to inform shareholders that I will voluntarily retire at the conclusion of the forthcoming Annual General Meeting. This is in line with best practice to enhance the Corporate Governance in view that I am part of the controlling shareholder group. This will make way for the Company to appoint a Chairman who is independent and non-executive.

I look forward to watching the Group's progress in the years ahead.

DATO' MOHAMMED AZLAN BIN HASHIM
Non-Independent Non-Executive Chairman

Board of Directors

DATO' MOHAMMED AZLAN BIN HASHIM

Non-Independent Non-Executive Chairman

Dato' Mohammed Azlan Bin Hashim was appointed to the Board as the Non-Independent Non-Executive Chairman on 30 April 2012. Dato' Azlan is a founder and Non-Executive Chairman of Asiasons Capital Limited. Dato' Azlan is instrumental in building Asiasons' relationship with government authorities and large corporations across the region and provides Asiasons with strong governance credibility due to his previous tenure as the Executive Chairman of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") and current quasi-governmental roles.

Dato' Azlan has extensive experience in the corporate sector, especially in financial services and investment management. Aside from his tenure as the Exchange Chairman in Malaysia, he has served as the Chief Executive of Bumiputra Merchant Bankers, Group Managing Director of Amanah Capital Malaysia Berhad.

Dato' Azlan is currently a Board Member of various government and non-government related organisations including Khazanah Nasional Berhad (i.e. the investment arm of the Government of Malaysia), Employees Provident Fund of Malaysia (Investment Panel), Retirement Fund Incorporated (Investment Panel) and Labuan Financial Services Authority.

He also serves as the Chairman of various public entities listed on Bursa Malaysia including D&O Green Technologies Berhad, SILK Holdings Berhad, Scomi Group Bhd, and Deputy Chairman of IHH Healthcare Berhad. He is also the Chairman of Aseana Properties Limited, a company listed on the London Stock Exchange.

A Chartered Accountant by profession, Dato' Azlan graduated with a Bachelor of Economics from Monash University, Australia. He is a fellow member of the Institute of Chartered Accountants, Australia, Malaysian Institute of Accountants, Malaysian Institute of Directors, Institute of Chartered Secretaries and Administrators and Hon. Member of The Institute of Internal Auditors, Malaysia.

MR ANDREW ROACH REDDY

Executive Director and Managing Director

Mr Andrew Roach Reddy is our Managing Director and was appointed to the Board on 1 March 2012. He is responsible for the formulation of the Chaswood Group's strategic directions and expansion plans while managing of overall business development. He has been in the hotel and service industry for about 18 years.

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

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

MR NG TECK WAH

Non-Independent Non-Executive

Mr Ng Teck Wah was appointed to the Board as the Non-Independent Non-Executive Director on 1 March 2012. Mr. Ng is a founder and Joint Managing Director of Asiasons Capital Limited. He is an Arthur Andersen thoroughbred having joined the partnership upon graduation and has worked in various capacities throughout Southeast Asia before seeking early retirement in 2007 to join the Asiasons Group. Teck Wah shares the vision of Datuk Jared Lim Chih Li and Dato' Mohammed Azlan bin Hashim in building a Southeast Asian private equity operations and brings to the table his 30 years of experience in consultancy, turnaround management, mergers and acquisition and transaction advisory. Most importantly, Teck Wah brings to the partnership a financial discipline critical in making the right decisions for the fund partnership.

Teck Wah's last position was as the Executive Director of Transaction Advisory Services in Ernst & Young, Kuala Lumpur. He is one of the founding directors of Arthur Andersen corporate finance in Malaysia. During his tenure in Arthur Andersen, he has served in Singapore, Hong Kong, Manila, Thailand as well as Indonesia and has helped to develop the emerging corporate finance division in Southeast Asia.

Teck Wah has a strong reputation in the market as a Mergers, Acquisitions and Restructuring Specialist and has built a pre-eminent status as a market leader in corporate transaction advisory in Malaysia. He has built a strong track record in leading large turnaround and insolvency assignments across a spectrum of industries.

Teck Wah has a Bachelor's of Commerce in Accounting from University of Birmingham and is a fellow member of The Association of Chartered Certified Accountants UK (ACCA).

Board of Directors



DATUK JARED LIM CHIH LI

Non-Independent Non-Executive

Datuk Jared Lim Chih Li was appointed to the Board as the Non-Independent Non-Executive Director on 1 March 2012. Datuk Jared is a founder and Managing Director of Asiasons Capital Limited.

Datuk Jared is the visionary behind the setting up of an Asian-owned and locally-grown private equity fund and conceptualised Asiasons' investment model of combining traditional value enhancing exercises with branding, design and online strategies.

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

Datuk Jared is also a successful entrepreneur and is the Chairman of the privately owned Be Group in Malaysia. The Be Group is a boutique style Property and Lifestyle Group comprising award winning properties and award winning lifestyle brands in F&B and Wellness.

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

MR NG TECK SIM COLIN

Independent Non-Executive

Mr Ng Teck Sim Colin was appointed to the Board as the Independent Non-Executive Director on 30 April 2012. He is currently the Executive Chairman of Colin Ng & Partners LLP, a law firm which he founded in 1988 focusing on corporate transactions including public listings of companies as well as advising on securities and capital market instruments.

He also serves as an Independent Director of several companies listed on the SGX-ST, namely Achieva Limited, Aztech Group Ltd. and CEI Contract Manufacturing Limited. He is also a registered professional with Catalyst for continuing sponsorship.

Mr Colin Ng graduated from the National University of Singapore in 1981 and was admitted to the Singapore Bar in 1982 and to the England & Wales Bar in 2000. He also holds a Master of Business Administration in Accountancy from Nanyang Technological University in 2007. He is a member of the Appeals Panel of the SGX-ST.

MR CHRISTOPHER JOHN MCAULIFFE

Independent Non-Executive

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

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

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

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

Key Executives

MR KEK POH HEAN

Group Chief Financial Officer

Mr Kek Poh Hean is the Group Chief Financial Officer of the Company and was appointed since 16 May 2012. He oversees finance (including corporate finance), compliance and investor relations of the Chaswood Group. He possesses close to 15 years of broad finance and capital market experience and gained cross-border experience in various countries including Malaysia, Thailand, Indonesia and China during his career.

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

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

MR LIM CHENG SEONG

Chief Financial Officer

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

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

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

Key Executives



MR CHANDRA SUPANDI

International Chief Operating Officer

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

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

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

Corporate Information

BOARD OF DIRECTORS

Executive

Mr Andrew Roach Reddy - *Managing Director*

Non-Independent Non-Executive

Dato' Mohammed Azlan Bin Hashim - *Chairman*

Mr Ng Teck Wah

Datuk Jared Lim Chih Li

Independent Non-Executive

Mr Ng Teck Sim Colin

Mr Christopher John McAuliffe

AUDIT COMMITTEE

Mr Ng Teck Sim Colin - *Chairman*

Dato' Mohammed Azlan bin Hashim

Mr Christopher John McAuliffe

NOMINATING COMMITTEE

Mr Christopher John McAuliffe - *Chairman*

Dato' Mohammed Azlan bin Hashim

Mr Ng Teck Sim Colin

REMUNERATION COMMITTEE

Mr Ng Teck Sim Colin - *Chairman*

Dato' Mohammed Azlan bin Hashim

Mr Christopher John McAuliffe

SECRETARY

Ms Low Siew Tian

AUDITORS TO THE COMPANY

RSM Chio Lim LLP

8 Wilkie Road,

#03-08, Wilkie Edge,

Singapore 228095

Audit Partner-in-Charge:

Mr Peter Jacob

(Appointed since financial year ended 31 December 2012)

REGISTERED OFFICE

80 Robinson Road

#02-00

Singapore 068898

Phone: (65) 6236 3333

Fax: (65) 6236 4399

BUSINESS OFFICE

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No. 6, Jalan PJU 7/3 Mutiara Damansara

47800 Petaling Jaya Selangor Malaysia

Phone: (603) 7727 2257

Fax: (603) 7727 2267

WEBSITE

www.chaswood.com.my

COMPANY REGISTRATION NUMBER

200401894D

SHARE REGISTRAR

Tricor Barbinder Share Registration Services

80 Robinson Road

#02-00

Singapore 068898

PRINCIPAL BANKERS

CIMB Bank Berhad

Level 2 Lot P5.5

Persiaran Perbandaran

Bangunan UMNO Section 14

40675 Shah Alam

Selangor Malaysia

Malayan Banking Berhad

37th Floor, Menara Maybank

100 Jalan Tun Perak

50050 Kuala Lumpur Malaysia

AmBank (M) Berhad

Level 18 Menara Dion

Jalan Sultan Ismail

50250 Kuala Lumpur

Malaysia

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REPORT ON CORPORATE GOVERNANCE



Each Director's participation in the meetings held in FY2013 is summarised in the table below:

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

Note:

NA – Not a Member of the Committee

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

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

All Directors are provided with regular updates on changes in the relevant laws and regulations to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected role and responsibilities. Where possible and when an opportunity arises, the Directors will be invited to locations within the Group's operations to enable them to obtain a better perspective of the business and enhance their understanding of the Group's operations.

Upon appointment of a Director, a formal letter setting out their roles, duties, responsibilities as members of the Board, will be issued to him. The Company, at its expense, will arrange for new Directors with no prior experience of serving as a director in a listed company to attend appropriate courses, conferences or seminars, including programmes or courses organised by the Singapore Institute of Directors or other training institutions in areas such as accounting, legal and industry-specific knowledge. There were no incoming directors during the course of the financial year.

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

Principle 2: Board Composition and Guidance

The Board currently comprises 6 Directors; 1 Executive Director, 3 Non-Independent Non-Executive Directors and 2 Independent Non-Executive Directors. The Directors of the Company as at the date of this report are:-

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

REPORT ON CORPORATE GOVERNANCE



BOARD MEMBERSHIP

Principle 4: Nominating Committee (“NC”)

The current members of the NC comprise entirely of Non-Executive Directors, the majority of whom including the Chairman, is independent. The members of the NC are:

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

The Chairman of the NC is not associated with the substantial shareholders of the Company.

The NC has adopted specific written terms of reference and is scheduled to meet at least once a year, whose principal functions among others, include the following:

- (a) identifying, reviewing and recommending candidates for appointment as Directors of the Company and appointment to the Board committees as well as to senior management positions in the Company;
- (b) re-nomination, appointment and re-appointment of Directors having regard to the Director’s contribution and performance;
- (c) determining annually whether or not a Director is independent;
- (d) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly when he has multiple board representations;
- (e) formulate succession plan for Directors, in particular, the Chairman and for the MD;
- (f) review the Board’s structure, size and composition, having regard to the principles of corporate governance and the Code;
- (h) assess the effectiveness of the Board as a whole and assess the contribution of each individual director to the effectiveness of the Board on an annual basis; and
- (i) review training programs for the Board.

Pursuant to the Company’s Articles of Association, at least one third of the Directors are required to retire by rotation from office and subject themselves to re-election by Shareholders at every annual general meeting. Every Director must retire from office at least once in every three years. A retiring Director is eligible for re-election.

The NC had recommended to the Board that Datuk Jared Lim Chih Li and Mr. Ng Teck Wah will be nominated for re-election at the forthcoming AGM in accordance with Article 89 of the Company’s Articles of Association.

In making its recommendation, the NC evaluates such Directors’ competencies, commitment, contribution and performance, such as their attendance at meetings of the Board and Board Committees, where applicable, participation, candour and any special contributions.

As a good corporate governance practice, Dato’ Mohammed Azlan Bin Hashim, being the Non-Independent Non-Executive Chairman, has volunteered to retire as Director and Non-Executive Chairman of the Company at the conclusion of the forthcoming AGM. The Company will be appointing a new Chairman who would be an Independent and Non-Executive Director to preserve good corporate governance practice. The NC is in the midst of identifying a suitable candidate to take over this role.

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

REPORT ON CORPORATE GOVERNANCE

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All Directors are required to declare their board representations. The NC has reviewed the current board representations of the Directors and the Board is of the view that its assessment should not be restricted to the number of board representations of each Director. Based on the annual review, the Board is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations. The Board will review as and when required and if necessary determine the maximum number of listed company board representations and other principal commitments.

There is no alternate director on the Board.

The NC reviews and assesses candidates for directorship before making recommendations to the Board. The NC takes into consideration the qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group’s business in line with its strategic objectives.

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

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

Director	Position	Date of Initial Appointment	Date of Last Re-Election	Membership of Board Committee	Directorship/ Chairmanship both present and those held over the preceding three years in other listed company
Dato’ Mohammed Azlan bin Hashim	Non-Independent Non-Executive Director	30 April 2012	25 April 2013 (Art. 88)	Audit, Nominating and Remuneration Committees	<p><u>Present</u> Asiasons Capital Limited Aseana Properties Limited D&O Green Technologies Berhad SILK Holdings Berhad Scomi Group Berhad IHH Healthcare Berhad</p> <p><u>Past three years</u> ISR Capital Limited Parkway Pantai Ltd. (delisted from SGX-ST on 24 November 2010) Acibadem Saglik Hizmetleri Ve Ticaret A.S. (delisted from Istanbul Stock Exchange on 4 October 2012)</p>
Andrew Roach Reddy	Executive Director and Managing Director	1 March 2012	25 April 2013 (Art. 89)	–	–

REPORT ON CORPORATE GOVERNANCE



The RC has adopted specific written terms of reference and is scheduled to meet at least once a year, whose principal functions among others, include the following:

- (a) to review and recommend to the Board in consultation with management and the Chairman of the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for each Executive Director and top three Key Management Personnel of the Company, including those employees related to the Executive Directors and controlling Shareholders of the Company;
- (b) review the service contract of each Executive Director;
- (c) consider whether Directors should be eligible for benefit under long-term incentive schemes; and
- (d) carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

As part of its review, the RC shall ensure that:

- (i) all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, options and benefits-in-kinds should be covered, taking into account factors such as effort and time spent, and responsibilities of the Directors. Non-Executive Directors are not over-compensated to the extent that their independence may be compromised.
- (ii) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual Directors' and senior Key Management Personnel's performances.
- (iii) the remuneration package of employees related to Executive Directors and controlling Shareholders of the Company are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

No Director will be involved in deciding his own remuneration, except in providing information and documents if requested by the RC to assist in its deliberations. The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. The Company did not engage a remuneration consultant in FY2013.

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

Principle 8: Level and Mix of Remuneration

The RC takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance to the industry and the performance of the individual Directors. A significant and appropriate proportion of Executive Director's and Key Management Personnel's remuneration should be structured so as to link rewards to corporate and individual performance.

The RC, in establishing the framework of remuneration policies for its Directors and Key Management Personnel is largely guided by the financial performance of the Company. The primary objective of the RC is to align the interests of management with that of the shareholders. In this regard, the RC believes that remuneration should be competitive and sufficient to attract, retain and motivate the Executive Director and Key Management Personnel to better manage the Company.

The Non-Executive Directors are paid in accordance with a remuneration framework comprising basic fees and additional fees for serving as the Chairman of the Board and on any of the committees. Directors' fees are subject to the approval of the shareholders at the forthcoming AGM and such payment to be paid quarterly in arrears.

Mr. Andrew Roach Reddy ("**Mr. Reddy**"), the Executive Director and Managing Director has entered into a service agreement with the Company on 1 March 2012 for an initial period of three years, and shall be renewable automatically on a yearly basis thereafter.

REPORT ON CORPORATE GOVERNANCE



As at date of this Annual Report, the Company has three Key Management Personnel. The remuneration of the Key Management Personnel of the Company for FY2013 is shown in the following bands:

Name of Key Management Personnel	Title	Performance Based Salary	Performance Based Bonuses	Other Benefits ⁽³⁾	Total Remuneration
		%	%	%	%
\$250,000 and below					
Joannis Martin Beins ⁽¹⁾	Chief Operating Officer	88	–	12	100
Kek Poh Hean	Group Chief Financial Officer	95	–	5	100
Lim Cheng Seong	Chief Financial Officer	88	–	12	100
Chandra Supandi ⁽²⁾	International Chief Operating Officer	94	–	6	100

Note:

- (1) Mr. Joannis Martin Beins resigned as the Chief Operating Officer of the Company on 30 June 2013.
- (2) Mr. Chandra Supandi was appointed as the International Chief Operating Officer of the Company on 1 July 2013.
- (3) The other benefits comprises of employers' contribution paid to defined contribution plan.

The aggregate amount of the remuneration paid to the abovementioned Key Management Personnel is S\$449,854.

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

As at the end of FY2013, there were five employees who are related to Mr. Andrew Roach Reddy, the Executive Director and Managing Director, whose annual remuneration was below S\$50,000 including Mr. Nicol Roach Reddy, the son of Mr. Andrew Roach Reddy who was appointed as the Vice President of Business Development of the Group on 16 August 2013.

Their remuneration includes fixed salary, bonus and employers contribution to defined contribution plan. The Company does not provide any termination and retirement benefits to the Executive Director and Key Management Personnel except for post-employment benefit which comprises employers contribution paid to defined contribution plan. The aggregate amount of the post-employment benefit paid to the Key Management Personnel in FY2013 was approximately S\$35,000.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Group recognises the importance of providing the Board with a continual flow of relevant information on an accurate and timely basis in order that it may effectively discharge its duties. The Group ensures that price-sensitive information is first publicly released and announced within the prescribed period after the review by the Board. The Company ensures compliance with legislative and regulatory requirements, including compliance with the Catalist Rules of the SGX-ST to released half-yearly and annual financial results to the Shareholders. The half-yearly financial results are released to the Shareholders within 45 days of the reporting period while the annual financial results are released to the Shareholders within 60 days of the financial year end.

The management of the Company issues a representation letter to the AC on half-yearly basis confirming that the Group financial reporting, processes, control and procedures are in place, highlighting material risks and impacts, and providing updates on status of significant financial issues of the Group. In accordance with Rule 705(5) of the Catalist Rules, the Management provides confirmation in its half-yearly financial results announcements that to the best of its knowledge, nothing had come to the attention of the Board which might render the financial statements to be false or misleading in any material aspect.

REPORT ON CORPORATE GOVERNANCE



- (c) review the internal control procedures and ensure co-ordination between the external auditor and the Management, and review the assistance given by the Management to the auditor, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditor may wish to discuss (in the absence of the Management, where necessary);
- (d) inform the external auditor of any suspected fraud or irregularity and review/discuss suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- (e) consider the appointment or re-appointment of the external auditor and matters relating to the resignation or dismissal of the auditor;
- (f) review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- (g) review potential conflicts of interest, if any;
- (h) undertake such other reviews and projects as may be requested by the Board and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (i) generally undertake such other functions and duties as may be required by the legislation, regulations or the Catalist Rules, or by such amendments as may be made thereto from time to time.

The AC held four (4) meetings during the year under review.

The AC met with internal and external auditors, without the presence of the Company's management, at least once a year to review the overall scope of both internal and external audits, and the assistance given by the management to the auditors.

On a quarterly basis, the AC reviews the interested person transactions and the financial results announcement (on a half-yearly basis) before their submission to the Board for approval.

The AC is kept abreast by the Management of changes to accounting standards, the Catalist Rules of the SGX-ST and other regulations which could have an impact of the Group's business and financial statements.

During the financial year, the AC has reviewed the scope and quality of audit by the external auditors and the independence and objectivity of the external auditors as well as the cost effectiveness. The AC also reviewed the audit and non-audit fees paid to the external auditors. The AC, having reviewed all non-audit services provided by the external auditors of the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The detailed information on the audit and non-audit fees paid/ payable to external auditors for FY2013 can be found on page 59 of this Annual Report.

The AC also satisfied that the external auditors, RSM Chio Lim LLP is able to meet the audit obligations of the Company and is pleased to recommend to the Board of Directors, the nomination of the external auditors for re-appointment at the forthcoming AGM.

The Group has appointed different auditors for certain overseas subsidiaries. The Board and the AC are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the Group. The Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of auditors for the Group.

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

The Company has put in place a whistle-blowing policy (the "**Policy**") to provide an avenue to all employees and outside parties to report any concern or complaint regarding questionable accounting or auditing matters, internal controls, disclosure matters, conflict of interest, insider trading, collusion with competitors, serious breaches of the Group policy, unsafe work practices or any other matters involving fraud, corruption and employee misconduct.

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

A dedicated and secured e-mail address is established to allow whistle-blowers to contact the AC members directly. All concerns or irregularities raised will be treated with confidence and every effort will be made to ensure that confidentiality is maintained throughout the process.

REPORT ON CORPORATE GOVERNANCE



To enable shareholders to contact the Company easily, the contact details of the IR team is set out on the Company's website.

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

The Group does not have a policy on payment of dividends at present. The Group has not declared dividends for the financial year FY2013 after taking into consideration of the Group's profit growth, cash position, positive cash flow, projected capital requirements for business growth and other factors as the Board may deem appropriate.

Principle 16: Conduct of shareholders' meetings

The Company supports active shareholder participation at general meetings. The shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and development. In the event that the shareholders are unable to attend the meetings, they are allowed to appoint up to two proxies to attend and vote in place of the shareholders pursuant to the Articles of Association of the Company. Thus, the Company is not encouraged voting in absentia.

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

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

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

The Company has yet to conduct the voting of all its resolutions by poll at all its AGM and EGMs. The Company will consider employing electronic polling in future.

The Company will review its Articles of Association from time to time and make such amendments to the Articles of Association to be in line with the applicable requirements or rules and regulations governing the continuing listing obligation in the Catalist Rules of the SGX-ST.

DEALINGS IN SECURITIES

The Company has adopted as its own internal compliance code, the best practices guide in Rule 1204 (19) of the Catalist Rules with regard to dealing in the Company's securities by the Directors and its officers. The Directors, management and officers of the Group are prohibited from dealing in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year financial results. They are also prohibited from dealing in the Company's shares on short-term consideration and while they are in possession of unpublished price-sensitive, financial or confidential information.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

MATERIAL CONTRACTS

All materials contracts entered into between the Company and its subsidiaries involving the interests of the Chairman, any director or controlling shareholder during the financial year under review have been disclosed in Note 28 of the financial statements and announced.

Save as disclosed under section Interested Person Transaction and in the financial statements, no material contracts have been entered into, since the previous financial year.

REPORT ON CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTION (“IPTs”)

The Group has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Group does not have any general mandate from shareholders for IPTs.

The Board and the AC has reviewed the IPTs entered during the FY2013 by the Group and the aggregate value of IPTs entered during the FY2013 is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RM'000	RM'000
Asiasons Capital Limited ⁽¹⁾ - Provision of branding and web communication services	405	Not applicable - the Company does not have a shareholders' mandate under Rule 920
Asiasons Venture Fund Pte. Ltd. ⁽²⁾ - Refundable deposit for the proposed issuance of Redeemable Exchangeable Bonds	2,550	

Note:

- (1) Provision of services by a company which Dato' Mohammed Azlan bin Hashim, Datuk Jared Lim Chih Li and Mr Ng Teck Wah are the directors and controlling shareholders of the Company.
- (2) Provision of services by a Company which Dato' Mohammed Azlan bin Hashim, Datuk Jared Lim Chih Li and Mr Ng Teck Wah are deemed interested in the company by virtue that the company is a private equity investment company managed by Asiasons Private Equity Pte Ltd on a full discretionary basis and Asiasons Private Equity Pte Ltd is in turn wholly owned by Asiasons Capital Limited.

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

During FY2013, the aggregate value of transactions less than S\$100,000 entered by the Group with interested person is as follows:

- (a) Provision of corporate services by Tricor CNP Corporate Services Pte Ltd which Mr. Ng Teck Sim Colin is deemed interested in the company by virtue that the company is a joint venture between Colin Ng & Partners LLP and Tricor Singapore Pte Ltd. Mr. Ng Teck Sim Colin is the founding partner of Colin Ng & Partners LLP;
- (b) Provision of entertainment and social media services by Ms. Petrina Roach Reddy (“**Ms. Reddy**”), the daughter of Mr Andrew Roach Reddy and Monsoon Publishing, an entity owned by Ms. Reddy. The services were terminated during FY2013; and
- (c) Provision of branding and web communication services by a company owned by the brother of Datuk Jared Lim Chih Li. The engagement was terminated during FY2013.

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

REPORT ON CORPORATE GOVERNANCE



USE OF PLACEMENT PROCEEDS

As at 31 January 2014, the net proceeds from the Company's issuance of shares pursuant to the compliance placement in relation to the Reverse Takeover Exercise ("**Compliance Placement**") has been fully utilised as follows:

Use of Placement Proceeds	Amount Allocated RM'000	Amount Utilised RM'000	Balance RM'000
Capital expenditure for new restaurants in existing markets and new regional markets	5,022	5,022	–
Refurbishment of existing restaurants	2,443	2,443	–
Expenses relating to the placement	231	231	–
TOTAL	7,696	7,696	–

In compliance with Rule 1204(22), the use of the proceeds from the Compliance Placement is consistent with the intended uses as disclosed in the Company's offer information statement dated 12 March 2012 in relation to the Compliance Placement.

The use of placement proceeds have been translated using the closing exchange rate of S\$1 to RM2.4430 as at 21 March 2012.

NON-SPONSOR FEES

No fees relating to non-sponsorship activities or services were paid to the Company's sponsor, CIMB Bank Berhad, Singapore Branch, during FY2013.

DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2013.

1. Directors at Date of Report

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

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

2. Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

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

3. Directors' Interests in Shares and Debentures

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

	Number of Ordinary Shares			
	Shareholdings registered in the name of director or nominee		Shareholdings in which a director is deemed to have an interest	
	As at 1.1.2013	As at 31.12.2013	As at 1.1.2013	As at 31.12.2013
The Company:				
Andrew Roach Reddy ⁽¹⁾	52,054,455	52,054,455	-	-
Dato' Mohammed Azlan bin Hashim ⁽²⁾	-	-	141,463,367	145,951,367
Datuk Jared Lim Chih Li ⁽³⁾	-	-	141,463,367	145,951,367
Ng Teck Wah ⁽⁴⁾	-	-	-	145,951,367

(1) 25,327,228 shares held by DMG Partners Securities Pte. Ltd. as nominee of Andrew Roach Reddy was transferred from deemed interest to direct interest on 13 March 2013.

(2) By virtue of Section 7 of the Companies Act, Chapter 50, Dato' Mohammed Azlan bin Hashim is deemed interested in all shares held by Posh Corridor Sdn. Bhd. in the Company, through his deemed interest of 53.1% (2012 : 53.42%) in Asiasons Capital Limited, a company incorporated and domiciled in Singapore. Posh Corridor Sdn. Bhd. is an associate company of Asiasons Capital Limited.

(3) By virtue of Section 7 of the Companies Act, Chapter 50, Datuk Jared Lim Chih Li is deemed interested in all shares held by Posh Corridor Sdn. Bhd. in the Company, through his deemed interest of 49.3% (2012 : 38.6%) in Asiasons Capital Limited, a company incorporated and domiciled in Singapore. Posh Corridor Sdn. Bhd. is an associate company of Asiasons Capital Limited.

(4) By virtue of Section 7 of the Companies Act, Chapter 50, Ng Teck Wah is deemed interested in all shares held by Posh Corridor Sdn. Bhd. in the Company, through his deemed interest of 49.3% (2012 : Nil) in Asiasons Capital Limited, a company incorporated and domiciled in Singapore. Posh Corridor Sdn. Bhd. is an associate company of Asiasons Capital Limited.

By virtue of Section 7 of the Companies Act, Chapter 50, the above directors with shareholdings are deemed to have an interest in the Company and in all the related corporations of the Company.

The directors' interests as at 21 January 2014 were the same as those as at 31 December 2013.

DIRECTORS' REPORT



4. Contractual Benefits of Directors

Since the beginning of the financial year, no director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) which is required to be disclosed under section 201(8) of the Companies Act, Chapter 50, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

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

5. Share Options

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

During the financial year, there were no shares of the Company or any subsidiary issued by virtue of the exercise of an option to take up unissued shares.

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

6. Independent Auditors

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

7. Audit Committee

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

Ng Teck Sim Colin	Chairman
Dato' Mohammed Azlan bin Hashim	Member
Christopher John McAuliffe	Member

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

- Reviewed with the independent external auditors their audit plan;
- Reviewed with the independent external auditors their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by the Company's officers to them;
- Reviewed with the internal auditors the scope and results of the internal audit procedures;
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX).

Other functions performed by the AC are described in the report on corporate governance included in the annual report. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditors provide non-audit services.

The AC has recommended to the board of directors that the independent auditors, RSM Chio Lim LLP, be nominated for re-appointment as independent auditors at the next annual general meeting of the Company.

STATEMENT BY DIRECTORS



In the opinion of the directors,

- (a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 and of the results and cash flows of the Group and changes in equity of the Company and of the Group for the financial year then ended; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On Behalf of The Directors

Andrew Roach Reddy
Managing Director

Ng Teck Wah
Director

4 April 2014

INDEPENDENT AUDITORS' REPORT

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



Report on the Financial Statements

We have audited the accompanying financial statements of Chaswood Resources Holdings Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 39 to 85, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of profit or loss and other comprehensive income and statements of financial position and to maintain accountability of assets.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

4 April 2014

Partner in charge of audit: Peter Jacob
Effective from year ended 31 December 2012

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2013

	Notes	2013 RM'000	2012 RM'000
Revenue	5	160,215	149,742
Cost of Sales		(48,920)	(47,514)
Gross Profit		111,295	102,228
Other Items of Income			
Interest Income		103	98
Other Credits	6	–	5,070
Other Items of Expense			
Marketing and Distribution Costs		(7,526)	(7,721)
Administrative Expenses	7	(92,413)	(88,448)
Finance Costs	8	(1,510)	(1,344)
Other Charges	6	(5,521)	(12,406)
Other Expenses	9	(6,448)	(5,563)
Loss before Tax		(2,020)	(8,086)
Income Tax Expense	10	(3,228)	(3,832)
Loss, Net of Tax		(5,248)	(11,918)
Other Comprehensive Income, Net of Tax:-			
Items that may be reclassified subsequently to profit or loss:			
Exchange Differences on Translation of Net Assets of Foreign Subsidiaries		153	153
Total Comprehensive Loss of the Year, Net of Tax		(5,095)	(11,765)
Loss Net of Tax Attributable to:			
Owners of the Company		(4,946)	(11,711)
Non-Controlling Interests		(302)	(207)
Loss Net of Tax		(5,248)	(11,918)
Total Comprehensive Loss Attributable to:			
Owners of the Company		(4,794)	(11,558)
Non-Controlling Interests		(301)	(207)
Total Comprehensive Loss		(5,095)	(11,765)
Loss per share attributable to owners of the Company (expressed in RM sen per share)			
Basic and Diluted	11	(2.2)	(5.3)

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2013

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	Notes	Share Capital RM'000	Translation Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Company:					
Current Year:					
Opening balance as at 1 January 2013		158,444	178	(2,458)	156,164
Total comprehensive income/(expense) for the year					
Loss for the year		–	–	(1,209)	(1,209)
Foreign currency translation		–	88	–	88
Total comprehensive income/(expense) for the year		–	88	(1,209)	(1,121)
Balance as at 31 December 2013		158,444	266	(3,667)	155,043
Previous Year:					
Opening balance as at 1 January 2012		979	–	1,787	2,766
Transaction with owners of the Company					
Additional shares arising from RTO exercise	20	150,000	–	–	150,000
Issuance of new compliance shares	20	7,696	–	–	7,696
Share issuance expense	20	(231)	–	–	(231)
Total contribution by owners		157,465	–	–	157,465
Total comprehensive income/(expense) for the year					
Loss for the year		–	–	(4,245)	(4,245)
Foreign currency translation		–	178	–	178
Total comprehensive income/(expense) for the year		–	178	(4,245)	(4,067)
Balance as at 31 December 2012		158,444	178	(2,458)	156,164

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2013

	2013 RM'000	2012 RM'000
Cash Flows From Operating Activities		
Loss before tax	(2,020)	(8,086)
Adjustment for:		
Goodwill Written-Off	–	7,785
Amortisation of Franchise Fees	479	340
Franchise Fees Written-Off	–	111
Impairment Allowance on Franchise Fees	142	–
RTO Expenses	–	2,623
Depreciation of Property and Equipment	5,735	4,831
Property and Equipment Written-Off	2,590	4,510
Gain on Disposal of Equipment	–	(40)
Impairment Allowance on Equipment	2,613	–
Interest Income	(103)	(98)
Interest Expense	1,510	1,344
Operating Profit Before Working Capital Changes	10,946	13,320
Inventories	(292)	(114)
Trade and Other Receivables	(405)	610
Other Assets, Current	(2,153)	631
Trade and Other Payables	1,522	9,319
Net Cash Flows From Operations	9,618	23,766
Tax Paid	(3,371)	(3,286)
Net Cash Flows From Operating Activities	6,247	20,480
Cash Flows From Investing Activities		
Purchases of Property and Equipment (Note 19)	(8,774)	(25,871)
Net Proceeds from Disposal of Equipment	–	40
Franchise Fees Paid	(218)	(2,925)
Other Assets, Non-Current	1,108	(454)
Interest Received	103	98
Net Cash Paid upon Completion of RTO (Note 19)	–	(97)
Net Cash Flows Used in Investing Activities	(7,781)	(29,209)
Cash Flows From Financing Activities		
Increase/(Decrease) in Bills Payable	929	(77)
Drawdown of Borrowings	8,228	8,174
Repayment of Borrowings	(4,314)	(6,153)
Repayment of Finance Lease Payables	(374)	(478)
Cash Restricted in Use	(599)	1,147
Proceeds from Non-Controlling Interests	236	343
Net Proceeds from Issuance of Shares	–	7,465
Interest Paid	(1,510)	(1,344)
Net Cash Flows From Financing Activities	2,596	9,077
Net Increase in Cash and Cash Equivalents	1,062	348
Foreign Exchange Differences	417	153
Cash and Cash Equivalents At Beginning Of The Financial Year	5,950	5,449
Cash and Cash Equivalents At End Of The Financial Year (Note 19A)	7,429	5,950

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



1. General

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

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

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

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

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

2. Summary of Significant Accounting Policies

Accounting Convention

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

Basis of Presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. The consolidated financial statements include the income and expenses of a subsidiary from the date the entity gains control until the date when the entity ceases to control the subsidiary. Income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

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

Basis of Preparation of the Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



2. Summary of Significant Accounting Policies (Cont'd)

Revenue Recognition

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

Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund which is the Central Provident Fund in Singapore (a government body that manages retirement benefit plan) and the Employees Provident Fund in Malaysia (a government body that manages retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the financial year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Customer Loyalty Programme

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

2. Summary of Significant Accounting Policies (Cont'd)

Foreign Currency Transactions

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

Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the financial year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the financial year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of Financial Statements of Other Entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the entity operates. In translating the financial statements of an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the financial year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the financial year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant entity.

Operating Segment Reporting

The Group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Borrowing Costs

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

Property and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

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

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



2. Summary of Significant Accounting Policies (Cont'd)

Property and Equipment (Cont'd)

Property and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the financial year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Group incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Leases

Whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each financial year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the financial years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Intangible Assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

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

The useful life for franchises is between 10 to 15 years.

NOTES TO THE FINANCIAL STATEMENTS

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2. Summary of Significant Accounting Policies (Cont'd)

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the board of directors or to cast the majority of votes at meetings of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

Business Combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. If the acquirer has made a gain from a bargain purchase that gain is recognised in profit or loss. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Non-Controlling Interests

The non-controlling interests in the net assets and net results of a consolidated subsidiary are shown separately in the appropriate components of the consolidated financial statements. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the financial year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the financial year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

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2. Summary of Significant Accounting Policies (Cont'd)

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with FRS 103 (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this FRS103.

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

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

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date method.

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

Subsequent measurement:

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



2. Summary of Significant Accounting Policies (Cont'd)

Financial Assets (Cont'd)

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

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date method. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the financial year.

Subsequent measurement:

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



2. Summary of Significant Accounting Policies (Cont'd)

Financial Liabilities (Cont'd)

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Fair Value Measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year.

If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

Equity

Equity instruments are contracts that give a residual interest in the net assets of the Company. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by directors.

NOTES TO THE FINANCIAL STATEMENTS

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2. Summary of Significant Accounting Policies (Cont'd)

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Assessment of impairment of goodwill and franchise fees

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

Property and equipment

The Group has property and equipment stated at carrying value of RM61,433,000 (2012: RM63,799,000). An assessment is made at each end of the financial year whether there is any indication that the assets may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the assets. The recoverable amounts of cash-generating units if applicable is determined based on value-in-use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

Useful lives of leasehold improvements and equipment

The estimates for the useful lives and related depreciation charges for property and equipment is based on commercial and other factors which could change significantly as a result of innovations and competitor actions in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset (or class of assets) at the end of the financial year affected by the assumption is RM60,077,000 (2012: RM62,411,000).

Useful lives of franchise fees

The estimates for the useful lives and related amortisation charges for franchise fees is based on commercial and other factors which could change significantly as a result of innovations and competitor actions in response to market conditions. The amortisation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset (or class of assets) at the end of the financial year affected by the assumption is RM3,635,000 (2012: RM4,100,000).

NOTES TO THE FINANCIAL STATEMENTS

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2. Summary of Significant Accounting Policies (Cont'd)

Critical Judgements, Assumptions and Estimation Uncertainties (Cont'd)

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

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

The Group has an agreement with the other shareholder which owns the remaining voting shares, where the other shareholder agreed to always vote in the same way as the Group and that the Group is entitled to 90% of the profits. The nature of this agreement had resulted in the Group having the power to govern the financial and operating policies of this entity, so as to obtain benefits from its activities.

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

Estimated impairment of subsidiary

Where an investee is in net equity deficit and has suffered losses a test is made whether the investment in the investee has suffered any impairment. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset (or class of assets) at the end of the financial year affected by the assumption is RM150,954,000.

Income taxes

The Group is presently subject to income taxes in a number of jurisdictions, mainly Singapore and Malaysia. Significant judgement is required in determining the Group-wide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The administration and enforcement of tax laws and regulations in these jurisdictions may be subject to uncertainty and a certain degree of discretion by the tax authorities. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. The amounts are disclosed in Note 10.

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

Subject to the issue of the Liquor Licences for certain restaurants in Malaysia, the Group is not in compliance with the relevant legislation in Malaysia regulating the business which involves providing intoxicating beverages (such as beer and liquor) to its patrons. In the event that the regulatory authority in Malaysia requires the strict compliance by the Group, the affected restaurants may have to cease providing such beverages, which may have an adverse effect on the Group's business and financial performance.

Customer loyalty programme

The Company operates a customer loyalty programme called "Pinch of Salt" in Malaysia that provides awards or points to programme members based on accumulated purchases. A portion of revenue attributable to the award of customer loyalty benefits is deferred until they are utilised. The deferment of the revenue is estimated based on historical trends of redemption, which is then used to project the expected utilisation of these benefits. Any remaining unutilised benefits are recognised as revenue upon expiry. This estimation requires significant judgement. The carrying amount of the Group's and the Company's deferred revenue at 31 December 2013 was RM715,000 (2012: Nil).

NOTES TO THE FINANCIAL STATEMENTS

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3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

#3.1 Related companies:

The Company is a subsidiary of Posh Corridor Sdn. Bhd., incorporated in Malaysia. The Company's ultimate parent company is Dragonrider Opportunity Fund L.P., incorporated in the Cayman Islands. Related companies in these financial statements include the members of the ultimate parent company's group of companies. The ultimate controlling party is Dragonrider Opportunity Fund L.P.

There are transactions and arrangements between the reporting entity and members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees, no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

As at the end of the financial year, the Group's total current liabilities exceeded its total current assets by RM16,250,000 (2012: RM18,686,000). Notwithstanding that current liabilities exceeded current assets, management is of the view that the Group will be able to meet its obligations as and when they fall due based on the forecasted cashflows of the Group for the next 12 months from the end of the financial year. Asiasons Capital Limited, an associate company of Posh Corridor Sdn. Bhd., and Andrew Roach Reddy (a director) have each given undertakings to provide continued financial support to the Group, in order for the Group to meet their liabilities as and when they fall due and to have sufficient working capital for their requirements for at least 12 months after the end of the financial year.

#3.2 Other related parties:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. The current balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any significant non-current balances and significant financial guarantees an interest or charge is charged or imputed unless stated otherwise.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



3. Related Party Relationships and Transactions (Cont'd)

#3.2 Other related parties: (cont'd)

Significant related party transactions:

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

	Notes	Group	
		2013 RM'000	2012 RM'000
Salaries and other short-term employee benefits	(a)	341	383
Provision of branding and web communication services	(b)	578	730
Provision for entertainment and social media services	(c)	116	779
Provision of corporate services	(d)	63	122
Provision of design and fit-out services	(e)	56	64
Refundable deposit for the proposed issuance of Redeemable Exchangeable Bonds	(f)	<u>2,550</u>	<u>—</u>

- (a) Employees related to Mr. Andrew Roach Reddy.
- (b) Provision of services by a company owned by Datuk Jared Lim Chih Li's brother and a company in which Dato' Mohammed Azlan bin Hashim, Datuk Jared Lim Chih Li and Mr Ng Teck Wah are the directors and controlling shareholders.
- (c) Provision of services by an entity owned by Mr. Andrew Roach Reddy's daughter.
- (d) Provision of services by an entity in which Mr. Ng Teck Sim, Colin has deemed interest.
- (e) Provision of services by Mr. Andrew Roach Reddy's daughter.
- (f) Refundable deposit provided by an entity in which Dato' Mohammed Azlan bin Hashim, Datuk Jared Lim Chih Li and Mr Ng Teck Wah have deemed interests.

#3.3 Key management compensation:

	Group	
	2013 RM'000	2012 RM'000
Salaries and other short-term employee benefits	<u>1,167</u>	<u>2,544</u>

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

	Group	
	2013 RM'000	2012 RM'000
Remuneration of directors of the Company	1,246	1,189
Fees to directors of the Company	<u>480</u>	<u>298</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

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4. Financial Information by Operating Segments

4A. Information about Reportable Segment Profit or Loss, Assets and Liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

The management considers the business from a geographic segment perspective. There is no business segment as the Group operates in substantially one business segment that is restaurant business serving food and beverages.

The geographic segments are as follows:

1. Malaysia
2. Singapore
3. Others – Thailand and Indonesia

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured based differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a Group basis and are not allocated to operating segments.

4B. Profit or Loss from Continuing Operations and Reconciliations

	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
Year ended 31 December 2013				
Revenues from external customers	137,498	9,694	13,023	160,215
Recurring earnings/(loss) before interest,taxes, depreciation and amortisation ("EBITDA")	16,953	(4,053)	(1,851)	11,049
Finance costs	(1,510)	–	–	(1,510)
Depreciation	(4,990)	(247)	(498)	(5,735)
Amortisation	(272)	(159)	(48)	(479)
Operating revenue before tax	10,181	(4,459)	(2,397)	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)
Loss before tax	7,591	(7,214)	(2,397)	(2,020)
Income tax expense	(3,228)	–	–	(3,228)
Loss after tax	4,363	(7,214)	(2,397)	(5,248)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



4. Financial Information by Operating Segments (Cont'd)

4B. Profit or Loss from Continuing Operations and Reconciliations (Cont'd)

	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
31 December 2013				
Assets and Liabilities				
Segment assets				
Cash and cash equivalents	10,715	1,148	1,409	13,272
Trade and other receivables	1,299	94	2,317	3,710
Inventories	2,889	81	208	3,178
Other assets	9,895	1,448	290	11,633
Intangible assets	8,853	810	925	10,588
Property and equipment	53,090	700	7,643	61,433
Total assets	<u>86,741</u>	<u>4,281</u>	<u>12,792</u>	<u>103,814</u>
Segmental liabilities				
Deferred and current tax liabilities	4,388	–	–	4,388
Borrowings	27,401	–	–	27,401
Trade and other payables	25,241	716	4,550	30,507
Total liabilities	<u>57,030</u>	<u>716</u>	<u>4,550</u>	<u>62,296</u>
Other segment information				
Expenditure for non-current assets:				
Property and equipment	4,861	–	3,913	8,774
Intangible assets	–	–	218	218
	<u>4,861</u>	<u>–</u>	<u>4,131</u>	<u>8,992</u>
Other non-cash expenses other than depreciation/ amortisation				
- Property and Equipment Written-Off	2,590	–	–	2,590
- Impairment allowance on equipment	–	2,613	–	2,613
- Impairment allowance on franchise fees	–	142	–	142
	<u>2,590</u>	<u>2,755</u>	<u>–</u>	<u>5,345</u>
	Malaysia RM'000	Singapore RM'000	Others RM'000	Adjustment RM'000
Year ended 31 December 2012				Total RM'000
Revenues from external customers	<u>133,055</u>	<u>15,109</u>	<u>1,578</u>	<u>149,742</u>
Recurring earnings/(loss) before interest, taxes, depreciation and amortisation (“EBITDA”)	13,835	(6,747)	(1,199)	5,889
Finance costs	(1,288)	(56)	–	(1,344)
Depreciation	(4,416)	(321)	(94)	(4,831)
Amortisation	(243)	(97)	–	(340)
Operating revenue before tax	7,888	(7,221)	(1,293)	(626)
Compensation from a third party	–	4,706	–	4,706
Equipment written-off	(2,950)	(1,560)	–	(4,510)
Franchise fees written-off	–	(111)	–	(111)
Other unallocated items – Goodwill written-off	–	–	–	(7,545)
Loss before tax	4,938	(4,186)	(1,293)	(7,545)
Income tax expense	(3,814)	(18)	–	–
Loss after tax	<u>1,124</u>	<u>(4,204)</u>	<u>(1,293)</u>	<u>(7,545)</u>
				<u>(11,918)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

4. Financial Information by Operating Segments (Cont'd)

4B. Profit or Loss from Continuing Operations and Reconciliations (Cont'd)

	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
31 December 2012				
Assets and Liabilities				
Segment assets				
Cash and cash equivalents	6,494	1,044	1,208	8,746
Trade and other receivables	2,081	118	1,106	3,305
Inventories	2,721	105	60	2,886
Other assets	8,593	1,276	719	10,588
Intangible assets	9,127	1,079	847	11,053
Property and equipment	55,810	3,438	4,551	63,799
Total assets	<u>84,826</u>	<u>7,060</u>	<u>8,491</u>	<u>100,377</u>
Segmental liabilities				
Deferred and current tax liabilities	4,531	–	–	4,531
Borrowings	20,484	–	–	20,484
Trade and other payables	23,923	2,103	2,959	28,985
Total liabilities	<u>48,938</u>	<u>2,103</u>	<u>2,959</u>	<u>54,000</u>
Other segment information				
Expenditure for non-current assets:				
Property and equipment	20,996	946	4,368	26,310
Intangible assets	1,127	951	847	2,925
	<u>22,123</u>	<u>1,897</u>	<u>5,215</u>	<u>29,235</u>
Other non-cash expenses other than depreciation/ amortisation				
- Equipment written-off	2,950	1,560	–	4,510
- Franchisee fees written-off	–	111	–	111
- Goodwill written-off	–	7,785	–	7,785
	<u>2,950</u>	<u>9,456</u>	<u>–</u>	<u>12,406</u>

5. Revenue

	Group	
	2013 RM'000	2012 RM'000
Sale of food and beverages	147,323	137,010
Service charges	12,892	12,732
	<u>160,215</u>	<u>149,742</u>

NOTES TO THE FINANCIAL STATEMENTS

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6. Other Credits and (Other Charges)

	Group	
	2013	2012
	RM'000	RM'000
Sundry income	–	212
Compensation from a third party	–	4,706
Gain on disposal of equipment	–	40
Foreign exchange translation (losses)/gains	(176)	112
Goodwill written-off	–	(7,785)
Property and Equipment written-off	(2,590)	(4,510)
Franchise fees written-off	–	(111)
Impairment allowance on equipment	(2,613)	–
Impairment allowance on franchise fees	(142)	–
	<u>(5,521)</u>	<u>(7,336)</u>
Presented in the profit or loss as:		
Other credits	–	5,070
Other charges	(5,521)	(12,406)
	<u>(5,521)</u>	<u>(7,336)</u>

7. Administrative Expenses

The major components include the following:

	Group	
	2013	2012
	RM'000	RM'000
Audit fees to the independent auditors of the Company	275	330
Audit fees to the independent auditors of the subsidiaries	369	311
Non-audit fees to the independent auditors of the Company ^(a)	35	652
Non-audit fees to the independent auditors of the subsidiaries ^(b)	9	198
Advertising costs	3,858	3,661
Employee benefits expenses	41,091	40,200
Operating supplies	2,862	2,992
RTO expenses, excluding fees paid to independent auditors	–	1,815
Rental of apartments	427	702
Rental of restaurants premises	24,413	20,772
Repairs and maintenance	2,407	2,608
Utilities	8,166	7,336
	<u>8,166</u>	<u>7,336</u>

(a) Of this amount, RM620,000 represents fees paid to the reporting accountants for the RTO exercise in 2012.

(b) Of this amount, RM188,000 represents fees paid to the independent auditors for Chaswood Resources Sdn. Bhd. for the RTO exercise in 2012.

	Group	
	2013	2012
	RM'000	RM'000
Salaries and other short-term employee benefits including the directors	38,827	38,249
Contribution to defined contribution plans	2,264	1,951
Total employee benefits expenses	<u>41,091</u>	<u>40,200</u>

NOTES TO THE FINANCIAL STATEMENTS

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8. Finance Costs

	Group	
	2013 RM'000	2012 RM'000
Bank borrowings	1,446	1,284
Finance lease payables	64	60
	1,510	1,344

9. Other Expenses

The major components include the following:

	Group	
	2013 RM'000	2012 RM'000
Amortisation of franchise fees	479	340
Depreciation of property and equipment	5,735	4,831

10. Income Tax Expense

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

	Group	
	2013 RM'000	2012 RM'000
Current tax expense:		
Current tax expense	3,467	3,516
Overprovision in the previous financial year	(178)	(40)
	3,289	3,476
Deferred tax expense:		
Deferred tax expense	58	354
(Over)/Underprovision in the previous financial year	(119)	2
	(61)	356
Total income tax expense	3,228	3,832

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



10. Income Tax Expense (Cont'd)

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

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2012: 17%) to loss before income tax as a result of the following differences:

	Group	
	2013 RM'000	2012 RM'000
Loss before taxation	(2,020)	(8,086)
Income tax benefit at the above rate	(343)	(1,375)
Tax effects of:		
Non-deductible expenses	1,625	3,619
Non-taxable gain	—	(558)
Effect of different tax rates in different countries	1,200	1,300
Utilisation of previously unrecognised deferred tax assets	(31)	(19)
Deferred tax assets not recognised during the financial year	1,074	903
Overprovision in the previous financial year	(297)	(38)
Total income tax expense	3,228	3,832

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

	Group	
	2013 RM'000	2012 RM'000
Deferred tax liabilities:		
Excess of net book value of equipment over tax values	(241)	404
Deferred tax assets:		
Unutilised tax losses	9	19
Unabsorbed capital allowances	171	(67)
Total deferred income tax expense recognised in profit or loss	(61)	356

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

The deferred tax amounts during the year are as follows:

	Group	
	2013 RM'000	2012 RM'000
Deferred tax liabilities:		
Excess of net book value of equipment over tax values	3,207	3,448
Deferred tax assets:		
Unutilised tax losses	(25)	(34)
Unabsorbed capital allowances	(323)	(494)
Net balance	2,859	2,920

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31 December 2013

10. Income Tax Expense (Cont'd)

10C. Deferred tax balance in the statement of financial position (Cont'd):

Unrecognised deferred tax assets:

	Group	
	2013 RM'000	2012 RM'000
Unused tax losses available	1,817	1,190
Unabsorbed capital allowances	925	658
Deferred tax assets recognised:	<u>(348)</u>	<u>(528)</u>
Unrecognised deferred tax assets	<u>2,394</u>	<u>1,320</u>

The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

11. Loss Per Share

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

	Group	
	2013	2012
Net loss attributable to equity holdings of the Company (RM'000)	(4,946)	(11,711)
Weighted average number of ordinary shares in issue (In '000) ^(a)	226,818	222,277
Loss per share (RM sen)	<u>(2.2)</u>	<u>(5.3)</u>

The diluted loss per share is the same as the basic loss per share as there were no dilutive instruments in issue during the financial year.

(a) The Company consolidated 10 existing ordinary shares into 1 ordinary share on 12 March 2012. Therefore, the weighted average number of shares outstanding for basic and diluted loss per share from the reverse acquisition date to the end of the 2012 year have been adjusted retrospectively.

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13. Intangible Assets (Cont'd)

13A. Goodwill

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cost:				
Balance at beginning and end of the year	6,953	6,953	–	–

The goodwill mainly relates to the initial acquisition of T.G.I Friday's business in 2002.

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

Group	Malaysia RM'000	Singapore RM'000	Total RM'000
2013			
Assets allocations:			
Goodwill	6,953	–	6,953
Total assets allocated	6,953	–	6,953
2012			
Assets allocations:			
Goodwill	6,953	–	6,953
Total assets allocated	6,953	–	6,953

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

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

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

	Gross Margin		Growth Rate of Revenue		Discount Rate	
	2013	2012	2013	2012	2013	2012
Operating restaurants	68%	68%	5%	5%	7.4%	12%

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

NOTES TO THE FINANCIAL STATEMENTS

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13. Intangible Assets (Cont'd)

13B. Franchise Fees

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cost:				
At beginning of year	5,035	2,235	952	–
Additions	218	2,925	–	952
Write-off	–	(140)	–	–
Foreign currency translation differences	(62)	15	31	–
At end of year	<u>5,191</u>	<u>5,035</u>	<u>983</u>	<u>952</u>
Accumulated amortisation and impairment:				
At beginning of year	(935)	(624)	(32)	–
Amortisation for the year	(479)	(340)	(96)	(32)
Impairment loss	(142)	–	–	–
Write-off	–	29	–	–
At end of year	<u>(1,556)</u>	<u>(935)</u>	<u>(128)</u>	<u>(32)</u>
Carrying value at end of year	<u>3,635</u>	<u>4,100</u>	<u>855</u>	<u>920</u>

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

During the financial year, the Group assessed the recoverable amount of the franchise fees, and determined that the franchise fees are not impaired.

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

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

	Gross Margin		Growth Rate of Revenue		Discount Rate	
	2013	2012	2013	2012	2013	2012
Operating restaurants	65-76%	60-72%	5-17%	5->100% ⁽¹⁾	16.3-17.73%	12%

⁽¹⁾ The growth rate for 2013 in the previous year was estimated as >100% due to the first full year of operations of the Bulgogi Brothers restaurants in 2013.

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

NOTES TO THE FINANCIAL STATEMENTS

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13. Intangible Assets (Cont'd)

13B. Franchise Fees (Cont'd)

Sensitivity analysis:

- (i) The growth rates for the Paradise Dynasty franchise used in the above determination are 10% to 15% per annum for 2014 to 2016. If the growth rates are less than 13% in these years, this would result in a full impairment loss.
- (ii) The growth rates for the Bulgogi Brothers franchise used in the above determination are 10% to 15% per annum for 2014 to 2016. If the growth rates are less than 6% in these years, this would result in a full impairment loss.
- (iii) The growth rates for the Watami franchise used in the above determination are 5% to 8.6% per annum for 2014 to 2016. If the growth rates are less than 5% in these years, this would result in a partial impairment loss of RM12,000.

14. Investments in Subsidiaries

	Company	
	2013 RM'000	2012 RM'000
Cost at beginning of the year	150,954	4,442
Acquisitions ⁽ⁱ⁾	–	150,954
Disposal ⁽ⁱⁱ⁾	–	(4,442)
Cost at end of the year	150,954	150,954
Total cost comprising:		
Unquoted equity shares at cost	150,954	150,954

(i) Included in this amount is the purchase consideration for the acquisition of Chaswood Resources Sdn. Bhd. via an RTO exercise on 1 March 2012 for RM150,000,000.

(ii) Prior to the RTO exercise, the Company disposed its entire legal and beneficial interest in Wuxi Dingqiu Silk Co., Ltd. ("Wuxi Dingqiu") and the subsidiaries held by Wuxi Dingqiu, namely Guizhou Zhenxing Cocoon & Silk Co., Ltd., Suqian Xindingqiu Silk Co., Ltd. and Yixing Dingjia Textile & Garment Co., Ltd. on 9 January 2012.

The subsidiaries held are listed below:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Cost in Books of Company		Effective Percentage of Equity Interest	
	2013 RM'000	2012 RM'000	2013 %	2012 %
Held by the Company				
Chaswood Resources Sdn. Bhd. ⁽¹⁾ Malaysia Investment holding and restaurant operator	150,000	150,000	100	100
Chaswood Resources (Thailand) Co. Ltd. ⁽²⁾ Thailand Restaurant operator	954	954	90	90
Chaswood Global Pte. Ltd. ⁽⁴⁾ Singapore Investment holding	(*)	(*)	100	100
Chaswood Sino Pte. Ltd. ^{(4) (a)} Singapore Investment holding	(*)	–	100	–
	150,954	150,954		

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14. Investments in Subsidiaries (Cont'd)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Effective Percentage of Equity Interest	
	2013 %	2012 %
Held by subsidiaries		
Chaswood Resources Sdn. Bhd.:		
Bistroamericana (P.J.) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (M) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (S.J.) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (J.B.) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (T.C.) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistro Italiana (SJ) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (B.U.) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Trinity Square Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistro Italiana (JB) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistro Italiana (TC) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistro Italiana (TG) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Teh Tarik Place Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (Q.B.) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100

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14. Investments in Subsidiaries (Cont'd)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Effective Percentage of Equity Interest	
	2013 %	2012 %
Held by subsidiaries		
Chaswood Resources Sdn. Bhd.:		
Bistroamericana (BB) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (SP) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
The Apartment Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Teh Tarik Place Holdings Sdn. Bhd. ⁽¹⁾ Malaysia Dormant	100	100
Curry Leaf's Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistromalones (S) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Teh Tarik Place (SA) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (IOI) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (Hartamas) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (TG) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (WW) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistromalones (BB) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100

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14. Investments in Subsidiaries (Cont'd)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Effective Percentage of Equity Interest	
	2013 %	2012 %
Held by subsidiaries		
Chaswood Resources Sdn. Bhd.:		
The Apartment (BB) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (A) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistrojapan (BB) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistrojapan (BU) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Chaswood Communications Sdn. Bhd. ⁽¹⁾ Malaysia Dormant	100	100
Cafe Baci Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (PM) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistrojapan (PM) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistro Italiana (PM) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bistroamericana (SA) Sdn. Bhd. ⁽¹⁾ Malaysia Restaurant operator	100	100
Bulgogi Brothers Restaurants Sdn. Bhd. ^{(1) (b)} Malaysia Restaurant operator	100	100
Chaswood Resources Pte. Ltd. ⁽⁴⁾ Singapore Investment holding	100	100

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31 December 2013

14. Investments in Subsidiaries (Cont'd)

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities	Effective Percentage of Equity Interest	
	2013 %	2012 %
Held by subsidiaries		
Chaswood Resources Sdn. Bhd.:		
PT Chaswood Resources ⁽³⁾		
Indonesia	99	99
Investment holding		
Chaswood Resources Pte. Ltd.:		
Chaswood Resources (OR) Pte. Ltd. ⁽⁴⁾		
Singapore	100	100
Restaurant operator		
Bistroamericana (KM) Pte. Ltd. ⁽⁴⁾		
Singapore	100	100
Restaurant operator		
Bistromalones (313) Pte. Ltd. ⁽⁴⁾		
Singapore	100	100
Restaurant operator		
Chaswood Capital Pte. Ltd. [formerly known as Bulgogi Brothers Restaurants (Singapore) Pte. Ltd.] ^{(4)(d)}		
Singapore	100	100
Investment holding		
PT Chaswood Resources:		
PT Chaswood Resources Jakarta ⁽³⁾		
Indonesia	75	75
Restaurant operator		
PT Chaswood Resources BB ^{(3) (c)}		
Indonesia	75	-
Restaurant operator		
Chaswood Global Pte. Ltd.:		
Chaswood Resources (HK) Private Limited ⁽⁵⁾		
Hong Kong	100	100
Dormant		

Notes:

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

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

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

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

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

(5) Not audited as immaterial

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14. Investments in Subsidiaries (Cont'd)

Notes (Cont'd):

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

- (a) On 18 February 2013, the Company incorporated a wholly-owned subsidiary, Chaswood Sino Pte. Ltd. in Singapore with a paid-up share capital of SGD100 representing the entire issued and paid-up capital.
- (b) On 1 April 2013, Bulgogi Brothers Restaurants Sdn. Bhd. increased its issued and paid-up share capital from RM2 to RM500,000 and Chaswood Resources Sdn. Bhd. subscribed for all the additional shares issued for a total consideration of RM499,998 to retain its 100% equity interest.
- (c) On 14 May 2013, PT Chaswood Resources ("Chaswood Indonesia"), a 99% owned subsidiary of Chaswood Resources Sdn. Bhd. incorporated a subsidiary, PT Chaswood Resources BB with an issued and paid-up capital of USD300,000 comprising 300,000 shares of which Chaswood Indonesia controls 75% of the equity interest.
- (d) On 18 September 2013, Bulgogi Brothers Restaurants (Singapore) Pte. Ltd., a wholly-owned subsidiary of Chaswood Resources Pte. Ltd. changed its name to Chaswood Capital Pte. Ltd. ("Chaswood Capital") and changed its principal activity from restaurant operator to investment holding.

15. Other Assets, Non-Current

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits to secure services	4,428	5,536	–	–

16. Inventories

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Food and beverage	3,178	2,886	–	–
The amount of inventories included in cost of sales	(48,920)	(47,514)	–	–

There are no inventories pledged as security for liabilities.

17. Trade and Other Receivables

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade receivables:				
Outside parties	1,656	2,118	–	–
Other receivables:				
Outside parties	2,054	1,187	–	–
Subsidiaries (Note 3)	–	–	4,017	4,987
Subtotal	2,054	1,187	4,017	4,987
Total trade and other receivables	3,710	3,305	4,017	4,987

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

18. Other Assets

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Prepayments	2,863	1,882	18	18
Deposits to secure services	4,342	3,170	82	–
	<u>7,205</u>	<u>5,052</u>	<u>100</u>	<u>18</u>

19. Cash and Cash Equivalents

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Not restricted in use	10,805	6,878	–	6
Restricted in use (a)	2,467	1,868	–	–
	<u>13,272</u>	<u>8,746</u>	<u>–</u>	<u>6</u>

The interest earning balances are not significant.

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

The RTO Acquisition was completed in 2012 and the net cash flows were as follows:

	Group	
	2013 RM'000	2012 RM'000
Consideration paid in shares (Note 20)	–	(10,311)
Net assets acquired	–	2,526
Goodwill arising from RTO	–	7,785
Cash consideration paid	–	–
Cash and cash equivalents acquired	–	4,499
Fair value of liabilities assumed	–	(1,973)
RTO expenses	–	(2,623)
Net cash paid upon completion of RTO	<u>–</u>	<u>(97)</u>

19A. Cash and Cash Equivalents in the Statement of Cash Flows:

	Group	
	2013 RM'000	2012 RM'000
Amount as shown above	13,272	8,746
Bank overdrafts (Note 22)	(3,376)	(928)
Cash restricted in use over 3 months	<u>(2,467)</u>	<u>(1,868)</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>7,429</u>	<u>5,950</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

20. Share Capital (Cont'd)

The management monitors the capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt/equity. Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2013 RM'000	2012 RM'000
Term loans	21,844	17,930
Finance lease payables	830	1,204
Bills payable	1,351	422
Bank overdrafts	3,376	928
	<u>27,401</u>	<u>20,484</u>
Less: Cash and cash equivalents	(13,272)	(8,746)
Net debts	<u>14,129</u>	<u>11,738</u>
Total equity	<u>41,518</u>	<u>46,377</u>
Debt-to-equity ratio	<u>0.340</u>	<u>0.253</u>

21. Translation Reserve

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations where the functional currencies are different from the presentation currency of the Group.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At beginning of the year	163	10	178	–
Net currency translation differences of net assets of foreign subsidiaries	152	153	88	178
At end of the year	<u>315</u>	<u>163</u>	<u>266</u>	<u>178</u>

22. Other Financial Liabilities

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current:				
Bank borrowings (Note 22A)	15,342	11,655	–	–
Finance lease payables (Note 22B)	480	750	–	–
Non-current, total	<u>15,822</u>	<u>12,405</u>	<u>–</u>	<u>–</u>
Current:				
Bank borrowings (Note 22A)	6,502	6,275	–	–
Finance lease payables (Note 22B)	350	454	–	–
Bank overdrafts (secured) (Note 22C)	3,376	928	–	–
Bills payable (Note 22D)	1,351	422	–	–
Current, total	<u>11,579</u>	<u>8,079</u>	<u>–</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



22. Other Financial Liabilities (Cont'd)

22A. Bank Borrowings

The bank borrowings are term loans that bear interest rates ranging from 4.9% to 8.4% (2012: 4.7% to 8.4%) per annum.

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

- (i) Fixed and floating charges over all the present and future assets of certain subsidiaries; and
- (ii) Pledge of the fixed deposits with licensed banks of the Group.

Certain term loans are also covered by:

- (i) Joint and several guarantee of a director of the Company;
- (ii) Joint and several guarantees of a former director of Chaswood Resources Sdn. Bhd.;
- (iii) Corporate guarantees of the Company and Chaswood Resources Sdn. Bhd.;
- (iv) 80% of a banking facility is covered by a guarantee of an agency of the Government of Malaysia; and
- (v) Legal assignment to licensed bank all rights, titles, benefits and interests to and in the insurance policies of certain subsidiaries.

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

As at 31 December 2013, the amount due after more than one year which falls under the definition of callable term loans was RM223,493 (2012: RM1,113,000). This amount has been classified as current liabilities in the statement of financial position.

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
- repayable between 2 to 5 years	223	495	-	-
- repayable after five years	-	618	-	-
	<u>223</u>	<u>1,113</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

22. Other Financial Liabilities (Cont'd)

22A. Bank Borrowings (Cont'd)

Details of the repayment terms are as follows:-

Term Loans	Number Of Monthly Instalments	Monthly Instalment Amount RM	Commencement Date Of Repayment	Amount Outstanding	
				2013 RM'000	2012 RM'000
1	120	1,140	June 2005	22	32
2	120	1,140	November 2006	–	49
3	240	733	January 2007	–	79
4	240	745	May 2007	–	83
5	240	763	May 2007	–	79
6	240	763	July 2007	–	86
7	60	19,217	January 2008	–	220
8	240	692	June 2008	–	77
9	240	752	June 2008	–	86
10	60	27,137	July 2008	133	465
11	240	602	July 2008	–	68
12	240	751	July 2008	–	91
13	240	692	July 2008	–	78
14	240	602	August 2008	–	71
15	240	740	October 2008	–	86
16	60	23,541	April 2009	68	334
17	60	23,230	September 2009	230	506
18	60	15,954	January 2010	223	390
19	60	27,100	April 2010	424	708
20	60	23,228	October 2010	493	727
21	60	21,442	April 2011	542	753
22	60	19,710	April 2011	276	485
23	54	13,791	December 2011	371	505
24	54	34,478	December 2011	929	1,263
25	54	27,582	January 2012	924	1,179
26	54	32,075	February 2012	1,220	1,256
27	53	22,300	April 2013	932	713
28	53	28,500	April 2013	1,196	1,363
29	54	13,340	April 2013	525	400
30	60	36,039	January 2014	1,900	990
31	60	36,039	January 2014	1,900	1,160
32	53	26,200	April 2013	1,099	1,345
33	54	41,080	April 2013	1,616	1,452
34	54	34,710	April 2013	1,353	751
35	50	18,807	August 2013	925	–
36	54	61,753	January 2014	3,343	–
37	60	188,071	October 2014	1,200	–
				<u>21,844</u>	<u>17,930</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



22. Other Financial Liabilities (Cont'd)

22B. Finance Lease Payables

	Minimum Payments RM'000	Finance Charges RM'000	Present Value RM'000
<u>2013</u>			
Minimum finance lease payments:			
- not later than one year	407	(57)	350
- later than one year and not later than five years	536	(56)	480
	<u>943</u>	<u>(113)</u>	<u>830</u>
<u>2012</u>			
Minimum finance lease payments:			
- not later than one year	513	(59)	454
- later than one year and not later than five years	851	(101)	750
	<u>1,364</u>	<u>(160)</u>	<u>1,204</u>

The hire purchase payables of the Group bore effective interest rates ranging from 4.9% to 7.0% (2012 : 4.7% to 7.8%) per annum.

Net book value of equipment under finance leases amounted to RM958,074 (2012: RM1,285,489).

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

22C. Bank Overdrafts

The bank overdrafts of the Group bore interest rates ranging from 7.6% to 8.1% (2012 : 7.6% to 7.9%) per annum and are secured by:

- (i) Fixed and floating charges over all the present and future assets of certain subsidiaries;
- (ii) Pledge of the fixed deposits with licensed banks; and
- (iii) Corporate guarantees of Chaswood Resources Sdn. Bhd. and the Company.

22D. Bills Payable

The bills payable of the Group bore a weighted average interest rate of 5.0% (2012 : 4.8%) per annum and are secured by the same securities as the bank overdrafts (Note 22C).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

23. Trade and Other Payables

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade payables:				
Outside parties	12,913	11,719	–	–
Other payables:				
Outside parties	11,008	13,070	46	27
Related company (Note 3)	2,955	–	–	–
Deferred revenue	715	–	–	–
Accruals	2,916	4,196	837	694
Sub-total	17,594	17,266	883	721
Total trade and other payables	30,507	28,985	883	721

24. Financial Instruments: Information on Financial Risks

24A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the financial year by FRS 39 categories:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Financial assets:				
Cash and cash equivalents	13,272	8,746	–	6
Trade and other receivables	3,710	3,305	4,017	4,987
At end of the year	16,982	12,051	4,017	4,993
Financial liabilities:				
All current and non-current borrowings including finance lease payables at amortised cost	27,401	20,484	–	–
Trade and other payables at amortised cost	30,507	28,985	883	721
At end of the year	57,908	49,469	883	721

Further quantitative disclosures are included throughout these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



24. Financial Instruments: Information on Financial Risks (Cont'd)

24B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposure to risk, the objectives, policies and processes for managing the risk and the methods used to measure risk.

24C. Fair Values of Financial Instruments

24C.1 Fair value of financial instruments stated at amortised cost in the statement of financial position

The financial assets and financial liabilities at amortised cost are at a carrying amount that is a reasonable approximation of fair value.

24D. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any loan payable commitments at the end of the financial year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on customers, as the exposure is spread over a large number of counter-parties and customers.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

24. Financial Instruments: Information on Financial Risks (Cont'd)

24E. Liquidity Risk

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Less than 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
Group				
Non-derivative financial liabilities:				
<u>2013:</u>				
Gross borrowings commitments	12,488	17,224	–	29,712
Gross finance lease payables	407	536	–	943
Trade and other payables	30,507	–	–	30,507
At end of the year	43,402	17,760	–	61,162
<u>2012:</u>				
Gross borrowings commitments	7,327	12,923	842	21,092
Gross finance lease payables	513	851	–	1,364
Trade and other payables	28,985	–	–	28,985
At end of the year	36,825	13,774	842	51,441
Company				
Non-derivative financial liabilities:				
<u>2013:</u>				
Trade and other payables	883	–	–	883
At end of the year	883	–	–	883
<u>2012:</u>				
Trade and other payables	721	–	–	721
At end of the year	721	–	–	721

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. At the end of the reporting year no claims on the financial guarantees are expected to be repayable.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 90 days (2012: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. Also see Note 3.1.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

24. Financial Instruments: Information on Financial Risks (Cont'd)

24G. Foreign Currency Risks (Cont'd)

Company

	Ringgit Malaysia RM'000	Total RM'000
<u>2013</u>		
Financial assets:		
Loan and other receivables	4,017	4,017
Total financial assets	<u>4,017</u>	<u>4,017</u>
<u>2012</u>		
Financial assets:		
Trade and other receivables	4,987	4,987
Total financial assets	<u>4,987</u>	<u>4,987</u>

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

Sensitivity analysis:

	2013 RM'000	2012 RM'000
A hypothetical 10% strengthening in the exchange rate of the functional currency RM against the SGD with all other variables held constant would have a favourable effect on post-tax loss of	569	257
A hypothetical 10% strengthening in the exchange rate of the functional currency RM against the IDR with all other variables held constant would have a favourable effect on post-tax loss of	<u>334</u>	<u>74</u>

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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25. Capital Commitments

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

	Group	
	2013 RM'000	2012 RM'000
Commitments to purchase equipment	–	1,600
Commitment to acquire intangible assets	–	558
	<u>–</u>	<u>558</u>

26. Operating Lease Payment Commitments

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Not later than one year	19,480	19,632	–	–
Later than one year and not later than five years	18,269	21,399	–	–
	<u>37,749</u>	<u>41,031</u>	<u>–</u>	<u>–</u>
Rental expense for the year	<u>25,842</u>	<u>22,108</u>	<u>–</u>	<u>–</u>

Operating lease payments are for rentals payable for restaurants, offices, signage, storage, equipment and apartments. The lease rental terms are negotiated for periods between one and five years and certain rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

27. Contingent Liabilities

	Company	
	2013 RM'000	2012 RM'000
Corporate guarantees given to licensed banks for banking facilities granted to subsidiaries	<u>14,763</u>	<u>17,398</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



28. Significant Events during the Financial Year

The Company and its wholly-owned subsidiary Chaswood Capital Pte. Ltd. (“Chaswood Capital”) had on 30 September 2013 entered into a legally binding term sheet (the “Term Sheet”) with Asiasons Venture Fund Pte. Ltd. (the “Investor”) in relation to the proposed issuance of an aggregate principal amount of S\$3,000,000 redeemable exchangeable bonds (the “Exchangeable Bonds”) by Chaswood Capital to the Investor at the issue price of S\$500,000 per Exchangeable Bond (the “Proposed Bonds Issue”).

Pursuant to the Term Sheet, the Company entered into an Exchangeable Bonds Agreement with Chaswood Capital and the Investor on 29 November 2013 and a Supplemental Exchangeable Bonds Agreement on 12 December 2013, pursuant to which Chaswood Capital agreed to issue up to six Exchangeable Bonds to the Investor for the aggregate issue price of up to S\$3,000,000 at the option of Chaswood Capital, subject to the terms and conditions set out in the Exchangeable Bonds Agreement, inter alia, the following:

- (i) First Tranche Bonds of S\$1,000,000 and subsequent tranches of S\$500,000 issuable at any time prior to the Maturity Date (being three years from the date of the issuance of the First Tranche Bonds of S\$1,000,000);
- (ii) Coupon rate of 10% per annum based on a simple interest rate of which 5% shall be payable in cash and the remaining 5% rolled over as principal which shall be payable upon redemption waived in the event the Investor exercises its right to Exchange Share;
- (iii) The Investor may exchange the Exchangeable Bonds for New Shares (the “Exchange Share”) in the Company on or before the Maturity Date at an exchange price of S\$0.30 per Exchange Share;
- (iv) Chaswood Capital shall have the option to redeem all or part of the Exchangeable Bonds (including the interest rolled over as principal) at any time before the Maturity Date; and
- (v) The Exchangeable Bonds are secured by a corporate guarantee from the Company in favour of the Investor.

Proposed Bonds Issue as an Interested Person Transaction

The Investor is a private equity investment company incorporated in Singapore and managed by Asiasons Private Equity Pte. Ltd. (“APE”) on a full discretionary basis. APE is a wholly-owned subsidiary of Asiasons Capital Limited (“ACL”), a controlling shareholder of the Company. In addition, Dato’ Mohammed Azlan Bin Hashim, Datuk Jared Lim Chih Li and Ng Teck Wah who are the non-executive directors of the Company are the directors and controlling shareholders of ACL. Accordingly, the Proposed Bonds Issue, proposed exchange and issuance of Exchange Shares constitute an interested person transactions pursuant to Chapter 9 of the Catalist Rules which was subject to the approval of shareholders at the Extraordinary General Meeting (“EGM”) convened on 28 February 2014.

29. Events after the End of the Financial Year

Subsequent to the balance sheet date, the Proposed Bonds Issue, proposed exchange and issuance of Exchange Shares were duly approved by the shareholders at the EGM convened on 28 February 2014 (Note 28).

As at the date of this report, no Exchangeable Bonds have been issued to the Investor as the Company is preparing for completion of the issuance of the Exchangeable Bonds and shall make the relevant announcement on completion of the issuance of the Exchangeable Bonds to the Investor.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013



30. Changes and Adoption of Financial Reporting Standards

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

FRS No.	Title
FRS 1	Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income
FRS 1	Amendment to FRS 1 Presentation of Financial Statements (Annual Improvements)
FRS 16	Amendment to FRS 16 Property, Plant and Equipment (Annual Improvements)
FRS 19	Employee Benefits (Revised)
FRS 32	Amendment to FRS 32 Financial instruments: Presentation (Annual Improvements)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (early adoption)
FRS 107	Amendments to FRS 32 and 107 titled Offsetting Financial Assets and Financial Liabilities (*)
FRS 113	Fair Value Measurements
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine (*)

(*) Not relevant to the entity.

31. Future Changes in Financial Reporting Standards

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

FRS No.	Title	Effective date for periods beginning on or after
FRS 27	Consolidated and Separate Financial Statements (Amendments to)	1 Jul 2013
FRS 27	Separate Financial Statements (Revised)	1 Jan 2014
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)	1 Jan 2014
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill)	1 Jan 2014
FRS 32	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting	1 Jan 2014
FRS 110	Consolidated Financial Statements	1 Jan 2014
FRS 111	Joint Arrangements (*)	1 Jan 2014
FRS 112	Disclosure of Interests in Other Entities (*)	1 Jan 2014
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112 (*)	1 Jan 2014
INT FRS 121	Levies (*)	1 Jan 2014

(*) Not relevant to the entity.

SHAREHOLDERS' INFORMATION

as at 18 March 2014



SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 18 March 2014:

Name	No. of Ordinary shares			
	Direct Interest	%	Indirect Interest	%
Andrew Roach Reddy	52,054,455	22.95	—	—
G1 Investments Pte Ltd ⁽¹⁾	13,340,000	5.88	—	—
Blumont Group Ltd. ⁽¹⁾	—	—	13,340,000	5.88
Posh Corridor Sdn. Bhd. ^{(2) (3)}	—	—	141,463,367	62.37
Asiasons Capital Limited ^{(3) (4)}	—	—	145,951,367	64.35
Asiasons Private Equity Inc. ⁽³⁾	—	—	141,463,367	62.37
Asiasons Investment Ltd. ^{(3) (4)}	—	—	145,951,367	64.35
Dragonrider Opportunity Fund L.P. ⁽³⁾	—	—	141,463,367	62.37
Datuk Jared Lim Chih Li ⁽⁵⁾	—	—	145,951,367	64.35
Dato' Mohammed Azlan Bin Hashim ⁽⁶⁾	—	—	145,951,367	64.35
Ng Teck Wah ⁽⁵⁾	—	—	145,951,367	64.35

Notes:

- G1 Investments Pte. Ltd. is a wholly owned subsidiary of Blumont Group Ltd.. By virtue of Section 7 of the Companies Act, Blumont Group Ltd. is deemed to be interested in all the Shares held by G1 Investments Pte. Ltd.*
- Posh Corridor Sdn. Bhd. ("Posh Corridor") is deemed interested in 128,123,367 Shares held by DMG & Partners Securities Pte. Ltd. as nominee and 13,340,000 Shares held by G1 Investments Pte. Ltd. due to an assignment of shares arrangement.*
- Posh Corridor is owned by Dragonrider Opportunity Fund L.P. ("DOF") (78.4%) and Asiasons Investment Ltd. ("AIL") (21.6%). DOF is a fund managed by Asiasons Private Equity Inc. which is in turn wholly owned by Asiasons Capital Limited ("ACL"). AIL is a wholly owned subsidiary of ACL. By virtue of Section 7 of the Companies Act, DOF, Asiasons Private Equity Inc., AIL and ACL are deemed to be interested in all the Shares held by Posh Corridor.*
- AIL is deemed interested in 141,463,367 Shares held by Posh Corridor and 4,488,000 Shares held by DMG & Partners Securities Pte. Ltd. as nominee. By virtue of Section 7 of the Companies Act, ACL is deemed to be interested in all the Shares held by AIL.*
- Each of Datuk Jared Lim Chih Li and Ng Teck Wah has a deemed interest of 49.3% in ACL. By virtue of Section 7 of the Companies Act, each of them is deemed to be interested in all the Shares held by Posh Corridor and AIL.*
- Dato' Mohammed Azlan Bin Hashim has a deemed interest of 53.1% in ACL. By virtue of Section 7 of the Companies Act, he is deemed to be interested in all the Shares held by Posh Corridor and AIL.*

FREE FLOAT

Based on the information available to the Company as at 18 March 2014, 12.70% of the issued share capital of the Company was held by the public. The Company is therefore in compliance with Rule 723 of SGX-ST Listing Manual Section B: Rules of Catalyst.

NOTICE OF ANNUAL GENERAL MEETING



- (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (a) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (b) below):
- (b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares shall be based on the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (iii) any subsequent consolidation or subdivision of shares;
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (d) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note 3]

Resolution 6

BY ORDER OF THE BOARD

LOW SIEW TIAN
Company Secretary

12 April 2014
Singapore

CHASWOOD RESOURCES HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

IMPORTANT:

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

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We _____ (Name) NRIC/Passport No. _____

of _____ (Address)

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

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

and/or (delete as appropriate)

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

or failing him/her/them, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at 22 Cross Street, #03-54/61 China Square Central Singapore 048421 on Monday, 28 April 2014 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

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

No	Resolutions relating to:	For	Against
	Ordinary Business		
1.	To receive and adopt the Audited Financial Statements, Directors' Report and Independent Auditors' Report for the year ended 31 December 2013.		
2.	To approve payment of Directors' Fees of S\$185,000/- (2013: S\$185,000/-) for the financial year ending 31 December 2014, payable quarterly in arrears.		
3.	To re-elect Datuk Jared Lim Chih Li as a director.		
4.	To re-elect Mr Ng Teck Wah as a director.		
5.	To re-appoint Messrs RSM Chio Lim LLP as Independent Auditors of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
6.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap.50		

Dated _____ day of _____ 2014

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

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



Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first-named proxy shall be deemed to represent 100 per cent of his/her shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the registered office of the Company at 80 Robinson Road, #02-00 Singapore 068898 not less than forty-eight (48) hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/ they will on any other matter arising at the Meeting.

General:

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



Italiannies
PASTA PIZZA & VINO

the apartment
restaurant & bar



Malones
IRISH RESTAURANT & BAR

Laundry

baci
ITALIAN CAFE

樂天皇朝
PARADISE DYNASTY
LEGEND OF XIAO LONG BAO
THAILAND

BULGOGI BROTHERS



WATAMI
Japanese Casual Restaurant

