CHASEN™

ANNUAL REPORT 2014

GROWING THE BUSINESS

OUR VISION

To be a leading integrated service provider with turnkey capabilities in the development of manufacturing and service operation facilities in the region.

CONTENTS

CORPORATE PROFILE

WHAT WE DO

Specialist Relocation Solutions

Third Party Logistics Services

Technical & Engineering Services

The Company was incorporated on 2 November 1999. It listed on SESDAQ on 8 August 2000 and was transferred from the SGX Catalist to Mainboard on 26 February 2013.

The Company changed its name from China Entertainment Sports Ltd to Chasen Holdings Limited on 17 May 2007 following the completion of the reverse takeover exercise on 12 February 2007 whereby the Company acquired the entire issued and paid up capital of Chasen Logistics Services Limited. As a result of the reverse takeover, the Company acquired a new core business in specialist relocation solutions for the manufacturing industries that utilize sophisticated machineries and equipment.

Chasen is an investment holding company. Its Group businesses now extend further up the supply chain to include third party logistics, technical and engineering services in Singapore, Malaysia, the People's Republic of China, Vietnam and Timor-Leste. The Group diversified revenue sources cover industries such as wafer fabrication, TFT display panel production, semi-conductor, chip testing & assembly, solar panel assembly, consumer electronics, telecommunications, marine, ordnance and construction sectors in the following business segments:

- Specialist Relocation Solutions - providing specialist manpower equipped with specialized material handling tools, equipment and vehicles to relocate the machinery and equipment of our customers within their premises, from one location to another location within a country, or from one country to another. The Chasen Group acts as a strategic partner to its customers in the management of their global relocation needs through projects or maintenance contracts. The Group is equipped to handle very sensitive machinery and equipment in cleanroom and "raised floor" environment.
- Third Party Logistics – including packing, packaging, trucking, distribution, freight forwarding, warehousing and related services. We pack machinery and equipment to OEM (Original Equipment Manufacturer) specifications utilizing specialized packaging material before they are transported to their new locations. Our warehouses are air conditioned and humidity-controlled, with floor level space for heavy equipment/machinery or racked for palletized goods storage.
- Technical & Engineering – covering design, fabrication and installation of steel structures, mechanical and electrical installations including hook-up for production facilities, parts refurbishment, engineering and spares support, facilities management, scaffolding equipment and services, contract manufacturing, water treatment and process engineering services.

The Group's diversified revenue base and long-standing customer relationship provide a strong fundamental that would enable the Group to weather business cycles in specific industry. Its business model and growth strategy have positioned the Group to benefit from growth opportunities in the region and to increase the proportion of recurring income in Group revenue.

REPORT TO SHAREHOLDERS

"The Group embraced this challenging transition to become a leading regional player as an Integrated Service Provider, and with boldness and the support of stakeholders and motivated employees, is globalizing our specialist relocation solutions."

LOW WENG FATT
Managing Director and CEO

Dear Shareholders,

FY2014 has been a positive year for Chasen Holdings on the back of continued global economic recovery. We continue to capitalize on our core competence in all three business segments leveraging on our regional leadership position as a turnkey relocation specialist to meet upstream integrated service needs of our local, regional and global customers. This thrust is in line with the Group's Vision as a higher value-add Integrated Service Provider in the facility installation space.

The Group embraced this challenging transition to become a leading regional player as an Integrated Service Provider, and with boldness and the support of stakeholders and motivated employees, is globalizing our specialist relocation solutions.

On the back of this economic framework and challenges, I am happy to report that the Group's FY2014 revenue surpassed the S$100 million revenue mark for the first time in our corporate history. We continue to offer higher value-add services and successfully launched new business initiatives such as the Facilitized Refurbishment and Testing Centre (FRTC) for a key OEM (Original Equipment Manufacturer) in refurbishing used semi-conductor related machines. During the year we also secured our maiden contracts from new markets such as the Middle East.

The FRTC is another example of the Group's ability to continue diversifying our revenue source to achieve business resilience. The Group is also beginning to monetize several areas of business initiated previously that are expected to be growth drivers to the top and bottom lines.

Overall, Chasen's performance was underpinned by the continued investment inflows into our key markets – China and ASEAN. Financially, the Group's revenue momentum boosted our profitability as we reversed from a loss in FY2013 (arising from write downs following the outcome of an arbitration case) to a net profit after tax of S$3.4 million in FY2014. All in all, the results from both strategic and financial standpoints, gave Chasen more room to continue growing the business exponentially.

During the year, shareholders approved the addition of property development as a new business segment of the Group. Though the Group has not yet undertaken any project in this industry, management continues to explore opportunities in this new business segment.

Growth Strategies: Leverage proven track record in regional markets to extend global reach augmented by our turnkey integrated capabilities

China and ASEAN will continue to be the Group's anchor growth markets as movement of manufacturing facilities through this region continues to be vibrant. In 2013, Foreign Direct investment (FDI) into China topped US$117.6 billion while FDI into ASEAN stood at US$128.4 billion. Over the medium to long term, and in line with our strategy to offer integrated service providing turnkey solutions in the manufacturing and/or service operational facility space, the Group will leverage our significant and proven track record in current regional markets to explore business opportunities with MNCs that also operate outside of this region including businesses outside of the Group's current customer base and industries.

The intent to continue broadening our revenue streams through a widely diversified customer's base from different industries especially those that are counter-cyclical would bring resilience to the Group's financial performance and entail global marketing initiatives in the new financial year.

Besides geographical expansion, the Group has been busy operationally integrating specific elements within the three core business segments (Specialist Relocation Solutions, Technical & Engineering Services and Third Party Logistics) to enhance integrated capabilities and organizational effectiveness in line with our Vision. Rationalizing operation and administration through operational integration is ongoing and positions Chasen to service a wider range of customers' needs not only in the relocation of plants, but decommissioning/commissioning of existing machinery and equipment, plant maintenance, customized facility requirement and other value-adding services.

Strong Competitive Edge

Chasen continued to break new grounds in the year under review. On 16 October 2013, we announced that we were awarded a maiden turnkey relocation contract from the Middle East to relocate a wafer fabrication facility to Singapore. On 7 January 2014, Chasen announced the setting up of its first Facilitized Refurbishment and Testing Centre (FRTC) for a key Japanese OEM customer. This involves the provision of a Class 100K cleanroom refurbishment facility for wafer fabrication machine tools so as to shorten the turnaround time and ease the cost of transportation within the equipment refurbishment supply chain. The FRTC, if successful, can be further expanded to attract other OEMs to take up Chasen's value-add offering, another source of revenue for the Group resulting from an extension of our specialist relocation business segment activity.

Throughout the year, Chasen announced the awarding of multi-million dollar specialist relocation turnkey contracts, ranging from the relocation of 8.5-Generation TFT LCD (thinned-film transistor liquid crystal diode) manufacturing facilities to Guangzhou, China as well as the move-in and installation of an aluminum products manufacturer in Vietnam, and other technical and engineering cum construction projects.

As evidenced by the range of our contracts, Chasen's cross-border relocation capabilities remain our key strength as we continue to be the preferred vendor to several leading multinational manufacturers and OEMs. As a global marketing initiative, we would market our capability to relocate equipment and entire process lines to and from far-flung regions of the world such as the Americas, European Union and most recently, the Middle East and this part of the world, to the headquarters of MNCs in order to bid for their global relocation projects.

Our Human Capital

At the heart of Chasen's service capability is the dedication, teamwork, effectiveness and competence of our workforce. With the emphasis on cross-border capabilities and having close to a thousand employees regionally, Chasen sought to streamline and harmonize our human resource (HR) policies and practices across the Group. With the guidance of leading HR consultants, our HR Harmonization Project, which started in November 2012, was completed in August 2013. I believe Chasen's management and staff are on track towards a well-motivated and effective team.

Beyond establishing a standard HR management policy and administrative procedures, the Group has also identified critical skills, training plans, compensation and benefits to ensure that each member of our staff is well equipped and motivated to perform the task they were hired for as well as for the next job in the organizational hierarchy. Following the completion of the consultancy project, the Group is in the midst of adapting and integrating the best HR practices and SOP for implementation in all Singapore subsidiaries before extending them to our overseas business units.

Financial Performance

In brief, our Group's FY2014 revenue rose 28% to S$101.5 million from S$79.4 million FY2013. This improvement was mainly due to an 87% increase in revenue contribution from the Specialist Relocation business segment, as compared to the previous financial year. Chasen's Vietnam operation also made its maiden contribution to overall group revenue and profit as a subsidiary. In terms of profitability, the Group's gross profit rose 38% to S$22.5 million in FY2014, as compared to S$16.3 million in FY2013. Net profit after tax stood at S$3.4 million in FY2014 as compared to a loss of S$7.3 million in FY2013, which was the result of required accounting adjustment following the outcome of an arbitration case.

REPORT TO SHAREHOLDERS

Prospects and Outlook

The Group's prospects in the current financial year will continue to be led by the positive outlook for the Specialist Relocation business segment in China and Vietnam. The successful execution of these relocation projects will contribute significantly to our revenue and profitability in the coming financial year. Geographically, our home country, Singapore, which hosts the most number of operating subsidiaries, would continue to contribute the bulk of Group revenue. Internally, the Group would seek to trim overall administrative overheads and improving operating efficiencies in order to boost our bottomline further.

Investor Relations

Chasen believes that a well-structured and robust investor relation programme based on effective, regular, fair and timely communication, will lead to long term appreciation in share value. Investor relation plays an integral role in ensuring a consistent and transparent means of communicating and interacting with our shareholders. The Board can then take action that better balances shareholders needs and the long term needs of the Group as a whole.

Primary to its investor relations programme is the disclosure based regime in which Chasen operates. The Group makes timely material disclosures on an immediate basis as required under the Listing Manual of the SGX-ST or as soon as possible, if an immediate disclosure is not practicable.

Chasen regularly engages stock analysts in meetings with its key senior management team to review the Group's most recent financial performance and to discuss its strategies and outlook. We also engage with the mainstream media to publish relevant news about the Group whenever a press release has been issued.

Capital Planning

As the regional expansion and business integration gathers pace, the Board of Directors regularly reviews the Group's capital adequacy and explores various sources of funding. On 8 November 2013, in an effort to boost its capital base, the Group proposed a renounceable non-underwritten rights issue of 111,998,816 Warrants ("Warrants"), on the basis of four (4) Warrants for every ten (10) existing Shares held by the Entitled Shareholders on the existing issued share capital of the Company of 251,910,793 ordinary shares (excluding 332,502 treasury shares) ("Shares"). The issue price was S$0.01 ("Issue Price") for each Warrant, each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("New Share") at an exercise price of S$0.12 ("Exercise Price"). At the close of the Warrants Issue exercise, 100,566,756 warrants were listed on SGX-ST on 25 March 2014. This latest Warrants issued, if fully exercised within three years from the date of its listing on the Mainboard, would bring the company a gross proceeds of S$13,073,678. As at the date of this report, 5,383,586 warrants from this recent exercise have been converted into shares of the Company with 95,183,190 outstanding warrants (security code ChasenHoldingsW170320) available for conversion.

Appreciation

On behalf of the Group, I would like to take this opportunity to thank our customers, advisors, partners and business associates for their continued support for Chasen in FY2014. To the shareholders of the Group, I extend our deepest appreciation for your patience and trust as we navigated through the various challenges throughout the year. Last but not least, the Board, management and staff of Chasen deserve special mention as our positive performance this year would not have been possible without your dedication, hard work and loyalty to the Group.

LOW WENG FATT
Managing Director and CEO

CORPORATE MILESTONES

1995
- Chasen Logistics Services began business as a partnership operating from its office in Wallich Street

1996
- Moved to 18 Jalan Besut @ Jurong as a result of business expansion
- Awarded first machinery and equipment relocation project

1998
- Awarded first wafer fabrication in-house machinery mover contract

1999
- incorporated as Chasen Logistics Services Pte Ltd ("CLSPL")

2000
- CLSPL awarded first complete new wafer fabrication facility inbound project

2001
- CLSPL awarded relocation project for the first TFT LCD display panel manufacturing plant in Singapore
- CLSPL awarded first turnkey project consolidating several manufacturing facilities of customer to one location in Singapore.
- CLSPL certified ISO 9001 for Quality Management System

2002
- CLSPL awarded first chip testing assembly in-house machinery mover and packing contract

2003
- CLSPL business operations expanded to include the provision of specialized packing and crating services

2004
- Set-up overseas operations in PRC through Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd ("Chasen Hi-Tech")
- Chasen Hi-Tech awarded first turnkey relocation project from Singapore to PRC
- CLSPL certified ISO 14001 for Environmental Management and OHSAS 18001 for Occupational Health and Safety Management System
- Chasen Hi-Tech awarded equipment move-in project for first and second TFT LCD panel manufacturing plants in Beijing and Shanghai, PRC

2005
- Chasen Hi-Tech awarded equipment move-in project for the third TFT LCD panel manufacturing plant in Kunshan, PRC

2006
- Chasen Hi-Tech awarded equipment move-in project for first and second TFT LCD panel manufacturing plants in Beijing and Shanghai, PRC

2007
- Chasen Holdings Limited ("CHL") listed on SGX-SESDAQ (now known as Catalist) via a reverse acquisition of China Entertainment Sports Ltd

2008
- Business operations expanded to include services to the high growth marine and construction industries through the acquisition of the Goh Kwang Heng Group ("GKH") and Hup Lian Engineering Pte Ltd ("HLE")
- Chasen Logistics Services Limited ("CLSG") completed a major equipment conversion project for a wafer fabrication facility in Singapore
- CLSG expanded air-conditioned warehouse facility in Jurong Logistics Hub
- Extended 3PL operations in Malaysia through acquisition of City Zone Express Sdn Bhd "(CZE") and incorporation of DNKH Logistics Pte Ltd in Singapore

CORPORATE MILESTONES

2009

- Chasen Hi-Tech awarded first project to move-in a solar manufacturing facility and completed Phase 2 of move-in project TFT LCD plant in Kunshan, PRC
- HLE secured contracts to provide design and fabrication of steel works for the Sentosa Integrated Resort and Norway's Renewable Energy Corporation's ("REC") largest solar panel manufacturing complex in Tuas
- GKH Scaffolding Pte Ltd was awarded contract to erect scaffolding at REC plant in Singapore
- Extended specialist relocation business to the cultural relics industry in the PRC through the incorporation of Chasen Sinology (Beijing) Logistics Co., Ltd ("Chasen Sinology")
- CLSG was awarded rigging job for REC hook-up project
- Group established footprint in Vietnam with setting-up of Chasen Transport Logistics Co., Ltd ("CTL") in Ho Chi Minh City
- CTL awarded a move-in project with an American IT manufacturing plant
- CLSG awarded bizSAFE STAR by Workplace Safety and Health Council

2010

- Chasen Hi-Tech secured relocation projects in PRC with value estimated at RMB27.1m (S$5.5million)
- CLSG/CLSB awarded relocation project of a printer manufacturing plant from Boise, USA to Johor, Malaysia
- Established HLE International Pte Ltd ("HLEI") for foreign venture in PRC
- Acquisition of "green" companies, Global Technology Synergy Pte Ltd ("GTS") and Towards Green Sdn Bhd ("TGSB")

2011

- GTS was awarded engineering project management contract by an international oil major company in Port Dickson, Malaysia
- Chasen Hi-Tech awarded first major Korean project to relocate an OLED (organic light-emitting diode) production line from Busan, South Korea to Shanwei, Guangdong Province, PRC
- GTS secured first S$5 million contract to design and build Class 100K and Class 10K cleanrooms
- CHL was awarded the Certificate of Excellence in "Best Investor Relations by a SGX-Catalist Company" at the IR Magazine South East Asia Awards 2011

2012

- Chasen Group achieves record historical high revenue of S$99 million since listing (in 2007)
- CHL recognized as one of the World's Top 1000 Fastest Growing Public Companies in 2011 by the International Business Times (announced in January 2012)
- KL-based engineering subsidiary, HLE Construction & Engineering Sdn Bhd ("HLEC&E") was awarded first government co-operative housing project to build 90 units of two-storey terrace houses in Shah Alam, Selangor
- Group's Technical & Engineering company, Eons Global Water (JL) Co., Ltd ("EGW") secured an operating concession for a Transfer-Operate-Transfer project to manage a city government-owned purified water treatment plant and a waste water treatment plant for a 30-year period in Jilin, PRC

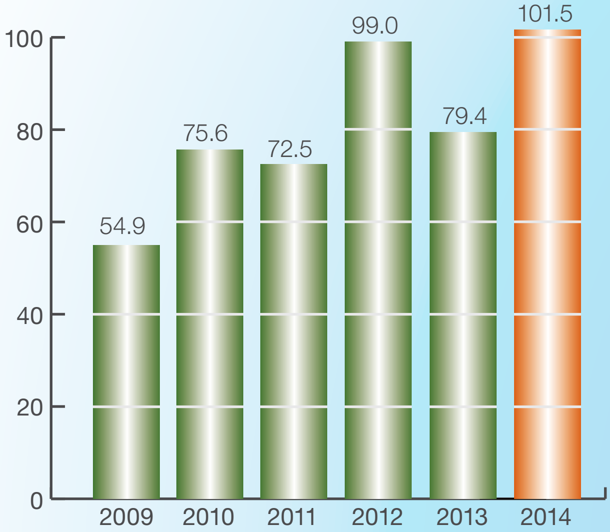
2013

- Chasen Holdings Limited transferred from Catalist to the Main Board of the SGX-ST on 26 February 2013
- Beijing-based Chasen Sinology secured first major digital documentation of precious ornaments/artifacts project worth RMB16.5 million (S$3.3 million) for Ordos and Hubei museums
- Ho Chi Minh City-based CTL awarded first major move-in and installation project valued at US$880,000 (S$1.1 million) for a Japanese tyre manufacturer in Hai Phong, Vietnam
- Shanghai-based Chasen Hi-Tech secured four relocation projects with total value at RMB62.6 million (S$12.7 million) for TFT LCD manufacturers in Beijing, Hefei, Shenzhen and Xiamen
- Chasen Hi-Tech secured a RMB36 million (S$7.42 million) cross-border relocation project for a Korean company manufacturing 8.5-Generation TFTLCD to Guangzhou, PRC
- KL-based JV engineering subsidiary, HLEC&E secured its first private developer construction project valued at RM31 million (S$12.5 million) to build 82 three-storey terrace and semi-detached houses in Klang, Selangor
- Singapore-based CLSG secured its maiden relocation project from the Middle East to Singapore valued at US$4.25 million (approximately S$5.4 million)
- CLSG and REI Technologies collaborated in building 100k cleanroom to house a Facilitized Refurbishment & Testing Centre ("FRTC") and supporting logistics services for the refurbishment of wafer fab machine tools for a Japanese OEM (original equipment manufacturer)
- Ho Chi Minh-based CTL secured a second major turnkey project for a Japanese aluminum products manufacturing plant in the Long Duc Industrial Zone in the southern province of Dong Nai, Vietnam

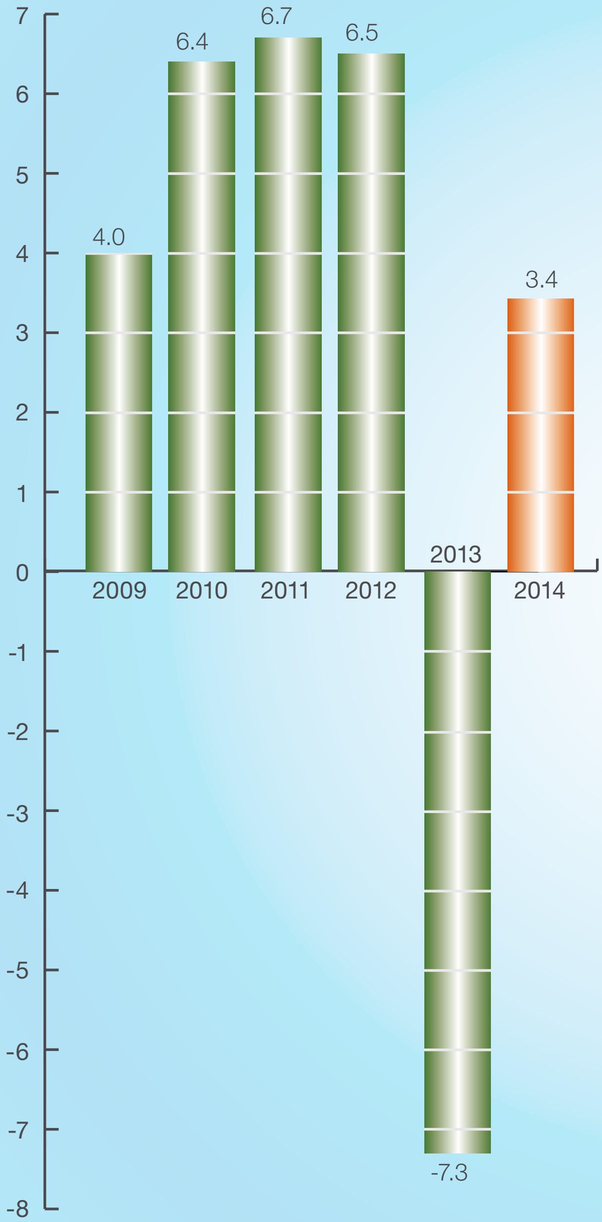
GEOGRAPHICAL REACH

FINANCIAL HIGHLIGHTS

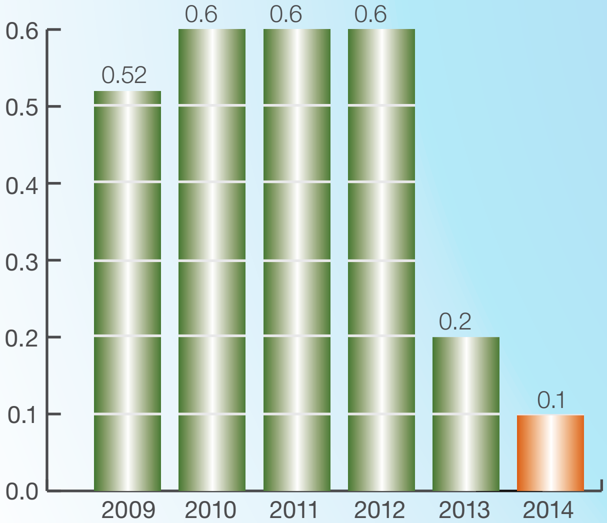
REVENUE ANALYSIS
(S$'MIL)



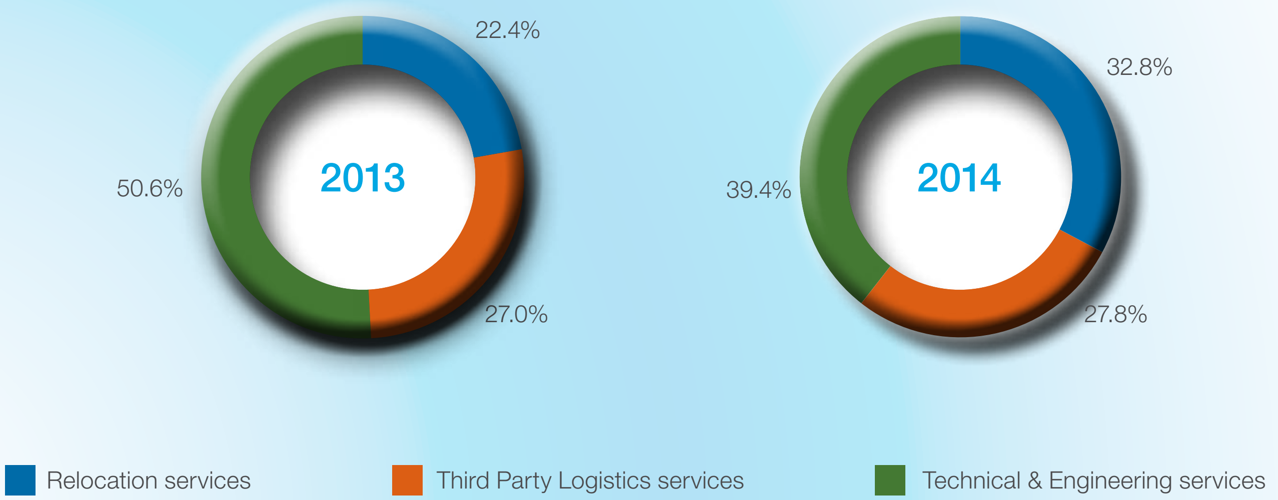
PROFIT/(LOSS) AFTER TAX
(S$'MIL)



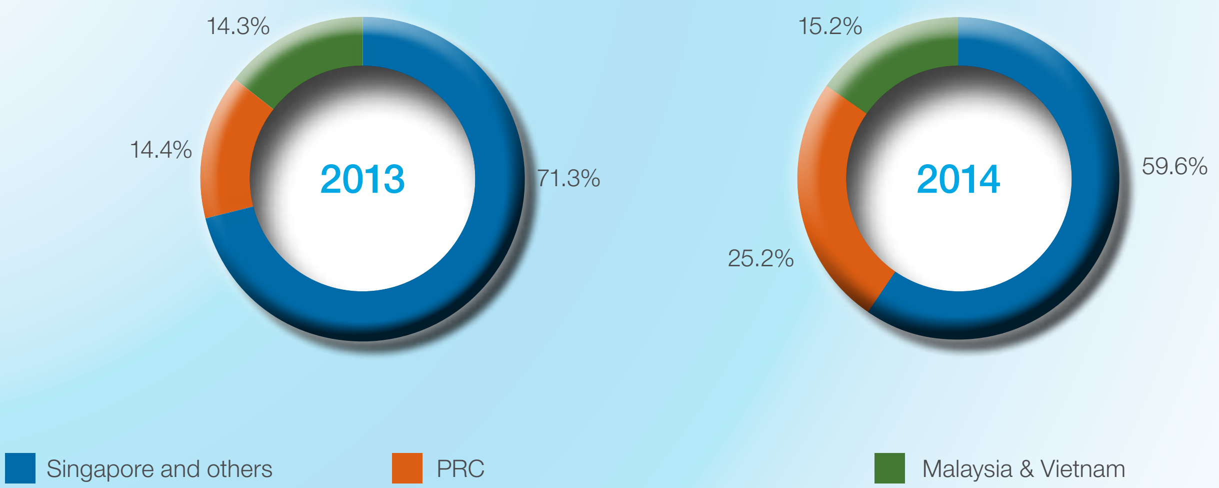
DIVIDEND PER SHARE
(CENTS)



REVENUE BREAKDOWN
BY BUSINESS SEGMENT



REVENUE BREAKDOWN
BY GEOGRAPHICAL



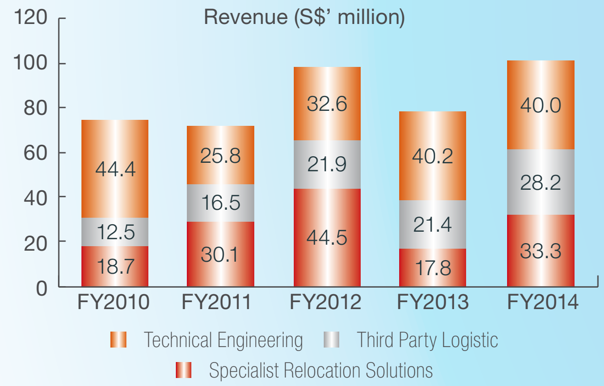
CORPORATE STRUCTURE


100%
REI Technologies Pte Ltd (Singapore)
100%
REI Hitech Sdn Bhd (Malaysia)
100%
REI (TL) Construction & Engineering Pty, Lda (Timor-Leste)
100%
CLE Engineering Services Pte Ltd (Singapore)
55%
REI Promax Technologies Pte Ltd (Singapore)
51%
Hup Lian Engineering Pte Ltd (Singapore)
100%
HLE International Pte Ltd (Singapore)
100%
Shanghai FengChuang M&E Equipment Co., Ltd (China)
53%
HLE Construction & Engineering Sdn Bhd (Malaysia)
100%
Goh Kwang Heng Pte Ltd (Singapore)
100%
Goh Kwang Heng Scaffolding Pte Ltd (Singapore)
100%
Global Technology Synergy Pte Ltd (Singapore)
100%
Chasen Leasing Pte Ltd (Singapore)
100%
Suzhou Promax Communication Technology Co., Ltd (China)
100%
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (China)
100%
Towards Green Sdn Bhd (Malaysia)
100%
Eons Global Holdings Pte Ltd (Singapore)
100%
Eons Global Water (JL) Co., Ltd (China)

OPERATIONS OVERVIEW

Chasen went into FY2013/2014 ("FY2014") amidst the impact of its first ever negative bottomline since its inception. It was primarily due to the write-off of trade debts and the settlement of a trade dispute through arbitration. Nonetheless, with *Advancing With Optimism* as the Group's outlook for the new financial year, management responded to this temporary setback with more vigor as we were assured of several projects in the pipeline, which were held back by the economic slowdown prevailing in the last quarter of FY2013. Furthermore, most of our operating subsidiaries were in the midst of securing new contracts that would boost our bottomline in the new financial year.

For the full year under review, revenue rose 28% to S$101.5 million from S$79.4 million (FY2013). This improvement was mainly due to an 87% increase in revenue contribution from the Specialist Relocation business segment, as compared to the previous financial year. Chasen's Vietnam operation also made its maiden contribution to overall group revenue as a subsidiary. In addition, the Group's Third Party Logistics business segment contributed 28% to the Group's revenue in FY2014 as compared to 27% in FY2013. The Technical & Engineering business segment experienced a very slight dip of $0.2 million to S$40 million revenue in comparison to its FY2013 results (S$40.2 million).



Although the growth of the semi-conductor industry in Singapore has reached a plateau in the last few years with no new manufacturing plants, it nevertheless continues to offer income stream to the Group through the upgrading of its manufacturing technology and equipment base. Specifically, the emergence and start of migration to 3-D DRAM memory structure is expected to triple the deployment of certain wafer fab equipment employed in the Wafer Fab industry, which would translate into potential revenue growth for Chasen. Additionally, this technology node evolution - currently in the pilot phase - in the DRAM space will reduce wafer out plant capacity from current levels due to the complexity of the new processes and plant expansion including greenfield projects in the region, and Singapore may be the only option forward for Wafer Fabs to attain economy of scale again. This would translate into significant upside in opportunities in the quarters to come. In this regard, home-grown Chasen Logistics Services Limited ("CLSG"), being one of the pioneers in the specialist relocation business, is in a position of strength within the local logistics industry to continue to secure relocation projects as a result of this technology conversion from MNCs with a large presence in Singapore. We also expect to service solar panel manufacturers on the back of ongoing technology refresh cycle on ageing equipment. CLSG also managed to finally secure the business of Global Foundries, another semi-conductor manufacturer after a lengthy courtship.

Through these MNCs, CLSG managed to secure contracts for the relocation of their overseas plants to Singapore and Malaysia as well as into Eastern Europe. CLSG marked a new milestone with its first relocation project from the Middle East to Singapore for a US MNC customer. This contract demonstrates that our capabilities are not limited by geographical constraints and we are able to execute effectively in geographical locations where we do not have operating subsidiaries, opening the Group to a new realm of global opportunities.

Specialist Relocation Business Segment

Following the announcement in the first week of FY2014 that the Group's Shanghai-based subsidiary, Chasen Hi-Tech Machinery Services ("Hi-Tech") had secured a RMB48 million (approximately SGD9.6 million) project to move-in equipment and other ancillary services for an 8.5G TFT LCD (thin-film transistor liquid crystal diode) manufacturer in Hefei, Anhui Province, PRC, the same subsidiary struck again securing three new projects for a total value of RMB14.6 million (approximately S$2.9 million) for similar relocation services at three locations in Beijing, Shenzhen and Xiamen. Hi-Tech ended the year bagging a S$7.4 million cross-border relocation project for an 8.5–Generation TFT LCD manufacturing plant and warehouse management services for a Korean company to Guangzhou, PRC.

CLSG being the leading provider of specialist relocation solutions cannot rest on its laurels but continue to reinvent itself by value-adding to its relocation solutions that meets the precise needs of customers. It is through this development that CLSG has successfully penetrated other manufacturing industries such as pharmaceutical and oil & gas through the combination of its relocation, technical and warehousing services. The two new jobs secured in the latter part of the previous financial year were completed during the year under review.

As in the previous year, CLSG made more forays with its added service in the installation of escalators and travelators to A&A (Additions & Alterations) projects in Singapore. Apart from storing the newly arrived escalators in its warehouse prior to installation, CLSG also dis-assembled, move-out the aged facility and installed the new escalators in places such as CHIJMES (Phase 1), East Point Mall @ Simei, Sun Plaza @ Sembawang (Phase 1) and Singapore Polytechnic. CLSG would also be involved during Phase 2 for the CHIJMES and Sun Plaza projects in the FY2015.

Another feather to the CLSG cap is the building of a cleanroom in collaboration with fellow subsidiary, REI Technologies Pte Ltd ("REI") for a Japanese OEM (original equipment manufacturer) of semi-conductor machines. This facility known as the Facilitized Refurbishment & Testing Centre ("FRTC"), a first by any logistics mover company, will open new opportunities to provide one-stop service to OEMs by merging its new refurbishment facility into the Company's integrated logistics value chain.

After a tenuous and challenging start-up in Vietnam, the once fledgling Chasen Transport Logistics Co., Ltd ("CTL") has come of age recording its first US$0.5 million net profit in the fourth year of its operation. For a small outfit of less than 50 headcount, it is a remarkable achievement. Besides completing the billion dollar Vietnamese Dong Bridgestone Phase 1 project, CTL continues to be sought after despite a change in the main contractor for the second phase of the project. CTL has been informed that it has secured the project for Phase 2 though the contract would only be inked in the new financial year. After its experience in the Bridgestone Phase 1 project, and in line with the Group's Vision, CTL decided to establish an engineering team to provide value-add service to its future customers. With this added service, it is poised to take up turnkey projects with higher technical service requirements and components.

CTL had completed a major project for Japan's Lixil Group aluminum products manufacturing plant in the Long Duc Industrial Zone in the southern province of Dong Nai, Vietnam. With the added technical capability, CTL is now equipped to relocate and install machinery in addition to the manufacturing of crates to pack customers' machinery for export. In the next stage of CTL's growth, it is looking at providing warehousing facility and services for its customers. This would eventually position CTL as one of the key logistics player with integrated capability in the Vietnamese market.

Ever since it added engineering and technical services to its portfolio, Penang-based Chasen Logistics Sdn Bhd ("CLSB") has managed to secure a few turnkey projects with higher margins. In total, CLSB executed three projects that utilized its relocation, packing and mechanical installation capabilities for an automotive lighting manufacturer (Malaysia Automotive Lighting Sdn Bhd) from the island to Batu Kawan on the mainland, a Japanese manufacturer (Ibiden Electronics Malaysia Sdn Bhd) of printed wireboards for the Apple iPhone also in Batu Kawan and a Japanese tyre factory (Toyo Tyre Malaysia Sdn Bhd) in Taiping, Perak. In addition, CLSB also secured another move-in project for Japanese semi-conductor manufacturer, Panasonic Sdn Bhd in Kulim Hi-Tech Park, Kedah. These projects had a combined total revenue of RM4 million.

OPERATIONS OVERVIEW

Technical & Engineering Business Segment

In the year under review, the Technical & Engineering business segment had experienced a slight dip in its revenue. This was due to the reduced pace of the local construction industry. Most of the projects carried out, in particular, by Hup Lian Engineering ("HLE") were projects undertaken in FY2013, which had spilled over to the year under review. Though the construction industry is still robust, HLE being a smaller outfit is unable to compete with the bigger players in the area of manpower.

As such, it could only take on projects of a smaller scale that it realistically can accomplish with no compromise on the required standards. Despite this slight setback, HLE was still the major revenue earner for the engineering business segment having secured several projects amounting to about $8.9 million. The scope of its work ranges from the design and fabrication cum installation of steel structures and planter boxes for a MNC (Novartis) pharmaceutical manufacturing plant in Tuas and the proposed new general and community hospitals in Jurong. HLE was also involved in the construction and maintenance of structural redevelopment works to a government penal facility in Changi as well as the erection of a six-storey building extension inclusive of A&A works to an existing foreign educational institution building (INSEAD) in Buona Vista-Ayer Rajah vicinity, and reinstatement works to a partially damaged tyre factory in Tuas.

HLE's Malaysian subsidiary, HLE Construction & Engineering Sdn Bhd inked the RM31.3 million (equivalent to approximately SGD12.75 million) contract in the first quarter of FY2014 to build three-storey terrace and semi-detached houses for a private developer in Klang, Selangor. The earnings from this project would only be realized in FY2015 as the project is expected to be completed only in the second half of this current financial year.

Our technical business segment subsidiary, REI Technologies Pte Ltd ("REI") had its fair share of projects having secured projects totaling S$2.6 million to fabricate and install/replace chilled water air handling unit/ computer room air-conditioning units ("AHU/CRAUs") and base frames for air conditioning mechanical ventilation ("ACMV") equipment including maintenance and repair works for SINGTEL communication centers, several underground stations for the Downtown Line MRT project and buildings within the business and science parks in the Jurong corridor.

New management at Goh Kwang Heng Scaffolding Pte Ltd and its twin entity Goh Kwang Heng Pte Ltd ("GKH") turned around a previously loss making operation by repositioning itself in the local construction support service sector and achieved a fair share of the still robust local construction industry. In the year under review GKH had successfully secured contracts to supply, erect and dismantle scaffolding for building retrofitting and construction projects to the tune of S$2.9 million. Coupled with new contracts secured towards the latter part of the financial year under review, GKH's bottomline continues to be healthy in the new financial year.

Johor-based Towards Green Sdn Bhd ("TGSB") won a contract amidst strong competition to provide engineering (manpower) services for the installation of the main piping of the boiler system for a coal-fired power plant in Tanjung Bin in Johor. The value of this project is RM5.18 million (approximately S$1.98 million).

The Group's other China-based Technical & Engineering subsidiaries also saw some developments taking place. Almost a year after inking the contract for an operating concession for a Transfer-Operate-Transfer ("T-O-T") project to manage a city government-owned purified water treatment plant and a wastewater treatment plant for a 30-year concession in the Jilin Economic & Technological Development Zone ("ETDZ"), wholly-owned Eons Global Water (JL) Co., Ltd ("EGW") finally began operations to supply industrial filtered water to some factories within the EDTZ. However, it has yet to reach its desired optimum level due to some unexpected challenges albeit to be expected in any PRC business operations. EGW is working with the local authorities and hope to overcome these issues and to progressively reach its daily projected supply of 16,607m^3 by end FY2015. At the same time, EGW is working towards commissioning the wastewater treatment plant by mid-August 2014. Currently, the daily wastewater generated within the ETDZ is 15,000m^3. This would be another revenue source from the local government for the amount of wastewater that would be treated. The treated water would then be discharged into the nearby Song Hua River.

Suzhou Promax Communication Technology Co., Ltd, a wholly-owned operating entity of Singapore-based REI Promax Technologies ("Promax") had secured a contract valued at RMB9.5 million (equivalent to about S$1.99 million) to produce tower mounted amplifiers and devices, and machining of telecommunication components for two major Suzhou-based foreign telecommunication manufacturers. This is in addition to its ongoing contract manufacturing service to other major electronics manufacturers, both locally-owned and MNCs operating in Suzhou and neighboring industrial parks enabling this subsidiary to operate at its highest capacity since its incorporation in 2009.

Third Party Logistics (3PL) Business Segment

In this business segment, the operating subsidiaries continue to perform creditably despite the stiff competition in Singapore and Malaysia. Both 3PL subsidiaries, DNKH Logistics ("DNKH") and Penang-based City Zone Express Sdn Bhd ("CZE") had in fact increased their revenue by nearly S$7 million in the year under review. Both operations had reported an almost full capacity utilization of their expanded warehouse facilities, assuring the Group substantial recurring revenue for the year.

To meet increased market demand and avoid losing customers due to inadequate logistics capacity in the Malaysian market, CZE increased its fleet with seven new 40-footer trucks and a five-ton truck to its existing fleet of 85 differently configured transport vehicles. Besides entering the dangerous cargo (DG) sector, CZE also managed to penetrate the oil and gas industry in the last quarter. To meet the safety and security requirements of these sectors, CZE enhanced the equipment on its fleet and trained its manpower in safety procedures so as to be able to secure longer term supply contract with its customers.

CZE also successfully secured courier giant, DHL as a major customer during the last quarter of the year under review for its trucking services amounting to about RM1 million. Its aim is to ensure that this lucrative contract stays with them for the long haul. Having added a satellite warehouse facility in Shah Alam in Selangor in the previous financial year to serve as a transiting cum distribution location for goods coming via the Subang Airport and Port Klang, CZE got another slice of the competitive warehouse business in the Klang Valley with a strong commitment from a local logistics company to store budget carrier, Air Asia's premium gifts and promotion advertisement inventory.

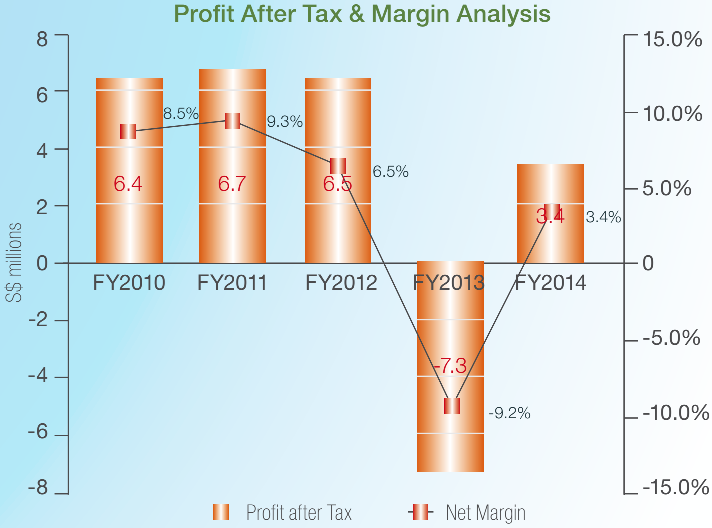
Conclusion

Overall, in the year under review, Chasen registered a net profit after tax of S$3.4 million as compared to a loss of S$7.3 million last year.

Moving forward, the Group affirms its positive outlook for the ongoing financial year in the Specialist Relocation business segment on the back of continuing global economic recovery The Group believes that the commencement of major relocation projects in the PRC, Malaysia and Vietnam, which were reflected in the recently announced results, is expected to continue making an impact in the new financial year. We will continue rationalizing and synergizing specific operational elements within the three core business segments (Specialist Relocation Solutions, Technical & Engineering Services and Third Party Logistics) to enhance the integrated capabilities and organizational effectiveness in line with our Vision.

The intent to continue broadening our revenue streams through a widely diversified customer's base from different industries especially those that are counter-cyclical would bring resilience to the Group's financial performance and entail global marketing initiatives in the new financial year. In a nutshell, the Group will leverage on our significant and proven track record in the Specialist Relocation space in regional markets, and augmented by our turnkey integrated capabilities will extend the global reach by exploring business opportunities with MNCs that also operate outside of this region including businesses outside of the Group's current customer base and industries.

Profit After Tax & Margin Analysis



CORPORATE INFORMATION

Board of Directors

Low Weng Fatt (Managing Director and CEO)

Siah Boon Hock (Executive Director)

Yap Koon Bee @ Louis Yap (Non-Executive Director)

Ng Jwee Phuan @ Frederick (Eric) (Lead Independent Director)

Tan Sin Huat Dennis (Independent Director)

Chew Mun Yew (Independent Director)

Yap Beng Geok Dorothy (Alternate Director to Yap Koon Bee @ Louis Yap)

Audit Committee

Ng Jwee Phuan @ Frederick (Eric) (Chairman)

Tan Sin Huat Dennis

Yap Koon Bee @ Louis Yap

Chew Mun Yew

Remuneration Committee

Tan Sin Huat Dennis (Chairman)

Ng Jwee Phuan @ Frederick (Eric)

Yap Koon Bee @ Louis Yap

Chew Mun Yew

Nominating Committee

Chew Mun Yew (Chairman)

Tan Sin Huat Dennis

Ng Jwee Phuan @ Frederick (Eric)

Low Weng Fatt

Company Secretary

Chew Kok Liang

Registered Office and Principal Place of Business

18 Jalan Besut

Singapore 619571

Tel: (65) 6266 5978

Fax: (65) 6262 4286

Website: www.chasen.com.sg

Share Registrar and Share Transfer Office

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Auditors

Mazars LLP

Chartered Accountants of Singapore

133 Cecil Street

#15-02 Keck Seng Tower

Singapore 069535

Partner in charge: Chan Hock Leong

(a member of the Institute of Singapore Chartered Accountants)

(appointed with effect from the financial year ended 31 March 2012)

Principal Banker

DBS Bank Ltd

12 Marina Boulevard Level 43

Marina Bay Financial Centre Tower 3

Singapore 018982

BOARD OF DIRECTORS

Low Weng Fatt
Managing Director and CEO

Mr Low Weng Fatt, the Managing Director and CEO of the Group, was appointed to the Board of Chasen Holdings Limited since 2007. He was instrumental in ensuring the success of the reverse acquisition of China Entertainment Sports Ltd, which led to the listing of the Chasen Group on SESDAQ (now known as Catalist) and transferred to the Mainboard in February 2013. As Managing Director and CEO, Mr Low is responsible for establishing the strategic growth direction for the Group, providing leadership to ensure success of the Group's operations in the region and continues to identify new business opportunities for the Group.

Mr Low joined Chasen Logistics Services as a Project Manager in 1996. He was responsible for project management, operational and technical support, service consultation and after-sales support. He recognized and identified the growth potential of the specialist relocation business in his early years with the Company and focused on the development and growth of this niche logistics business. He gradually built up the Group's operational capability, strengthened its efficiency and management in Third Party Logistics services and complementary Technical & Engineering businesses.

Mr Low successfully replicated the business success of the Singapore operations when in late 2003, the Group commenced operations in PRC; in Malaysia in 2005 and in Vietnam in 2009. PRC and Malaysia now contribute substantial revenue to be classified as a distinct geographical segment. The regional success resulted in the Group achieving a historical high revenue of S$101.5 million in the financial year ended 31 March 2014. This is an impressive accomplishment when compared to the S$16 million revenue the Group recorded when it listed in 2007.

Mr Low intends to continue extending the Group's services to other geographical markets as well as the scope of the business segments and to grow the Group's bottomline through greater operational efficiency.

Siah Boon Hock
Executive Director

Mr Siah Boon Hock, the Executive Director of the Group, was appointed to the Board of Chasen Holdings Limited since 2007. Besides assisting the Managing Director and CEO in operational matters and following up new business opportunities, he is also the Managing Director for Hup Lian Engineering Group.

Mr Siah as Executive Director has direct responsibility for the business success and growth of the abovenamed operating subsidiary with the head of its subsidiaries reporting directly to him. He is also responsible for evaluating and securing Board approval, establishment of legal framework and successful execution of major projects in the Technical & Engineering business segment that require specific project funding and resources procured through the parent company that is over and above the normal working capital of the subsidiary involved in the project.

Mr Siah brings with him over 15 years of experience in sales and marketing, which include being a regional sales manager responsible for the sales and market development of supply chain management solutions to personal computer OEMs with internationally recognized brands such as Apple, IBM, Compaq (now known as Hewlett Packard) in Asia. Prior to joining Chasen, Mr Siah was a director with Ascomp Cyberware International Pte Ltd from 2000 to 2001, where he managed the sales development of the trading company.

BOARD OF DIRECTORS

Yap Koon Bee @ Louis Yap
Non-Executive Director

Mr Yap Koon Bee @ Louis Yap, a Non-Executive Director of the Group, was appointed to the Board of Chasen Holdings Limited since 2007. He founded the business in 1995 and managed the Group's business until 2001 when he retired from active business management but remains a Non-Executive Director of the Group. His involvement in the industry since the early 60s brings along with him substantial experiences especially in the business of labour supply, transportation as well as warehousing operations. As a Non-Executive Director, Mr Yap acts as an advisor to the Group and continues to provide business network and market contacts to the Group and its subsidiaries.

Ng Jwee Phuan @ Frederick (Eric)
Lead Independent Director

Mr Ng Jwee Phuan @ Frederick (Eric) was appointed as a Lead Independent Director of Chasen Holdings Limited on 6 February 2007. He has been the Principal Consultant of Chadway Management Service Pte Ltd since 1982. He is responsible for providing operational management, planning and executing growth strategies, merger and acquisitions activities and corporate finance services to companies in Singapore and the region, including the PRC. He also advises on business growth and globalization strategies, capital market and corporate governance issues and is an active capital market intermediary matching capital (from institutions, public and private equity funds) with business (including publicly listed companies). He also provides advisory services for companies in their public listing via an IPO or RTO on regional stock exchanges.

Mr Ng is also active in various societies and institutions, being a member of the Singapore Institute of Directors and a Fellow of the Singapore Human Resource Institute. He had served as District Governor for Singapore of Lions Clubs International from 2002 to 2003.

Mr Ng also sits on the Boards of GBM Gold Limited assuming its Chairmanship on 1 January 2014; Richfield International Limited and Ephraim Resources Ltd (previously known as WAG Ltd), all listed on the Australian Securities Exchange.

Tan Sin Huat Dennis

Independent Director

Mr Tan Sin Huat Dennis was appointed as an Independent Director of Chasen Holdings Limited on 31 July 2009. He is the Chairman of the Remuneration Committee.

Mr Tan also serves on the Boards of P99 Holdings Ltd., and Renewable Energy Asia Group Ltd.

He holds a Master of Business Administration from the Nanyang Technological University, Singapore, and a Bachelor of Arts from the National University of Singapore. He also holds a postgraduate certificate in Organizational Leadership and Executive Coaching from the Civil Service Institute, Singapore and the Lancaster University Management School, United Kingdom respectively.

Chew Mun Yew

Independent Director

Mr Chew Mun Yew was appointed as an Independent Director of Chasen Holdings Limited on 5 August 2013. He is the Chairman of the Nominating Committee.

Prior to his appointment, Mr Chew was a Non-Executive Director of Chasen Logistics Services Limited from September 2012 where he provided an advisory role to the company on the growth and business strategies for the Group.

Mr Chew brings with him a span of 32 years of experience in Manufacturing, Quality, Engineering, Supply Chain & Procurement Management of which 22 years are at senior management level. He worked at TAS (now SingTel), Hewlett-Packard Company and subsequently joined a greenfield wafer fab start-up TECH Semiconductor (S) Pte Ltd that counts Texas Instrument as technology partner. He served as Director of Procurement and Materials Management from 1991 at TECH Semiconductor and was also a Director of Procurement in the Shared Service Centre of Micron Semiconductor Asia from 2010 till 2012.

Mr Chew holds a Bachelor of Engineering (2nd class upper honours) in Electrical & Electronic from the Heriot-Watt University, Edinburgh, UK and a postgraduate Diploma in Business Administration from Singapore Institute of Management.

OPERATING BUSINESS UNITS

DixzyQuo Nurman
General Manager (Regional)
Chasen Logistics Services Limited ("CLSG")
Chasen Logistics Sdn Bhd ("CLSB")
Chasen Transport Logistics Co., Ltd ("CTL")
Global Technology Synergy Pte Ltd ("GTS")
REI Hitech Sdn Bhd ("REI Hitech")

Mr DixzyQuo Nurman is the General Manager (Regional) in charge of the Group's subsidiaries in the Specialist Relocation Solution business segment in Singapore, Malaysia and Vietnam. He was appointed as a director in several subsidiaries in Singapore and Malaysia. Mr DixzyQuo joined CLSG in 2000 as a Business Planning Manager, responsible for planning and coordinating the business processes, preparing sales reports and market analysis. He was promoted as General Manager of Singapore in 2004 and to his current position in 2009 to oversee operation, sales and marketing for the Specialist Relocation business, warehousing management services and after-sales support for local and MNC companies operating in Singapore, Malaysia and Vietnam.

Mr DixzyQuo was responsible for the execution of turnkey relocation projects for major international manufacturing companies where machinery and equipment from plants in Singapore and Malaysia were relocated to the Czech Republic, and those from USA and Europe to PRC and Malaysia. He has extended relocation and warehousing services to other manufacturing industries such as pharmaceutical and oil & gas, and open new opportunities for CLSG to provide integrated logistics services for customers with a one-stop "Facitized Refurbishment & Testing Centre ("FRTC") to refurbish OEM semi-conductor machines.

As part of the Group's business plan and to complement the Group's relocation logistics business, Mr DixzyQuo takes on the challenge to steer the growth of GTS and REI Hitech in FY2014, where he will be responsible for the strategic planning, overall management, operations and profitability of these technical & engineering entities under his charge.

Mr DixzyQuo continues to assist the Managing Director and CEO to source and assess new opportunities to expand the Specialist Relocation and 3PL business for the Group. He is a suma cum laude graduate from the Bandung Institute of Technology, Indonesia where he graduated with a Bachelor of Science (Industrial Engineering) degree, majoring in Economics Engineering.

Cheong Tuck Nang
General Manager
Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd ("Chasen Hi-Tech")
Chasen Logistics (Shanghai) Co., Ltd ("CLSJ")

Mr Cheong Tuck Nang is the General Manager and the legal representative of the Group's PRC subsidiaries in the Specialist Relocation business segment. He is responsible for the overall management, sales and marketing, and project execution in the People's Republic of China, specializing in the relocation of sophisticated equipment into the PRC for MNC and local companies. Mr Cheong has been with the Chasen Group since the partnership days of Chasen Logistics Services and he brings with him more than 20 years of experience in the logistics, warehousing management and Specialist Relocation business. He was a pioneer in the setting up of the Group's PRC operation and is responsible for securing and execution of major large-scale relocation projects that resulted in the Group's record revenue of RMB100 million in FY2012.

Mr Cheong continues with securing major projects with TFT LCD manufacturing plants in the PRC, providing services to move-in equipment and warehouse management services for customers in various states and provinces in Hefei, Beijing, Shenzhen and Xiamen and Guangzhou.

Yeo Seck Cheong
General Manager
Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd ("SINO-SIN")
Chasen Sinology (Beijing) Co., Ltd ("SINOLOGY")
Towards Green Sdn Bhd ("TGSB")

Mr Yeo Seck Cheong is the General Manager and the legal representative of the Group's PRC subsidiaries in the relics digitization business. He is also director of several subsidiaries of the Group. He is responsible for the general management, sales and marketing of the artefact digitization, packaging and transportation for both domestic and international art exhibitions and cultural exchanges in the PRC market.

Mr Yeo joined Chasen Logistics in 2000 as a Project Manager responsible for executing relocation projects. Having been in the logistics and relocation industry for more than 15 years, he successfully transferred this experience to the PRC when he set up the relocation business operations for the Group in the PRC.

Besides PRC, Mr Yeo has recently expanded his responsibility to oversee a project secured by TGSB, to provide engineering services for a coal-fired power plant in Johor.

He continues to assist the Group Managing Director and CEO in identifying and developing growth opportunities for the Group in the PRC and in the region.

Chiang Mun Hoe Alvin
General Manager
REI (TL) Construction & Engineering Pty, Lda ("REI-TL")

Mr Chiang Mun Hoe Alvin is currently the General Manager of the Group's subsidiary in Timor Leste. He is responsible for the establishment, operation and growth of the business in this newly emerging economy. The Group's initial investment in Timor-Leste is in rental of construction equipment to companies involved in infrastructural projects and in financing the construction of roads.

Mr Chiang joined the Group in May 2006 to set up REI Technologies Pte Ltd ("REI") to provide equipment repair, maintenance and related technical services to complement the Group's specialist relocation solution business. Subsequently, facility management was included as a business of REI when Mr Chiang secured a facility management contract with a MNC in Singapore where REI was granted Certified Vendor status.

Prior to joining the Group, Mr Chiang was with a SGX-listed technology company, Ellipsiz Ltd, where he oversaw operations, regional market growth, business development as well as co-ordinated public and investor relations for the company. He was also with TECH Semiconductor (S) Pte Ltd where his responsibilities covered production / material planning and control, equipment maintenance, special device / technology conversion projects and procurement.

Mr Chiang holds a Diploma in Mechanical Engineering from the Singapore Polytechnic and a graduate of the University of Oklahoma, USA with a Bachelor of Science (Mechanical Engineering) degree.

Lim Wui Liat
Executive Director
Liten Logistics Services Pte Ltd ("LLS")
Liten Holdings Pte Ltd ("LH")

Mr Lim Wui Liat is the Executive Director of the Group's subsidiaries, Liten Logistics Services and Liten Holdings since April 2011. He is responsible for overall management, sales & operations for the entities under his charge.

Mr Lim brings with him more than 20 years of experience in general logistics such as transportation, moving services for heavy machineries, general warehousing, freight forwarding and packing and crating of machineries for the manufacturing and construction industries. Prior to joining the Group, Mr Lim was a major shareholder of the Liten companies.

Mr Lim continues to facilitate complementary capabilities to extend the scope of logistics services for the Group in the region.

Lim Jit Sing Jackson

General Manager
Goh Kwang Heng Pte Ltd ("GKH")
Goh Kwang Heng Scaffolding Pte Ltd ("GKHS")
Liten Logistics Services Pte Ltd ("LLS")
REI Technologies Pte Ltd ("REI")

Mr Lim Jit Sing Jackson is the General Manager of the Group's subsidiaries in the scaffolding business, the Goh Kwang Heng companies and REI. He is also the Executive Director of LLS. He is responsible for the overall management, sales and operations and growth of these companies under his charge.

Mr Lim joined LLS soon after completing his National Service, where he was responsible for sales, operations and administration in LLS. He has more than 10 years of experience in the specialist relocation solutions, general logistics, freight forwarding, packing and crating of machineries for MNC customers. Management recognized Mr Lim's business management ability soon after LLS became part of the Group and he was charged with turning around the loss making GKH companies. He successfully repositioned GKH scaffolding business within the construction industry with several large contract wins and engineered its exit from the marine sector, which was previously the mainstay of the GKH business.

His ability is further extended when he was assigned responsibility for REI at the beginning of the new financial year to oversee and synergise its management and operations with the other companies under his charge.

Mr Lim holds a Diploma in Manufacturing Engineering from the Singapore Polytechnic.

Cheng Chee Chai

Executive Director
Hup Lian Engineering Pte Ltd ("HLE")
HLE International Pte Ltd ("HLEI")

Mr Cheng Chee Chai is the Executive Director of the Group's subsidiaries in the engineering business segment in the region. He is also a minority shareholder of HLE. Mr Cheng is responsible for engineering, design, project management and operational capability of the group of companies under his charge. He assists the Managing Director of HLE Group in strategic planning, marketing and development, and the company's expansion into the regional markets.

Mr Cheng has over 20 years of experience in the construction industry. Prior to joining HLE, he was a Project Manager with Kay Lim Construction & Trading Pte Ltd. He was also an Engineer with Jurong Town Corporation, Tuffi Coatings Pte Ltd and CH & Associates Consulting Engineers from 1988-1994 where he planned, supervised, coordinated and managed design of various construction works.

Mr Cheng graduated with a Bachelor of Civil Engineering and attained his Masters of Science (Civil Engineering) from the National University of Singapore in 1993. Mr Cheng is a certified Professional Engineer, a Member of the Institute of Engineers Singapore (MIES) and a Member of American Society of Civil Engineers (MASCE).

Hein Ke Long

Executive Director
REI Promax Technologies Pte Ltd ("PROMAX")
Suzhou Promax Communication Technology Co., Ltd ("SZPMX")

Mr Hein Ke Long is the Executive Director of the Group's subsidiaries in the contract manufacturing business in Singapore and the PRC. He is also a minority shareholder of PROMAX where he is responsible for the operational success and growth of the precision machining business. PROMAX is in the business of providing solutions such as prototype, machining, precision engineering and machining for components such as moulds, jigs and fixtures, mechanical sub-assemblies, design and fabrication of special purpose machines and reverse engineering. Recently, it added the assembly of 3D printers to its contract manufacturing capability.

Mr Hein oversees the sales and marketing of the Group's service capability for both factories in Singapore and Suzhou. He has more than 20 years of experience in the precision engineering manufacturing industry.

Heng Khim Soon

General Manager
DNKH Logistics Pte Ltd ("DNKH")

Mr Heng Khim Soon is the General Manager of the Group's Singapore subsidiary in Third Party Logistics, DNKH. He is also its minority shareholder.

He is responsible for management and growth of the business of the entity under his charge. He brings with him a wealth of experience accumulated over the past 20 years in the freight forwarding and third party logistics business in overseeing marketing and operations of the business. Mr Heng is tasked with the challenges to ensure the Group logistics services, such are freight, warehousing, transportation and distribution are competitive particularly, the air and sea shipment rates to/fro Singapore and within the region. He also provides the other business units within the Group with value-added services to complement their services to customers who require supply chain services in third party logistics. Under the helm of Mr Heng, DNKH currently operate a fleet of more than 20 trucks of varying capacities and more than a hundred field operation personnel in the distribution and warehousing business. This capability assists the Group to strengthen its global network in the freight industry.

S. Pirithivaraj Selvarajoo

Executive Director
City Zone Express Sdn Bhd ("CZE")

Mr S. Pirithivaraj Selvarajoo is the Executive Director of the Group's Malaysian 3PL subsidiary, CZE. He is also a minority shareholder of CZE. He is responsible for the overall management and growth of the entity under his charge. CZE provides freight forwarding, warehousing, transportation, customs brokerage and other logistics supply chain services, operating out of Penang. He oversees the operation of a sizeable truck fleet comprising more than 85 units, which are deployed for daily interstate long and short haul overland transportation between Singapore, Peninsular Malaysia and Thailand.

Mr Raj continues to work on strengthening CZE's cross-border logistics service capability to broaden the Company's revenue base and enhancing its profitability. He also assists the Group in identifying business opportunities to grow the Group's business in Malaysia and Thailand.

Ng Song Heng

General Manager
Eons Global Water (JL) Co., Ltd ("EGW")

Mr Ng Song Heng is the General Manager and the legal representative of the Group's PRC subsidiary, EGW in Jilin. He is responsible for strategic planning, overall management, operations and profitability of the entity under his charge. Mr Ng has more than 25 years of experience in project management and execution of medium size industrial wastewater and ultra-pure water plants, including site installation and calibration of water analyzers. He also specializes in design & built of Electrical Instrumentation / Motor Starter Panels and PLC Program development.

Prior to joining the company, Mr Ng founded EONS Technologies Pte Ltd in 1993, providing services to design and build Wastewater Treatment Plant and Ultrapure Water Plants. In 2004, he founded Watertech Pte Ltd, expanding his business to regional markets including Vietnam, Indonesia, Malaysia, Qatar and China. He secured two Build-Own-Operate-Transfer ("BOOT") projects with the County Government in Inner Mongolia when he was with Watertech and he was responsible for the construction and implementation of these projects till they were fully commissioned.

Mr Ng graduated from Singapore Polytechnic with a Technician Diploma in Mechanical Engineering and a Diploma in Transducer Technology & PLC Application. He also holds a Diploma in Marketing Management by Ngee Ann Polytechnic, and obtained a Master in Business Administration by the University of Leicester.

CORPORATE OFFICE

Ling Tien Yew
Financial Controller

Mr Ling Tien Yew joined Chasen Holdings Limited as Financial Controller on 3 March 2014. He is responsible for the Group's financial management and consolidation of accounts, ensuring timely reporting of financial information for the Company. He also oversees internal controls and compliance requirements of the Group and will continue to assist the Board in developing and improving the efficiency of the Group's financial reporting and system. Mr Ling has more than 15 years of experience in financial & management accounting and audit. He holds a Bachelor of Business Studies (Accountancy) from Massey University, New Zealand and is a member of CPA Australia.

Prior to joining the Group, Mr Ling has worked with several SGX listed companies.

Leong Chee Guin
Corporate Accounts Manager

Mr Spencer Leong joined Chasen Holdings Limited on 10 February 2011 as Corporate Accounts Manager. He is responsible for reviewing subsidiaries' financial statements and consolidation of the accounts. He liaise with external auditors to ensure SFRS compliance. He undertakes leadership in controlling Group Chart of Accounts, implementation of internal control procedures, monitor and manage cash flows. He is actively involved in the preparation of financial reports and analysis for Financial Report and Business Performance Meetings.

Mr Leong brings with him more than 10 years of auditing and accounting experience from various auditing agencies and private entities.

Mr Leong is Full Member of Institute of Singapore Chartered Accountants (ISCA) (formerly known as Institute of Certified Public Accountants of Singapore) , Non-practicing Member of Malaysian Institute of Accounts (MIA) and a Fellow Member of the Association of Chartered Certified Accountants (ACCA-UK).

Susan Goh Siew Lee
Group HR & Administration Manager

Ms Susan Goh was appointed as the Group Human Resource & Administration Manager of Chasen Holdings Limited on 5 February 2014. She is responsible for the Group's Human Capital Synergy and alignment; and the strategic deployment and development of human resources in support of the Group's business growth strategy. Her role includes formulating human resources best practices for administrative efficiency and effectiveness.

Ms Goh brings with her more than 15 years of experience in human resource practices with multinational companies in the OEM and contract manufacturing industries. She had been involved in merger and acquisition activities, change management and greenfield start-ups. Her regional exposures cover Singapore, Malaysian, China and Philippines.

Ms Goh holds a Diploma in Business Studies, a Diploma in Human Resource Management and a Post Graduate Diploma in International Marketing.

Yap Beng Geok Dorothy
Group General Administration Manager

Ms Yap Beng Geok Dorothy is the General Administration Manager of Chasen Holdings Limited and an Alternate Director to Mr Yap Koon Bee @ Louis Yap, Non-Executive Director. She is responsible for the day-to-day administrative workflow, human resource management and the general administration of the Group businesses in Singapore and Malaysia. She also provides support to other regional operations whenever required. She provided invaluable assistance during the reverse listing of the Chasen Group and continues to be the main liaison with professional advisors in corporate activities of the Company in its continuing listing obligations.

Ms Yap joined Chasen Logistics Services in 1995 and over the past 19 years she has been with the Group, she has acquired in-depth knowledge of many aspects of the Group's business, including its operation and administration.

Prior to joining the Group, Ms Yap worked as an Administrative Officer with a Japanese multinational in Singapore. She is the daughter of Mr Yap Koon Bee @ Louis Yap, a Controlling Shareholder of the Group.

Ang Soon Guan Francis
Group Facilities, EHS & Administration Manager

Mr Ang Soon Guan Francis joined Chasen Holdings Limited as the Group Facilities, EHS & Administration Manager on 2 October 2008. His portfolio covers overseeing of the Group's facilities with regard to buildings, transport fleet and the specialized equipment belonging to some of the subsidiaries. Under EHS, he is the Management Representative for the annual surveillance of ISO standards. He also chairs the Group Safety Coordinating Committee, which meets periodically to share workplace safety practices and review current safety requirements as stipulated by the Ministry of Manpower.

In the area of administration, Mr Ang sees to the general insurances needs for the Group's subsidiaries. He also assists the Managing Director and CEO in planning and coordinating the biannual business meetings for the Group's 16 subsidiaries that are usually held out of Singapore. Hitherto, he has organized 11 such meetings from as near as Batam, Indonesia to across the Causeway in Malacca, Kuala Lumpur and Penang and to further afield locations in Hanoi and Ho Chi Minh City, Vietnam and Shenzhen, China.

Mr Ang is also responsible in liaising with the Company Corporate Secretary with regard to the periodical announcements and press releases on projects wins secured by the Group's subsidiaries on the web portal of Singapore Exchange (SGXNet). He also assists the General Administration Manager in the compilation, drafting and production of the Company's annual reports.

Mr Ang was a regular with Singapore Armed Forces (SAF) for 31 years in his capacity as a Senior Research Analyst in MINDEF HQ. He also had the distinction of serving in the Office of the SAF Defence Adviser for two consecutive terms in the High Commission of Singapore in Kuala Lumpur.

Mr Ang holds a Diploma in Business Management from Nanyang Polytechnic, and graduated with a Bachelor in Communications & English from SIM University.

FINANCIAL CONTENTS

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (the "CSR") plays an essential role in the long-term success of our business. It is important that we align our interests with that of the communities in which we operate in order to have the support of the local communities and government agencies. We believe that our initiatives and emphasis on returning to the community and looking after the welfare of our staff have translated into goodwill for our Group, contributing to high employee retention rate and staff morale.

Environmental Policy

We share our customers' commitment to the environment and we believe in the importance of caring for our planet working with and encouraging others to do the same. As a company that relies on natural products like wood, it makes good business sense and as people living in the world, it is simply the right thing to do.

Commitment to Sustainable Development

Our Directors recognized the importance of being a responsible steward of the land we manage. With this in mind, the Company has established a CSR policy which included the review of the following areas of the Group's activities:

(a) to review and recommend the Group's policy with regards to CSR issues;

(b) to review the Group's environmental policies and standards;

(c) to review the social impact of the Group's business practices in the communities that it operates in;

(d) to review and recommend policies and practices with regard to key stakeholders (suppliers, customers and employees); and

(e) to review and recommend policies and practices with regard to regulators.

Core Values of the CSR Framework

The Company aims to be recognized as an organization that is transparent and ethical in all its dealings as well as making a positive contribution to the community in which it operates. It is committed to being a deeply responsible company in the communities with the following core values in all aspects of its work, including the fulfilment of its social responsibility, toward achieving sustainable development:

- Clear direction, strong leadership and open communication;
- Customer focus;
- Equality, fairness and transparency;
- Development of positive working relationships with others; and
- Respect for people

Toward Sustainability Strategies

The Company will seek to achieve corporate and social objectives by focusing on four strategic areas:

Good Relations - adopting an employee relations strategy to enhance management and employee interactions and to promote work-life balance and health among employees.

Community Impact - encouraging staff to be involved in projects in support of the wider community.

Environment - developing environmental management practices that minimise adverse impact on the environment.

The CSR and commitments are integral to the Company's overall business strategy. As a result, the Company believes it delivers benefits to the Company and its stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others.

The Company will, as and when necessary, provide updates on the status of its implementation of its CSR policy in the annual reports of the Company.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the "Board") of Chasen Holdings Limited (the "Company" and together with its subsidiaries, the "Group") is committed to setting in place corporate governance practices which are in line with the recommendations of the Singapore Code of Corporate Governance 2012 (the "Code") to provide the structure through which protection of the interests of its shareholders, stakeholders and investing public is met.

This Statement describes the practices the Company has undertaken with respect to each of the principles and guidelines and the extent of its compliance with the Code.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The Board's primary role is to protect and enhance long-term shareholders' values and returns. The Board meets quarterly and as warranted by particular circumstances, as deemed appropriate by the members of the Board.

The principal functions of the Board include, amongst other things, the following:-

- provides entrepreneurial leadership, setting strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- provides the overall strategy of the Group;
- establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- reviews management performance;
- identifies the key stakeholder groups and recognising that their perceptions affect the Company's reputation;
- sets the Company's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met;
- considers sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and
- assumes the responsibilities of corporate governance framework of the Group.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

To assist the Board in the execution of its responsibilities, the Board is supported by three Board Committees, namely the Nominating Committee, the Remuneration Committee and the Audit Committee. Each Board Committee has its own defined terms of reference, which sets out the respective Board Committee's duties and responsibilities.

CORPORATE GOVERNANCE STATEMENT

The Company has taken steps to ensure participation of all Directors when selecting Directors to the three Board Committees so as to maximise their effectiveness. All Board Committees are headed by Independent Directors.

Formal Board meetings are held at least four times a year to approve the quarterly results announcements and to oversee the business affairs of the Group. The Board is free to seek clarification and information from Management on all matters within their purview. Ad-hoc meetings are convened when the circumstances require. In the course of the financial year under review, as at the date of this report, the number of Board and Board Committee meetings held and attended by each Board member is set out as follows:

Names of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Low Weng Fatt	4	4	4 *	4*	1	1	1 *	1 *
Siah Boon Hock	4	4	4 *	4*	1 *	1 *	1 *	1 *
Yap Koon Bee @ Louis Yap	4	3	4	3	1 *	0 *	1	0
Ng Jwee Phuan @ Frederick (Eric)	4	4	4	4	1	1	1	1
Tan Sin Huat Dennis	4	4	4	4	1	1	1	1
Chew Mun Yew	4	4	2	2	1	1	1	1
Yap Beng Geok Dorothy(1)	4	4	4	4	1*	1 *	1	1

(1) Alternate Director to Yap Koon Bee @ Louis Yap

* By Invitation

The Company's Articles of Association provide for the Directors to participate in Board and Board Committee meetings by means of telephonic and video conference meetings or in such manner as the Board may determine.

As an added control mechanism, the Company has identified the following areas for which the Board's approval must be sought: -

– Approval of quarterly and full-year results announcements for release to the Singapore Exchange Securities Trading Limited (the "SGX-ST");

– Approval of the annual reports and audited financial statements;

– Convening of shareholders' meetings;

– Approval of corporate strategies;

– Approval of material acquisitions and disposal of assets; and

– Approval of major investment and funding decisions.

The Board has in place an orientation and training programme for newly appointed Directors in order to familiarize them with the Group's business operations, strategic directions, directors' duties and responsibilities, corporate governance practices, regulations and guidelines from SGX-ST. Upon appointment of a new Director, a formal letter setting out his duties and responsibilities will be provided. The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of directors' duties and responsibilities. The Directors are also kept abreast of any relevant new laws, regulations and changing commercial risks, from time to time which are relevant to the Group.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The current Board of Directors consists of two Executive Directors, one Non-Executive Director and three Independent Directors. The Directors of the Company are:-

Executive Directors
Low Weng Fatt (Managing Director and CEO)
Siah Boon Hock

Non-Executive Director
Yap Koon Bee @ Louis Yap
Yap Beng Geok Dorothy, Alternate Director to Yap Koon Bee @ Louis Yap

Independent Directors
Ng Jwee Phuan @ Frederick (Eric)
Tan Sin Huat Dennis
Chew Mun Yew

The Board considers an "Independent Director" as one who has no relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company.

The independence of each Director is reviewed annually by the Nominating Committee in accordance with the Code's definition of independence. Each Director is required to complete a 'Confirmation of Independence' form to confirm his independence. The said form, which was drawn up based on the definitions and guidelines set forth in Guideline 2.3 in the Code and the Guidebook for Audit Committees in Singapore issued by Audit Committee Guidance Committee ("Guidebook") in October 2008, requires each Director to assess whether he considers himself independent despite not having any of the relationships identified in the Code.

The Nominating Committee has reviewed the forms completed by each Director and is satisfied that half the Board comprises Independent Directors. None of the Directors has served on the Board beyond nine years from the date of his/her appointment.

The composition of the Board is reviewed at least annually by the Nominating Committee. The Nominating Committee is of the view that the Board comprises Directors who have the appropriate balance and diversity of skills, expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

The Board takes into account the scope and nature of the Company's operations and is of the opinion that the size is ideal to facilitate effective deliberations and decision making of the Board. The Non-Executive Directors would constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitoring the reporting of performance.

The Non-Executive Directors are encouraged to meet regularly without the presence of Management so as to facilitate a more effective check on Management.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

During the financial year ended 31 March 2014, Low Weng Fatt being the Managing Director and CEO of the Company, has executive responsibilities for the Group's businesses. Responsibilities for the workings of the Board are jointly held by Low Weng Fatt and the Lead Independent Director Ng Jwee Phuan @ Frederick (Eric) to ensure that procedures are introduced to comply with the Code.

In line with corporate governance best practices, the Board has appointed Ng Jwee Phuan @ Frederick (Eric) as the Lead Independent Director of the Company to lead and co-ordinate the activities of the Independent Directors, to act as the principal liaison between the Independent Directors and the Managing Director and CEO on sensitive issues and to hold meetings with Independent Directors when required.

The Board has set clear guidelines in respect of decisions that are to be made by the Board, decisions that are to be made by the Managing Director and CEO in consultation with the Board while leaving it to the judgement of Management as to other matters that ought to be referred to the Board. The Board is of the opinion that the decision making process by the Board has been independent and has been based on collective decisions without any individual exercising any considerable concentration of power or influence.

The Board has to date not appointed a Chairman. The Lead Independent Director is elected to chair each Board meeting. While the Chairman's role to ensure the following:-

(a) lead the Board to ensure that its effectiveness of the Board in all aspects of its role;

(b) set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) promote a culture of openness and debate at the Board;

(d) ensure that the directors receive complete, accurate, timely and clear information;

(e) ensure effective communication with shareholders;

(f) encourage constructive relations within the Board and between the Board and Management;

(g) facilitate the effective contribution of Non-Executive Directors in particular; and

(h) promote high standards of corporate governance,

this role is jointly assumed by Low Weng Fatt and Ng Jwee Phuan @ Frederick (Eric).

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of new directors to the Board.

The Nominating Committee currently comprises the following four members, of whom three are Independent Directors:

Chew Mun Yew (Chairman)
Tan Sin Huat Dennis
Ng Jwee Phuan @ Frederick (Eric)
Low Weng Fatt

The Nominating Committee is governed by its written terms of reference. In accordance with the requirements of the Code, the Chairman of the Nominating Committee is independent and the Lead Independent Director is also a member of the Nominating Committee. The Nominating Committee makes recommendations to the Board on all nominations for appointments and re-appointments of Directors to the Board and Board Committees. It ascertains the independence of Directors and evaluates the Board's performance. The Nominating Committee assesses the independence of Directors, based on the guidelines set out in the Code, the Guidebook and any other salient factors.

Following its annual review, the Nominating Committee has affirmed the independent status of Ng Jwee Phuan @ Frederick (Eric), Tan Sin Huat Dennis and Chew Mun Yew. The Nominating Committee, in recommending the nomination of any Director for re-election and/or re-appointment, considers the contribution of the Director, based on, *inter alia*, his attendance record, overall participation, expertise, strategic vision, business judgement and sense of accountability.

The Nominating Committee ensures that the Board and its Board Committee members are best suited for their respective appointments and are able to discharge their responsibilities as such members of the Board and/or Board Committees. In addition, the selection of Directors requires careful assessment to ensure there is an equitable distribution of responsibilities among the Directors.

In the nomination and selection process, the NC reviews the composition of the Board by taking into consideration the mix of expertise, skills and attributes of existing Board members, so as to identify desirable competencies for a particular appointment. In so doing, it strives to source for candidates who possess the skills and experience that will further strengthen the Board, and are able to contribute to the Company in relevant strategic business areas, in line with the growth and development of the Group.

The Nominating Committee is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations, and there is presently no need to implement internal guidelines to address the competing time commitments. This matter is reviewed on an annual basis by the Nominating Committee.

Pursuant to the Company's Articles of Association, every Director (except the Managing Director and CEO, who may be appointed for a term of up to five years) must retire from office at least once every three years by rotation. Directors who are due for retirement are eligible to offer themselves for re-election. New Directors are appointed by way of Board resolution following which they are subject to re-election by shareholders at the next Annual General Meeting.

Each member of the Nominating Committee shall abstain from voting on any resolutions in respect to his re-nomination as a Director.

CORPORATE GOVERNANCE STATEMENT

The Nominating Committee has recommended the re-election of Ng Jwee Phuan @ Frederick (Eric) and Chew Mun Yew and re-appointment of Yap Koon Bee @ Louis Yap who are retiring at the forthcoming Annual General Meeting to be held on 29 July 2014 (the "forthcoming AGM"). The Board has accepted the recommendations and the retiring Directors would be offering themselves for re-election.

Key information regarding the Directors is set out below: -

Name of Director	Date of First Appointment	Date of Last Re-election	Directorship and Chairmanship in Other Listed Companies and Major Appointments (Present and held over preceding 3 years)
Low Weng Fatt	6 February 2007	Not Applicable	Nil
Siah Boon Hock	6 February 2007	26 July 2012	Nil
Yap Koon Bee @ Louis Yap	6 February 2007	26 July 2013*	Nil
Ng Jwee Phuan @ Frederick (Eric)	6 February 2007	8 August 2011	**Listed Companies - Present** 1. Greater Bendigo Gold Mines Limited 2. Richfield International Limited 3. Wag Limited **Listed Companies - Preceding 3 Years** Nil **Major Appointments** Nil
Tan Sin Huat Dennis	31 July 2009	26 July 2013	**Listed Companies - Present** 1. Renewable Energy Asia Group Ltd 2. P99 Holdings Limited **Listed Companies - Preceding 3 Years** 1. Swing Media Technology Group Ltd **Major Appointments** Nil
Chew Mun Yew	5 August 2013	Nil	Nil
Yap Beng Geok Dorothy (1)	29 May 2008	Nil	Nil

(1) Alternate Director to Yap Koon Bee @ Louis Yap

* Re-appointment as a Director pursuant to Section 153(6) of the Companies Act, Chapter 50

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

In line with the principles of good corporate governance, the Nominating Committee had implemented and continued with an annual performance evaluation for assessing the effectiveness of the Board as a whole and has completed the assessment. The purpose of the evaluation process is to increase the overall effectiveness of the Board. The Nominating Committee had decided unanimously, that the Directors will not be evaluated individually. The Nominating Committee, in considering the re-nomination of any Director, had considered but not limited to the extent of their attendance, participation and contribution in the proceedings of the meetings.

Each Director was requested to complete evaluation forms to assess the overall effectiveness of the Board as a whole. The appraisal process focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, communication with Senior Management and Directors' standard of conduct. The results of the evaluation are used constructively by the Nominating Committee to identify areas of improvements and recommend to the Board the appropriate action.

The Board and the Nominating Committee have endeavoured to ensure that Directors appointed to the Board possess the necessary experience, knowledge and expertise critical to the Group's business.

Access to Information

Principle 6: In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To enable the Board to function effectively and to fulfill its responsibilities, the Management strives to provide Board members with adequate and timely information for Board and Board Committee meetings on an on-going basis. Board and Board Committee papers are prepared for each meeting and are disseminated to the Board members before the meetings. Board and Board Committee papers include sufficient information from the Management on financial, business and corporate matters of the Group so as to enable Directors to be properly briefed on matters to be considered at the Board and Board Committee meetings.

Draft agendas for Board and Board Committees meetings are circulated in advance to the respective Chairmen, in order for them to suggest items for the agenda and/or review the usefulness of the items in the proposed agenda.

All Directors have separate and independent access to the Group's key management personnel and Company Secretary at all times. The Company Secretary and/or his representatives administer, attend and prepare minutes of Board and Board Committee meetings, and assist the Chairmen in ensuring that proper procedures at such meetings are followed so that the Board and Board Committees function effectively. The Company Secretary and/or his representatives also assist the Chairmen in ensuring that the Company complies with the requirements of the Companies Act, Cap. 50, the Listing Manual of SGX-ST and other relevant rules and regulations that are applicable to the Company. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Directors may seek professional advice in furtherance of their duties and the costs will be borne by the Company.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee currently comprises the following four members, of whom three are Independent Directors:

Tan Sin Huat Dennis (Chairman)
Ng Jwee Phuan @ Frederick (Eric)
Chew Mun Yew
Yap Koon Bee @ Louis Yap

The Remuneration Committee is governed by its written terms of reference. The principal functions of the Remuneration Committee are, *inter alia*:-

(a) review and recommend to the Board a general framework of remuneration for the Board and key management personnel of the Group;

(b) review and recommend to the Board specific remuneration packages for each Director, key management personnel and employees who are related to any Director(s) and/or substantial shareholders, covering all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(c) review the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and

(d) review and submit its recommendations for endorsement by the Board, the awards granted under the Chasen Performance Share Plan or any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith.

Each member of the Remuneration Committee refrains from voting on any resolutions in respect of the assessment of his remuneration. No Director was involved in determining his own remuneration. The Remuneration Committee has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Remuneration Committee will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director and key management personnel when determining their remuneration packages.

In structuring and reviewing the remuneration packages, the Remuneration Committee seeks to align interests of Directors with those of shareholders and link rewards to corporate and individual performance as well as roles and responsibilities of each Director. Such performance-related remuneration should be aligned with the interest of shareholders and promote long term success of the Company.

The Independent Directors receive Directors' fees and share awards under the Chasen Performance Share Plan, in accordance with their contributions, taking into account factors such as efforts and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors shall not be over-compensated to the extent their independence may be compromised. All Independent Directors are paid Directors' fees that are subject to shareholders' approval at the Annual General Meeting.

The remuneration for the Executive Directors and Management comprise a basic salary component and a variable component, namely, the annual bonus and share awards under the Chasen Performance Share Plan. The latter is based on the performance of the Group as a whole and their individual performances.

The Company entered into a service agreement with our Managing Director and CEO, Low Weng Fatt for a fixed appointment period and it does not contain onerous removal clauses. The service agreement allows termination by either party giving not less than six months' notice in writing to the other. The Remuneration Committee is responsible for the review of compensation commitments the service agreement, if any, entails in the event of early termination. The Remuneration Committee may recommend the Company to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.

The Board is of the view that the remuneration offered to the Directors and Management is fair and competitive. The Remuneration Committee will carry out annual reviews of the remuneration packages of the Directors and Management, having due regard to their contributions as well as the financial and commercial needs of the Group.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Company's Directors and key management personnel receiving remuneration from the Group for the financial year ended 31 March 2014 are as follows:

Remuneration Band	**Number of Directors**	
	2014	**2013**
Executive Directors		
$500,000 and above	0	1
$250,000 to below $500,000	2	1
Below $250,000	4	3
Total	6	5
Key Management Personnel		
Below S$250,000	5	5
Total	5	5

A breakdown of each individual Director's and key management personnel's remuneration, in percentage terms showing the level and mix for the financial year ended 31 March 2014, is as follows:

	Fees	Salary	Bonus	Other benefits	Total
	%	%	%	%	%
Directors					
$250,000 to below $500,000					
Low Weng Fatt	14	79	7	–	100
Siah Boon Hock	19	74	7	–	100
Below $250,000					
Yap Koon Bee @ Louis Yap	100	–	–	–	100
Ng Jwee Phuan @ Frederick (Eric)	100	–	–	–	100
Tan Sin Huat Dennis	100	–	–	–	100
Chew Mun Yew	100	–	–	–	100
Yap Beng Geok Dorothy	–	–	–	–	–
Key Management Personnel					
Below $250,000					
DixzyQuo Nurman	–	92	8	–	100
Cheong Tuck Nang	–	96	4	–	100
Yeo Seck Cheong	–	100	–	–	100
Cheng Chee Chai	–	87	4	9	100
Chiang Mun Hoe Alvin	–	84	0	16	100
Yap Beng Geok Dorothy	–	82	7	11	100

The aggregate total remuneration paid to the top five key management personnel (who are not Directors or the Managing Director and CEO) for the financial year ended 31 March 2014 is approximately S$909,162.

None of the Directors (including the Managing Director and CEO) and the top five key management personnel (who are not Directors or the Managing Director and CEO) of the Company has received any termination, retirement, post-employment benefits for the financial year ended 31 March 2014.

The remuneration of one of the employees related to Yap Beng Geok Dorothy, an Alternate Director of the Company, exceeds S$150,000 for the financial year ended 31 March 2014.

Due to the highly competitive market, the Company believes it is unwise to disclose the breakdown of the remuneration of the Directors and the key management personnel.

The Remuneration Committee has reviewed and approved the remuneration packages of the Directors and Key Management, having due regard to their contributions as well as the financial and commercial needs of the Group and has ensured that the Directors are adequately but not excessively remunerated.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board understands its accountability to the shareholders on the Group's position, performance and progress.

This accountability to our shareholders is demonstrated through the presentation of our periodic financial statements as well as announcements and news releases of significant corporate developments and activities so that the shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

The Management maintains close contact and communication with the Board by various means including the preparation and circulation to all Board members quarterly financial statements of the Group. This allows the Directors to monitor the Group's performance as well as Management's achievements of the goals and objectives determined and set by the Board.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Although the Board acknowledges that it is responsible for the Group's overall system of internal controls, the Board also recognises that no internal control system will preclude all errors and irregularities. The Group's system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The internal controls in place will address the financial, operational and compliance risks, and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss and that assets are safeguarded.

Relying on the reports from the internal auditors and external auditors and the representation letters from the Management, the Audit Committee carried out assessments of the effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the internal auditors and external auditors to further improve the internal controls were reported to the Audit Committee. The Audit Committee will follow up on the actions taken by the Management and on the recommendations made by both the internal auditors and external auditors.

Material associates and joint ventures which the Company does not control are not dealt with for the purposes of this Board opinion.

The Directors have received the management representation letters from the Executive Directors of the Company and from the Executive Directors, General Managers and Heads of Finance, Operations and Sales of the key subsidiaries as well as Heads of Group functions in relation to the financial information for the financial year ended 31 March 2014.

Based on the various management controls put in place, the reports from the internal auditors and external auditors (to the extent as required by them to form an audit opinion on the statutory financial statements), representation letters from the Management, periodic reviews by the Management, the Board with the concurrence of the Audit Committee is of the opinion that the system of internal controls addressing financial, operational, compliance and information technology risks, and risk management systems, maintained by the Company during the year are adequate.

The Board also notes that all internal control systems and risk management systems contain inherent limitations and no system of internal controls or risk management could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, and/or other irregularities.

As the Group continues to grow its business, the Board will continue to review and take appropriate steps to strengthen the Group's overall system of internal controls and risk management.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee currently comprises the following four members, of whom three are Independent Directors:

Ng Jwee Phuan @ Frederick (Eric) (Chairman)
Tan Sin Huat Dennis
Chew Mun Yew
Yap Koon Bee @ Louis Yap

The Company has adopted and has complied with the principles of corporate governance under the Code in relation to the roles and responsibilities of the Audit Committee.

The Board is of the view that the members of the Audit Committee are appropriately qualified, having the necessary accounting or related financial management expertise or experience to discharge the Audit Committee's responsibilities.

The Audit Committee is governed by its written terms of reference and will focus principally on assisting the Board in fulfilling its duties by providing an independent and objective review of the financial management process, internal controls and the audit function. The Audit Committee will meet at least four times a year to perform, *inter alia*, the following functions:

(a) Financial Reporting

The Audit Committee reviews the quarterly and annual results announcements, as well as any formal announcements relating to the Company's financial performance, with the Management and external auditors before submission to the Board for approval, focusing in particular on significant financial reporting issues and judgements; changes in accounting policies and practices, major risk areas; significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual of the SGX-ST and any other relevant statutory or regulatory requirements.

(b) External Audit

The Audit Committee reviews, with the external auditors, the audit plans, the audit report and Management's response and actions to correct any noted deficiencies; to discuss problems and concerns, if any, arising from the review and audits; to review the independence of the external auditors annually; and to recommend to the Board the appointment, re-appointment or removal of the external auditors and approving the remuneration and terms of the engagement of the external auditors. In addition, the Audit Committee meets with the external auditors without the presence of Management at least once a year to discuss any matter that the external auditors may raise during such a meeting.

(c) Internal Audit

The Audit Committee reviews, with the internal auditors, the internal audit plan, the scope and results of the internal audit including the effectiveness of the internal audit process. It ensures that the internal audit function is adequately resourced and has appropriate standing within the Group. It also reviews annually to ensure the adequacy of the internal audit process and monitors the implementation of Management's response to the internal audit findings to ensure that appropriate follow-up measures are taken.

(d) Internal Controls

The AC reviews and evaluates with internal and external auditors on the adequacy and effectiveness of the Company's system of internal controls, including financial, operational, compliance and information technology controls. The AC may commission an independent audit on internal controls for its assurance, or where it is not satisfied with the system of internal controls.

(e) Interested Person Transactions

The Audit Committee regularly reviews if the Group will be entering into any interested person transactions ("Interested Person Transactions") and if it does, to ensure that the Group complies with the requisite rules under Chapter 9 of the Listing Manual of the SGX-ST.

(f) Whistle-blowing

The Audit Committee reviews arrangements by which staff of the Company and of the Group may in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action.

The Company has implemented a whistle blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

(i) independent investigations are carried out in an appropriate and timely manner;

(ii) appropriate action is taken to correct the weaknesses in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

(iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate balanced and fair, while providing reassurance that they will be protected from reprisals or victimization for whistle-blowing in good faith and without malice.

The Audit Committee has full access to the Management and also full discretion to invite any Director or key management to attend its meetings, and has been given reasonable resources to enable it to discharge its function.

In July 2010, the Singapore Exchange Limited and Accounting and Corporate Regulatory Authority had launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the Audit Committee in evaluating the external auditors. Accordingly, the Audit Committee had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the said Guidance.

The Company has paid S$253,000 to Mazars LLP, the external auditors, of audit fee for the financial year ended 31 March 2014. There is no non-audit fee paid to Mazars LLP.

The Company has complied with Rules 715 and 716 of the Listing Manual of the SGX-ST as all significant Singapore based subsidiaries of the Company are audited by Mazars LLP for the purposes of the consolidated financial statements of the Company and its subsidiaries. The Board and the Audit Committee are satisfied that the appointment of different auditing firms for the Company's other subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

During the financial year ended 31 March 2014, the Audit Committee met with the external auditors and internal auditors without the presence of the Management.

The Audit Committee has also undertaken a review of the independence and objectivity of the external auditors. The Audit Committee is of the view that the external auditors are independent and the external auditors had also provided a confirmation of their independence to the Audit Committee. The Audit Committee had assessed the external auditors based on factors such as performance, adequacy of resources, experiences of their audit engagement partner and audit team assigned to the Group's audit as well as the size and complexity of the Group. Accordingly, the Audit Committee is satisfied that Rules 712, 715 and 716 of the Listing Manual are complied with and has recommended to the Board of Directors, the nomination of the external auditors for re- appointment at the forthcoming AGM.

As there has been no Interested Person Transactions during the financial year ended 31 March 2014, the Audit Committee is of the opinion that Chapter 9 of the Listing Manual has been complied with. The Audit Committee has nevertheless established the necessary review procedures should Interested Person Transactions arise.

In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing that particular transaction or voting on that particular resolution.

The Audit Committee has, within its terms of reference, the authority to obtain independent professional advice at the Company's expense as and when the need arises.

To keep abreast of the changes in accounting standards and issues which has a direct impact on financial statements, advice is sought from the external auditors when they attend the Audit Committee meetings.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board acknowledges that it is responsible for maintaining an internal audit function that is independent of the activities it audits and has appointed Messrs Baker Tilly TWF LLP to perform an internal audit. The main objective is to identify significant internal control weaknesses in the key business processes of the Group that require the attention of the Audit Committee and Management.

An Enterprise Risk Assessment was conducted during the financial year ended 31 March 2013 by the appointed internal auditors on all operating subsidiaries of the Group to enable the Board and Management to understand the inherent industry and operational risks of each business entity. In conducting the internal audit of each subsidiary, the appointed internal auditors pay particular attention to the identified inherent and operational risks of that business entity as well as the content of any management letter issued by the external auditors for that particular subsidiary to ensure that the committed rectification measures have been implemented.

In the discharge of its function, the internal auditors report directly to the Chairman of the Audit Committee and perform its internal audit in accordance with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditors provide adequate staffing with relevant experience to conduct the internal audits.

The Audit Committee reviews the adequacy and effectiveness of the internal audit function and approves the internal audit plan on an annual basis.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote, regular, effective and fair communication with shareholders.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

CORPORATE GOVERNANCE STATEMENT

In line with the continuous disclosure obligations of the Group, the Company is committed to engage in regular and effective communication with its shareholders. It is the Board's policy that shareholders are informed of all major developments that may have an impact on the Group. Pertinent information is communicated to shareholders on a timely basis and is made through:

– annual reports that are prepared and issued to all shareholders;

– periodic results announcements;

– media meetings;

– circulars and notices to the shareholders;

– press releases;

– corporate website at http://www.chasen.com.sg; and

– disclosures to the SGX-ST via SGXNET

The Company does not practice selective disclosure as all material and price-sensitive information is released through SGXNET.

Shareholders are encouraged to attend the Annual General Meeting to ensure a high level of accountability by the Board and Management and to stay informed of the Group's strategies and growth. The participation of shareholders is encouraged at the Company's Annual General Meeting. The Chairmen of the Audit, Remuneration and Nominating Committees will be available at the forthcoming Annual General Meeting to answer questions relating to the work of these Board committees. The external auditors will also be present to assist the Directors in addressing to address any shareholders' queries, including those relating to the conduct of audit and the preparation and content of the external auditors' report. The Group fully supports the Code's principle to encourage active shareholders' participation.

If any shareholder is unable to attend, he/she is allowed to appoint more than two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. The Company's Memorandum and Articles of Association currently do not allow a member to appoint more than two proxies to attend and vote at the same general meeting. However, shareholders who hold shares through nominees such as custodian banks are allowed to attend general meetings as observers.

Each item of special business included in the notice of the general meetings will be accompanied by full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at general meetings.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. These minutes are available to shareholders upon their request.

The Board will evaluate and assess whether the Company will put all resolutions to vote by poll. In the event a poll is conducted, the Company will make an announcement of the detailed results showing the numbers of votes cast for and against each resolution and the respective percentages.

To enhance and encourage communication with shareholders and investors, the Company provides the contact information of its investor relations in its press releases. Shareholders and investors can send their enquiries to the Company's investor relations who can be reached by email or telephone.

The Company has not formally instituted a dividend policy. The issue of payment of dividend is deliberated by the Board annually having regard to various factors.

DEALINGS IN SECURITIES

The Company has complied with Rule 1207(19) of the Listing Manual of the SGX-ST in relation to the best practices on dealings in the securities:-

(a) The Company had devised and adopted its own internal compliance code to provide guidance to its officers with regards to dealings by the Company and its officers in its securities;

(b) Officers of the Company did not deal in the Company's securities on short-term considerations; and

(c) The Company and its officers did not deal in the Company's shares (i) during the periods commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements, ending on the date of the announcement of the relevant results, and (ii) if they are in possession of unpublished price-sensitive information of the Group.

In addition, the Directors and Management are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

INTERESTED PERSON TRANSACTIONS

Details of Interested Person Transactions, if any, for the financial year ended 31 March 2014 are disclosed in the audited financial statements. To ensure compliance with the relevant rules under Chapter 9 of the Listing Manual on interested person transactions, the Board and Audit Committee regularly reviews if the Company will be entering into any interested person transaction and if it does, to ensure that the Company complies with the requisite rules under Chapter 9. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

MATERIAL CONTRACTS

Other than disclosed in the audited financial statements, there are no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholder subsisting as at the end of the financial year ended 31 March 2014.

RISK MANAGEMENT

Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies. The Company will consider the need to establish a risk management committee to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies when the need arises.

REPORT OF THE DIRECTORS

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Chasen Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2014.

1. Directors

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

Low Weng Fatt
Siah Boon Hock
Yap Koon Bee @ Louis Yap
Yap Beng Geok Dorothy (Alternate director to Mr Yap Koon Bee @ Louis Yap)
Ng Jwee Phuan @ Frederick (Eric)
Tan Sin Huat Dennis
Chew Mun Yew (Appointed on 5 August 2013)

2. Listing on the Singapore Exchange Securities Trading Limited (the ”SGX-ST”)

The Company’s shares were listed on Stock Exchange of Singapore Dealing and Automated Quotation (the “SESDAQ”) via a reverse takeover of China Entertainment Sports Ltd on 12 February 2007. SESDAQ subsequently became known as Catalist Board of the Singapore Exchange Securities Trading Limited (the ”SGX-ST”) on 28 October 2008.

On 26 February 2013, the Company has obtained approval and transferred from the Catalist Board to the Main Board of the SGX-ST.

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interests in shares, warrants or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:-

Name of the directors and respective companies in which interests are held	Direct interest: At beginning of the financial year	Direct interest: At end of the financial year	Direct interest: At 21 April 2014	Deemed interest: At beginning of the financial year	Deemed interest: At end of the financial year	Deemed interest: At 21 April 2014
The Company	← Number of ordinary shares →					
Low Weng Fatt (1)	50,659,708	50,659,708	50,841,708	265,000	265,000	265,000
Siah Boon Hock (2)	10,483,901	10,656,901	10,793,401	–	–	–
Yap Koon Bee @ Louis Yap (3)	34,946,583	34,946,583	34,992,083	–	–	–
Yap Beng Geok Dorothy (4)	123,250	123,250	168,750	7,851,912	7,851,912	7,924,912
Ng Jwee Phuan @ Frederick (Eric) (5)	439,750	–	45,500	–	439,750	439,750
Tan Sin Huat Dennis (6)	34,000	34,000	79,500	–	–	–

By virtue of Section 7 of the Act, Low Weng Fatt is deemed to have an interest in all related corporations of the Company. The directors' interests as at 21 April 2014 in the shares or debentures of the Company are disclosed as above.

Notes:-

(1) Low Weng Fatt holds 10,263,883 warrants, pursuant to Chasen Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of S$0.12 each. He is deemed to be interested in the 265,000 shares, 27,500 warrants pursuant to Rights Shares cum Warrants Issue at the exercise price of S$0.30 and 106,000 warrants pursuant to Chasen Warrants Issue at the exercise price of S$0.12, held by his spouse.

(2) Siah Boon Hock holds 2,000,000 warrants, pursuant to Chasen Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of S$0.12 each.

(3) Yap Koon Bee @ Louis Yap holds 5,449,633 warrants, pursuant to Chasen Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of S$0.12 each.

(4) Yap Beng Geok Dorothy holds 9,625 warrants, pursuant to Rights Shares cum Warrants Issue and 1,189,300 warrants, pursuant to Chasen Warrants Issue, entitling her to subscribe for an equivalent number of shares at the exercise price of S$0.30 and S$0.12 each, respectively. She is deemed to be interested in the 7,924,912 shares held by her spouse.

(5) Ng Jwee Phuan @ Frederick (Eric) holds 42,375 warrants, pursuant to Rights Shares cum Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of S$0.30 each. He is deemed to be interested in the 439,750 shares and 175,900 warrants at the exercise price of S$0.12 pursuant to Chasen Warrants Issue, held by S'pore Noms Pte Ltd.

(6) Tan Sin Huat Dennis holds 13,000 warrants, pursuant to Chasen Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of S$0.12 each.

5. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, 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 for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

6. Chasen Performance Share Plan

The Chasen Performance Share Plan (the "Plan") was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 16 May 2007.

The Plan is administered by the Remuneration Committee which comprises Tan Sin Huat Dennis, Ng Jwee Phuan @ Frederick (Eric), Chew Mun Yew and Yap Koon Bee @ Louis Yap.

Under the Plan, eligible participants are conferred rights by the Company on shares to be issued or transferred ("Awards"). The Plan contemplates the award of fully paid shares free of charge when and after pre-determined performance or service conditions are accomplished and/or due recognition is given to any good work performance and/or any significant contribution to the Company.

The rationale of the Plan is to provide an opportunity for the Directors and full-time employees of the Group to participate in the equity of the Company so as to align their interest with that of the shareholders. It would also give recognition to employees of the Group who have contributed to its success and to motivate them to greater dedication, loyalty and higher standard of performance. The participants are not required to pay for the grant of Awards or for the shares allocated pursuant to an Award.

From the commencement of the Plan to 31 March 2014, awards comprising an aggregate of 5,314,562 shares have been granted.

As at 31 March 2014, details of performance shares awarded under the Plan are set out as below:-

Date of grant	Share Awards granted since commencement of Plan to end of financial year under review	Share Awards vested since commencement of Plan to end of financial year under review	Share Awards cancelled since commencement of Plan to end of financial year under review	Share Awards outstanding as at end of financial year under review
23 August 2007	476,000	(476,000)	Nil	Nil
1 September 2008	970,000	(864,500)	(105,500)	Nil
27 July 2009	189,000	(189,000)	Nil	Nil
22 February 2010	1,346,912	(1,307,282)	(39,630)	Nil
31 March 2011	1,069,200	(378,160)	(132,020)	559,020
30 March 2012	1,263,450	Nil	(18,550)	1,244,900

Note: As at 31 March 2014, the total number of share awards granted to the Directors and employees of the Company and its subsidiaries since the commencement of the Plan to the end of the financial year ended 31 March 2014 is 5,314,562.

6. Chasen Performance Share Plan (Continued)

The performance shares awarded to Directors and controlling shareholders and their associates are as follows:-

Name of participant	Awards granted during financial year under review	Aggregate Awards granted since commencement of Plan to end of financial year under review	Aggregate Awards vested since commencement of Plan to end of financial year under review	Aggregate Awards outstanding as at end of financial year under review
Low Weng Fatt *	Nil	640,000	(416,000)	224,000
Siah Boon Hock	Nil	480,000	(312,000)	168,000
Yap Koon Bee @ Louis Yap *	Nil	160,000	(104,000)	56,000
Yap Beng Geok Dorothy	Nil	160,000	(104,000)	56,000
Ng Jwee Phuan @ Frederick (Eric)	Nil	160,000	(104,000)	56,000
Tan Sin Huat Dennis	Nil	90,000	(34,000)	56,000

* Low Weng Fatt and Yap Koon Bee @ Louis Yap are the only controlling shareholders.

7. Warrants

On 6 May 2010, the Company issued 36,373,444 warrants, pursuant to Rights Shares cum Warrants Issue, each warrant carrying the right to subscribe for one new ordinary share at the exercise price of S$0.30 during the period commencing on and including the date of issue of the warrants and expiring on the date immediately preceding the fifth (5th) anniversary of such date of issue.

On 21 March 2014, the Company issued 100,566,756 warrants, pursuant to Chasen Warrants Issue, at an issue price of S$0.01 for each warrant, each warrant carrying the right to subscribe for one new ordinary share at the exercise price of S$0.12 during the period commencing on and including the date of issue of the warrants and expiring on the date immediately preceding the third (3rd) anniversary of such date of issue.

As at the date of this report, details of the warrants issued by the Company are set out as below:-

Date of grant	Warrants issued	Warrants outstanding	Issue price	Expiry date
6 May 2010	36,373,444	26,255,460	0.30	5 May 2015
21 March 2014	100,566,756	95,183,170	0.12	20 March 2017

8. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

9. Audit committee

The Audit Committee ("AC") of the Company comprises four non-executive directors and at the date of this report is:-

Ng Jwee Phuan @ Frederick (Eric) – Chairman
Tan Sin Huat Dennis
Chew Mun Yew
Yap Koon Bee @ Louis Yap

The AC has convened four meetings during the financial year with key management and the internal and external auditors of the Company.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50. In performing those functions, the AC review:-

(i) the audit plan and results of the external audit, including the evaluation of internal accounting controls and its cost effectiveness, and the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group;

(ii) the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) the Group's quarterly and annual financial statements and the external auditor's report on the annual financial statements of the Group and of the Company before their submission to the Board of Directors;

(iv) the quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Group and of the Company;

(v) the adequacy of the Group's risk management processes;

(vi) the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) the interested person transactions in accordance with SGX listing rules;

(viii) nomination of external auditors and approval of their compensation; and

(ix) submission of report of actions and minutes of the AC to the Board of Directors with any recommendations as the AC deems appropriate.

9. Audit committee (Continued)

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

The AC is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, Mazars LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

10. Auditors

Mazars LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors

Low Weng Fatt	**Siah Boon Hock**
Director	Director

Singapore: 27 June 2014

STATEMENT BY THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the Group, and the statement of financial position of the Company are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2014, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company 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.

On behalf of the Board of Directors

Low Weng Fatt
Director

Siah Boon Hock
Director

Singapore: 27 June 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHASEN HOLDINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 March 2014, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 50 to 132.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of 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 unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' 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 about 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 auditors' 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 auditors consider internal controls 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 controls. 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 financial statements of the Group and 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 March 2014 and the results, changes in equity and cash flows of the Group and 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.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore: 27 June 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2014

	Note	Group 2014 S$'000	Group 2013 S$'000
Revenue	4	**101,479**	**79,417**
Cost of sales		(79,023)	(63,108)
Gross profit		22,456	16,309
Other operating income	5	2,290	4,169
Distribution and selling expenses		(5,598)	(5,540)
Administrative expenses		(11,765)	(12,188)
Other operating expenses		(2,849)	(8,716)
Finance expenses	6	(886)	(991)
Profit/(Loss) before income tax	7	3,648	(6,957)
Income tax expense	9	(248)	(355)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		3,400	(7,312)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss			
Net loss on fair value changes of available-for-sale financial assets	19	(292)	(127)
Fair value of consideration injected in an associate	29	409	–
Net gain on fair value changes arising from net assets acquired	29	1,370	–
Exchange differences on translating foreign operations		359	(105)
Other comprehensive income/(loss) for the financial year, net of tax		1,846	(232)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		5,246	(7,544)
Profit/(Loss) for the financial year attributable to:			
Owners of the Company		2,502	(5,355)
Non-controlling interests		898	(1,957)
Profit/(Loss) for the financial year		3,400	(7,312)
Total comprehensive income/(loss) for the financial year attributable to:			
Owners of the Company		4,362	(5,574)
Non-controlling interests		884	(1,970)
Total comprehensive income/(loss) for the financial year		5,246	(7,544)
Earnings/(Loss) per share for profit/(loss) attributable to owners of the Company (cents per share)			
Basic	10	0.99	(2.14)
Diluted	10	0.98	(2.13)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2014

	Note	Group 2014 S$'000	Group (Restated) 2013 S$'000	Group (Restated) 2012 S$'000	Company 2014 S$'000	Company 2013 S$'000	Company 2012 S$'000
ASSETS							
Non-current assets							
Investment property	11	–	4,080	3,060	–	–	–
Property, plant and equipment	12	23,824	17,511	19,352	–	–	–
Investments in subsidiaries	13	–	–	–	38,075	38,075	38,075
Investments in associates	14	1,409	1,000	1,000	200	200	200
Goodwill on consolidation	16	10,638	10,649	10,649	–	–	–
Intangible assets	17	726	912	1,105	–	–	–
Club membership	18	9	10	20	–	–	9
Available-for-sale financial assets	19	1,055	1,008	1,135	1,055	1,008	1,135
Trade receivables	22	–	–	201	–	–	–
Other receivables, deposits and prepayments	23	408	496	496	214	214	214
Total non-current assets		38,069	35,666	37,018	39,544	39,497	39,633
Current assets							
Inventories	20	3,152	2,348	1,244	–	–	–
Gross amount due from customers on contract work-in-progress	21	3,816	589	1,203	–	–	–
Trade receivables	22	35,597	31,465	37,936	–	–	–
Other receivables, deposits and prepayments	23	11,861	13,999	9,001	344	1,585	2,707
Amount due from subsidiaries	24	–	–	–	30,857	28,767	28,876
Cash and cash equivalents	25	14,747	7,706	10,700	1,672	916	200
		69,173	56,107	60,084	32,873	31,268	31,783
Non-current asset, held-for-sale	26	–	5,075	5,075	–	–	–
Total current assets		69,173	61,182	65,159	32,873	31,268	31,783
Total assets		107,242	96,848	102,177	72,417	70,765	71,416
EQUITY AND LIABILITIIES							
Equity							
Share capital	27	43,688	42,037	42,037	73,216	71,565	71,565
Treasury shares	28	(146)	(7)	(32)	(146)	(7)	(32)
Other reserves	29	(1,328)	(4,193)	(4,142)	(2,889)	(3,602)	(3,643)
Retained profits		14,404	12,405	19,888	407	1,180	1,488
Equity attributable to owners of the Company		56,618	50,242	57,751	70,588	69,136	69,378
Non-controlling interests		4,845	3,870	5,157	–	–	–
Total equity		61,463	54,112	62,908	70,588	69,136	69,378

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2014

		Group			Company		
			(Restated)	(Restated)			
	Note	2014	2013	2012	2014	2013	2012
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Non-current liabilities							
Bank loans	30	3,539	1,415	915	–	–	–
Finance lease payables	31	1,912	2,420	2,032	–	–	–
Deferred tax liabilities	32	881	1,386	1,533	–	–	–
Total non-current liabilities		6,332	5,221	4,480	–	–	–
Current liabilities							
Bank overdrafts	30	766	1,425	499	–	–	–
Bank loans	30	17,152	15,206	9,296	1,000	1,000	1,500
Finance lease payables	31	1,865	1,936	1,399	–	–	–
Trade payables	33	13,000	9,289	10,652	–	–	–
Other payables and accruals	34	6,263	9,568	12,160	829	629	538
Derivative financial instruments		–	–	170	–	–	–
Income tax payable		401	91	613	–	–	–
Total current liabilities		39,447	37,515	34,789	1,829	1,629	2,038
Total liabilities		45,779	42,736	39,269	1,829	1,629	2,038
Total equity and liabilities		107,242	96,848	102,177	72,417	70,765	71,416

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

			Attributable to owners of the Company										
2014 Group	Note	Equity, total S$'000	Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Warrants reserve S$'000	Foreign currency translation reserve S$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
Balance at 1 April 2013, as previously reported		54,848	50,647	42,037	(7)	12,810	(4,193)	69	–	(660)	271	(3,873)	4,201
- Prior year adjustment	44	(736)	(405)	–	–	(405)	–	–	–	–	–	–	(331)
Balance at 1 April 2013, as restated		**54,112**	**50,242**	**42,037**	**(7)**	**12,405**	**(4,193)**	**69**	**–**	**(660)**	**271**	**(3,873)**	**3,870**
Profit for the financial year		3,400	2,502	–	–	2,502	–	–	–	–	–	–	898
Other comprehensive income													
Net loss on fair value changes of available-for-sale financial assets	19	(292)	(292)	–	–	–	(292)	–	–	–	–	(292)	–
Fair value of consideration injected in an associate	29	409	409	–	–	–	409	409	–	–	–	–	–
Net gain on fair value changes arising from the net assets acquired	29	1,370	1,370	–	–	–	1,370	1,370	–	–	–	–	–
Exchange differences on translating foreign operations		359	373	–	–	–	373	–	–	373	–	–	(14)
Other comprehensive income for the financial year, net of tax		1,846	1,860	–	–	–	1,860	1,779	–	373	–	(292)	(14)
Total comprehensive income for the financial year		**5,246**	**4,362**	**–**	**–**	**2,502**	**1,860**	**1,779**	**–**	**373**	**–**	**(292)**	**884**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

2014 Group (Continued)	Note	Equity, total S$'000	Attributable to owners of the Company: Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Warrants reserve S$'000	Foreign currency translation reserve S$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
Contributions by and distributions to owners													
Shares issued for warrants conversion	27	1,651	1,651	1,651	–	–	–	–	–	–	–	–	–
Issuance of warrants (net of issue expenses)	29	866	866	–	–	–	866	–	866	–	–	–	–
Purchase of treasury shares	28	(139)	(139)	–	(139)	–	–	–	–	–	–	–	–
Cost of share-based payments		139	139	–	–	–	139	–	–	–	139	–	–
Final dividend for the previous financial year paid	43	(493)	(493)	–	–	(493)	–	–	–	–	–	–	–
Total contributions by and distributions to owners		2,024	2,024	1,651	(139)	(493)	1,005	–	866	–	139	–	–
Changes in ownership interests in subsidiaries													
Disposal of a subsidiary	13(d)	(139)	–	–	–	–	–	–	–	–	–	–	(139)
Effect on change in parent's ownership interest in a subsidiary		209	–	–	–	–	–	–	–	–	–	–	209
Divestment of a subsidiary to non-controlling interests	13(b)	11	(10)	–	–	(10)	–	–	–	–	–	–	21
Total changes in ownership interests in subsidiaries		81	(10)	–	–	(10)	–	–	–	–	–	–	91
Total transactions with owners in their capacity as owners		**2,105**	**2,014**	**1,651**	**(139)**	**(503)**	**1,005**	**–**	**866**	**–**	**139**	**–**	**91**
Balance at 31 March 2014		**61,463**	**56,618**	**43,688**	**(146)**	**14,404**	**(1,328)**	**1,848**	**866**	**(287)**	**410**	**(4,165)**	**4,845**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

2013 Group	Note	Equity, total S$'000	Attributable to owners of the Company: Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Foreign currency translation reserve S$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
Balance at 1 April 2012, as previously reported		63,644	58,156	42,037	(32)	20,293	(4,142)	69	(568)	103	(3,746)	5,488
- Prior year adjustment	44	(736)	(405)	–	–	(405)	–	–	–	–	–	(331)
Balance at 1 April 2012, as restated		**62,908**	**57,751**	**42,037**	**(32)**	**19,888**	**(4,142)**	**69**	**(568)**	**103**	**(3,746)**	**5,157**
Loss for the financial year		(7,312)	(5,355)	–	–	(5,355)	–	–	–	–	–	(1,957)
Other comprehensive loss												
Net loss on fair value changes of available-for-sale financial assets	19	(127)	(127)	–	–	–	(127)	–	–	–	(127)	–
Exchange differences on translating foreign operations		(105)	(92)	–	–	–	(92)	–	(92)	–	–	(13)
Other comprehensive loss for the financial year, net of tax		(232)	(219)	–	–	–	(219)	–	(92)	–	(127)	(13)
Total comprehensive loss for the financial year		**(7,544)**	**(5,574)**	**–**	**–**	**(5,355)**	**(219)**	**–**	**(92)**	**–**	**(127)**	**(1,970)**
Contributions by and distributions to owners												
Transfer of treasury shares to performance share plan reserve	28	–	–	–	32	–	(32)	–	–	(32)	–	–
Purchase of treasury shares	28	(7)	(7)	–	(7)	–	–	–	–	–	–	–
Cost of share-based payments		200	200	–	–	–	200	–	–	200	–	–
Final dividend for the previous financial year paid	43	(1,480)	(1,480)	–	–	(1,480)	–	–	–	–	–	–
Total contributions by and distributions to owners		(1,287)	(1,287)	–	25	(1,480)	168	–	–	168	–	–

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

2013 Group (Continued)	Note	Equity, total S$'000	Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Foreign currency translation reserve S$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
			Attributable to owners of the Company									
Changes in ownership interests in subsidiaries												
Incorporation of a subsidiary paid by non-controlling interests	13(f)	19	–	–	–	–	–	–	–	–	–	19
Effect on change in parent's ownership interest in a subsidiary		–	(648)	–	–	(648)	–	–	–	–	–	648
Divestment of a subsidiary to non-controlling interests	13(e)	16	–	–	–	–	–	–	–	–	–	16
Total changes in ownership interests in subsidiaries		35	(648)	–	–	(648)	–	–	–	–	–	683
Total transactions with owners in their capacity as owners		**(1,252)**	**(1,935)**	**–**	**25**	**(2,128)**	**168**	**–**	**–**	**168**	**–**	**683**
Balance at 31 March 2013, as restated		**54,112**	**50,242**	**42,037**	**(7)**	**12,405**	**(4,193)**	**69**	**(660)**	**271**	**(3,873)**	**3,870**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

2014 Company	Note	Equity, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Warrants reserve S$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000
Balance at 1 April 2013		69,136	71,565	(7)	1,180	(3,602)	–	271	(3,873)
Loss for the financial year		(280)	–	–	(280)	–	–	–	–
Other comprehensive loss									
Net loss on fair value changes of available-for-sale financial assets	19	(292)	–	–	–	(292)	–	–	(292)
Other comprehensive loss for the financial year, net of tax		(292)	–	–	–	(292)	–	–	(292)
Total comprehensive loss for the financial year		**(572)**	**–**	**–**	**(280)**	**(292)**	**–**	**–**	**(292)**
Contributions by and distributions to owners									
Shares issued for warrants conversion	27	1,651	1,651	–	–	–	–	–	–
Issuance of warrants (net of issue expense)	29	866	–	–	–	866	866	–	–
Purchase of treasury shares	28	(139)	–	(139)	–	–	–	–	–
Cost of share-based payments		139	–	–	–	139	–	139	–
Final dividend for the previous financial year paid	43	(493)	–	–	(493)	–	–	–	–
Total transactions with owners in their capacity as owners		**2,024**	**1,651**	**(139)**	**(493)**	**1,005**	**866**	**139**	**–**
Balance at 31 March 2014		**70,588**	**73,216**	**(146)**	**407**	**(2,889)**	**866**	**410**	**(4,165)**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2014

2013 Company	Note	Equity, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000
Balance at 1 April 2012		69,378	71,565	(32)	1,488	(3,643)	103	(3,746)
Profit for the financial year		1,172	–	–	1,172	–	–	–
Other comprehensive loss								
Net loss on fair value changes of available-for-sale financial assets	19	(127)	–	–	–	(127)	–	(127)
Other comprehensive loss for the financial year, net of tax		(127)	–	–	–	(127)	–	(127)
Total comprehensive income for the financial year		**1,045**	**–**	**–**	**1,172**	**(127)**	**–**	**(127)**
Contributions by and distributions to owners								
Transfer of treasury shares to performance share plan reserve	28	–	–	32	–	(32)	(32)	–
Purchase of treasury shares	28	(7)	–	(7)	–	–	–	–
Cost of share-based payments		200	–	–	–	200	200	–
Final dividend for the previous financial year paid	43	(1,480)	–	–	(1,480)	–	–	–
Total transactions with owners in their capacity as owners		**(1,287)**	**–**	**25**	**(1,480)**	**168**	**168**	**–**
Balance at 31 March 2013		**69,136**	**71,565**	**(7)**	**1,180**	**(3,602)**	**271**	**(3,873)**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2014

	Note	Group 2014 S$'000	Group 2013 S$'000
Operating activities			
Profit/(Loss) before income tax		3,648	(6,957)
Adjustments for:			
Allowance for doubtful trade receivables, net	22	1,230	593
Allowance for doubtful other receivables	23	–	2,264
Amortization of club membership	18	1	10
Amortization of intangible assets	17	194	192
Bad debts written off	7	612	5,804
Cost of share-based payments		139	200
Depreciation of property, plant and equipment	12	5,631	4,836
Fair value adjustments on derivative financial instruments		–	(170)
Gain on fair value adjustments of investment property	5, 11	–	(1,020)
Loss/(Gain) on disposal of property, plant and equipment	5, 7	3	(277)
Interest income	5	(75)	(198)
Interest expense	6	886	991
Inventory written off	7	38	–
Loss on disposal of a subsidiary	7, 13(d)	153	–
Property, plant and equipment written-off	7	106	1
Written off of investment in joint venture	15	–	* –
Written back of provision for contract costs	5	–	(650)
Operating cash flows before movements in working capital		12,566	5,619
Movements in working capital:			
Inventories		(842)	(1,104)
Gross amount due from customers on contract work-in-progress		(3,227)	614
Trade and other receivables		(4,592)	(6,987)
Trade and other payables		5,492	(3,305)
Cash generated from/(used in) operations		9,397	(5,163)
Income taxes paid		(226)	(1,020)
Net cash generated from/(used in) operating activities		9,171	(6,183)
Investing activities			
Disposal of a subsidiary, net of cash outflow	13(d)	(1)	–
Divestment of a subsidiary to non-controlling interests	13(b), (e)	11	16
Increase in non-controlling interests		209	–
Interest received		75	198
Incorporation of a subsidiary paid by non-controlling interests	13(f)	–	19
Net gain on fair value changes arising from net assets acquired	29	1,370	–
Purchase of property, plant and equipment	12	(6,074)	(951)
Proceeds from disposal of property, plant and equipment		126	368
Effect of foreign currency re-alignment on investing activities		26	(190)
Net cash used in investing activities		(4,258)	(540)

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2014

	Note	Group 2014 S$'000	Group 2013 S$'000
Financing activities			
Dividend paid to equity holders of the Company	43	(493)	(1,480)
Interest paid		(886)	(991)
Proceeds from warrants conversion	27	1,651	–
Proceeds from warrants issue	29	866	* –
Proceeds from bank loans		87,000	29,000
Purchase of treasury shares	28	(139)	(7)
Repayment of bank loans		(83,061)	(22,356)
Repayment of finance lease payables		(2,210)	(1,236)
(Placement)/Release of pledged fixed deposits with banks		(3,637)	28
Net cash (used in)/generated from financing activities		(909)	2,958
Net increase/(decrease) in cash and cash equivalents		4,004	(3,765)
Effect of exchange rate changes on cash and cash equivalents		59	(126)
Cash and cash equivalents at beginning of financial year		4,906	8,797
Cash and cash equivalents at end of financial year	25	8,969	4,906

* Denotes amount less than S$1,000

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

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1. General

Chasen Holdings Limited (the "Company") (Registration Number: 199906814G) is a limited liability company incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The registered office and principal place of business of the Company is located at 18 Jalan Besut Singapore 619571.

The principal activity of the Company is that of investment holding. The principal activities of the respective subsidiaries are disclosed in Note 13 to the financial statements.

The consolidated financial statements of the Group, and the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 March 2014 were authorized for issue by the Board of Directors on 27 June 2014.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are presented in Singapore dollar ("S$" or "SGD") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S$'000"), unless otherwise indicated.

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new or revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective

At the date of authorization of these financial statements, the following FRS, INT FRS and amendments to FRS that are relevant to the Group and the Company were issued but not effective:-

	Description	*Effective date (annual periods beginning on or after)*
FRS 19	Amendments to FRS 19: Defined Benefit Plans – Employee Contributions	1 July 2014
	Improvements to FRSs (January 2014)	
FRS 102	Amendment to FRS 102: Share-based Payment	1 July 2014
FRS 103	Amendment to FRS 103: Business Combinations	1 July 2014
FRS 108	Amendment to FRS 108: Operating Segments	1 July 2014
FRS 16	Amendment to FRS 16: Property, Plant and Equipment	1 July 2014
FRS 24	Amendment to FRS 24: Related Party Disclosures	1 July 2014
FRS 38	Amendment to FRS 38: Intangible Assets	1 July 2014
	Improvements to FRSs (February 2014)	
FRS 40	Amendment to FRS 40: Investment Property	1 July 2014
FRS 103	Amendment to FRS 103: Business Combinations	1 July 2014
FRS 113	Amendment to FRS 113: Fair Value Measurement	1 July 2014

Consequential amendments were also made to various standards as a result of these new or revised standards.

The management anticipates that the adoption of the above FRS and INT IFRS in future periods will not have a material impact on the financial statements, and in particular, to the financial position and financial performance, of the Group and of the Company in the period of their initial adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including special purposes entities) over which the Group has the power to govern the financial and operating policies, generally accompanied by a shareholding of more than one half of the voting rights.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group balances, transactions, income and expenses are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries and associates are carried at cost less any impairment loss that has been recognized in profit or loss.

2.3 Business combinations

<u>Business combinations from 1 January 2010</u>

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 *Business Combinations* are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognized and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Business combinations from 1 January 2010 (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognized at their fair value at the acquisition date, except that:-

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-Based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognized as an asset at the acquisition date and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Business combinations before 1 January 2010

In comparison to the above mentioned requirements, the following differences applied:-

Business combinations were accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as step acquisitions. Adjustments to those fair values relating to previously held interests were treated as a revaluation and recognized in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that would otherwise be required under the contract.

Contingent consideration was recognized if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.4 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; is able to reliably measure the amount of revenue and the costs incurred or to be incurred in respect of the transaction; and assesses that it is probable for the economic benefits associated with the transaction to flow to the entity.

Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:-

- installation fees are recognized by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;

- servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold;

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition (Continued)

Rendering of services (Continued)

- revenue from charging of time for labour and material contracts are recognized at the contractual rates as labour hours are delivered and direct expenses are incurred; and
- revenue from construction contracts is recognized in accordance with the Group's accounting policy on revenue contracts (see Note 2.21).

Rental income

Rental income from investment property, warehouses and leasing of working tools is recognized on a straight-line basis over the term of the relevant lease (see Note 2.24).

Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalized by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2. Summary of significant accounting policies (Continued)

2.7 Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 Share-based payments

Employee performance share plan allows Group employees to acquire shares of the Company. The fair value of shares is recognized as an employee expense with a corresponding increase in equity. The fair value is measured based on the market value at grant date and spread over the vesting period during which the employees become unconditionally entitled to the shares. At each reporting date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognizes the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

2.9 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized on taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2. Summary of significant accounting policies (Continued)

2.9 Income tax (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognized net of the amount of sales tax except:-

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognized as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

2.10 Dividends

Equity dividends are recognized when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

2.11 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities’ respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

2. Summary of significant accounting policies (Continued)

2.11 Foreign currency transactions and translation (Continued)

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.12 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value and changes in the fair value are included in profit or loss for the financial year in which they arise.

Costs of major renovations and improvements to the investment property to the investment property are capitalized as additions and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvement are charged to profit or loss when incurred.

Upon its disposal or retirement, the difference between the net disposal proceeds and the carrying amount of the investment property is recognized in profit or loss.

2.13 Property, plant and equipment

Leasehold buildings held for use in the production or supply of goods or services, or for administrative purposes, are shown at cost less any subsequent accumulated depreciation, and where applicable, accumulated impairment losses.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

2. Summary of significant accounting policies (Continued)

2.13 Property, plant and equipment (Continued)

Subsequent expenditures relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of item can be measured reliably. All other repairs and maintenance expenses are recognized in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:-

Leasehold building / Renovation	5 – 40 years
Transportation equipment	5 – 10 years
Tools and equipment	3 – 10 years
Furniture, fittings, and office equipment	1 – 10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognized in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2.14 Club membership

Club membership is stated at cost less accumulated amortization and any accumulated impairment losses. Club membership is amortized on a straight-line basis over its estimated useful lives of 5 to 15 years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2. Summary of significant accounting policies (Continued)

2.15 Intangible assets

Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity carried at the date of acquisition. Goodwill is at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

Goodwill on associates is included in the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill if the assets and their fair values can be measured reliably. The cost of such intangible assets is their fair value as at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives, on the following bases:-

Know-how	8 years
Non-contractual customer relationship	6 – 7.5 years

The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2. Summary of significant accounting policies (Continued)

2.16 Associate

An associate is an entity over which the Group has significant influence, but not control, and generally accompanying a shareholding of between 20% and 50% of the voting rights.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. Losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognized, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealized losses are also eliminated in the same way as unrealized gains, but only to the extent that there is no impairment.

2.17 Joint venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, which is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognized in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognized when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held-for-sale, in which case it is accounted for under FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary (see Note 2.15).

Unrealized profits and losses are eliminated to the extent of the Group's interest in the joint venture. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no impairment.

2. Summary of significant accounting policies (Continued)

2.18 Impairment of tangible and intangible assets excluding goodwill

The Group reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or 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.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior financial years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.19 Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortized cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognized on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

2. Summary of significant accounting policies (Continued)

2.19 Financial instruments (Continued)

Financial assets

All financial assets are recognized on a trade date – the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

The Group's loans and receivables comprise trade and other receivables, gross amount due from customers on contract work-in-progress, and cash and cash equivalents.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortized cost, using the effective interest method less impairment. Interest is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets ("AFS")

Certain equity instruments and debt securities held by the Group are classified as AFS if they are not classified in any of the other categories. Subsequent to initial recognition, with the exception of unquoted equity instruments that are not carried at fair value as the fair value cannot be reliably measured, AFS are measured at fair value and changes therein are recognized directly in the available-for-sale reserve with the exception of impairment losses, interests calculated using the effective interest method and foreign exchange gains and losses arising from monetary items. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the available-for-sale reserve is included in profit or loss for the financial year.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

2. Summary of significant accounting policies (Continued)

2.19 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognized directly in equity.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

When shares recognized as equity are reacquired, the amount of consideration paid is recognized directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognized in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realized gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognized in the capital reserve of the Company.

2. Summary of significant accounting policies (Continued)

2.19 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, where applicable, using the effective interest method, with interest expense recognized on an effective yield basis.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5).

Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of certain subsidiaries and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if these subsidiaries breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of obligation under the contract recognized as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognized less cumulative amortization in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2. Summary of significant accounting policies (Continued)

2.19 Financial instruments (Continued)

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, comprising foreign exchange forward contracts.

Derivatives are initially recognized at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each financial year. The method of recognizing the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognized in profit or loss when the changes arise.

2.20 Inventories

Inventories, comprising mainly machinery components, are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis, comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Work in progress is stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all attributable production overheads. In arriving at the net realizable value, due allowance is made for obsolete, damaged and slow-moving items.

Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.21 Revenue contracts

Where the outcome of a revenue contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the financial year (percentage-of-completion method), except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a revenue contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognized as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

At the end of the financial year, the aggregated costs incurred plus recognized profit (less recognized loss) on each contract is compared against the progress billings. Where costs incurred plus the recognized profits (less recognized losses) exceed progress billings, the balance is presented on the face of the statements of financial position as "Gross amount due from customers on contract work-in-progress". Where progress billings exceed costs incurred plus recognized profits (less recognized losses), the balance is presented as "Gross amount due to customers on contract work-in-progress".

Progress billings not yet paid by customers and retentions are included in "Trade and other receivables".

2. Summary of significant accounting policies (Continued)

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude deposits pledged with the financial institutions as collateral and are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

2.23 Non-current assets (or disposal groups), held for sale

Non-current assets (or disposal groups) are classified as held-for-sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is highly probable with the asset (or disposal group) being available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to be completed within one year from the date of classification.

They are measured at the lower of the carrying amount and fair value less costs to sell. Any impairment loss on initial classification and subsequent measurement is recognized as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognized) is recognized in profit or loss.

2.24 Leases

<u>**Finance leases**</u>

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is recognized as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction of production of qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs (see Note 2.5).

<u>**Operating leases**</u>

<u>The Group as lessee</u>

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. Summary of significant accounting policies (Continued)

2.24 Leases (Continued)

Operating leases (Continued)

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which user benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

2.25 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognized in profit or loss as they arise.

2.26 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. Management makes decision about resources to be allocated to the segment and assess its performance. Segment manages report directly to the management of the Group. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grant related to income is presented as a credit in profit or loss under "Other operating income".

2. Summary of significant accounting policies (Continued)

2.28 Contingencies

A contingent liability is:-

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognized because:-

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognized on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2.29 Related parties

A related party is defined as follows:-

(a) A person or a close member of that person's family is related to the Group and Company if that person:-

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:-

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(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;

2. Summary of significant accounting policies (Continued)

2.29 Related parties (Continued)

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(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).

Associates are related parties and include those that are associates of the holding and/or related companies.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the entities operate and the respective entities' process of determining sales prices.

Impairment of available-for-sale equity instrument

At the end of each financial year, an assessment is made on whether there is objective evidence that an available-for-sale equity instrument is impaired. A significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the asset is impaired. Judgement is used in determining what a significant or prolonged decline is. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. Refer to Note 19 to the financial statements.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty

The estimates and assumptions 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.

Contracts revenue

The Group recognizes contract revenue and contract costs using the percentage-of-completion method based on management's judgement. Significant assumptions are required to estimate the total contract costs which affect the contract costs recognized to date based on the stage of completion. In making these estimates, management has relied on past experience.

The carrying amount of the construction contract work-in-progress as at the end of the reporting period can be subjected to uncertainty in respect of the variation works and estimation of future costs. The Group adopts a conservative approach in evaluating these uncertainties. Refer to Note 21 to the financial statements.

Investment property

The Group carries its investment property at fair value, with changes in fair values being recognized in profit or loss. The Group engaged independent valuation specialist to determine fair value as at reporting date.

The fair value of investment property is determined by independent real estate valuation expert using recognized valuation techniques, i.e. Direct Market Comparison Method. Refer to Note 11 to the financial statements.

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. Refer to Note 12 to the financial statements.

Impairment of investments in subsidiaries and associates

At the end of each financial year, an assessment is made on whether there is objective evidence that the Company's investments in subsidiaries and associates are impaired. The management's assessment is based on the estimation of the value-in-use of the cash-generating unit ("CGU") by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. Refer to Notes 13 and 14 to the financial statements.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. No impairment loss was recognized during the financial year. Refer to Note 16 to the financial statements.

Inventory valuation method

Inventory is valued at the lower of cost and net realizable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price, being the merchandise's selling price quoted from the market of similar items, that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the salability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. Refer to Note 20 to the financial statements.

Allowance for trade and other receivables

The provision policy for doubtful receivables of the Group is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realization of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Refer to Notes 22, 23 and 24 to the financial statements.

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. Refer to Notes 9, 32 and statements of financial position.

4. Revenue

	Group 2014 S$'000	Group 2013 S$'000
Sales of goods	13,290	9,056
Rendering of services	77,565	61,166
Contract revenue	10,624	9,195
	101,479	79,417

5. Other operating income

	Note	Group 2014 S$'000	Group 2013 S$'000
Compensation received		131	24
Gain on disposal of property, plant and equipment		33	277
Gain on foreign exchange differences		375	225
Gain on fair value adjustments of investment property	11	–	1,020
Grants received from government		470	555
Interest income from banks		15	51
Interest income from third party		60	147
Recovery of bad debts written off		229	–
Rental income from investment property	11	–	105
Rental income from leasing of working tools		138	243
Reimbursement of costs		53	50
Sale of scrap materials		223	183
Written back of allowance for doubtful trade receivables	22	100	55
Written back of provision for contract costs	34	–	650
Miscellaneous income		463	584
		2,290	4,169

6. Finance expenses

	Group 2014 S$'000	Group 2013 S$'000
Bank loans interest	544	642
Bank overdrafts interest	53	66
Factoring interest and charges	48	57
Finance lease interest	241	226
	886	991

7. Profit/(Loss) before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the consolidated statement of profit or loss and other comprehensive income, the following charges were included in the determination of profit/(loss) before income tax:-

		Group	
	Note	2014 S$'000	2013 S$'000
Audit fees paid to auditors:			
- Auditors of the Company		253	240
- Other auditors		91	95
Non-audit fees paid to auditors of the Company		–	2
Amortization of club membership	18	1	10
Amortization of intangible assets	17	194	192
Depreciation of property, plant and equipment	12	5,631	4,836
Directors' fees	38	374	400
Inventories recognized as an expense in cost of sales		4,993	3,725
Key management personnel remuneration	38	1,837	2,027
Operating lease expense			
- land and building		5,813	4,525
- equipment		2,854	463
- motor vehicles		1,944	1,055
Staff costs (including key management personnel remuneration)	8	32,306	25,949
Included in other operating expenses:			
Allowance for doubtful trade receivables	22	1,330	648
Allowance for doubtful other receivables	23	–	2,264
Bad debts written off		612	5,804
Inventories written off		38	–
Loss on foreign exchange differences		231	–
Loss on disposal of property, plant and equipment		36	–
Loss on disposal of a subsidiary	13(d)	153	–
Property, plant and equipment written off		106	1

There is no non-audit fee paid to the auditors of its subsidiaries.

8. Staff costs (including key management personnel remuneration)

	Group	
	2014 S$'000	2013 S$'000
Salaries and bonuses	25,369	21,156
Employers' contribution to defined contribution plan	4,047	3,080
Other related staff costs	2,890	1,713
	32,306	25,949

9. Income tax expense

	Group 2014 S$'000	Group 2013 S$'000
Current income tax		
- Current	923	510
- Over-provision in prior financial years	(131)	(13)
	792	497
Deferred income tax (Note 32)		
- Current	(484)	(157)
- (Over)/Under-provision in prior financial years	(60)	15
Total tax expense	248	355

Domestic income tax is calculated at 17% (2013: 17%) of the estimated assessable profit/(loss) for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax expenses varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2013: 17%) to profit/(loss) before income tax as a result of the following differences:-

	Group 2014 S$'000	Group 2013 S$'000
Profit/(Loss) before income tax	3,648	(6,957)
Income tax at statutory rate	620	(1,183)
Add/(Less):-		
Effect of non-allowable items	668	1,764
Effect of income not subject to tax	(735)	(559)
Effect of tax exemptions	(111)	(221)
Effect of different tax rates of overseas operations	20	(464)
Effect of Corporate Income Tax rebates	(83)	–
Effect of enhanced allowance	(98)	–
Unrecognized deferred tax benefits	(50)	605
Utilization of tax losses and capital allowances brought forward	(181)	(43)
(Over)/Under-provision in prior financial years	(191)	2
Others	389	454
Total tax expense	248	355

9. Income tax expense (Continued)

The Singapore Government has announced on 25 February 2013 that, for the Years of Assessment ("YA") 2013, 2014 and 2015, companies will receive 30% Corporate Income Tax ("CIT") rebate that is subject to a cap of S$30,000 per YA.

At the end of the reporting period, the aggregate amount of temporary differences associated with the undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognized is approximately S$878,000 (RMB4,296,000) [2013: S$804,000 (RMB4,059,000)]. No liability has been recognized in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Unrecognized deferred income tax assets

The following deferred income tax assets are not recognized in the statements of financial position as it is presently uncertain the extent timing and quantum of future taxable profit that will be available against which the Group and the Company can utilize the benefits as follows:-

	Group	
	2014	**2013**
	S$'000	**S$'000**
Unabsorbed tax losses	5,456	6,123
Unutilized capital allowances	215	902
	5,671	7,025
Unrecognized deferred tax benefits	964	1,195

Tax losses do not expire under current legislation and are available for set-off against future taxable profits subject to meeting certain statutory requirements by those companies with unrecognized tax losses in their respective country of incorporation. No deferred tax asset has been recognized due to the unpredictability of future profit streams of certain subsidiaries. These losses may be carried indefinitely subject to the conditions imposed by law.

10. Basic and diluted earnings/(loss) per share

Basic earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing profit/(loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following table reflects the profit/(loss) and share date used in the computation of basic earnings/(loss) per share:-

	Group 2014	Group 2013
Profit/(Loss) for the financial year attributable to owners of the Company (S$'000)	2,502	(5,355)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	252,597	249,818
Basic earnings/(loss) per share (cents)	0.99	(2.14)

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share are calculated by dividing profit/(loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The weighted average number of shares on issue has been adjusted as if all dilutive shares were exercised. The number of shares that could have been issued upon the exercise of all dilutive shares less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for consideration. No adjustment is made to the profit/(loss) for the financial year.

The effect of the exercise of share awards on the weighted average number of ordinary shares in issue is as follows:-

	Group 2014	Group 2013
Profit/(Loss) for the financial year attributable to owners of the Company (S$'000)	2,502	(5,355)
Weighted average number of ordinary shares in calculation of basic earnings/(loss) per share ('000)	252,597	249,818
Adjusted for – weighted average number of unissued ordinary shares from shares under Performance Share Plan ('000)	1,804	1,831
Weighted average number of ordinary shares outstanding (diluted) ('000)	254,401	251,649
Fully diluted earnings/(loss) per share (cents)	0.98	(2.13)

11. Investment property

	Group 2014 S$'000	Group 2013 S$'000
At beginning of financial year	4,080	3,060
Gain on fair value adjustments included in profit or loss (Note 5)	–	1,020
Transfer to property, plant and equipment (Note 12)	(4,080)	–
At end of financial year	–	4,080

Investment property is stated at fair value, which has been determined based on valuations performed as at the end of the financial year. The valuation was performed by Premas Valuers & Property Consultants Pte. Ltd., an independent valuer with a recognized and relevant professional qualification and with recent experience in the location and category of properties being valued. The valuation is based on the property's highest-and-best-use using the Direct Market Comparison Method.

As at 31 March 2013, the investment property amounting to S$4,080,000 is mortgaged to secure bank loans (Note 30).

On 1 April 2013, the Group transferred its investment property to owner-occupied property. On that date, the property was leased to and occupied by its subsidiaries for business purposes (Note 12).

The following amounts are recognized in profit or loss:-

	Group 2014 S$'000	Group 2013 S$'000
Rental income from investment property (Note 5)	–	105
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment property	–	441

As at 31 March 2013, the investment property held by the Group is as follows:-

Description and location	Tenure	Unexpired lease term
Factories located at 6 Tuas Avenue 20 Singapore 638820	60 years	40 years

12. Property, plant and equipment

Group	Leasehold building / Renovation S$'000	Transportation equipment S$'000	Tools and equipment S$'000	Furniture, fittings, and office equipment S$'000	Total S$'000
Cost					
At 31 March 2012	4,536	14,618	20,117	2,199	41,470
Additions	41	1,601	1,264	229	3,135
Disposals / Written-off	(603)	(1,750)	(1,267)	(278)	(3,898)
Exchange translation differences	(3)	(52)	(17)	(6)	(78)
At 31 March 2013	3,971	14,417	20,097	2,144	40,629
Additions	1,208	2,028	3,634	835	7,705
Disposals / Written-off	–	(598)	(1,052)	(135)	(1,785)
Transfer from investment property (Note 11)	4,080	–	–	–	4,080
Transfer from joint venture company	–	129	2	–	131
Exchange translation differences	(59)	132	242	14	329
At 31 March 2014	9,200	16,108	22,923	2,858	51,089
Accumulated depreciation					
At 31 March 2012	2,279	7,687	10,569	1,583	22,118
Depreciation	211	1,756	2,620	249	4,836
Disposals / Written-off	(521)	(1,745)	(1,266)	(274)	(3,806)
Exchange translation differences	(1)	(22)	(4)	(3)	(30)
At 31 March 2013	1,968	7,676	11,919	1,555	23,118
Depreciation	458	2,018	2,846	309	5,631
Disposals / Written-off	–	(420)	(1,008)	(122)	(1,550)
Transfer from joint venture company	–	16	1	–	17
Exchange translation differences	(122)	40	121	10	49
At 31 March 2014	2,304	9,330	13,879	1,752	27,265
Carrying amount					
At 31 March 2013	2,003	6,741	8,178	589	17,511
At 31 March 2014	6,896	6,778	9,044	1,106	23,824

Property, plant and equipment of the Group with carrying amount of S$5,045,000 (2013: S$5,094,000) were acquired under financial lease arrangements (Note 31).

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$7,705,000 (2013: S$3,135,000) of which S$1,631,000 (2013: S$2,184,000) were acquired by means of finance leases. Cash payments of S$6,074,000 (2013: S$951,000) were made to purchase property, plant and equipment.

12. Property, plant and equipment (Continued)

In addition, the Group's leasehold building with a carrying amount of S$6,491,000 (2013: S$1,711,000) are mortgaged to secure the Company's bank loans (Note 30) and certain credit facilities granted from banks.

Details of the leasehold buildings held by the Group as at 31 March 2014 are set out below:-

Company	Description and location	Tenure	Unexpired lease term
Chasen Logistics Services Limited	Factory cum office building located at 18 Jalan Besut Singapore 619571	21 years	10 years
Chasen Logistics Services Limited	Factories located at 6 Tuas Avenue 20 Singapore 638820	60 years	39 years
Global Technology Synergy Pte Ltd	Warehouse cum office building located at 7030 Ang Mo Kio Avenue 5 #04-46 Northstar Building Singapore 569880	60 years	53 years and 9 months
Hup Lian Engineering Pte Ltd	Factory cum office located at 56 Senoko Road Woodlands East Industrial Estate Singapore 758120	30 years	1 year and 7 months

13. Investment in subsidiaries

	Company	
	2014	2013
	S$'000	S$'000
Unquoted equity share, at cost	38,075	38,075

The details of the subsidiaries are as follows:-

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Effective equity interest held by the Company	
			2014	2013
			%	%
Held by the Company				
Chasen Logistics Services Limited [i]	Singapore	Relocation services, industrial packing, warehousing, transportation, freight forwarding and shipping	100	100
Chasen Logistics & Engineering Services Pte Ltd [i]	Singapore	Investment holding	100	100
Ruiheng International Pte Ltd [i]	Singapore	Investment holding	100	100
REI Technologies Pte Ltd [i]	Singapore	Engineering services	100	100

13. Investment in subsidiaries (Continued)

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Effective equity interest held by the Company 2014 %	2013 %
Held by the Company (Continued)				
CLE Engineering Services Pte Ltd (i)	Singapore	Investment holding	100	100
Chasen Leasing Pte Ltd (i)	Singapore	Leasing	100	100
Held by Chasen Logistics Services Limited				
DNKH Logistics Pte Ltd (i)	Singapore	Provider of freight forwarding, logistics, transportation and general warehousing services	60	60 (Note e)
Held by Chasen Logistics & Engineering Services Pte Ltd				
Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd (ii)	People's Republic of China ("PRC")	General activities relating to high value machinery and equipment	100	100
Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd (iv)	PRC	General activities relating to high tech machinery and equipment, and relocation services	100	100
Chasen Logistics (Shanghai) Co., Ltd (ii)	PRC	Provision of relocation, packaging and warehousing services	100	100
Chasen Sinology (Beijing) Logistics Co., Ltd (iv)	PRC	Provision of artifact packaging and transportation services	100	100
Held by Ruiheng International Pte Ltd				
Chasen Logistics Sdn Bhd (iii)	Malaysia	Provider of logistics and transportation services	100	100
City Zone Express Sdn Bhd (iii)	Malaysia	Provider of third party logistics services, transporting and warehousing service	72 (Note b)	73.2
Liten Logistics Services Pte Ltd (i)	Singapore	Machinery and equipment moving, general warehouse and logistics management	100	100
Chasen Transport Logistics Co., Ltd (viii)	Vietnam	Provider of third party logistics services and warehousing	49 (Note a)	–

13. Investment in subsidiaries (Continued)

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Effective equity interest held by the Company 2014 %	2013 %
Held by REI Technologies Pte Ltd				
REI Hitech Sdn Bhd (iii)	Malaysia	Providing services on cryogenic pump	100	100
REI Promax Technologies Pte Ltd (i)	Singapore	Precision manufacturing of machine tool accessories	– (Note c)	32
Held by CLE Engineering Services Pte Ltd				
Goh Kwang Heng Pte Ltd (i)	Singapore	Scaffolding service provider to marine and construction industries	100	100
Goh Kwang Heng Scaffolding Pte Ltd (i)	Singapore	Scaffolding equipment services	100	100
Global Technology Synergy Pte Ltd (i)	Singapore	General building engineering service, process engineering and construction	100	100
Hup Lian Engineering Pte Ltd (i)	Singapore	Engineering and structural steel fabrication supplier and installer	51	51
REI Promax Technologies Pte Ltd (i)	Singapore	Precision manufacturing of machine tool accessories	55 (Note c)	23
Held by Hup Lian Engineering Pte Ltd				
HLE International Pte Ltd (i)	Singapore	Investment holding	100	100
HLE Construction & Engineering Sdn Bhd (iii) #	Malaysia	Construction and engineering, projects and general trading	53	53 (Note f)
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (vi)	PRC	Management consultancy	100	100
Shanghai ZhuangHe Construction Co., Ltd (vii)	PRC	Construction and engineering works	– (Note d)	100
Shanghai FengChuang M & E Equipment Co., Ltd (vi)	PRC	Design, engineering, installation of machinery and equipment	100	100

13. Investment in subsidiaries (Continued)

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Effective equity interest held by the Company 2014 %	2013 %
Held by REI Promax Technologies Pte Ltd				
Suzhou Promax Communication Co., Ltd (v)	PRC	Contract manufacturing	100	100
Held by Global Technology Synergy Pte Ltd				
Towards Green Sdn Bhd (iii)	Malaysia	Engineering and contracting work	100	100
Eons Global Holdings Pte Ltd (i)	Singapore	Provision of management consultancy services	100	100 (Note g)
Eons Global Water (JL) Co., Ltd (ix)	PRC	Operate the purified water treatment plant and waste water treatment plant	100	100 (Note g)
Held by Liten Logistics Services Pte Ltd				
Liten Holdings Pte Ltd (i)	Singapore	Investment holding	100	100

(i) Audited by Mazars LLP, Singapore.

(ii) Audited by Shanghai Hai Ming Certified Public Accountants Co., Ltd, PRC for local statutory audit and audited by ShineWing Certified Public Accountants, PRC for consolidation purposes.

(iii) Audited by Grant Thornton, Malaysia.

(iv) Audited by Beijing HengChengYongXin Certified Public Accountants, PRC for local statutory audit and audited by ShineWing Certified Public Accountants, PRC for consolidation purposes.

(v) Audited by Suzhou Jianxin Certified Public Accountants Co., Ltd, PRC for local statutory audit and audited by ShineWing Certified Public Accountants, PRC for consolidation purposes.

(vi) Audited by Shanghai Hua Cheng Certified Public Accountants Co., Ltd, PRC.

(vii) Audited by Shanghai Zhi Yuan Certified Public Accountants Co., Ltd, PRC.

(viii) Audited by Mazars Vietnam for consolidation purposes.

(ix) No auditor has been appointed as the plant is not in operation yet.

HLE Construction & Engineering Sdn Bhd is considered to be a subsidiary as it is 53% held by Hup Lian Engineering Pte Ltd who in turn is 51% directly owned by the Company.

For the purpose of Rule 716(1) of the Listing Manual, the Directors and the Audit Committee of the Company are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and efficiency of the audit of the Company, having regard to the size and experience of the audit firms.

13. Investment in subsidiaries (Continued)

Financial year ended 31 March 2014

(a) *Change in control from joint venture company to subsidiary – Chasen Transport Logistics Co., Ltd*

On 29 September 2011, the Company's wholly-owned subsidiary, Ruiheng International Pte Ltd, has acquired 49% equity interest in Chasen Transport Logistics Co., Ltd ("CTL"), a company incorporated in Vietnam, as a form of joint venture.

For the financial year ended 31 March 2014, the Group has demonstrated its control over CTL in accordance to FRS 27 *Consolidated and Separate Financial Statements*, thus CTL became a subsidiary of the Group.

(b) *Divestment of a subsidiary to non-controlling interests – City Zone Express Sdn Bhd*

On 4 February 2014, the Company's wholly-owned subsidiary, Ruiheng International Pte Ltd, disposed 1.2% equity interest in City Zone Express Shd Bhd ("CZE") to its non-controlling interests for a cash consideration of S$11,500. As a result of this transaction, CZE is 72% owned subsidiary of the Group. The carrying value of the net assets of CZE as at 4 February 2014 was S$1,758,957 and the carrying value of the disposed interest was S$21,107. The difference of S$9,607 between the consideration and the carrying value of the disposed interest has been recognized in "Retained Profits" within equity.

The following summarized the effect of the change in the Group's ownership interest in CZE on the equity attributable to owners of the Company:-

	S$'000
Consideration received from disposal of non-controlling interests	11
Increase in equity attributable to non-controlling interests	(21)
Decrease in equity attributable to owners of the Company	(10)

(c) *Transfer of its subsidiary – REI Promax Technologies Pte Ltd*

On 6 January 2014, the Company's wholly-owned subsidiary, REI Technologies Pte Ltd, has transferred 32% of its ownership in REI Promax Technologies Pte Ltd to CLE Engineering Services Pte Ltd as part of its corporate restructuring exercise.

13. Investment in subsidiaries (Continued)

Financial year ended 31 March 2014 (Continued)

(d) Disposal of a subsidiary – Shanghai ZhuangHe Construction Co., Ltd

On 18 September 2013, the Company's 51% owned subsidiary, Hup Lian Engineering Pte Ltd has disposed off its entire interest in Shanghai ZhuangHe Construction Co., Ltd for a cash consideration of S$2,000.

The effect of the disposal on the cash flows of the Group were as follows:-

	S$'000
Goodwill	11
Trade and other receivables	505
Cash and cash equivalents	3
Income tax payable	(217)
Other payables	(11)
Net assets derecognized	291
Less: Non-controlling interests	(139)
Net assets disposed off	152

The aggregate cash outflow arising from the disposal of a subsidiary was:-

	S$'000
Net assets disposed off	152
Reclassification of currency translation reserve on disposal of foreign operation	3
	155
Loss on disposal	(153)
Cash proceeds from disposal	2
Less: Cash and cash equivalents in subsidiary disposed off	(3)
Net cash outflow on disposal of a subsidiary	(1)

Financial year ended 31 March 2013

(e) Divestment of a subsidiary to non-controlling interests – DNKH Logistics Pte Ltd

On 4 May 2012, DNKH Logistics Pte Ltd ("DNKH"), the wholly-owned subsidiary of Chasen Logistics Services Limited ("CLSG") (the Company's wholly-owned subsidiary), has increased its issued and paid-up capital from S$100,000 to S$1,000,000 as part of its corporate restructuring as follows:-

(i) Capitalization of the CLSG's loan of S$500,000 to DNKH by way of issue and allotment of 500,000 ordinary shares in the share capital of DNKH.

(ii) Capitalization of S$384,057 retained profits of DNKH by way of issue and allotment of 384,057 ordinary shares to a General Manager ("GM") of DNKH.

(iii) Issue and allotment of 15,943 new ordinary shares to GM which had been fully paid by GM.

Following the above transactions, CLSG holds 60% and GM holds 40% equity interest in the share capital of DNKH. As a result, the Group has diluted of 40% equity interest in DNKH.

13. Investment in subsidiaries (Continued)

<u>*Financial year ended 31 March 2013 (Continued)*</u>

(f) Incorporation of a subsidiary – HLE Construction & Engineering Sdn. Bhd.

On 19 June 2012, the Company's 51% owned subsidiary, Hup Lian Engineering Pte Ltd ("HLE"), had entered into a conditional shareholders agreement with Sinomedia Sdn. Bhd. ("Sinomedia") to establish a company, HLE Construction & Engineering Sdn. Bhd. ("HLEC&E") which was incorporated on 18 May 2012 with a paid-up share capital of RM2. Pursuant to the shareholders agreement, HLE holds 53% equity interest in HLEC&E on 21 June 2012. As at 31 March 2013, this has been recorded as an investment in a subsidiary in the Group's financial statements.

(g) Transfer of its subsidiary – Eons Global Holdings Pte Ltd

On 28 August 2012, the Company's wholly-owned subsidiary, Chasen Logistics & Engineering Services Pte. Ltd., has transferred 100% of its ownership in Eons Global Holdings Pte Ltd to Global Technology Synergy Pte Ltd as part of its corporate restructuring exercise.

On 28 September 2012, Eons Global Holdings Pte Ltd has incorporated a wholly-owned subsidiary, namely Eons Global Water (JL) Co., Ltd, in Jilin City, PRC, to operate the purified water treatment plant and a waste water treatment plant respectively.

14. Investment in associates

	Group		Company	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Unquoted equity share, at cost	1,000	1,000	200	200
Additions	409	–	–	–
	1,409	1,000	200	200
Share of profits/(losses) of associates	–	–	–	–
Carrying amount	1,409	1,000	200	200

The details of the associates are as follows:-

Name of associate	Place of business / Country of incorporation	Principal activities	Effective equity interest held by the Company 2014 %	2013 %
<u>Held by the Company</u>				
Caitong Investments Pte Ltd [(i)]	Singapore	Investment holding	6	6
<u>Held through subsidiaries</u>				
Caitong Investments Pte Ltd [(i)]	Singapore	Investment holding	24	24
Amber Digital Solutions (Beijing) Pte Ltd [(ii)]	People's Republic of China	Providing 3D high resolution digital imaging of cultural heritage relics and museum	30	–

(i) Audited by Kit Yee & Co., Singapore.
(ii) No auditor has been appointed yet.

14. Investment in associates (Continued)

On 27 February 2014, the Company's wholly-owned subsidiary, Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd ("Sino-Sin"), has invested in Amber Digital Solutions (Beijing) Pte Ltd ("Amber") (a company incorporated in the People's Republic of China), through contribution of its digital imaging technology and know-how in exchange of total share capital of RMB2,000,000 (equivalent to S$409,000) (Note 29). The valuations were performed by an independent valuer with a recognized and relevant professional qualification. Sino-Sin holds 30% equity interest and became an associate of the Group.

The rationale for this transaction is to cement the business relationship between Amber and Sino-Sin to better compete for business with the state-owned museums, who are the main customers for this industry.

In accordance to FRS 103 *Business Combinations*, all identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured at their acquisition-date fair values. FRS 103 further provides that provisional amount is adjusted for within twelve months from the acquisition date. Therefore, the Group will conduct the fair value assessment and will be adjusting the provisional amount of the net assets invested during next financial year ending 31 March 2015, before the twelve months period expires.

* RMB: Chinese Renminbi

The summarized financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:-

	2014 S$'000	2013 S$'000
Assets and liabilities:		
Total assets	1	1
Total liabilities	(5)	(5)
Results:		
Revenue	–	–
Profit/(Loss) for the financial year	–	–

15. Investment in joint ventures

The Group has the following significant interests in joint ventures:-

Name of joint venture	Place of business / Country of incorporation	Principal activities	Effective equity interest held by the Company 2014 %	2013 %
Held by Chasen Logistics Services Limited				
Chasen Globus Logistics Pte Ltd [(i)]	Singapore	Provider of third party logistics services	–	# –
Held by Ruiheng International Pte Ltd				
Chasen Transport Logistics Co., Ltd [(ii)]	Vietnam	Provider of third party logistics services and warehousing	– (Note 13(a))	49

(i) Audited by ShineWing LLP, Singapore.

(ii) Audited by Mazars Vietnam for consolidation purposes.

\# On 8 April 2013, the indirect 50% joint venture company, Chasen Globus Logistics Pte Ltd, has been struck off from the Register of Companies pursuant to Section 344(2) of the Singapore Companies Act, Chapter 50.

The following amounts are included in the Group's financial statements as a result of the proportionate consolidation of its jointly-controlled entities is as follows:-

	2014 S$'000	2013 S$'000
Assets and liabilities:		
Total assets	–	251
Total liabilities	–	(135)
Results:		
Income	–	437
Expenses	–	(237)

16. Goodwill on consolidation

	Group 2014 S$'000	Group 2013 S$'000
At cost		
At beginning of financial year	10,649	10,649
Disposal of a subsidiary	(11)	–
At end of financial year	10,638	10,649

16. Goodwill on consolidation (Continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGU") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:-

	Relocation services S$'000	Technical & engineering services S$'000	Total S$'000
2014			
Singapore	4,186	6,224	10,410
People's Republic of China	66	79	145
Vietnam	83	–	83
	4,335	6,303	10,638
2013			
Singapore	4,186	6,224	10,410
People's Republic of China	66	90	156
Vietnam	83	–	83
	4,335	6,314	10,649

Impairment testing of goodwill

The Group tests CGU annually for impairment or more frequent if there are indications that goodwill might be impaired.

The recoverable amounts of the CGU are determined from value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. The key assumptions for these value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specifics to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Key assumptions used for value-in-use calculations

	Group 2014	Group 2013
Gross margin (i)	10% - 31%	11% - 28%
Growth rate (ii)	1% - 21%	1%
Discount rate (iii)	11% - 15%	8% - 9%

(i) Budgeted gross margins are based on average values achieved in the three to six years preceding the start of the budget period.

(ii) The forecasted growth rates are based on published industry research relevant to the CGUs.

(iii) Pre-tax discount rate applied to the pre-tax cash flows projections.

16. Goodwill on consolidation (Continued)

Impairment testing of goodwill (Continued)

The directors of the Company believe that any reasonable possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

No impairment loss was recognized during the financial year (2013: Nil).

17. Intangible assets

Group	Know-how* S$'000	Non-contractual customer relationship** S$'000	Total S$'000
Cost			
At 31 March 2012	428	966	1,394
Exchange translation differences	(1)	–	(1)
At 31 March 2013	427	966	1,393
Exchange translation differences	8	–	8
At 31 March 2014	435	966	1,401
Accumulated amortization			
At 1 April 2012	106	183	289
Amortization charge for the financial year	53	139	192
At 31 March 2013	159	322	481
Amortization charge for the financial year	55	139	194
At 31 March 2014	214	461	675
Carrying amount			
At 31 March 2013	268	644	912
At 31 March 2014	221	505	726

* Cost on Know-how is attributable to the skills and technical talent in relation to the artifact packaging and transportation business.

** Cost on Non-contractual customer relationships is attributable to long-term relationship with its major customers since incorporation.

Impairment testing of intangible assets

The recoverable amount of the intangible assets was determined based on value in use calculation. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 1% - 21% (2013: 1%) per annum. The growth rate used is based on management expectation of growth in the marine, construction and logistics industry in which the subsidiary companies operate. The discount rate is 11% - 15% (2013: 12%) and has been applied to the cash flow projections.

18. Club membership

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Carrying amount				
At beginning of financial year	10	20	–	9
Less: Amortization charge for the financial year	(1)	(10)	–	(9)
At end of financial year	9	10	–	–

The club membership of S$75,000 was paid for by the Group for the benefit of directors in accordance with their Service Agreement ("Agreement"). Accordingly, the directors held the membership in trust for the Group. Pursuant to the Agreement, the directors are entitled to benefit from the membership as long as they maintain their role as an Executive Director of the Group up to 1 April 2012 for 5 years' term and up to 1 April 2023 for 15 years' term. Upon completion of the specified term (5 and 15 years), the benefit of the club will be entirely vested in the director. Consequently, the membership will be deemed disposed.

The amortization of club membership is included in the "Other operating expenses" line items in profit or loss.

19. Available-for-sale financial assets

	Group and Company	
	2014	2013
	S$'000	S$'000
At beginning of financial year	1,008	1,135
Additions	339	–
Loss on fair value changes recognized in other comprehensive income	(292)	(127)
At end of financial year	1,055	1,008

Details of the available-for-sale financial assets are as follows:-

	Group and Company	
	2014	2013
	S$'000	S$'000
Equity shares		
Quoted at fair value	1,055	632
Unquoted at cost	–	376
Total	1,055	1,008

19. Available-for-sale financial assets (Continued)

On 3 August 2009, the Company had announced that it had invested in Greater Bendigo Gold Mines Ltd ("GBM"), a company listed on Australian Securities Exchange ("ASX"), held through its subsidiary, Far Pacific Capital Ltd ("FPC"). Through a private placement, the Company acquired 13,500,000 shares representing approximately 12.18% of the enlarged shareholding in GBM for a cash consideration of AU$405,000 (equivalent to S$475,000).

On 16 April 2010, the Company had announced that it subscribed 16,875,000 new shares in GBM for a cash consideration of AU$422,000 (equivalent to S$545,000). The subscription was made pursuant to a non-renounceable rights issue ("GBM Rights Issue") on the basis of 5 new shares for every 4 existing shares together with 1 free option, which expires on 31 March 2012, for each 3 new shares subscribed.

Following the subscription, the Company's shareholding in GBM increased from 13,500,000 shares to 30,375,000 shares. After the GBM Rights Issue, the Company's shareholding is 9.06% of the enlarged share capital of GBM.

On 11 November 2013, the Company announced that pursuant to a New Zealand court agreed settlement of all claims and claimed debts due to the Company by FPC, the Company has transferred the shareholdings of 67,500 ordinary shares in and 77,810 convertible notes of Far Pacific Capital Ltd ("FPC") back to the majority shareholder of FPC. In consideration of which, FPC has transferred its 45,247,500 shares in GBM to the Company by way of an off-market transaction.

As a result of the completion of the aforesaid transfers, the Company has transferred back to the majority shareholder of FPC all its investment in FPC and increased its total shareholdings in GBM from 30,375,000 ordinary shares to 76,622,500 ordinary shares representing 11.32% of the total issued and paid up share capital of GBM. In addition, the Company became a substantial shareholder of GBM and an announcement had been released on ASX on or around 4 November 2013 where GBM is listed via a filing of ASX Form 603.

As at 31 March 2014, the Company's shareholding is 11.32% (2013: 4.55%).

The Company has classified this investment since financial year ended 31 March 2009 as available-for-sale financial assets in accordance to FRS 39. Fair value changes in this financial asset will be recognized and charged to other comprehensive income accordingly.

* AU$: Australian dollars

20. Inventories

	Group	
	2014	2013
	S$'000	S$'000
Raw materials	671	689
Work-in-progress	1,478	841
Finished goods	954	787
Consumables	49	31
	3,152	2,348

21. Gross amount due from customers on contract work-in-progress

	Group	
	2014	2013
	S$'000	S$'000
Aggregate costs incurred and recognized profits (less recognized losses) to date on uncompleted construction contract	8,894	4,523
Less: Progress billings	(5,078)	(3,934)
	3,816	589
Contract work-in-progress:-		
Gross amount due from customers	3,816	591
Gross amount due to customers	–	(2)
	3,816	589
Retention sums on construction contracts included in trade receivables	1,167	621

The currency profiles of the Group's gross amount due from customers on contract work-in-progress as at 31 March are as follows:-

	Group	
	2014	2013
	S$'000	S$'000
Singapore dollars	2,599	(2)
Malaysian Ringgit	1,217	591
	3,816	589

22. Trade receivables

	Group	
		(Restated)
	2014	2013
	S$'000	S$'000
Third parties	35,918	31,691
Retention receivables	1,167	621
Less: Allowance for doubtful trade receivables	(1,488)	(847)
	35,597	31,465

Trade receivables are non-interest bearing and the average credit period on sale of goods and services rendered is range from 30 to 90 (2013: 30 to 90) days according to the terms agreed with the customers. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

22. Trade receivables (Continued)

Allowances made in respect of estimated irrecoverable amounts are determined by reference to past default experience. The carrying amount of trade receivables individually determined to be impaired is as follows:-

	Group	
	2014	2013
	S$'000	S$'000
Past due more than 90 days	1,488	847

Movements in the allowance for doubtful receivables are as follows:-

	Group	
	2014	2013
	S$'000	S$'000
At beginning of financial year	847	338
Allowance charged to profit or loss	1,330	648
Allowance written back to profit or loss	(100)	(55)
Allowance written off during the financial year	(589)	(84)
At end of financial year	1,488	847

The currency profiles of the Group's trade receivables as at 31 March are as follows:-

	Group	
		(Restated)
	2014	2013
	S$'000	S$'000
Singapore dollars	16,594	17,434
Chinese Renminbi	14,347	9,559
Euro	33	40
Malaysian Ringgit	3,368	2,595
United States dollars	935	1,837
Vietnamese Dong	320	–
	35,597	31,465

23. Other receivables, deposits and prepayments

	Group		Company	
		(Restated)		
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Non-current				
Loan to an associate	408	496	214	214
Current				
Advances to suppliers	1,443	1,431	–	–
Deposits paid	1,087	1,339	1	4
Dividend receivables	–	–	–	1,000
Other receivables	2,146	2,593	313	701
Less: Allowance for doubtful other receivables	(38)	(296)	–	(172)
	2,108	2,297	313	529
Prepayments for concession rights	5,939	2,480	–	–
Prepayments for assets	–	5,107	–	–
Prepayments for marketing expenses	–	1,282	–	–
Other prepayments	1,284	2,031	30	52
Less: Allowance for doubtful prepayments for assets	–	(1,968)	–	–
	7,223	8,932	30	52
	11,861	13,999	344	1,585
Total	12,269	14,495	558	1,799

The loan to an associate is unsecured, interest-free, and not expected to be repaid within the next twelve months. The loan is considered to be part of the Group's and the Company's net investment in the associate.

Other receivables that are individually determined to be impaired at the end of the reporting date relates to receivables that are in significant financial difficulties, facing significant uncertainties in prepayments or have defaulted in payments. These receivables are not secured by any collateral or credit enhancements.

Movements in the allowance for doubtful other receivables are as follows:-

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
At beginning of financial year	2,264	–	172	–
Allowance charged to profit or loss	–	2,264	–	172
Allowance written off during the financial year	(2,226)	–	(172)	–
At end of financial year	38	2,264	–	172

23. Other receivables, deposits and prepayments (Continued)

The currency profiles of the Group's and Company's other receivables, deposits and prepayments as at 31 March are as follows:-

	Group		Company	
		(Restated)		
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Singapore dollars	2,212	4,161	558	1,459
Australian dollars	–	340	–	340
Chinese Renminbi	7,587	8,726	–	–
Malaysian Ringgit	1,619	1,244	–	–
United States dollars	825	24	–	–
Vietnamese Dong	26	–	–	–
	12,269	14,495	558	1,799

24. Amounts due from subsidiaries

The amounts due from subsidiaries (net) are non-trade in nature, unsecured and are repayable on demand. Except for certain amounts due from subsidiaries bears effective interest rate at 4.25% (2013: 4.25%) per annum.

The currency profiles of the Company's amounts due from subsidiaries (net) as at 31 March are as follows:-

	Company	
	2014	2013
	S$'000	S$'000
Singapore dollars	30,857	28,933
Malaysian Ringgit	–	(91)
United States dollars	–	(75)
	30,857	28,767

25. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Cash and bank balances	9,735	6,331	1,072	916
Fixed deposits placed with banks	5,012	1,375	600	–
	14,747	7,706	1,672	916

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The fixed deposits were pledged to financial institutions as securities for banking facilities and performance guarantees of the Group.

Fixed deposits of the Group bear interest rates ranging from 0.05% to 3.9% (2013: 0.05% to 1.35%) per annum with average maturity period ranging from one to twelve (2013: one to twelve) months at the end of the financial year.

The currency profiles of the Group's and Company's cash and cash equivalents as at 31 March are as follows:-

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Singapore dollars	9,073	5,276	1,648	880
Chinese Renminbi	1,976	1,041	–	–
Japanese Yen	12	12	–	–
Malaysian Ringgit	988	620	–	–
United States dollars	1,919	756	24	36
Vietnamese Dong	779	1	–	–
	14,747	7,706	1,672	916

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:-

	Group	
	2014	2013
	S$'000	S$'000
Cash and bank balances	14,747	7,706
Bank overdrafts (Note 30)	(766)	(1,425)
Fixed deposits pledged	(5,012)	(1,375)
Cash and cash equivalents	8,969	4,906

26. Non-current asset, held-for-sale

In January 2011, Singapore Land Authority has issued Notice of Acquisition of the piece of land along 36 Tuas West Road, Singapore 638384. The leasehold factories located at 36 Tuas West Road, Singapore 638384 with a gross floor area of approximately 5,017 square metres, has been reclassified from investment property to non-current asset, held-for-sale on the statements of financial position, which amounted to S$5,075,000 are mortgaged to secure bank loans (Note 30). The transaction was completed in April 2013.

27. Share capital

	Group		Company	
	No. of shares		No. of shares	
	'000	S$'000	'000	S$'000
Issued and fully paid, with no par value				
At 1 April 2012	246,742	42,037	246,742	71,565
Issued for warrants [(1)]	1	* –	1	* –
At 31 March 2013	246,743	42,037	246,743	71,565
Issued for warrants [(2)]	5,501	1,651	5,501	1,651
At 31 March 2014	252,244	43,688	252,244	73,216

* Denotes amount less than S$1,000

The equity structure (number and types of equity issued) at the end of the financial year represents that of the Company, being the legal parent. However, for the purpose of reverse acquisition, the amount of the share capital of the Group represents that of the Acquired Group (legal subsidiary) before the reverse acquisition.

(1) Issue of 874 consideration shares at S$0.30 per share. All issued ordinary shares are fully paid.

(2) Issue of 5,500,784 consideration shares at S$0.30 per share. All issued ordinary shares are fully paid.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Chasen Performance Share Plan (The "Plan")

Under the Plan, eligible participants are conferred rights by the Company on shares to be issued or transferred ("Awards"). The Plan contemplates the award of fully paid shares free of charge when and after pre-determined performance or service conditions are accomplished and/or due recognition is given to any good work performance and/or any significant contribution to the Company.

The rationale of the Plan is to provide an opportunity for the Directors and full-time employees of the Group to participate in the equity of the Company so as to align their interest with that of the shareholders. It would also give recognition to employees of the Group who have contributed to its success and to motivate them to greater dedication, loyalty and higher standard of performance. The participants are not required to pay for the grant of Awards or for the shares allocated pursuant to an Award.

27. Share capital (Continued)

Chasen Performance Share Plan (The "Plan") (Continued)

From the commencement of the Plan to 31 March 2014, awards comprising an aggregate of 5,314,562 shares have been granted.

As at 31 March 2014, details of performance shares awarded under the Plan are set out as below:-

Date of grant	Share Awards granted since commencement of Plan to end of financial year under review	Share Awards vested since commencement of Plan to end of financial year under review	Share Awards cancelled since commencement of Plan to end of financial year under review	Share Awards outstanding as at end of financial year under review
23 August 2007	476,000	(476,000)	Nil	Nil
1 September 2008	970,000	(864,500)	(105,500)	Nil
27 July 2009	189,000	(189,000)	Nil	Nil
22 February 2010	1,346,912	(1,307,282)	(39,630)	Nil
31 March 2011	1,069,200	(378,160)	(132,020)	559,020
30 March 2012	1,263,450	Nil	(18,550)	1,244,900

The Group and the Company recognized total expenses of S$139,000 (2013: S$200,000) and S$139,000 (2013: S$28,000) respectively related to the transactions for this Plan during the financial year.

28. Treasury shares

	Group and Company			
	2014		2013	
	No. of shares '000	S$'000	No. of shares '000	S$'000
At beginning of financial year	33	7	154	32
Repurchased during the financial year	794	139	31	7
Transferred during the financial year	–	–	(152)	(32)
At end of financial year	827	146	33	7

Treasury shares relate to ordinary shares of the Company that is held by the Company.

During the financial year ended 31 March 2014, the Company has released Nil (2013: 152,070) shares pursuant to the vesting of Nil (2013: 152,070) out of the 5,314,562 (2013: 5,314,562) performance shares awarded by transferring of treasury shares to the eligible participants.

28. Treasury shares (Continued)

During the financial year ended 31 March 2014, the Company acquired 794,000 (2013: 31,000) of its own shares through purchase on the SGX-ST during the financial year. The total amount paid to acquire the share was S$139,000 (2013: S$7,000) and this was presented as a component within shareholders' equity.

29. Other reserves

Capital reserve

	Group	
	2014	**2013**
	S$'000	**S$'000**
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (i)	69	69
Liten Logistics Services Pte Ltd (ii)	1,298	–
Global Technology Synergy Pte Ltd (ii)	72	–
Amber Digital Solutions (Beijing) Pte Ltd (iii)	409	–
	1,848	69

(i) Represents a contingent payment to the former owner of the acquired subsidiary.
(ii) Represents net gain on fair value changes arising from the net assets of subsidiaries acquired.
(iii) Represents fair value of consideration injected in an associate (Note 14).

Warrants reserve

	Group and Company	
	2014	**2013**
	S$'000	**S$'000**
At beginning of financial year	–	–
Issuance of warrants (net of issue expenses)	866	–
At end of financial year	866	–

On 21 March 2014, the Company issued 100,566,756 warrants, pursuant to Chasen Warrants Issue, at an issue price of S$0.01 for each warrant, each warrant carrying the right to subscribe for one new ordinary share at the exercise price of S$0.12 during the period commencing on and including the date of issue of the warrants and expiring on the date immediately preceding the third (3rd) anniversary of such date of issue.

During the financial year ended 31 March 2014, no warrants have been exercised.

Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

29. Other reserves (Continued)

Performance share plan reserve

Performance share plan reserve represents the conferred rights by the Company on shares to be issued or transferred ("Awards") to the employees whom are not required to pay for the grant of Awards or for the shares allocated pursuant to an Award. Refer to Note 27 to the financial statements.

Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

30. Bank overdrafts and loans

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Bank overdrafts	766	1,425	–	–
Bank loans	20,691	16,621	1,000	1,000
	21,457	18,046	1,000	1,000

Bank loans are repayable over a period of 1 month to 15 years, as follows:-

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Within one year	17,152	15,206	1,000	1,000
After one year but within five years	3,407	1,263	–	–
After five years	132	152	–	–
	20,691	16,621	1,000	1,000

The effective interest rates per annum were as follows:-

	Group		Company	
	2014	2013	2014	2013
Bank overdrafts	4.25% to 8.35%	5.00% to 6.20%	–	–
Bank loans	1.68% to 8.50%	1.68% to 10.88%	3.11% to 3.24%	1.73% to 3.11%

30. Bank overdrafts and loans (Continued)

The banking facilities are secured by the following:-

(a) legal mortgage of the Group's investment property and leasehold buildings;
(b) corporate guarantee by the Company and its subsidiary, Chasen Logistics Services Limited;
(c) pledge of fixed deposits amounting to about S$5,012,000 (2013: S$1,375,000) (Note 25);
(d) personal guarantee from certain directors of the Group; and
(e) assignment of contract proceeds from specific projects undertaken by a subsidiary.

The carrying amounts of the Group's and Company's bank overdrafts and loans approximate their fair values.

The currency profiles of the Group's and Company's bank overdrafts and loans as at 31 March are as follows:-

	Group		Company	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Singapore dollars	15,894	12,802	1,000	1,000
Chinese Renminbi	3,848	3,356	–	–
Malaysia Ringgit	667	24	–	–
United States dollars	1,048	1,864	–	–
	21,457	18,046	1,000	1,000

31. Finance lease payables

The Group has finance leases for certain transportation equipment and tools and equipment. These leases do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:-

	Group			
	2014 S$'000		2013 S$'000	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	2,016	1,865	2,135	1,936
After one year but within five years	2,051	1,905	2,543	2,384
After five years	8	7	40	36
Total minimum lease payments	4,075	3,777	4,718	4,356
Less: Future finance charges	(298)	–	(362)	–
Present value of minimum lease payments	3,777	3,777	4,356	4,356

31. Finance lease payables (Continued)

The finance lease terms range from 2 to 10 years.

The effective interest rates charged during the financial year range from 1.30 % to 7.57 % (2013: 1.88 % to 7.57 %) per annum. Interest rates are fixed at the contract dates, and thus expose the Group to fair value interest rate risk (Note 41). As at the end of the financial year, the fair values of the Group's finance lease obligations approximate their carrying amounts.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's finance lease payables are secured by the lessors' title to the leased assets, which will revert to the lessors in the event of default by the Group.

The currency profiles of the Group's finance lease payables as at 31 March are as follows:-

	Group	
	2014	2013
	S$'000	S$'000
Singapore dollars	2,188	3,106
Chinese Renminbi	326	–
Malaysian Ringgit	1,002	810
United States dollars	261	440
	3,777	4,356

32. Deferred tax liabilities

The movements for the financial year in deferred tax position are as follows:-

	Group	
	2014	2013
	S$'000	S$'000
At beginning of financial year	1,386	1,533
Charged to profit or loss	(484)	(157)
(Over)/Under-provision in prior financial years	(60)	15
Exchange translation differences	39	(5)
At end of financial year	881	1,386

Principally arises as a result of excess of carrying amount over tax written down value of property, plant and equipment.

33. Trade payables

	Group	
	2014	2013
	S$'000	S$'000
Third parties	13,000	9,289

Trade payables are non-interest bearing and the average credit period on purchases of goods is 30 (2013: 30) days according to the terms agreed with the suppliers.

The currency profiles of the Group's trade payables as at 31 March are as follows:-

	Group	
	2014	2013
	S$'000	S$'000
Singapore dollars	6,654	5,756
Chinese Renminbi	5,031	2,142
Malaysian Ringgit	1,170	1,261
Thai Baht	14	–
United States dollars	69	130
Vietnamese Dong	62	–
	13,000	9,289

34. Other payables and accruals

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Amounts due to directors	363	192	100	–
Deposits received	187	513	–	–
Accruals	3,785	3,839	577	590
Other payables	1,928	5,024	152	39
	6,263	9,568	829	629

Amounts due to directors are unsecured, interest-free, and are repayable on demand.

Accruals mainly consist of accrued operating expenses. Other payables consist of insignificant items individually.

An amount of S$650,000 included in accruals of the Group being the provision for contract costs as at 31 March 2012, which has been fully written back in the prior financial year and recorded under "Other operating income".

34. Other payables and accruals (Continued)

The currency profiles of the Group's and Company's other payables and accruals as at 31 March are as follows:-

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Singapore dollars	4,321	8,062	829	629
Chinese Renminbi	903	1,043	–	–
Malaysian Ringgit	838	352	–	–
Vietnamese Dong	201	–	–	–
United States dollars	–	111	–	–
	6,263	9,568	829	629

35. Operating lease commitments

The Group as lessee

At the end of the reporting date, the Group has commitments for future minimum lease payments under non-cancellable operating leases in respect of the leasehold buildings, warehouses and office equipment as follows:-

	Group	
	2014	2013
	S$'000	S$'000
Future minimum lease payments payable:-		
Within one year	4,567	4,341
After one year but within five years	8,401	12,805
After five years	3,841	2,650
	16,809	19,796

The leases have its tenure from 6 months to 40 years, with an option to renew the lease for another 1 to 25 years subject to certain conditions being met. Lease payments are increased upon renewal to reflect market rentals. There are no restrictions placed upon the Company by entering into these leases. The lease expenditure charged to profit or loss during the financial year is disclosed in Note 7 to the financial statements.

35. Operating lease commitments (Continued)

The Group as lessor

The Group has entered into commercial property leases on its investment property and warehouses. These non-cancellable leases have remaining lease terms from 1 to 3 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

At the end of the financial year, future minimum rental receivables under non-cancellable operating leases are as follows:-

	Group	
	2014	**2013**
	S$'000	**S$'000**
Future minimum lease payments receivable:-		
Within one year	1,052	1,607
After one year but within five years	560	456
	1,612	2,063

36. Capital commitments

	Group	
	2014	**2013**
	S$'000	**S$'000**
Capital commitments contracted but not provided for:-		
Plant and equipment	297	402

37. Contingencies

Financial guarantees

As at 31 March 2014, the Company has given corporate guarantees up to S$59,609,000 (2013: S$57,674,000) to certain banks and financial institutions for credit facilities granted to the subsidiaries, mainly for the subsidiaries which have projects in China and required project financing. The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the fair value of the guarantees to the banks and financial institutions with regard to the subsidiaries is not significant. The subsidiaries for which the guarantees were provided are also in favourable equity positions and are profitable.

As the end of the financial year, the Company had also given undertakings to certain subsidiaries (Note 13) to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

38. Significant related party transactions

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Company entered into the following transactions with related parties:-

	Company	
	2014	2013
	S$'000	S$'000
Subsidiaries		
Fund transferred to subsidiaries	1,692	22

Key management personnel remuneration

	Group	
	2014	2013
	S$'000	S$'000
Salaries and bonuses	1,670	1,492
Employers' contribution defined contribution plan	97	93
Share-based payments	–	21
Profit sharing	–	335
Other allowances	70	86
	1,837	2,027
Comprise amounts paid to:		
Directors of the Company	614	767
Other key management personnel	1,223	1,260
	1,837	2,027
Directors' fees		
Directors of the Company	374	400

The key management personnel comprise directors and senior management of the Company and its subsidiaries such as Chief Financial Officer, General Managers and others, and their compensation is disclosed as above.

39. Segment information

The Group is organized into business units based on their products and services, and has three reportable segments as follows:-

A. Relocation services – being the provision of machinery and equipment moving services through projects or maintenance contracts;

B. Third Party Logistics services – being the provision of packing services and the supply of packaging and crating materials, the provision of warehousing of customers' new or replaced machinery and equipment in our premises or open yard prior to installation in the customers' premises or shipping out of the country and land transportation services using specialized conveyance vehicles and material handling equipment; and

C. Technical & Engineering services – being the provision of turnkey facilities and engineering solutions, repair and maintenance services to customers in the high tech electronic industries, construction projects of customers in the marine, property development, oil and gas industries and contract manufacturing services in the electronic, telecommunications and other high technology industries.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The Group's reportable segments are strategic business units that are organized based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

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 differently from operating profit or loss in the consolidated financial statements. Group financing (including finance expenses) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment revenue and expense are the operating revenue and expense reported in the Group's consolidated statement of comprehensive income that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets consist principally of property, plant and equipment and trade receivables that are directly attributable to a segment.

Unallocated items comprise property, plant and equipment, other receivables, deposits and prepayments, fixed deposits, cash and cash equivalents, bank loans and overdrafts, trade payables, other payables and accruals, deferred tax liabilities, income tax payable, finance lease payables, other operating income and expenses.

39. Segment information (Continued)

Analysis by business segment

	Relocation Services		Thirty Party Logistics Services		Technical & Engineering Services		Total	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Revenue:								
External sales	33,319	17,810	28,152	21,403	40,008	40,204	101,479	79,417
Results:								
Gross profit	11,190	4,664	5,731	5,687	5,535	5,958	22,456	16,309
Unallocated other operating income							2,215	2,951
Unallocated expenses							(12,544)	(12,745)
Allowance for doubtful receivables, net							(1,230)	(2,857)
Bad debts written off							(612)	(5,804)
Interest income							75	198
Interest expense							(886)	(991)
Depreciation and amortization							(5,826)	(5,038)
Fair value gains on investment property							–	1,020
Profit/(Loss) before income tax							3,648	(6,957)
Segment assets:								
Trade receivables	11,942	7,494	10,091	9,006	13,564	14,965	35,597	31,465
Property, plant and equipment	10,994	7,190	6,192	3,210	6,638	7,111	23,824	17,511
Non-current asset, held-for-sale							–	5,075
Unallocated assets							47,821	42,797
Total assets							107,242	96,848
Segment liabilities:								
Trade payables	1,753	946	1,228	865	10,019	7,478	13,000	9,289
Bank loans	10,100	7,662	4,908	4,875	4,683	3,084	19,691	15,621
Unallocated liabilities							13,088	17,826
Total liabilities							45,779	42,736
Other material non-cash items:								
Depreciation and amortization	2,955	2,366	782	491	1,982	1,923	5,719	4,780
Unallocated depreciation and amortization							107	258
							5,826	5,038
Capital expenditure	4,155	336	1,971	1,352	1,579	1,447	7,705	3,135

39. Segment information (Continued)

Analysis by geographical segment

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:-

	Revenue		Segment assets		Capital expenditure	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Singapore	60,503	56,632	63,968	64,048	2,951	2,489
People's Republic of China	25,513	11,415	32,344	25,757	3,672	95
Malaysia and Vietnam	15,463	11,370	10,930	7,043	1,082	551
	101,479	79,417	107,242	96,848	7,705	3,135

<u>Information about a major customer</u>
Revenue from one major customer amounted to S$6,615,856 (2013: S$8,740,124) arising from sales in the Relocation Services segment (2013: Technical & Engineering Services segment).

40. Fair value of assets and liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, non-current and current bank loans (secured) at floating rate (Note 30), non-current and current finance lease payables at prevailing market rate (Note 31), approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of applicable financial assets and financial liabilities are determined as follows:-

(a) the fair values of financial assets and financial liabilities with standard terms and conditions and which trade in active liquid markets that the Group can access at the measurement date markets are determined with reference to quoted market prices (unadjusted) (Level 1 of fair value hierarchy);

(b) in the absence of quoted market prices, the fair values of the other financial assets and financial liabilities (excluding derivative instruments) are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets/liabilities in non-active markets or inputs other than quoted prices that are observable for the asset or liability (Level 2 of fair value hierarchy);

(c) in the absence of observable inputs, the fair values of the remaining financial assets and financial liabilities (excluding derivatives instruments) are determined in accordance with generally accepted pricing models (Level 3 of fair value hierarchy); and

(d) the fair value of derivative instruments are calculated using quoted prices (Level 1 of fair value hierarchy). Where such prices are unavailable, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives (Level 3 of fair hierarchy).

40. Fair value of assets and liabilities (Continued)

Fair value measurements that use inputs of different hierarchy levels are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group holds its financial assets carried at fair value or at valuation (Level 1) as follows:-

	Group	
	2014	2013
	S$'000	S$'000
Financial assets:		
Available-for-sale financial assets (Note 19)	1,055	632

Valuation policies and techniques

At least on an annual basis, the Group evaluates all significant changes in fair value measurements for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources, if necessary and appropriate.

The analysis and results of the external valuations and then reported to the Audit Committee on a quarterly basis who then performs a high-level independent review of the valuation process and results and recommends if any revisions need to be made before presenting the results to the Board of Directors for approval.

During the financial year, there is no change in the valuation technique of the various classes of financial instruments.

41. Financial instruments and financial risks

The Group's activities expose it to credit risks, market risks (including foreign currency risks, interest rate risks and equity price risks) and liquidity risks. The Group's overall risk management strategy seeks to minimize adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

41. Financial instruments and financial risks (Continued)

Credit risks

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and generally do not require a collateral. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group's and Company's major classes of financial assets are bank deposits and trade and other receivables.

Bank deposits are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies. Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good collection track record with the Group.

The age analysis of trade receivables past due but not impaired is as follows:-

	Group	
		(Restated)
	2014	2013
	S$'000	S$'000
Not past due	14,285	11,881
Past due 0 – 30 days	8,409	3,689
Past due 31 – 60 days	3,201	4,202
Past due 61 – 90 days	1,946	1,387
Past due more than 90 days	7,756	10,306
Total	35,597	31,465

The movements in the allowance for impairment in respect of trade receivables during the financial year are disclosed in Note 22 to the financial statements.

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Based on past experience, except for certain trade receivables balances that impaired, the Group believes that no impairment allowance is necessary in respect of the remaining trade receivables due to the good payment track record of its customers.

41. Financial instruments and financial risks (Continued)

Credit risks (Continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:-

	Group	
		(Restated)
	2014	2013
	S$'000	S$'000
By country:		
Singapore	18,979	20,123
People's Republic of China	12,770	8,326
Malaysia and Vietnam	3,848	3,016
	35,597	31,465
By industry sectors:		
Relocation services	12,095	7,494
Third Party Logistics services	10,091	9,006
Technical & Engineering services	13,411	14,965
	35,597	31,465

At the end of the reporting date, approximately:-

- 43% (2013: 34%) of the Group's trade receivables were due from 9 (2013: 6) major customers who are providing Technical & Engineering services located in Singapore and China.

- 54% (2013: 57%) of the Group's trade and other receivables were due from related parties while almost all of the Company's receivables were balances with related parties.

41. Financial instruments and financial risks (Continued)

Market risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risks

The Group transacts business in various foreign currencies, including, Australian dollar, Chinese Renminbi, Euro, Japanese Yen, Malaysian Ringgit, United States dollar and Vietnamese Dong, other than the respective functional currencies of the Group, and hence is exposed to foreign currency risks. The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:-

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Monetary assets				
Australian dollar	–	340	–	340
Chinese Renminbi	23,910	19,326	–	–
Euro	33	40	–	–
Japanese Yen	12	12	–	–
Malaysian Ringgit	5,975	4,459	–	–
United States dollar	3,679	2,617	24	36
Vietnamese Dong	1,125	1	–	–
Monetary liabilities				
Chinese Renminbi	10,108	6,541	–	–
Malaysian Ringgit	3,677	2,447	–	–
Thai Baht	14	–	–	–
United States dollar	1,378	2,545	–	–
Vietnamese Dong	263	–	–	–

The Company has a number of investments in foreign subsidiaries, whose net assets are exposed to foreign exchange translation risk.

41. Financial instruments and financial risks (Continued)

Market risks (Continued)

Foreign currency risks (Continued)

Foreign currency sensitivity analysis

The Group is mainly exposed to Australian dollar, Chinese Renminbi ("RMB"), Euro, Japanese Yen, Malaysian Ringgit ("MYR"), United States dollar and Vietnamese Dong ("VND").

The following table details the Group's sensitivity to a 10% change in various foreign currencies against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 10% change in the foreign currency exchange rates from the end of the financial year, with all variables held constant.

	Increase/(Decrease) in Equity	
	2014 S$'000	2013 S$'000
Group		
Strengthens/weakens against SGD		
Chinese Renminbi	2,010	1,720
Malaysian Ringgit	430	360
Vietnamese Dong	70	12

	Increase/(Decrease) in Profit or Loss	
	2014 S$'000	2013 S$'000
Group		
Strengthens/weakens against SGD		
Australian dollar	–	28
Chinese Renminbi	200	189
Japanese Yen	1	1
Malaysian Ringgit	8	6
United States dollar	435	23
Strengthens/weakens against RMB		
United States dollar	60	43
Euro	3	3
Strengthens/weakens against MYR		
Singapore dollar	57	13
United States dollar	16	7
Strengthens/weakens against VND		
United States dollar	2	–
Company		
Strengthens/weakens against SGD		
United States dollar	–	3

41. Financial instruments and financial risks (Continued)

Market risks (Continued)

<u>Interest rate risks</u>

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Group's interest rate risks relate to interest-bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings.

The Group's and Company's exposure to interest rate risks are disclosed in the Notes 24, 30 and 31 to the financial statements.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risks for both derivatives and non-derivative instruments at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 1% change in the interest rates from the end of the financial year, with all variables held constant.

	Increase/(Decrease) in Profit or Loss			
	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Bank overdrafts	6	12	–	–
Bank loans	119	119	10	10

<u>Equity price risks</u>

The Group is exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group does not actively trade in available-for-sale investments.

Further details of these equity investments can be found in Note 19 to the financial statements.

41. Financial instruments and financial risks (Continued)

Market risks (Continued)

Equity price risks (Continued)

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the financial year.

The sensitivity analysis assumes an instantaneous 10% change in the equity prices from the balance sheet date, with all variables held constant.

Group and Company	**Increase/(Decrease) in Profit or Loss / Equity**	
	2014	**2013**
	S$'000	**S$'000**
Available-for-sale financial assets	106	101

Liquidity risks

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company monitor their liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's operations are financed mainly through equity, retained profits and bank borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

The repayment terms of the finance leases, bank loans and overdrafts are disclosed in Notes 30 and 31 to these financial statements respectively.

The Group has access to credit facilities as follows:-

	Group	
	2014	**2013**
	S$'000	**S$'000**
Unutilized credit facilities		
Bank overdraft facilities	1,723	1,414
Trade facilities	33,651	34,857

41. Financial instruments and financial risks (Continued)

Liquidity risks (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group	1 year or less S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
2014				
Financial assets:				
Trade and other receivables	40,235	–	–	40,235
Cash and cash equivalents	14,747	–	–	14,747
	54,982	–	–	54,982
Financial liabilities:				
Bank overdrafts	766	–	–	766
Bank loans	17,307	3,531	154	20,992
Finance lease payables	2,016	2,051	8	4,075
Trade and other payables	19,263	–	–	19,263
	39,352	5,582	162	45,096
Total net undiscounted financial assets/(liabilities)	15,630	(5,582)	(162)	9,886
2013				
Financial assets:				
Trade and other receivables	36,532	–	–	36,532
Cash and cash equivalents	7,706	–	–	7,706
	44,238	–	–	44,238
Financial liabilities:				
Bank overdrafts	1,425	–	–	1,425
Bank loans	15,434	1,339	175	16,948
Finance lease payables	2,135	2,543	40	4,718
Trade and other payables	18,857	–	–	18,857
	37,851	3,882	215	41,948
Total net undiscounted financial assets/(liabilities)	6,387	(3,882)	(215)	2,290

41. Financial instruments and financial risks (Continued)

Liquidity risks (Continued)

Company	On demand and within 1 year	
	2014	2013
	S$'000	S$'000
Financial assets:		
Other receivables	314	1,533
Amount due from subsidiaries	30,857	28,767
Cash and cash equivalents	1,672	916
	32,843	31,216
Financial liabilities:		
Bank loans	1,000	1,000
Other payables and accruals	829	629
	1,829	1,629
Total net undiscounted financial assets	31,014	29,587

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Notes 19 and 26 to the financial statements, except for the following:-

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Loan and receivables	54,982	44,238	32,843	31,216
Financial liabilities at amortized cost	44,497	41,259	1,829	1,629

42. Capital management policies and objectives

The Group manages its capital to ensure that the Group is able to continue as a going concern and maintains an optimal capital structure so as to maximize shareholder value.

The Group's management reviews the capital structure on an annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends to shareholders, return capital to shareholders or issue new shares and share buy-backs. The Group's overall strategy remains unchanged from 31 March 2013.

The capital structure of the Group consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and retained profits as disclosed in Notes 27, 28, 29 and statements of changes in equity.

42. Capital management policies and objectives (Continued)

Management monitors capital based on a gearing ratio of less than one. The Group's and the Company's strategies, which were unchanged from 31 March 2013, are to maintain a gearing ratio of less than one.

The Group and the Company are not subject to any externally imposed capital requirements during the financial years ended 31 March 2014 and 2013.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (excluding bank overdrafts, income tax payable and deferred tax liabilities as shown in the statements of financial position), less cash and cash equivalents (net of bank overdrafts and fixed deposits pledged). Total capital is calculated as total equity as shown in the statements of financial position, plus net debt.

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Total borrowings	43,731	39,834	1,829	1,629
Less: Cash and cash equivalents	(8,969)	(4,906)	(1,672)	(916)
Net debt	34,762	34,928	157	713
Total equity	61,463	54,112	70,588	69,136
Total capital	96,225	89,040	70,745	69,849
Gearing ratio	0.36	0.39	0.01	0.01

43. Dividends

	Group and Company	
	2014	2013
	S$'000	S$'000
Declared and paid during the financial year		
Dividend on ordinary shares:		
Final exempt (one-tier) dividend for 2013: S$0.002 (2012: S$0.0060) per share	493	1,480

44. Restatements of comparative figures

Certain restatements have been made to the prior financial year's financial statements consequent to correction of errors in prior financial year by the management during the financial year ended 31 March 2014.

Prior Year Adjustment ("PYA")
The Group has charged income for the rental of equipment to a third party of approximately S$345,000 and S$391,000 in financial years ended 2010 and 2009 respectively and has recorded the corresponding receivables.

The Group received from the third party a confirmation of the aforementioned balances and the repayment terms in 2013. However, the same third party subsequently ratified that that there has been an error in the confirmation and did not agree to the payable of S$736,000.

In a review exercise initiated by management, in the absence of written and other evidence to support the validity of the rental transaction, management has adjusted the corresponding trade and other receivables and rental income accordingly as a PYA resulting in a decrease in both trade and other receivables and retained earnings of the Group for the respective financial years ended 31 March 2013 and 2012.

The following line items have been consequently amended in the statements of financial position, statements of changes in equity, and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current financial year's presentation.

Group	**Previously reported S$'000**	**After restatements S$'000**
Statements of financial position		
2013		
Trade receivables	31,774	31,465
Other receivables, deposits and prepayments (current)	14,426	13,999
Retained profits	12,810	12,405
Non-controlling interests	4,201	3,870
2012		
Trade receivables	38,245	37,936
Other receivables, deposits and prepayments (current)	9,428	9,001
Retained profits	20,293	19,888
Non-controlling interests	5,488	5,157

STATISTICS OF SHAREHOLDINGS

As at 23 June 2014

SHAREHOLDERS' INFORMATION

Class of equity securities	Number of equity securities	Voting Rights
Ordinary Shares	257,641,363*	One vote per share (excluding treasury shares)
Treasury Shares	826,502	Nil

* Excludes non-voting treasure shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 - 999	2,168	36.90	579,770	0.22
1,000 - 10,000	2,688	45.76	10,016,540	3.89
10,001 - 1,000,000	993	16.90	64,735,953	25.13
1,000,001 and above	26	0.44	182,309,100	70.76
	5,875	100.00	257,641,363	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Low Weng Fatt	50,841,708	19.73
2.	Yap Koon Bee @ Louis Yap	34,992,083	13.58
3.	Yeo Seck Cheong	15,174,165	5.89
4.	United Overseas Bank Nominees (Private) Limited	11,843,521	4.60
5.	Siah Boon Hock	10,793,401	4.19
6.	Cheong Tuck Nang (Zhang Deneng)	7,924,912	3.08
7.	Lim Chin Hock	6,434,691	2.50
8.	DBS Nominees (Private) Limited	3,636,679	1.41
9.	Hong Leong Finance Nominees Pte Ltd	3,593,680	1.39
10.	Thiam Kok Yong	3,500,000	1.36
11.	OCBC Securities Private Limited	3,417,615	1.33
12.	Maybank Kim Eng Securities Pte. Ltd.	3,299,930	1.28
13.	Lim Wui Liat	3,006,681	1.17
14.	Ng Aik Cheng	2,559,000	0.99
15.	DBS Vickers Securities (Singapore) Pte Ltd	2,507,215	0.97
16.	Maybank Nominees (Singapore) Private Limited	2,489,000	0.97
17.	UOB Kay Hian Private Limited	2,407,150	0.93
18.	Poon Wai Ling	2,218,345	0.86
19.	Phillip Securities Pte Ltd	2,024,277	0.79
20.	CIMB Securities (Singapore) Pte. Ltd.	1,590,522	0.62
	Total:	174,254,575	67.64

STATISTICS OF SHAREHOLDINGS

As at 23 June 2014

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Low Weng Fatt (1)	50,841,708	19.73	265,000	0.10
Yap Koon Bee @ Louis Yap	34,992,083	13.58	–	–
Yeo Seck Cheong	15,174,165	5.89	–	–

Notes:

Mr Low Weng Fatt is deemed to be interested in the 265,000 shares held by his spouse.

The percentage of shareholding above is computed based on the total issued and paid-up ordinary share capital of 257,641,363 Shares excluding treasury shares of 826,502.

STATISTICS OF WARRANTHOLDINGS

As at 23 June 2014

W150506 @ S$0.30 each expiring on 6 May 2015

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholding	Number of Warrantholders	%	Number of Warrants	%
1 - 999	1,090	45.40	288,196	1.10
1,000 - 10,000	1,218	50.73	2,461,815	9.38
10,001 - 1,000,000	88	3.66	5,416,644	20.63
1,000,001 and above	5	0.21	18,088,805	68.89
	2,401	100.00	26,255,460	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	Number of Warrants	%
1.	Tan Meng Wee	9,029,797	34.39
2.	Lim Chee Chong (Lin ZhiZhong)	4,734,184	18.03
3.	Cheng Wa Sing	1,935,000	7.37
4.	Eio Hock Chuar	1,297,000	4.94
5.	Tok Boon Seong	1,092,824	4.16
6.	Poh Hock Chye	640,874	2.44
7.	Lim Meng Yoke Jeffrey	342,000	1.30
8.	Frankie Mao Teng Hua	336,000	1.28
9.	Yeo Loo Eng	220,000	0.84
10.	Chew Choon Song	200,000	0.76
11.	Tan Chiat Phang	200,000	0.76
12.	Daniel Christopher Schaefer	176,000	0.67
13.	Karuppiah Palaniappan	167,500	0.64
14.	United Overseas Bank Nominees (Private) Limited	165,198	0.63
15.	Tng Kay Lim	133,500	0.51
16.	UOB Kay Hian Private Limited	109,749	0.42
17.	Chow Ping Siew	100,875	0.38
18.	Nee Yeh Ching Andrew	100,500	0.38
19.	Chow ShengWei Alvin	100,000	0.38
20.	Goh Kim Chiang	95,125	0.36
	Total:	21,176,126	80.64

STATISTICS OF WARRANTHOLDINGS

As at 23 June 2014

W170320 @ S$0.12 each expiring on 20 March 2017

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholding	Number of Warrantholders	%	Number of Warrants	%
1 - 999	40	3.78	21,088	0.02
1,000 - 10,000	565	53.40	2,785,653	2.91
10,001 - 1,000,000	433	40.93	36,272,937	37.88
1,000,001 and above	20	1.89	56,687,492	59.19
	1,058	100.00	95,767,170	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	Number of Warrants	%
1.	Low Weng Fatt	10,263,883	10.72
2.	Yap Koon Bee @ Louis Yap	5,449,633	5.69
3.	Cho Kim Seng	5,250,000	5.48
4.	Chew Choy Seng	4,496,000	4.69
5.	Zhou JinShou	4,240,000	4.43
6.	Phillip Securities Pte Ltd	3,271,500	3.42
7.	Lim Chin Hock	2,573,876	2.69
8.	Tan Eng Hong	2,440,000	2.55
9.	Low Chin Yee	2,132,000	2.23
10.	Eio Hock Chuar	2,031,000	2.12
11.	Siah Boon Hock	2,000,000	2.09
12.	Tan Eng Chua Edwin	1,863,000	1.95
13.	OCBC Securities Private Limited	1,852,000	1.93
14.	UOB Kay Hian Private Limited	1,496,000	1.56
15.	Thiam Kok Yong	1,400,000	1.46
16.	Maybank Kim Eng Securities Pte. Ltd.	1,352,300	1.41
17.	Maybank Nominees (Singapore) Private Limited	1,323,000	1.38
18.	Yap Beng Geok Dorothy	1,189,300	1.24
19.	Lee Ah Hock	1,040,000	1.09
20.	Ng Aik Cheng	1,024,000	1.07
	Total:	56,687,492	59.20

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 23 June 2014, approximately 53.14% of the Company's total number of issued shares excluding treasury shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CHASEN HOLDINGS LIMITED ("the Company") will be held at Raffles Lounge (Level 2), Raffles Country Club, 450 Jalan Ahmad Ibrahim, Singapore 639932, on the 29th day of July 2014 at 11.00 a.m. for the purpose of considering and if thought fit, passing the following resolutions as Ordinary Resolutions, with or without any modifications:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company and of the Group for the financial year ended 31 March 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a one-tier tax exempt final dividend of $0.001 per share for the financial year ended 31 March 2014. (2013: $0.002 per share). **(Resolution 2)**

3. To re-elect Ng Jwee Phuan @ Frederick (Eric), a Director of the Company retiring pursuant to Article 110 of the Articles of Association of the Company.
[See Explanatory Note (iv)] **(Resolution 3)**

4. To re-elect Chew Mun Yew, a Director of the Company retiring pursuant to Article 120 of the Articles of Association of the Company.
[See Explanatory Note (v)] **(Resolution 4)**

5. To re-appoint Yap Koon Bee @ Louis Yap, a Non-Executive Director of the Company retiring under Section 153(6) of the Companies Act, Chapter 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.
[See Explanatory Note (vi)] **(Resolution 5)**

6. To approve the payment of Directors' fees of $400,000 for the financial year ended 31 March 2014 (2013: $350,000). **(Resolution 6)**

7. To re-appoint Messrs Mazars LLP as the Auditors of the Company and to authorize the Directors of the Company to fix their remuneration. **(Resolution 7)**

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

9. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

   (a) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

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

(the "**Share Issue Mandate**")

Provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the number of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

   (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

   (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and

   (c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST 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

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) 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 or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (vii)] **(Resolution 8)**

10. **Renewal of Share Buyback Mandate**

That:-

(a) for the purposes of the Companies Act, Cap. 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

   (i) on-market purchases, transacted on the SGX-ST or through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Rules ("**Off-Market Purchase**").

(the "**Share Buyback Mandate**")

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(ii) the date on which the next AGM is held or required by law to be held;

(ii) the date on which the share buybacks are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked;

(c) In this Resolution:

"**Prescribed Limit**" means 10% of the total number of ordinary shares in the Company (excluding any treasury shares) as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(ii) in the case of a Market Purchase : 105% of the Average Closing Price;

(ii) in the case of an Off-Market Purchase : 120% of the Highest Last Dealt Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) The Directors of the Company be and are hereby authorized to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (viii)] **(Resolution 9)**

11. That the proposed grant to Low Weng Fatt, an Executive Director and a Controlling Shareholder (as defined in the SGX-ST Listing Manual), of an award up to a maximum of 200,000 shares for the year ending 31 March 2015, in the share capital of the Company, in accordance with the Chasen Performance Share Plan (“Plan”) be and is hereby approved.

    [see Explanatory Notes (iii), (ix), (xii) and (xiii)] **(Resolution 10)**

12. That the proposed grant to Yap Koon Bee @ Louis Yap, a Non-Executive Director and a Controlling Shareholder (as defined in the SGX-ST Listing Manual), of an award up to a maximum of 50,000 shares for the year ending 31 March 2015, in the share capital of the Company, in accordance with the Plan be and is hereby approved.

    [see Explanatory Notes (iii), (x), (xii) and (xiii)] **(Resolution 11)**

13. That the proposed grant to Yap Beng Geok Dorothy, an Associate of a Controlling Shareholder (as defined in the SGX-ST Listing Manual), of an award up to a maximum of 50,000 shares for the year ending 31 March 2015, in the share capital of the Company, in accordance with the Plan be and is hereby approved.

    [See Explanatory Notes (iii), (xi), (xii) and (xiii)] **(Resolution 12)**

By Order of the Board

CHEW KOK LIANG
Company Secretary
Singapore, 14 July 2014

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 18 Jalan Besut, Singapore 619571, not less than 48 hours before the time appointed for holding of the Annual General Meeting.
3. The proxy form must be signed by the appointor or his attorney duly authorized in writing.
4. In case of joint shareholders, all holders must sign the proxy form.

Explanatory Notes:

(i) The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in Resolutions 10, 11 and 12 of this Notice of AGM.

(ii) The Directors collectively and individually accept full responsibility for the accuracy of the information given in Resolutions 10, 11 and 12 of this Notice of AGM and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, Resolutions 10, 11 and 12 in this Notice of AGM constitutes full and true disclosure of all material facts about matters pursuant to the proposed grants, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in Resolutions 10, 11 and 12 misleading. Where information in Resolutions 10, 11 and 12 have been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Notice of AGM in its proper form and context.

(iii) All Directors are interested in the Plan by virtue of their eligibility to participate in the Plan. They have accordingly abstained from making any recommendation on Ordinary Resolutions 10, 11 and 12 for the proposed grants.

Each Director and their associates shall also decline to accept appointment as proxies for any Shareholder to vote in respect of Ordinary Resolutions 10, 11 and 12 unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which the votes are to be casted in respect of the said Ordinary Resolutions 10, 11 and 12.

(iv) The effect of Resolution 3 is to re-elect Mr Ng Jwee Phuan @ Frederick (Eric) as a Director of the Company. Mr Ng Jwee Phuan @ Frederick (Eric) will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and member of the Remuneration and Nominating Committees and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(v) The effect of Resolution 4 is to re-elect Mr Chew Mun Yew as a Director of the Company. Mr Chew Mun Yew will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and member of the Remuneration and Audit Committees and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

(vi) The effect of Resolution 5 is to re-appoint a Director of the Company who is over 70 years of age. Mr Yap Koon Bee @ Louis Yap will, upon re-appointment as a Non-Executive Director of the Company, remain as a member of the Audit and Remuneration Committees and will be considered non-independent.

(vii) Resolution 8, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

(viii) Resolution 9, if passed, will empower the Directors of the Company from the date of the above Meeting until the earliest of (i) the date on which the next AGM of the Company or the date by which the next AGM of the Company is held or required by law to be held; (ii) the date on which the share buybacks are carried out to the full extent mandated, or (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in general meeting, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company as at the date of the AGM at which this Ordinary Resolution is passed. The rationale for, the authority and limitation on, the sources of the funds to be used for the purchase or acquisition, including the amount of financing and financial effects of the purchase or acquisition of the ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 March 2013 are set out in greater detail in the Letter to Shareholders dated 14 July 2014 attached to this Annual Report.

(ix) Resolution 10, if passed, will empower the Directors to grant to Mr Low Weng Fatt, who is an Executive Director and a Controlling Shareholder (as defined in the Listing Manual of the SGX-ST), an award up to a maximum of 200,000 shares in the share capital of the Company. Mr Low Weng Fatt is the Managing Director and CEO of the Company and is responsible for the overall management and strategic growth direction of the Group.

Mr Low took over the helm of the Company's subsidiary, Chasen Logistics Services Limited, in 2001. He has been with the Company since 1996 when it operated as a partnership and has played a pivotal role in steering the growth of Company since he became its Managing Director. He has ably led the Group with his extensive experience in the logistics industry by exploiting its first mover advantage in meeting the growing specialist relocation needs of manufacturers and other businesses which use sophisticated and expensive machines and equipment in their operations locally and in this region and building up a good track record and reputation for the Group.

He has in-depth knowledge of the needs of the business as it evolved over the years. His ability to anticipate business trend and demand has enabled the Group to offer the right type of skills, equipment and value added services to meet the total relocation needs of customers. The development of this comprehensive range of services to meet the customers' relocation logistics needs also enabled the Group to replicate our services capabilities overseas in particular the People's Republic of China, Vietnam and Malaysia.

Since the Company was listed on SGX in February 2007, Mr Low continues to play an instrumental role in charting the Group's business development, growth and expansion into the region. The Directors are of the view that the remuneration package of Mr Low which includes awards under the Plan, is fair given his contributions to the Group. The extension of the Plan to Mr Low is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr Low already has a shareholding interest in the Company, the extension of the Plan to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long term commitment to the Group.

During the year in review Mr Low successfully implemented the strategy to extend the scope of the Group's capability and to diversify its revenue base to other high growth industries such as solar energy, marine and construction in Singapore. He identified the new businesses and led in the negotiation to acquire them.

The participation of Mr Low Weng Fatt under the Plan has been approved by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. This resolution seeks for the above-stated reasons, shareholders' approval for the Directors decision to grant an award up to a maximum of 200,000 shares to Mr Low Weng Fatt in accordance with the Plan.

Assuming the proposed grant of awards to Mr Low Weng Fatt is approved, he would have received 840,000 shares since the commencement of the Plan, amounting to 2.2%, being less than 10% of the shares available under the Plan.

(x) Resolution 11, if passed, will empower the Directors to grant to Mr Yap Koon Bee @ Louis Yap, who is a Non-Executive Director and a Controlling Shareholder, an award up to a maximum of 50,000 shares in the share capital of the Company.

Mr Yap Koon Bee @ Louis Yap is a Non-Executive Director of our Company and has been a Director of the Company's subsidiary, Chasen Logistics Services Limited since its incorporation in 1999.

Mr Yap is the founder of the Company, which started its business in 1995 as a partnership to supply labour for the stuffing and unstuffing of containers, packing and warehousing. He managed the Chasen Logistics Services Limited's business until 2001 when he retired from the day-to-day management. Although he is a Non-Executive Director, Mr Yap possesses substantial experience in the business of labour supply as well as transport and warehousing as he has been in this line since the 1960s. Mr Yap still maintains an advisory role in the Company and the Company is of the view that he will be able to provide business networks and market contacts to the Company and its subsidiaries which will be invaluable in assisting the Company in its objective of achieving a higher level of performance.

The extension of the Plan to Mr Yap is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr Yap already has a shareholding interest in the Company, the extension of the Plan to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his continued commitment to the Group.

The participation of Mr Yap Koon Bee @ Louis Yap under the Plan has been approved by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. For the above-stated reasons, the Directors propose to grant an award up to a maximum of 50,000 shares, as the case may be, to Mr Yap Koon Bee @ Louis Yap in accordance with the Plan.

Assuming the proposed grant of awards to Mr Yap Koon Bee @ Louis Yap is approved, he would have received 210,000 shares since the commencement of the Plan, amounting to 0.6%, being less than 10% of the shares available under the Plan.

(xi) Resolution 12 above, if passed, will empower the Directors to grant to Ms Yap Beng Geok Dorothy, who is an Associate of a Controlling Shareholder, an award up to a maximum of 50,000 shares in the share capital of the Company.

Ms Yap Beng Geok Dorothy is the daughter of our Non-Executive Director and Controlling Shareholder of the Company, Mr Yap Koon Bee @ Louis Yap. Ms Yap is the Group General Administration Manager and is responsible for the day-to-day administrative workflow at the Company, human resource policy and other general administrative matters of the Group, including coordinating with professional service providers in corporate activities of the Company as a public listed company.

Having been with the Group since 1995, Ms Yap has acquired in-depth knowledge of many aspects of the Group's business, including its operation and administration.

The Directors are of the view that the remuneration package of Ms Yap which includes awards under the Plan is fair given her contributions to the Group. The extension of the Plan to Ms Yap is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. As the Plan serves as a recognition of the past contributions of those eligible to participate in the Plan, as well as to secure future contributions for the Company and the Group from them, the Directors consider it important that Ms Yap should not be excluded from the Plan on account of her being an associate of a substantial shareholder. The Directors consider it crucial that the Company compensates its employees on the merit of their work performance regardless of their relationship with shareholders.

The participation of Ms Yap Beng Geok Dorothy under the Plan has been approved by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. For the above-stated reasons, the Directors propose to grant an award up to a maximum of 50,000 shares, to Ms Yap Beng Geok Dorothy in accordance with the Plan.

Assuming the proposed grant of awards to Ms Yap Beng Geok Dorothy is approved, she would have received 210,000 shares since the commencement of the Plan, amounting to 0.6%, being less than 10% of the shares available under the Plan.

(xii) Low Weng Fatt, Yap Koon Bee @ Louis Yap and Yap Beng Geok Dorothy and their Associates shall abstain from voting on Ordinary Resolutions 10, 11 and 12 to be proposed at the AGM, and shall decline appointment as proxies for any Shareholder to vote in respect of each of the said Ordinary Resolutions 10, 11 and 12 unless specific instructions have been given in the proxy instrument by the independent Shareholders appointing them on how they wish their votes to be cast for each of the Ordinary Resolutions.

(xiii) Resolution 10,11 and 12 above, if passed, will empower the Directors to grant awards pursuant to the Plan adopted by shareholders in the Extraordinary General Meeting held on 16 May 2007, provided that Rule 845 of the Listing Manual is complied with. The relevant information of the Plan had been disclosed in pages 11 and 15 of the Circular dated 23 April 2007.

The aggregate number of the Company's shares available under the Plan is 38,099,754, which is 15% of the total issued share capital of the Company of 253,998,363 (excluding 826,502 treasury shares). Assuming the proposed grant of awards is approved and all issued and outstanding awards are released as at the date of the AGM, the aggregate number of awards convertible into shares will be 5,614,562, being 2.2%, which is less than 15% of the total issued number of shares.

Assuming the proposed grant of awards is approved and all awards granted to Mr Low, Mr Yap and Ms Yap are released, they would have received 1,260,000 shares since the commencement of the Plan, being 3.3%, which is less than 9,524,938, being 25% of the shares available under Plan.

The options and awards are only granted to Directors and all confirmed full-time managers and those listed above them in the organisation charts of the Group, who are not less than 21 years old.

The relevant information of Plan had been disclosed in pages 15 and 16 of the Circular dated 23 April 2007 which had been approved and adopted by shareholders in the EGM held on 16 May 2007.

Please note that transport arrangement from Lakeside MRT station (taxi stand) to the AGM venue is available upon request. Kindly contact the Company at Tel: 62665978 for the necessary arrangement.

BRIEF INFORMATION ON THE CHASEN PERFORMANCE SHARE PLAN

The Plan contemplates the award of fully paid shares, free of any payment by the awardee, when and after predetermined performance or service-conditions are accomplished and/or due recognition has been given to any good work performance and/or contribution to the Company.

The aggregate number of new Shares over which the Committee may grant awards on any date, when added to the number of new Shares issued and issuable in respect of all Shares granted under this Plan and any other existing share schemes or share option schemes implemented or to be implemented by the Company, shall not exceed fifteen (15) per cent of the issued share capital (excluding treasury shares) of the Company on the day preceding that date ("Plan Limit").

The total number of Shares to be offered to Controlling Shareholders and their associates shall not during the entire operation of the Plan exceed 25 per cent of the Plan Limit and the total number of Shares to be offered to a Participant who is a Controlling Shareholder or his associate shall not during the entire operation of the Plan exceed 10 per cent of the Plan Limit.

The eligibility of employees to participate in the Plan and the number of Shares which are the subject of each award at each date of grant to a participant in accordance with the Plan shall be determined at the absolute discretion of the Remuneration Committee which shall take into account the performance of the participant and such other general criteria as the Remuneration Committee may consider appropriate, subject to the following limits as well as other limitations set forth under the rules of the Listing Manual of the SGX-ST and these Rules:

(a) Managing Director – up to 200,000 shares per year;

(b) Executive Directors (other than the Managing Director) – up to 150,000 shares each per year;

(c) Non-Executive Directors – up to 50,000 shares each per year;

(d) General Managers/Senior Managers – up to 100,000 shares each per year; and

(e) Managers – up to 50,000 shares each per year.

Subject to the Plan, the awards shall be released, in accordance with any conditions that the Remuneration Committee may, in its absolute discretion specify in the letter of offer granting the share awards subject to the following proportions and Vesting Periods:

(a) After the first anniversary of Date of Grant: maximum of 40% of share awards granted;

(b) After the second anniversary of Date of Grant: maximum of 70% of share awards granted; and

(c) After the third anniversary of Date of Grant: 100% of share awards granted.

The Company is unable to give an estimate cost of the grant of awards because it will be subject to computation on a global basis taking into consideration several factors, e.g. price of shares buyback.

More detailed information on the Plan can be referred to in the Circular dated 23 April 2007, a copy of which can be inspected at the registered office at 18 Jalan Besut, Singapore 619571.

CHASEN HOLDINGS LIMITED

(Company Registration No. 199906814G)
(Incorporated In the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. For investors who have used their CPF monies to buy CHASEN HOLDINGS LIMITED'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.

I/We, ______________________________

of ______________________________

being a member/members of **CHASEN HOLDINGS LIMITED** (the "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 the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Raffles Lounge (Level 2), Raffles Country Club, 450 Jalan Ahmad Ibrahim, Singapore 639932 on 29th day of July 2014 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions 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 a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1.	Directors' Report and Audited Accounts for the financial year ended 31 March 2014		
2.	Payment of proposed one-tier tax exempt final dividend of $0.001 per share for financial year ended 31 March 2014		
3.	Re-election of Ng Jwee Phuan @ Frederick (Eric) as a Director		
4.	Re-election of Chew Mun Yew as a Director		
5.	Re-appointment of Yap Koon Bee @ Louis Yap as a Director		
6.	Approval of Directors' fees for financial year ended 31 March 2014		
7.	Re-appointment of Messrs Mazars LLP as Auditors		
8.	Authority to issue additional shares pursuant to Section 161 of the Companies Act Cap. 50		
9.	Renewal of Share Buyback Mandate		
10.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Low Weng Fatt		
11.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Yap Koon Bee @ Louis Yap		
12.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Yap Beng Geok Dorothy		

Dated this ______day of _______________ 2014

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

____
Signature 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 the proportion of shareholding is not indicated, the second proxy will be deemed as alternate.

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 must be deposited at the registered office of the Company at 18 Jalan Besut, Singapore 619571 not less than 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 authorised 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 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.

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 Shares entered 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 name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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