CHASEN™

CHASEN HOLDINGS LIMITED

ANNUAL REPORT 2019

OUR VISION

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

OUR MISSION

To develop the capability and synergize the performance of our business units in achieving the corporate vision.

OUR SHARED VALUES

PROFIT-MINDEDNESS	Recognizing and maximizing the effective use of resources as a whole
MANAGEMENT EXCELLENCE	Art in achieving all stakeholders' needs from outside-in to inside-out to achieve a competitive advantage
TEAMWORK	To work with utmost co-operation to overcome and complete tasks promptly
INTEGRITY	Possessing strong moral values & principles, honest and upright to differentiate between right & wrong & being responsible and consistent
RESPECT	Positive feeling of esteem or deference for a person or other business unit
COMMITMENT	Responsibility of individual / business unit to put in extra efforts in completion / achievement of common goals / tasks

CONTENTS

CORPORATE PROFILE

WHAT WE DO

SPECIALIST RELOCATION

THIRD PARTY LOGISTICS

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 ("Chasen") on 17 May 2007 following the completion of the reverse takeover exercise in 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, Timor-Leste, Thailand, and USA. The Group diversified revenue sources cover industries such as wafer fabrication, TFT display panel production, semi-conductor, chip testing and assembly, solar panel assembly, consumer electronics, telecommunications, marine, ordnance and construction sectors in the following business segments:

Specialist Relocation – 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 Original Equipment Manufacturer ("OEM") specifications utilizing specialized packaging material before they are transported to their new locations. Our cross-border trucking services are capable of delivering goods from Singapore through Peninsular Malaysia into Thailand, Myanmar and across Indo-China, Vietnam and into China. Most of our warehouses are air conditioned and humidity controlled, with floor level space for heavy equipment/ machinery or racked for palletized goods storage.

Technical & Engineering Services – 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 longstanding 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.

CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to report that during the financial year ended 31 March 2019 ("FY2019") all three business segments of the Group reported improved sales through greater market reach and traction.

Our business has remained relatively unaffected by the on-going global trade tensions as the strategic initiatives being implemented by the relevant group subsidiaries have continued to bear fruit. The Group achieved our highest-ever full-year gross profit of S$32.1 million and annual revenue of S$131.9 million since our listing on the Singapore Exchange.

Our Vision is to be a leading global integrated service provider with turnkey capabilities in supporting the development of new or relocated manufacturing and service operational facilities in this region and beyond. To achieve this, the Group continues to conduct internal reviews to further develop the capability and synergise the operations of its diverse business segments.

Our Specialist Relocation business segment continues to spearhead the Group's growth, especially in China. The completion of a slew of projects in China, Malaysia and Vietnam helped drive up revenue for the business segment during the year in review. Had it not been for the delayed start of the next phase of equipment move-in for an automobile parts manufacturing plant in Nevada, U.S.A., our Specialist Relocation business would have recorded even higher revenue and profit in FY2019.

Our Third-Party Logistics ("3PL") business segment enjoyed higher sales through a wider reach of customers over a larger geographic base, as we continue to expand cross-border trucking operations throughout Southeast Asia and China. The Group strengthened our first-mover advantage by starting loose-cargo or LTL (lesser than full-load) movement across national boundaries facilitated by our new 3PL site operations in Vietnam and China, adding to the current network operating in Malaysia, Singapore and Thailand. Our cross-border land freight business continues to be held in high esteem in the region, thanks to our extensive and growing reach and proven track record on reliability for on-time door-to-door deliveries, security and safety.

The Group continues to streamline the cost structure and internal operations of our Technical & Engineering ("T&E") business segment, which has led to promising growth in revenue and gross profit contribution to the Group for the year in review. Recent improvements to the cost structure enabled the Group to secure new construction-related projects amidst a cooling construction market in Singapore. This business segment revenue and gross

CHAIRMAN'S MESSAGE

profit contribution would have been higher had it not been for the current industry transition to 5G technology. As a result, the Group's Suzhou contract manufacturing operations saw its revenue halved as the supply chain reduced inventory to avoid being caught out with product obsolescence by the new technology.

Chasen as a whole continues to leverage on our expertise and track record to strengthen our foothold in existing markets, as well as expand into new markets such as the U.S.A. and India. To that end, the Group remains committed to continuous review and follow through with its strategic initiatives in the year ahead that include:

- Providing complementary services to our relocation clients in China, such as air-conditioned & humidity control warehousing, cleanroom facilities for equipment refurbishment;
- Growing the geographical and service coverage of its 3PL cross-border land freight business; and
- Streamlining Singapore operational facilities and refining the cost structure of our T&E business segment.

Apart from challenges faced by the individual business units' operation in their respective markets, the Group remains mindful of macro-economic factors that can dampen business and investment confidence in the new fiscal year.

The Group continues to actively explore various options to enhance value for shareholders and to exit the SGX Minimum Trading Price Watchlist. Chasen has been on the MTP Watchlist since 5 June 2017 for not meeting the required minimum trading price of 20 Singapore cents for Mainboard companies. There has been more active trading of the Company's shares in the past few months in terms of daily volume of shares traded and price movements.

On behalf of the Board of Directors, I would like to thank all customers, business partners, employees and shareholders for your loyalty and trust. In particular, the Board fully appreciates the services and contribution of Mr Dennis Tan Sin Huat, who would be retiring from the Board after having served the Company as an independent director for the past nine years. We wish Mr Dennis Tan the very best.

The Board also welcomed Mr Chew Choy Seng who joined the board as an independent director on 1 October 2018. The Board is focus towards another successful year of growth in FY2020.

ERIC J P NG
Non-Executive Chairman

CEO'S OPERATIONAL REVIEW

LOW WENG FATT
Managing Director &
Chief Executive Officer

DEAR SHAREHOLDERS,

The Group recorded steady growth to its top line for FY2019 over the previous year ("FY2018"). Our three business segments, Specialist Relocation, Third Party Logistics ("3PL") and Technical & Engineering ("T&E"), each saw a comfortable increase in revenue for the year in review.

The overall strong performance once again underscores our track record on reliability and safety. It also reaffirms our expertise as a leading logistics and relocation specialist that has the knowledge, understanding and capability to meet our customers' diverse and complex needs in any market around the world.

FINANCIAL PERFORMANCE

The Group achieved its highest annual revenue of S$131.9 million since listing, due to stronger sales for our relocation services in China and Southeast Asia, cross-border land freight services between Southeast Asia and China, and technical and engineering services in Singapore and contract manufacturing in China.

Net profit attributable to shareholders declined to S$5.4 million in FY2019, 7% lower than the previous year. Had it not been for the reversal of tax provision in FY2018, the variance for net profit attributable to shareholders for FY2019 would have been lower by S$0.05 million (or 1%) as compared to a year earlier. Fully diluted earnings per share came in at 1.39 Singapore cents per share, down from 1.56 Singapore cents, in line with the lower net profit.

The Specialist Relocation business segment remains our largest contributor to our overall revenue and gross profit in FY2019. It generated S$78.0 million in revenue and S$24.1 million in gross profit, compared to S$75.1 million and S$22.3 million respectively in FY2018. The business segment saw growth due to a full order book that will keep us busy through the year ending 31 March 2020 ("FY2020"). This is in spite of a slow fourth quarter due to the Lunar New Year festive period affecting business in China, and a lack of top and bottom-line contributions from the U.S.A. as Phase 4 of the Nevada project has been delayed and expected to commence only in late 2019 or in the first half of 2020.

The 3PL business contributed S$23.5 million in revenue and S$3.7 million in gross profit in FY2019, as compared to S$22.9 million and S$3.8 million, respectively, in the previous fiscal year. The growth in revenue was driven by increased demand for our cross-border trucking services, and strengthening of our first-mover advantage by starting loose-cargo or LTL (lesser than full-load) movement across national boundaries facilitated by newly added 3PL site

CEO'S OPERATIONAL REVIEW

operations in Vietnam and China that add to the current network in Singapore, Malaysia and Thailand.

Revenue from the T&E segment rose to S$30.4 million in FY2019, up from S$29.6 million in FY2018. Gross profit grew to S$4.3 million from S$3.1 million in the previous year. The stronger performance was due to our ongoing review of the business segment's cost structure, which enabled it to secure new construction-related projects despite the sluggish Singapore construction market. However, the industry current transition to 5G technology has caused customers to reduce inventory of 4G products reducing our China contract manufacturing subsidiary's revenue by half.

SPECIALIST RELOCATION

Our economic cycle resilient Specialist Relocation business continues to secure significant projects in China for the year in review. New plants manufacturing the latest generation of TFT LCD panels for the domestic television and media market continued to be set-up or existing factories expanded.

Chasen (Chuzhou) Hi-Tech Machinery Services Pte. Ltd., our PRC relocation subsidiary, clinched a contract for move-in and warehouse management services for an 8.5th-Generation manufacturing plant in its neighbourhood. The six-month project was worth RMB51 million (S$10.2 million). It had also secured another similar project for a Korean-owned 8.5th-Generation OLED plant in Guangzhou valued at RMB50 million (S$9.9 milion). Both projects only commenced in late 2018 and is still ongoing in the new FY.

Our PRC subsidiary also won a contract to provide move-in services for the pilot line of a semi-conductor fabrication plant in Kunming in Yunnan Province. This represents the start of the Chinese government strategy to manufacture chips domestically and a much larger plant would be set-up on site should the pilot project proved to be viable. Together with a project to provide move-in services for Phase 1 of a 10.5th-Generation TFT LCD cell and module manufacturing plant in Wuhan in Hubei Province, our Specialist Relocation operations in PRC would be kept busy throughout the next financial year.

CEO'S OPERATIONAL REVIEW

Taking advantage of our market leadership position in the PRC, our Relocation operation would begin to offer complementary logistics services to our Chinese clients based on its Chuzhou facility. When fully completed the facility sitting on 100 mu or 66,700 sq meters (717,953 sq feet) land would offer air-conditioned and humidity controlled storage facility for machinery and equipment warehousing, cleanroom refurbishment facility for equipment and servicing for critical operating components such as cryo pumps of these sophisticated production machinery.

The PRC operations would be a much larger scale replication of successful similar facilities currently offered to Relocation clients by Chasen in Singapore and Malaysia.

Our Specialist Relocation business in Malaysia, Singapore and Vietnam would continue to secure a steady stream of projects within their geographical markets. With the expected resumption of work at the US plant later this financial year, this business segment is expected to still spearhead the Company's business growth in the next FY.

THIRD PARTY LOGISTICS ("3PL")

As the cross-border trucking market continues to grow, the Group has strengthened its first-mover advantage by bolstering its operations in Vietnam and China with the establishment of operating branches to capture the increasing demand. The expanding 3PL network in the region, which includes the current established operations in Singapore, Malaysia and Thailand, will continue to fortify our position as a leading 3PL service provider in Southeast Asia.

Chasen's 3PL subsidiary in Malaysia, City Zone Express Sdn Bhd, had also clinched a few sizeable cross-border with complementary warehousing contracts from two MNCs operating in the region. The scope for these contracts covers cross-border land trucking operations from China to Singapore and Malaysia to Vietnam. The complementary warehousing services are located in Singapore and Malaysia.

CEO'S OPERATIONAL REVIEW

TECHNICAL & ENGINEERING ("T&E") SERVICES

The T&E business segment has three core operations/services:

- Construction-related work including additions and alterations to existing building interiors and structures, scaffolding as well as mechanical and engineering works;
- Contract manufacturing of machine parts for the telecommunications and ordnance industries; and
- Engineering services for the electronic and semi-conductor industries.

Following poor performances in previous years, sales for the construction-related businesses picked up in FY2018 and FY2019, due to our efforts to reorganise the subsidiaries in this sector to improve synergy in operations and reduce overall operational costs. In addition, we have reviewed the cost structure, which made our services more attractive to the Singapore market.

Unfortunately, as the global telecommunication industry awaits the arrival of 5G technology, the supply chain reduced their inventory of 4G products so as not to be caught out with obsolescent goods. This affected our PRC contract manufacturer substantially as its annual revenue fell by half compared to the previous FY.

In November 2018, our wholly-owned subsidiary, Global Technology Synergy Pte. Ltd. ("GTS") had entered into a conditional Sale & Purchase Agreement with a third party to dispose an additional 37% of its equity interest in Eons Global Holdings Pte. Ltd. ("EGH"). EGH, the Group's PRC industrial water and waste water treatment operator provides management consultancy services to a Chinese

CEO'S OPERATIONAL REVIEW

industrial water provider and waste water treatment company. We consider the disposal to be in line with our strategic plan to rationalise our investments. Following this sale, GTS continue to hold 3% interest in EGH.

LOOKING AHEAD

Going forward, demand for our Specialist Relocation and 3PL services remain encouraging. We continue to pick up orders from China and Southeast Asia, despite slowing economic growth. Our healthy order book for FY2020 will keep these business segments busy for the full year ahead. The ongoing review of our T&E business cost structure will enable it to enjoy more competitive pricing and raise earnings by improving operational efficiency. Barring unforeseen circumstances, the Group is focus on growth to its revenue and bottomline in the new fiscal year.

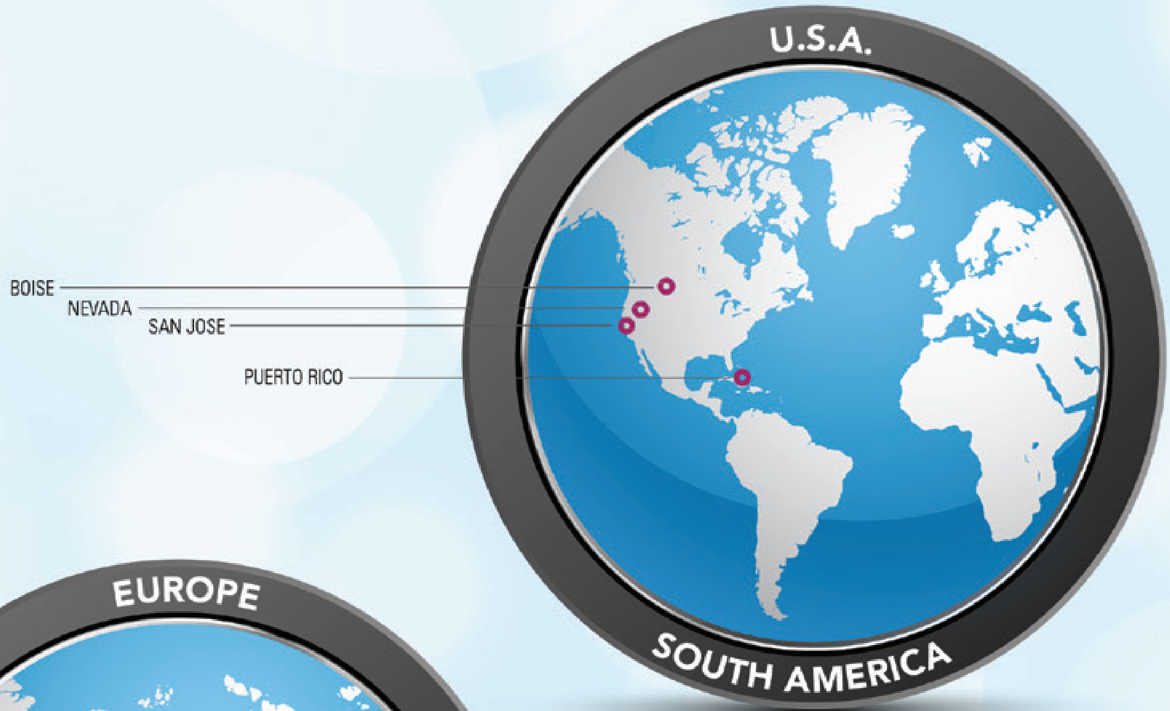
APPRECIATION

On behalf of the Group, I would like to express my gratitude to our customers, business partners and shareholders for your unwavering support. I would also like to assure shareholders that we are actively exploring options to enhance value for your shares and are fully committed to getting Chasen out of the SGX MTP Watchlist.

I would also like to convey my appreciation to my fellow board members, management staff and all employees for their continuous support and tireless efforts in making Chasen the go-to service provider for many companies and industries in markets around the world.

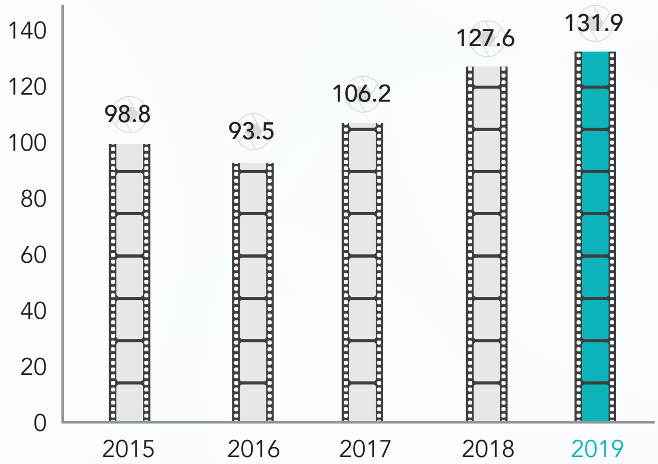
LOW WENG FATT
Managing Director & Chief Executive Officer

GEOGRAPHICAL REACH

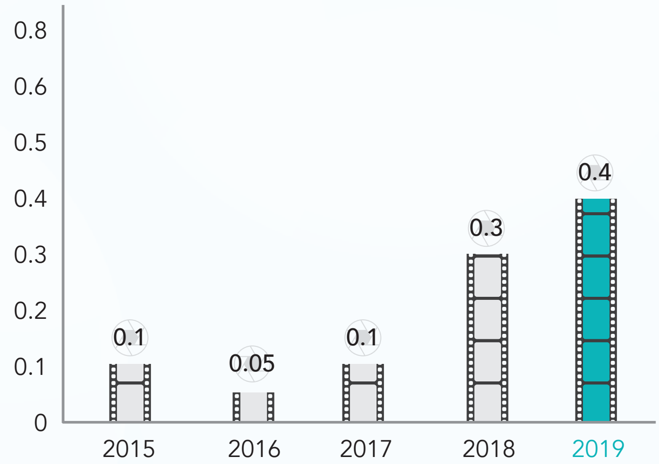


FINANCIAL HIGHLIGHTS

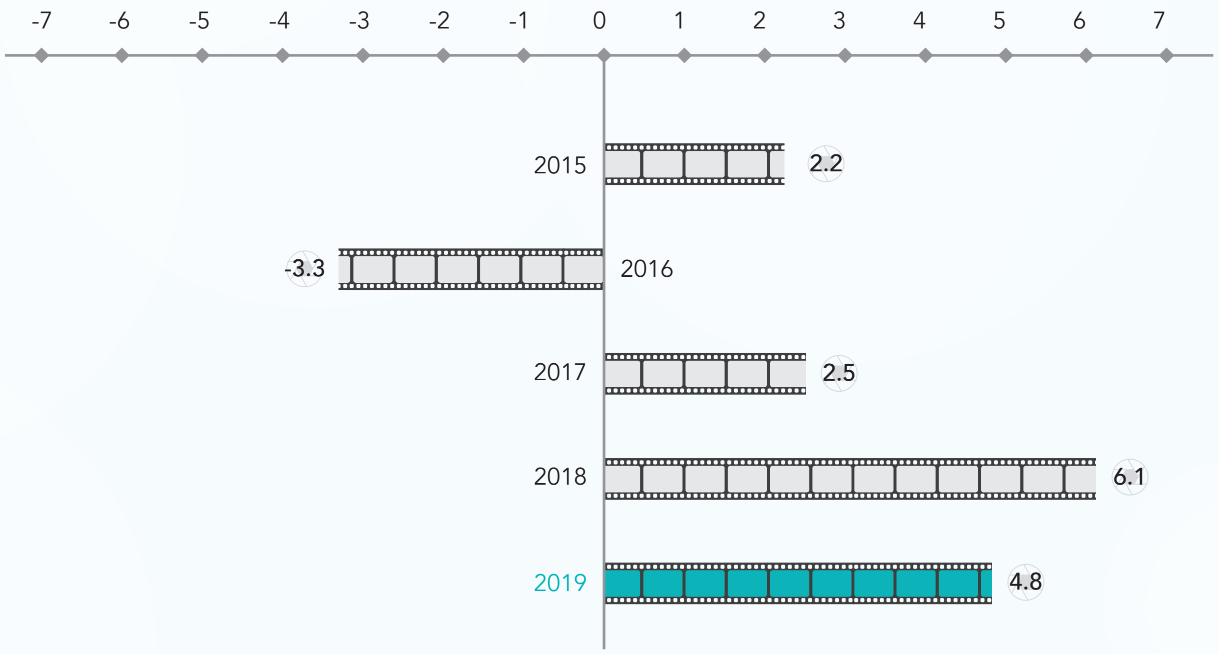
REVENUE ANALYSIS (S$'MIL)



DIVIDEND PER SHARE (CENTS)

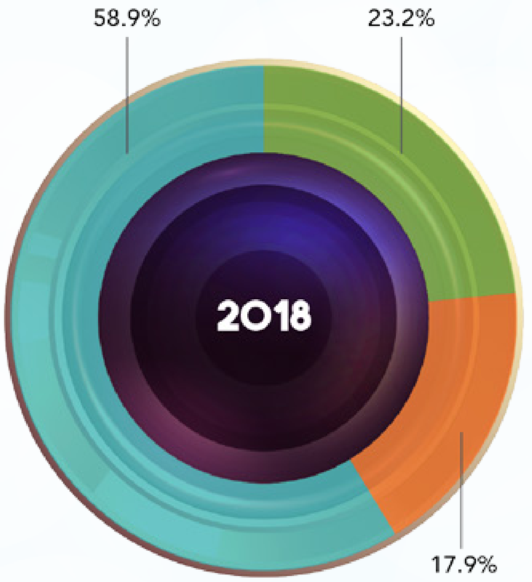


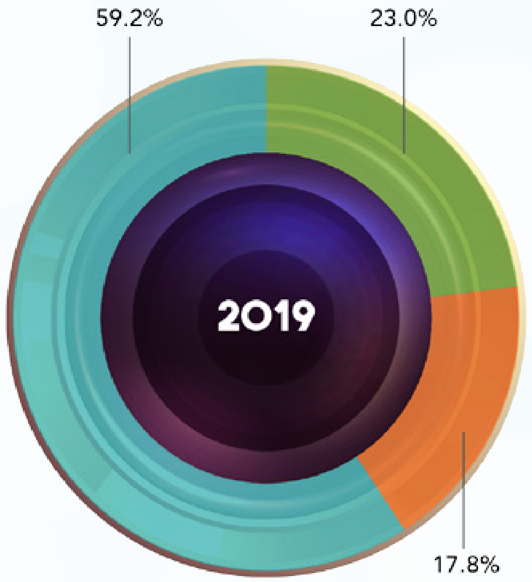
PROFIT/ (LOSS) AFTER TAX (S$'MIL)



FINANCIAL HIGHLIGHTS

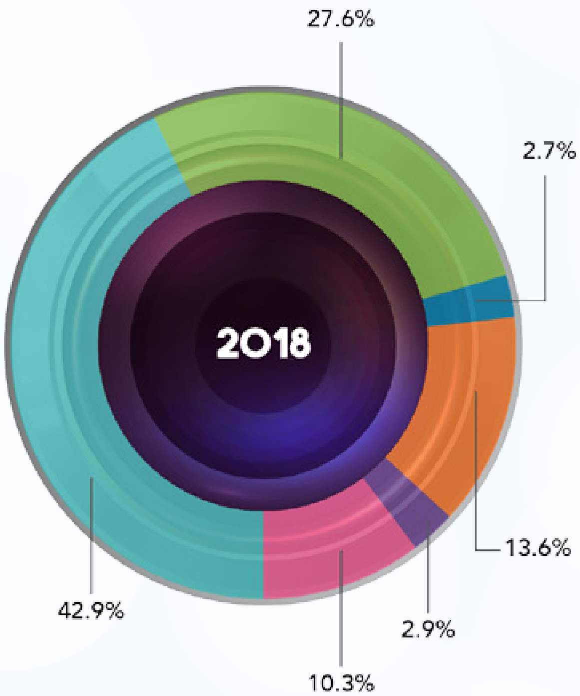
REVENUE BREAKDOWN BY BUSINESS SEGMENT

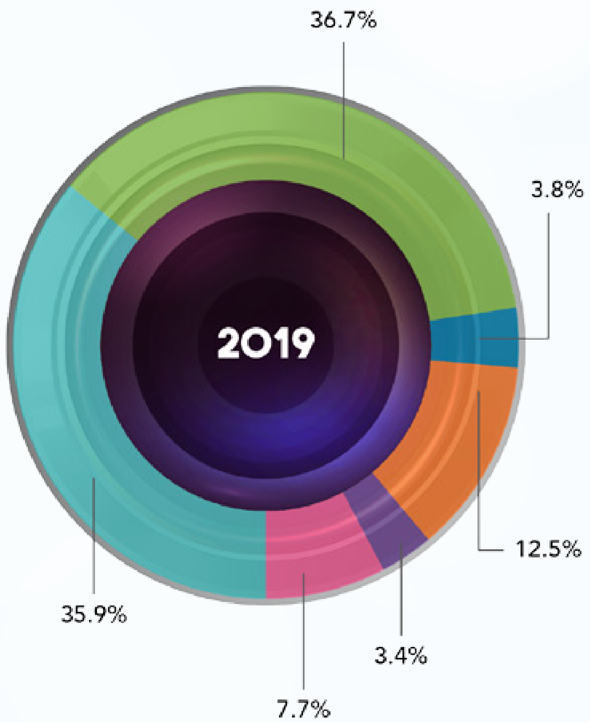




Specialist Relocation   Technical & Engineering   Third Party Logistics

REVENUE BREAKDOWN BY GEOGRAPHICAL





PRC   Singapore   Vietnam   Malaysia   Thailand   USA

CORPORATE MILESTONES

1995

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

1999

Incorporated as Chasen Logistics Services Pte Ltd ("CLSPL")

CHASEN™
Relocation Solutions Specialist

2001

- CLSPL was awarded first turnkey project consolidating several manufacturing facilities of customer to one location in Singapore
- CLSPL was certified ISO 9001 for Quality Management System

2004

- Set-up overseas operations in People's Republic of China ("PRC") through Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd ("HTS")
- CLSPL was certified ISO 14001 for Environmental Management and OHSAS 18001 for Occupational Health and Safety Management System

2005

- Established second overseas subsidiary, Chasen Logistics Sdn Bhd ("CLSB") in (mainland) Penang
- CLSB secured its first contract to service a Singapore-based semiconductor MNC (multinational company) that transferred its operations to the Kulim IT Park in Kedah

2007

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

2008

- Extended Third Party Logistics ("3PL") operations in Malaysia through acquisition of City Zone Express Sdn Bhd ("CZEM") and incorporation of DNKH Logistics Pte Ltd ("DNKH") in Singapore

2009

- Chasen Group established footprint in Vietnam with the setting-up of Chasen Transport Logistics Co., Ltd ("CTL") in Ho Chi Minh City
- Chasen Logistics Services Limited ("CLSG") was awarded bizSAFE STAR by Workplace Safety and Health Council

2010

- Acquisition of "green" companies, Global Technology Synergy Pte Ltd ("GTS") and Towards Green Sdn Bhd ("TGSB")

2011

- HTS was awarded first major Korean project to relocate an OLED (organic light-emitting diode) production line from Busan, South Korea to Shanwei, Guangdong Province, PRC
- 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 achieved record historical high revenue of S$99 million since listing (in 2007)
- CHL was recognized as one of the World's Top 1000 Fastest Growing Public Companies in 2011 by the International Business Times (announced in January 2012)

2013

- Chasen was transferred from Catalist to the Main Board of the SGX-ST on 26 February 2013
- Ho Chi Minh City-based CTL awarded its first major move-in and installation project worth of US$0.9 million (S$1.1 million) by a Japanese tyre manufacturer in Hai Phong, Vietnam
- Singapore-based CLSG secured its maiden relocation project worth of US$4.25 million (approximately S$5.4 million) from the Middle East.
- CLSG and REI Technologies Pte Ltd ("REI") collaborated in building 100k cleanroom to house a Facilitized Refurbishment and Testing Centre ("FRTC") and supporting logistics services for the refurbishment of wafer fab machine tools for a Japanese OEM (original equipment manufacturer)

2014

- Chasen Group surpassed S$100 million revenue mark for the first time in its corporate history
- Chasen Group introduced Shared Values as the basis to develop our corporate culture and growth strategy

2015

- Established a global marketing office, Chasen (USA), Inc. ("C-USA") in San Jose, California, USA

2016

- Established a joint venture 3PL company in Thailand, City Zone Express Company Limited ("CZET") with operating offices in Bangkok and Songkhla
- C-USA clinched US$12 million (S$17 million) project for handling of inbound cargo and move-in of equipment and materials for an automobile product manufacturing plant
- Incorporated Strategic Business Plan for each business unit that would support the Group strategy in achieving our Corporate Vision

2017

- Chasen Group exceeded S$100 million revenue benchmark for second time amassing S$106.2 million
- HTS achieved highest contracts secured totalling S$50 million (RMB245 million)
- 3PL established air and sea freight business in Thailand to complement its cross-border trucking operations

2018

- Chasen Group achieved its highest revenue to date at S$127.9 million
- HTS secured relocation contract for pilot phase of the world's first 11th Generation TFT LCD plant in Shenzhen, PRC
- 3PL established bonded warehouse in Penang and office in Vietnam to manage cross-border land freight business
- C-USA secured the third phase of automobile product manufacturing plant project valued at US$9.3 million

2019

- Surpassed FY2018 historical high by 3% at S$131.9 million
- 3PL subsidiary, CZEM secured MNC contracts for cross-border land freight from Malaysia to Vietnam and China to Singapore with complementary warehousing in Singapore and Malaysia
- 3PL CZE Group established an office in Shanghai
- CLSG certified ISO 620:2016 for Good Distribution Practice for Medical Devices

CORPORATE STRUCTURE

CHASEN™

Chasen Holdings Limited

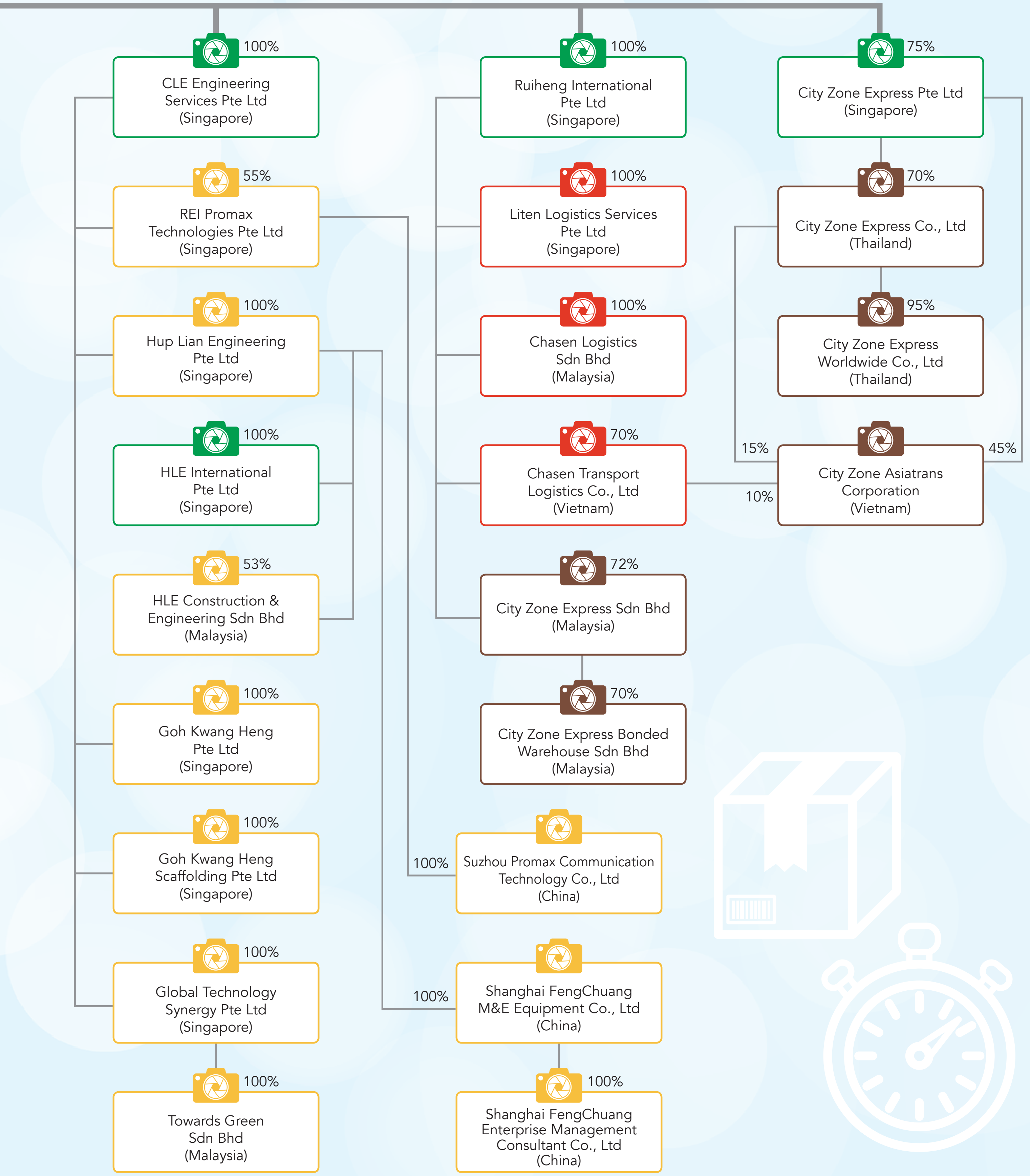
- 100% Chasen Logistics & Engineering Services Pte Ltd (Singapore)
  - 100% Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd (China)
    - 100% Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd (China)
  - 100% Chasen Sino-Sin (Beijing) Hi-Tech Services Pte Ltd (China)
  - 100% City Zone Express (Shanghai) Co., Ltd (China)
  - 100% Chasen Sinology (Beijing) Logistics Co., Ltd (China)
- 100% Chasen Logistics Services Limited (Singapore)
  - 60% DNKH Logistics Pte Ltd (Singapore)
  - 100% Chasen (USA), Inc. (USA)
- 100% REI Technologies Pte Ltd (Singapore)
  - 100% Chasen Engineering Sdn Bhd (Malaysia)
  - 100% REI (TL) Construction & Engineering Pty, Lda. (Timor-Leste)

Investment Holding Companies

Specialist Relocation Solutions

Third Party Logistics (3PL)

Technical & Engineering


100%
CLE Engineering Services Pte Ltd (Singapore)
55%
REI Promax Technologies Pte Ltd (Singapore)
100%
Hup Lian Engineering Pte Ltd (Singapore)
100%
HLE International Pte Ltd (Singapore)
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%
Towards Green Sdn Bhd (Malaysia)
100%
Ruiheng International Pte Ltd (Singapore)
100%
Liten Logistics Services Pte Ltd (Singapore)
100%
Chasen Logistics Sdn Bhd (Malaysia)
70%
Chasen Transport Logistics Co., Ltd (Vietnam)
72%
City Zone Express Sdn Bhd (Malaysia)
70%
City Zone Express Bonded Warehouse Sdn Bhd (Malaysia)
100%
Suzhou Promax Communication Technology Co., Ltd (China)
100%
Shanghai FengChuang M&E Equipment Co., Ltd (China)
100%
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (China)
75%
City Zone Express Pte Ltd (Singapore)
70%
City Zone Express Co., Ltd (Thailand)
95%
City Zone Express Worldwide Co., Ltd (Thailand)
15%
10%
45%
City Zone Asiatrans Corporation (Vietnam)

BOARD OF DIRECTORS

01 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 executing the Group's business strategy as deliberated and approved by the Board, providing leadership to ensure success of the Group's operations in the region, identifying new business opportunities identifying as well as managing and supervising the daily operation of the Group.

Mr Low joined Chasen Logistics Services as a Project Manager in 1996 when it operated as a partnership. He played a pivotal role in steering the growth of Company since he became its Managing Director in 2001. With his extensive experience in the logistics industry, Mr Low has exploited its first mover advantage in meeting the growing specialist relocation needs of manufacturers and other businesses, which use sophisticated and expensive machinery and equipment in their operations locally and in this region and in building up a good track record and reputation for the Group.

His ability to anticipate business trend and demand has enabled the Group to offer the right type of skills, equipment and value add 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 its services capabilities overseas in particular the People's Republic of China (2004), Malaysia (2005), Vietnam (2009) and in 2015, the United States of America.

Mr Low continues to play an instrumental role in charting the Group's business development, growth and expansion globally, including extending its core business higher up the supply chain to include technical and engineering services to complement its logistics capability. This competitive advantage enabled the Company to generate revenue well past $100 million in recent years.

02 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 Construction and Engineering Group comprising Hup Lian Engineering Group, Goh Kwang Heng Group and REI Technologies Pte Ltd.

Mr Siah as Executive Director has direct responsibility for the business success and growth of the abovenamed operating subsidiary group 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 more than 20 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

03 NG JWEE PHUAN @ FREDERICK (ERIC)

Non-Executive Chairman and Independent Director

Mr Ng Jwee Phuan @ Frederick (Eric) was appointed as a Non-Executive Chairman of Chasen Holdings Limited on 14 August 2014 and continues to be an Independent Director.

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 and Ephraim Resources Ltd (previously known as WAG Ltd), all listed on the Australian Securities Exchange.

04 MR 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 Board of Renewable Energy Asia Group Ltd, and IPC Holdings Ltd that are listed on the SGX as well as Solis Holdings Ltd, listed on the HKSE.

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.

BOARD OF DIRECTORS

05 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 served in an advisory role to the Company on the growth and business strategies for the Group.

Mr Chew brings with him a span of 34 years of experience in the Semiconductor Industry in Manufacturing, Quality, Engineering, Supply Chain & Procurement Management of which 22 years were at senior management level. He worked at TAS (now SingTel), Hewlett-Packard Company and subsequently joined a greenfield DRAM wafer fab start-up TECH Semiconductor (S) Pte Ltd that counts Texas Instrument as a 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 (Second 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.

06 CHEW CHOY SENG
Independent Director

Mr Chew Choy Seng was appointed as an Independent Director on 1 October 2018 and as the Chairman of the Audit Committee on 1 April 2019.

Mr Chew is a Chartered Accountant and Secretary by training and has over 40 years of experience in corporate, finance and general management across various industries. He has held various senior management roles including Deputy Chief Executive Officer, Group General Manager, Chief Financial Officer in both public-listed companies and MNCs. He was the Chief Financial Officer of Chasen for the period April 2010 to October 2013.

Mr Chew is a member of the Institute of Singapore Chartered Accountants.

EXECUTIVE OFFICERS

01 TAN LA HIONG
Chief Financial Officer

Ms Tan La Hiong is responsible to provide leadership and direction for all aspects of financial planning, internal control compliance and financial reporting matters for the Group. This also includes communication of financial performance and forecast of the Group to the Board of Directors and SGX.

Ms Tan has more than 20 years of financial management experience in listed and multinational companies covering strategic planning, business negotiation, process improvement, project management, budgeting and forecasting, treasury, corporate governance, risk management, internal controls, taxation and audit.

Prior to joining Chasen Holdings Limited, Ms Tan was with C.K. Tang Limited as Vice-President (Finance) and MTV Asia LDC as Director (Finance).

Ms Tan graduated with a Bachelor's degree in Accountancy (Second Class Honours – Upper Division) from the Nanyang Technological University. She is a Chartered Accountant (non-practising member) of the Institute of Singapore Chartered Accountants.

02 YAP BENG GEOK DOROTHY
Head of Corporate Administration

Ms Yap Beng Geok Dorothy is the Head of Corporate Administration of Chasen Holdings Limited. 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 24 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 Substantial Shareholder of the Group.

BUSINESS OPERATION UNITS

DIXZYQUO NURMAN

General Manager
Chasen (USA)., Inc ("C-USA")

Mr DixzyQuo Nurman is the General Manager in-charge of the Group's Global Marketing Office ("GMO") in the United States. He was instrumental in the setting up of the GMO and will continue to promote and market the Group's integrated service capabilities directly to the US and European head offices of MNCs that currently operate or intend to operate in our region.

Prior to relocating to the US, Mr DixzyQuo Nurman was the General Manager in-charge of the Group's subsidiaries in the Specialist Relocation business segment in Singapore, Malaysia and Vietnam. He joined the Group's subsidiary, Chasen Logistics Services Limited in 2000 as a Business Planning Manager and was promoted to General Manager for Singapore in 2004.

Mr DixzyQuo is imbued with valuable experiences through the execution of turnkey relocation projects for major international manufacturing companies from USA and Europe that had relocated to Singapore, Malaysia and Vietnam or the PRC.

Mr DixzyQuo 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 ("HTS")
Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd ("HTC")

Mr Cheong Tuck Nang is the General Manager and the legal representative of the Group's subsidiaries in the Specialist Relocation business segment in the People's Republic of China ("PRC"). He is responsible for the overall management, sales and marketing, and project execution in the PRC, specializing in the relocation of sophisticated equipment for MNC and local companies.

Mr Cheong has been with the Chasen Group since the partnership days of Chasen Logistics Services and has more than 25 years of experience in the logistics, warehousing management and Specialist Relocation business. He was one of the pioneers 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 and RMB185 million in FY2012 and FY2019 respectively.

YEO SECK CHEONG

General Manager
Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd ("Sino-Sin")
Chasen Sinology (Beijing) Co., Ltd ("Sinology")
Global Technology Synergy Pte Ltd ("GTS")

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 the director of several subsidiaries in 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 had 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 is also responsible for general management, growth and development of GTS business in Singapore.

LIM JIT SING JACKSON

General Manager
Goh Kwang Heng Pte Ltd ("GKH")
Goh Kwang Heng Scaffolding Pte Ltd ("GKHS")
Hup Lian Engineering Pte Ltd ("HLE")
REI Technologies Pte Ltd ("REI")

Mr Lim Jit Sing Jackson is the General Manager of the Group's subsidiaries in the construction and engineering related business, namely the Goh Kwang Heng companies (GKH Group), HLE and REI. He is responsible for the overall management, sales and operations and growth of these companies under his charge.

Mr Lim had turned around the loss making GKH Group and successfully repositioned GKH Group's scaffolding business within the construction industry with several large contract wins. He continues to oversee and synergize the business operations for the companies under his charge.

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

BUSINESS OPERATION UNITS

LIM WUI LIAT

Executive Director
Liten Logistics Services Pte Ltd ("LLS")

Mr Lim Wui Liat is the Executive Director of the Group's subsidiary, LLS since April 2011. He is responsible for overall management, sales and operations for the entity under his charge.

Mr Lim has garnered 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 LLS.

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

WEE TECK WEE

General Manager
REI Promax Technologies Pte Ltd ("PMXS")
Suzhou Promax Communication Technology Co., Ltd ("PMXC")

Mr Wee Teck Wee is the General Manager of the Group's subsidiaries in the contract manufacturing business in Singapore and the PRC. 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 for the telecommunication and ordnance industries.

Mr Wee is responsible for both financial and operational successes and the growth of both factories in Singapore and Suzhou. Mr Wee has more than 20 years of experience in these industries.

HENG KHIM SOON

General Manager
DNKH Logistics Pte Ltd ("DNKH")

Mr Heng Khim Soon is the General Manager of the Group's Singapore 3PL subsidiary, DNKH Logistics Pte Ltd. He is also the minority shareholder. He is responsible for management and growth of the business of this entity under his charge. He has accumulated more than 20 years of marketing and operation experience in the freight forwarding and third party logistics businesses.

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/from 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 operates a fleet of more than 20 trucks of varying capacities and more than a hundred field operation personnel in the distribution and warehousing businesses. This capability assists the Group to strengthen its global network in the freight industry.

S. PIRITHIVARAJ SELVARAJOO

Executive Director/General Manager
City Zone Express Pte Ltd ("CZES")
City Zone Express Sdn Bhd ("CZEM")
City Zone Express Bonded Warehouse Sdn Bhd ("CZEBW")
City Zone Express Co., Ltd ("CZET")
City Zone Express Worldwide Co., Ltd ("CZEW")
City Zone Asiatrans Corporation ("CZAT")
City Zone Express (Shanghai) Co., Ltd ("CZESH")

Mr S. Pirithivaraj Selvarajoo is the Executive Director of the Group's Malaysian 3PL subsidiary, CZEM. He is also a minority shareholder of CZEM and CZES. He is responsible for the overall management and growth of the entities under his charge. CZE Group provides freight forwarding, warehousing (including bonded warehousing services), 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 90 trucks (including trailers and containers), which are deployed for daily interstate long and short haul overland transportation between Singapore and Peninsular Malaysia.

Mr Pirithivaraj continues to strengthen CZE's cross-border land freight business in broadening 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, Thailand and Vietnam to capture a larger share of the inland and cross-border transport business within Indo-China and beyond.

He has been instrumental in setting up joint venture companies with business partners in Thailand and Vietnam with operating offices in Bangkok, Songkhla and Ho Chi Minh City as well as in Shanghai recently.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ng Jwee Phuan @ Frederick (Eric)
(Non-Executive Chairman and Independent Director)

Low Weng Fatt
(Managing Director and CEO)

Siah Boon Hock
(Executive Director)

Tan Sin Huat, Dennis
(Independent Director)

Chew Mun Yew
(Independent Director)

Chew Choy Seng
(Independent Director)

AUDIT COMMITTEE

Ng Jwee Phuan @ Frederick (Eric)
(Chairman ceased on 1 April 2019)
Chew Choy Seng
(Chairman appointed with effect from 1 April 2019)
Tan Sin Huat, Dennis
Chew Mun Yew

REMUNERATION COMMITTEE

Tan Sin Huat, Dennis *(Chairman)*
Ng Jwee Phuan @ Frederick (Eric)
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
135 Cecil Street
#10-01 MYP Plaza
Singapore 069536
Partner in charge: Lai Keng Wei
(a member of the Institute of Singapore Chartered Accountants)
(appointed with effect from the financial year ended 31 March 2017)

PRINCIPAL BANKER

DBS Bank Ltd
12 Marina Boulevard Level 43
Marina Bay Financial Centre Tower 3
Singapore 018982

CORPORATE SOCIAL RESPONSIBILITY

FOR OUR BUSINESS PARTNERS & STAKEHOLDERS

Transparency
&
ethical practices

FOR OUR PLANET EARTH

Stewarding resources for future generations

FOR OUR COMMUNITIES

Helping develop thriving, resilient communities

As a responsible corporate citizen, Chasen has vigilantly upheld the principle of corporate social responsibility ("CSR") in serving the communities we operate in, looking after the welfare of our employees, and building goodwill for our Group.

We took full responsibility of all the environmental and social resources under our stewardship. As a result, the Company has established a CSR policy which encompassed the review of the Group's activities in the following areas:

- To review and recommend the Group's policy with regards to CSR issues;
- To review the Group's environmental policies and standards;
- To review the social impact of the Group's business practices in the communities that it operates in;
- To review and recommend policies and practices with regard to key stakeholders (suppliers, customers and employees); and
- To review and recommend policies and practices with regard to regulators.

OUR CSR FRAMEWORK

The Company aims to be recognized as an organization that is transparent and ethical in all its business operations as well as making a positive contribution to the communities, which it operates in. We are deeply committed to our Shared Values underpinning our CSR framework in the fulfilment of our social responsibility in achieving sustainable development for our future generations:

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

In FY2019, we have made annual donations to beneficiaries under the purview of the Lions Club Singapore and The Singapore Statutory Boards Employees' Co-operative T&L Society.


CHASEN
GC3968

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. The Board believes that the Company has complied in all material aspects with the principles and guidelines set out in the Code. Where the Company's practices differ from any principle or guideline, the Company's position in respect of the same is explained in this Statement.

On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance (the **"2018 Code"**) and its accompanying Practice Guidance. The 2018 Code supersedes and replaces the Code and will apply to annual reports covering financial years beginning on or after 1 January 2019. The Company will review and set out the corporate practices in place to comply with the 2018 Code, where appropriate, in the next annual report.

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 on other occasions 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 the performance of the management;

- identifies the key stakeholder groups and recognizing 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 (**"NC"**), the Remuneration Committee (**"RC"**) and the Audit Committee (**"AC"**). Each Board Committee has its own set of defined terms of reference, which sets out the respective Board Committee's duties and responsibilities.

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

CORPORATE GOVERNANCE STATEMENT

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 the Management on all matters under their purview. Ad-hoc meetings are convened when the circumstances require. During the financial year under review, the details of number of Board and Board Committee meetings held and attended by each Board member are set out as follows:

Name of Directors	Board		AC		NC		RC	
	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
Ng Jwee Phuan @ Frederick (Eric)	4	4	4	4	1	1	1	1
Low Weng Fatt	4	4	4	4*	1	1	1	N/A
Siah Boon Hock	4	3	4	2*	1	1*	1	N/A
Tan Sin Huat, Dennis	4	3	4	3	1	0	1	0
Chew Mun Yew	4	3	4	3	1	1	1	1
Chew Choy Seng#	3	3	3	3	1	1*	1	1*
Yap Beng Geok Dorothy##	3	3	3	3*	1	N/A	1	N/A

* By Invitation
\# Appointed as Independent Director with effect from 1 October 2018
\## Ceased as Alternate Director to Low Weng Fatt on 31 March 2019

The Company's Constitution provides 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 and will continue to have in place, an orientation and training programme for newly appointed Directors to familiarize them with the Group's business operations, strategic directions, directors' duties and responsibilities, corporate governance practices, regulations and guidelines from SGX-ST to enable them to discharge their duties and responsibilities effectively.

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 and the training courses related to the aforesaid will be arranged and funded by the Company. News releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority (**"ACRA"**) which are relevant to the Company are circulated to the Directors.

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 and four Independent Directors. The Directors of the Company are:

Non-Executive Chairman and Independent Director
Ng Jwee Phuan @ Frederick (Eric)

Executive Directors
Low Weng Fatt (Managing Director and Chief Executive Officer (**"CEO"**))
Siah Boon Hock

Independent Directors
Tan Sin Huat, Dennis
Chew Mun Yew
Chew Choy Seng

The criterion for independence is based on the definition set out in the Code. 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 NC. Under Rule 210(5)(d)(i) and 210(5)(d)(ii) which took effect on 1 January 2019, it stipulates that a director will not be independent if he is employed by the issuer or any of its related corporations for the current or any of the past three financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporation for the past three financial years, and whose remuneration is determined by the remuneration committee of the issuer. In this regard, the Independent Directors have confirmed that they and their respective associates do not have any employment relationships with the Company.

The NC has reviewed the forms on confirmation of independence completed by each Independent Director and concurred with their confirmation. The NC is satisfied that there is a strong and independent element in the Board as more than half the Board comprises Independent Directors. Save for Ng Jwee Phuan @ Frederick (Eric) (**"Eric Ng"**) and Tan Sin Huat, Dennis (**"Dennis Tan"**), none of the Independent Directors has served on the Board beyond nine years as at the end of the financial year from the date of his appointment.

Notwithstanding that Eric Ng and Dennis Tan have served beyond nine years, the NC, with the concurrence of the Board, is satisfied that both have been able to objectively scrutinise the Management and provide the check and balance required, and also exercises an independent business judgment to the best interests of the Company.

Eric Ng and Dennis Tan had abstained from the discussions pertaining to the review of their independence.

The composition of the Board is reviewed at least annually by the NC. The NC is of the view that there is a strong element of independence in the Board as the independent directors currently forms the majority of the Board. The Board comprises Directors who have the appropriate balance and diversity of skills, expertise and experience, knowledge of the industries the Group does business in 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 current size and composition is ideal to facilitate effective deliberations and decision making of the Board. The Independent 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 Independent 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.

The Company has appointed Eric Ng as the Non-Executive Chairman with effect from 14 August 2014. As Non-Executive Chairman of the Board, Eric Ng will assume responsibility to:

(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.

The roles of the Non-Executive Chairman and the CEO are separate and distinct, each having his own areas of responsibilities. As the highest ranking executive officer of the Group, Low Weng Fatt being the Managing Director and CEO of the Company, has executive responsibilities for the Group's businesses. He is responsible for the effective management and supervision of the daily business operations of the Group as well as taking a key leadership role in executing the Group's business strategy as deliberated and approved by the Board.

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 Independent Directors are encouraged to meet periodically without the presence of the Executive Directors and Management, and provide feedback to the Non-Executive Chairman after such meetings.

Board Membership

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

The NC currently comprises the following four members, three of whom including the Chairman, are Independent Directors:

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

The NC is governed by its written terms of reference. In accordance with the requirements of the Code, the Chairman of the NC is an independent director. The NC reviews board succession plans for Directors, makes recommendations to the Board on all nominations for appointments and re-appointments of Directors to the Board. In addition, the NC will review, as and when circumstances require, to arrange for training and professional development programs for the Board. It also ascertains the independence of Directors and evaluates the Board's performance. The NC assesses the independence of Directors, based on the guidelines set out in the Code and any other salient factors.

CORPORATE GOVERNANCE STATEMENT

Following its annual review, the NC has affirmed the independent status of Eric Ng, Dennis Tan, Chew Mun Yew and Chew Choy Seng. The NC, in recommending the nomination of any Director for re-election and/or re-appointment, considers the contribution of each Director, based on, inter alia, his attendance record, overall participation, expertise, strategic vision, business judgement and sense of accountability.

The NC ensures that the members of the Board and its Board Committee are best suited for their respective appointments and are able to discharge their responsibilities as 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 who are able to contribute to the Company in relevant strategic business areas, in line with the growth and development of the Group.

The NC 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 listed company 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 NC. Pursuant to the Company's Constitution, every Director (except the Managing Director and CEO) 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 who are appointed by way of Board resolution are subject to retire at the AGM following his/her appointment and he/she shall be eligible for re-election by shareholders at the AGM.

Each member of the NC shall abstain from deliberation in respect to his re-nomination as a Director.

With effect from 1 January 2019, Rule 720(5) of the Listing Manual of the SGX-ST (**"Listing Rule"**) requires all directors of an issuer to submit themselves for re-nomination and re-appointment at least once every three years. In this respect, Low Weng Fatt, the Managing Director of the Company shall retire at the forthcoming AGM pursuant to the Listing Rule 720(5), and being eligible, has consented for re-election.

Dennis Tan has informed that he will be retiring at the forthcoming AGM pursuant to Regulation 110 of the Constitution of the Company and that he is not seeking re-election thereon. Chew Choy Seng, a director appointed by the Board during the year, will retire at the forthcoming AGM pursuant to Regulation 120 of the Constitution of the Company, and being eligible, consented for re-election.

The NC has reviewed and recommended the re-election of Low Weng Fatt and Chew Choy Seng at the forthcoming AGM to be held on 30 July 2019. The Board has accepted the recommendations and the retiring Directors would be tabled for re-election at the forthcoming AGM.

The NC and the Board noted the decision of Dennis Tan to retire and will not be seeking re-election. The NC and the Board have, with regret, accepted Dennis Tan's decision and record their appreciation to Dennis Tan for his efforts and contributions during his tenure as a director of the Company.

CORPORATE GOVERNANCE STATEMENT

Key information on directors proposed to be re-elected to the Board are as follows:-

	Low Weng Fatt	**Chew Choy Seng**
Date of appointment	6 February 2007	1 October 2018
Date of last re-appointment (if applicable)	Not applicable. Retiring pursuant to Rule 720(5) of the Listing Rules. Due for re-election at the AGM to be held on 30 July 2019.	Not applicable. Due for re-election at the AGM to be held on 30 July 2019.
Age	54	65
Country of principal residence	Singapore	Singapore
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has accepted and approved the NC's recommendation, who has reviewed and considered Mr Low's contribution and performance as Managing Director and CEO of the Company.	The Board of Directors of the Company has accepted and approved the NC's recommendation, who has reviewed and considered Mr Chew's contribution and performance as Independent Director of the Company.
Shareholding interest in the listed issuer and its subsidiaries	The Company Direct: 50,883,708 ordinary shares Indirect: 662,500 ordinary shares Subsidiaries of the Group Nil	The Company Nil Subsidiaries of the Group Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Principal Commitments Including Directorships	Past Directorships (for the last 5 years) Nil Present Directorships Chasen group of companies Lay Seng Food Industries Pte Ltd Other Principal Commitments Nil	Past Directorships (for the last 5 years) Liten Logistics Services Pte Ltd Present Directorships Nil Other Principal Commitments Nil

The retiring directors had responded negative to items (a) to (k) listed in Appendix 7.4.1 (Announcement of Appointment) of the Listing Manual of the SGX-ST.

Where a vacancy arises, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting potential candidates. The NC will consider each candidate for directorship based on the selection criteria determined after consultation with the Board and after taking into consideration the qualification and experience of such candidate, his ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives. Thereafter, the NC will recommend the candidate to the Board for approval.

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)**
Ng Jwee Phuan @ Frederick (Eric)	6 February 2007	28 July 2017	**Listed Companies - Present** 1. GBM Gold Limited **Listed Companies - Preceding 3 Years** 1. Richfield International Limited 2. Ephraim Resources Ltd
Low Weng Fatt	6 February 2007	Not Applicable	Nil
Siah Boon Hock	6 February 2007	27 July 2018	Nil
Tan Sin Huat, Dennis	31 July 2009	27 July 2018	**Listed Companies - Present** 1. Renewable Energy Asia Group Ltd 2. Solis Holdings Limited 3. IPC Holdings Ltd **Listed Companies - Preceding 3 Years** 1. Swing Media Technology Group Ltd 2. P99 Holdings Limited
Chew Mun Yew	5 August 2013	28 July 2017	Nil
Chew Choy Seng	1 October 2018	Not Applicable	Nil

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 NC had implemented and continued with an annual performance evaluation for assessing the effectiveness of the Board as a whole and has completed the assessment without the engagement of an external facilitator. The purpose of the evaluation process is to increase the overall effectiveness of the Board. In view of the current size of the Board and that all Independent Directors are members of the Board Committees, the assessment of the Board Committees was incorporated into the assessment of the Board as a whole.

The NC had decided unanimously, that there would be no separate assessment of the Board Committees and individual Directors. The NC, 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 key management personnel and Directors' standard of conduct. The results of the evaluation are used constructively by the NC to identify areas of improvements and recommend to the Board the appropriate action. No external facilitator has been used for the purpose of Board assessment in FY2019. The Board Evaluation Questionnaires will be reviewed and updated as necessary from time to time.

The Board and the NC 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, directors 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 Committees meetings on an on-going basis, which include quarterly financial statements, cash flow projections, annual budgets. Board and Board Committees papers are prepared for each meeting and are disseminated to the Board members before the meetings. Board and Board Committees 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 Committees 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 Committees 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, Chapter 50, the Listing Manual of the 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 independent 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 RC currently comprises the following three members, all of whom are Independent Directors:

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

The RC is governed by its written terms of reference. The principal functions of the RC 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 the Executive Directors 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.

It was noted that the Chasen Performance Share Plan 2017 was adopted and approved by the shareholders of the Company at an extraordinary general meeting held on 28 July 2017. The duration of the Plan 2017 is a maximum period of 10 years commencing on the date of adoption, that is, 10 years commencing on 28 July 2017.

Each member of the RC refrains from voting on any deliberations in respect of the assessment of his remuneration. No Director was involved in determining his own remuneration.

The RC has full authority to engage any external independent 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 RC 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 RC 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 AGM.

The remuneration for the Executive Directors and key management personnel comprise a basic salary component and a variable component, namely, director's fees, annual bonus and the 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 grants of share awards are vested over a period of time through a prescribed vesting schedule. The details of grants of share awards under the Chasen Performance Share Plan are disclosed in the Directors' Statement on page 43.

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 for termination by either party giving not less than six months' notice in writing to the other. The RC is responsible for the review of compensation commitments, if any, the service agreement may, entails in the event of early termination.

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

The RC 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.

Disclosure on Remuneration

Principle 9: Every 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 2019 are as follows:

CORPORATE GOVERNANCE STATEMENT

Remuneration Band	Number of Directors	
Name of Director	**2019**	**2018**
Directors		
$250,000 to below $500,000	2	2
Below $250,000	4	3
Total	6	5
Key Management Personnel		
$250,000 to below $500,000	3	1
Below S$250,000	3	4
Total	6	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 2019, is as follows:

	Fees	Salary	Bonus	Other benefits	Total
	%	%	%	%	%
Directors					
$250,000 to below $500,000					
Low Weng Fatt	11.1	78.4	10.5	-	100
Siah Boon Hock	19.3	71.1	9.5	-	100
Below $250,000					
Ng Jwee Phuan @ Frederick (Eric)	100	-	-	-	100
Tan Sin Huat, Dennis	100	-	-	-	100
Chew Mun Yew	100	-	-	-	100
Chew Choy Seng#	100	-	-	-	100
Yap Beng Geok Dorothy##	-	-	-	-	-

\# Appointed as Independent Director with effect from 1 October 2018

\## Ceased as Alternate Director to Low Weng Fatt on 31 March 2019

	Fees	Salary	Bonus	Other benefits	Total
	%	%	%	%	%
Key Management Personnel					
$250,000 to below $500,000					
Cheong Tuck Nang*	-	75.7	10.4	13.9	100
DixzyQuo Nurman	-	67.4	10.9	21.7	100
Tan La Hiong	-	83.2	11.5	5.3	100
Below $250,000					
Lim Jit Sing, Jackson	-	77.6	3.4	18.9	100
Yap Beng Geok Dorothy##	-	78.8	10.3	10.9	100
Yeo Seck Cheong	-	60.1	5.2	34.7	100

* Spouse of Yap Beng Geok Dorothy

\## Ceased as Alternate Director to Low Weng Fatt on 31 March 2019

The aggregate total remuneration paid to the above mentioned key management personnel (who are not Directors or the Managing Director and CEO) for the financial year ended 31 March 2019 is approximately S$1,387,543.

None of the Directors (including the Managing Director and CEO) and the top six 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 2019.

Save as disclosed in the above table, there is no employee who is an immediate family member of a Director or the CEO and whose remuneration exceeds S$50,000 for the financial year ended 31 March 2019.

The Company has not disclosed exact details of the remuneration of each individual Director as maintaining confidentiality on such matters is desirable in the overall interest of the business. Attracting and retaining capable professional are top priorities for the Group operating in a highly competitive industry.

The RC has reviewed and approved the remuneration packages of the Directors and key management personnel, 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. In line with Listing Rule 705(5), the Board provides a negative assurance confirmation to shareholders in each of its interim financial statements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the interim financial statements false or misleading in any material aspect. In addition, all Directors and key management personnel of the Company also signed a letter of undertaking pursuant to Listing Rule 720(1).

The Board also receives and reviews legislative and regulatory updates from Management and/or professional advisors to ensure that the Group complies with the requirements relevant to the Group.

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.

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.

Although the Board acknowledges that it is responsible for the Group's overall system of internal controls, the Board also recognizes 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, compliance and information technology controls, as well as risk management systems 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 external auditors, internal auditors and the representation letters from the Management, the AC 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 external auditors and internal auditors to further improve the internal controls were reported to the AC. The AC will follow up on the actions taken by the Management and on the recommendations made by the 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 and the Chief Financial Officer 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 2019.

For the financial year ended 31 March 2019, the Board has received assurance from the Managing Director and CEO as well as the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and the Group's risk management and internal control systems are sufficiently adequate and effective.

Based on the various management controls put in place, the reports from the 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 findings from the internal auditors, the Board with the concurrence of the AC is of the opinion that the system of internal controls addressing financial, operational, compliance, information technology control and risk management systems, maintained by the Company during the year are adequate and effective.

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 judgement 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 to minimize risks and safeguard shareholders' interests.

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 AC currently comprises the following four members, all of whom are Independent Directors:

Ng Jwee Phuan @ Frederick (Eric)	(Ceased as Chairman on 1 April 2019)
Chew Choy Seng	(Appointed as Chairman with effect from 1 April 2019)
Tan Sin Huat, Dennis	
Chew Mun Yew	

None of the AC members is a former partner or director of the Company's existing auditing firm within a period of 12 months nor has any financial interest in the auditing firm. 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 AC.

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

The AC 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 AC will meet at least four times a year to perform, inter alia, the following authorities and functions:

(a) Financial Reporting

The AC 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 AC 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 AC 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 AC 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 and effectiveness 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 external auditors and internal auditors on the adequacy and effectiveness of the Company's system of internal controls, including financial, operational, compliance, information technology controls and risk management systems. 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 AC regularly reviews if the Group will be entering into any interested person transactions (**"IPT"**) 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 AC reviews arrangements by which employee 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 victimisation for whistle-blowing in good faith and without malice.

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

In July 2010, SGX and ACRA had launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the said Guidance such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group.

In addition, in October 2015, with the support from SGX and Singapore Institute of Directors, ACRA had introduced the "Audit Quality Indicators (**"AQIs"**) Disclosure Framework to assist the AC in evaluating the re-appointment of external auditors based on eight quality markers that correlate closely with audit quality. Accordingly, the AC had evaluated the external auditors based on the eight AQIs at engagement and/or firm-level.

The AC has reviewed the key audit matters disclosed in the independent external auditors' report and is of the view that there is no material inconsistency between the audit procedures adopted by the independent external auditors and Management's assessment and is satisfied that the key audit matters have been appropriately dealt with.

The AC has also undertaken a review of the independence and objectivity of the external auditors. The Company has paid S$272,000 to Messrs Mazars LLP, the external auditors, for the financial year ended 31 March 2019. There is no non-audit fee paid to Mazars LLP.

The Company has complied with Listing Rules 715 and 716 as all significant Singapore based subsidiaries of the Company are audited by Messrs Mazars LLP for the purposes of the consolidated financial statements of the Company and its subsidiaries. The Board and the AC 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.

Accordingly, the AC is satisfied that Listing Rules 712, 715 and 716 are complied with and has recommended to the Board of Directors, the re-appointment of the external auditors for approval at the forthcoming AGM.

During the financial year ended 31 March 2019, the AC has met with the external auditors separately without the presence of the Management.

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the Management, external auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

There was no IPT during the financial year ended 31 March 2019. The AC is of the opinion that Chapter 9 of the Listing Manual of the SGX-ST has been complied with. The AC has nevertheless established the necessary review procedures should IPT arise.

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

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

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 role of the internal auditors is to assist the AC to ensure that the Group maintains a sound system of internal controls by regular monitoring of key controls and procedures, ensuring their effectiveness and undertaking investigations as directed by the AC.

The Board acknowledges that it is responsible for maintaining an internal audit function that is independent of the Company's business activities. The Group has outsourced its internal audit function to two professional service firms, One e-Risk Services Pte Ltd and Virtus Assure Pte. Ltd., in the financial year ended 31 March 2019 to identify significant internal control weaknesses in the key business processes of the Group and risk management respectively that require the attention of the AC and Management. Enterprise Risk Assessments were conducted for newly incorporated subsidiaries to review their inherent and operational risks in the financial year ended 31 March 2019. A new cycle of internal audit review covering the Group's main business processes of major subsidiaries would be initiated in the current financial year. Summary of findings and recommendations is discussed at the AC meetings and the status of implementation of the actions agreed by management is tracked and reported to the AC. The AC reviews the hiring, removal, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to the Group's documents, records, properties and personnel, including access to the AC.

In conducting the internal audit of each subsidiary, the appointed internal auditors pay particular attention to follow-up on 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 and risk management reports directly to the Chairman of the AC 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 AC reviews the adequacy and effectiveness of the internal audit function and approves the internal audit and risk management plans on an annual basis.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, 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.

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;
- corporate website at https://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.

CORPORATE GOVERNANCE STATEMENT

Shareholders are encouraged to attend the AGM 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 AGM. The Chairmen of the AC, RC and NC will be available at the AGM to answer questions relating to the work of these Board Committees. The external auditors will also be present to assist the Directors in addressing 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 may appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's Constitution currently does not allow a member to appoint more than two proxies to attend and vote at the same general meeting unless the member is a relevant intermediary.

A Relevant Intermediary[1] may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). An investor who holds shares under the Central Provident Fund Investment Scheme (**"CPF Investor"**) and/or the Supplementary Retirement Scheme (**"SRS Investor"**) (as may be applicable) may attend and cast his/her vote(s) at the general meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

Each item of special business included in the notice of the annual general meeting will be accompanied by an explanation of the effects of the 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 Company will put all resolutions to vote by poll at general meetings. Shareholders will be briefed on the rules, including poll voting procedures, that govern general meetings of shareholders. 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.

The Company has not formally instituted a dividend policy. The issue of payment of dividend is deliberated by the Board at each quarterly result review having regard to various factors, such as cashflow, capital expenditure, operating expenses and business expansion.

DEALINGS IN SECURITIES

The Company has complied with Listing Rule 1207(19) 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 are reminded not to deal in the Company's securities on short-term considerations; and

(c) The Company and its officers should 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.

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[1] A Relevant Intemediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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 IPT, if any, for the financial year ended 31 March 2019 are disclosed in the audited financial statements. To ensure compliance with the relevant rules under Chapter 9 of the Listing Manual of the SGX-ST on IPTs, the Board and AC regularly reviews if the Company will be entering into any IPT and if it does, to ensure that the Company complies with the requisite rules under Chapter 9 of the Listing Manual of the SGX-ST. 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.

There was no IPT exceeding S$100,000 for the year under review.

MATERIAL CONTRACTS

Other than disclosed in the audited financial statements, there was no material contracts entered into by 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 2019.

DIRECTORS' STATEMENT

The directors are pleased to present their statement 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 2019.

1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group, and the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); 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.

2. Directors

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

<u>Non-Executive Chairman and Independent director</u>
Ng Jwee Phuan @ Frederick (Eric)

<u>Executive directors</u>
Low Weng Fatt
Siah Boon Hock

<u>Independent directors</u>
Tan Sin Huat, Dennis
Chew Mun Yew
Chew Choy Seng (Appointed on 1 October 2018)

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the 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, except as disclosed in paragraphs 4, 5 and 6 below.

4. Directors' interests in shares, warrants or debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital, warrants and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

	Direct interest		Deemed interest	
Name of the directors and respective companies in which interests are held	**At beginning of the financial year**	**At end of the financial year**	**At beginning of the financial year**	**At end of the financial year**
<u>The Company</u>	◄ Number of ordinary shares ►			
Ng Jwee Phuan @ Frederick (Eric) [(i)]	56,000	56,000	1,539,125	1,539,125
Low Weng Fatt [(ii)]	50,883,708	50,883,708	662,500	662,500
Siah Boon Hock	10,824,901	10,824,901	-	-
Tan Sin Huat, Dennis [(iii)]	10,500	10,500	79,500	79,500

There was no change in any of the above mentioned interests between the end of the financial year and 21 April 2019.

4. Directors' interests in shares, warrants or debentures *(Continued)*

Notes:

(i) Ng Jwee Phuan @ Frederick (Eric) is deemed to be interested in the 1,539,125 shares held by Citibank Nominees S'pore Pte Ltd.

(ii) Low Weng Fatt is deemed to be interested in the 662,500 shares held by his spouse.

(iii) Tan Sin Huat, Dennis is deemed to be interested in the 79,500 shares held by DBS Nominees (Private) Limited.

5. Chasen Performance Share Plan

The Chasen Performance Share Plan 2017 (the "Plan 2017") which was proposed to replace the expired Chasen Performance Share Plan 2007 (the "Plan 2007"), was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 28 July 2017. Under the new Plan 2017, there is no significant change in terms of administration, rights and rationale as compared to the expired Plan 2007.

The Plan 2017 is administered by the Remuneration Committee which comprises Tan Sin Huat, Dennis (Chairman), Ng Jwee Phuan @ Frederick (Eric) and Chew Mun Yew.

Under the Plan 2017, eligible participants are conferred rights by the Company on shares to be issued or transferred ("Awards"). The Plan 2017 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 share-based incentive scheme 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 the Awards.

As at 31 March 2019, no performance shares are awarded under the Plan 2017.

6. 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.

7. Audit Committee

The Audit Committee ("AC") of the Company comprises four non-executive directors. The members of the AC at the date of this statement are:

Ng Jwee Phuan @ Frederick (Eric)	(Ceased as Chairman on 1 April 2019)
Chew Choy Seng	(Appointed as Chairman with effect from 1 April 2019)
Tan Sin Huat, Dennis	
Chew Mun Yew	

The AC has convened four meetings during the financial year with key management. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

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

7. Audit Committee *(Continued)*

(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, and the assistance given by the Group's and the Company's management to the external auditors;

(ii) the audit plans of the internal auditors of the Group, the evaluation of the adequacy of the Group's system of internal accounting controls, and the assistance given by the Group's and the Company's management to the internal auditors;

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

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

(v) the effectiveness of the Group's and the Company's material internal controls, including financial, operational, compliance and information technology controls, and risk management systems via reviews carried out by the internal auditors;

(vi) met with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

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

(viii) the interested person transactions in accordance with Singapore Exchange Securities Trading Limited's Listing Manual;

(ix) the nomination of external auditors recommended to the Board of Directors and approves their compensation; and

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

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.

8. Auditors

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

On behalf of the Board of Directors

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

Singapore
28 June 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Chasen Holdings Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 March 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information as set out on pages 51 to 144.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statement*s section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of audit

For the audit of the current financial year's financial statements, we identified 11 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

Out of the 11 significant components, 6 were audited by component auditors under our instructions and the remaining 5 were audited by us. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Area of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates to be made by directors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the Audit of Financial Statements *(Continued)*

Key Audit Matters *(Continued)*

Matter	Audit response
Impairment of goodwill **(refer to Note 3.2 and Note 15 to the financial statements)**	
As at 31 March 2019, the Group has recognized goodwill on consolidation with carrying value amounting to S$10,559,000 (2018: S$10,559,000). In accordance with SFRS(I) 1-36 *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment, at least annually. The goodwill acquired in a business combination is allocated to the groups of cash-generating units ("CGU") that are expected to benefit from the synergies of that business combination. The management assessed the groups of CGU for impairment annually or more frequently when there is an indication that the unit may be impaired. The recoverable amounts of the groups of CGU are determined based on estimates of forecasted revenues, growth rates, gross margins and discount rates. These estimates require significant judgement and hence the management's determination of the recoverable amounts is a key focus area for our audit.	Our audit procedures included, and were not limited to, the following: • Evaluated the process by which management prepared its cash flow forecasts and compared them against the latest Board approved financial budgets and management approved forecast; • Discussed with management on their planned strategies, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers, and obtained the list of secured and tendered contracts; • Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's key assumptions and estimates applied in the value-in-use models, with comparison to recent performance, trend analysis, market expectations, and historical accuracy of the plans and forecasts; and • Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Chasen Holdings Limited

Report on the Audit of Financial Statements *(Continued)*

Key Audit Matters *(Continued)*

Matter	Audit response
Revenue recognition (refer to Note 3.1, Note 4 and Note 44 to the financial statements)	
The Group has adopted SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") which is effective on 1 April 2018, using the retrospective method of adoption in accordance with SFRS(I) 1, with the cumulative effect of initially applying SFRS(I) 15 recognized as an adjustment to the opening balance of retained earnings as of 1 April 2017. The Group recognized revenue during the financial year ended 31 March 2019 from construction contracts of S$5,996,000 (2018: S$34,000), representing 4.5% of total revenue recognized during the financial year. The carrying amounts of contract assets and contract liabilities arising from construction contracts at that date are S$1,096,000 (2018: S$69,000) and S$79,000 (2018: S$238,000) respectively. Consequent to the adoption of SFRS(I) 15, the Group recognized revenue from construction contracts using the input method that reflects the over-time transfer of control to its customers. This is measured by reference to the Group's progress towards completing the performance obligation in the contract. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total costs. The determination of the method of recognition, total contract costs, progress towards completion in estimating percentage of completion and recoverable variation works requires significant management judgement, and may have a material impact on the amounts of contract assets, contract liabilities and construction contract revenue recognized during the year. Accordingly, we have identified this as a key audit matter.	Our audit procedures included, and were not limited to, the following: • We obtained an understanding of the Group's process in assessing and applying SFRS(I) 15 to its revenue stream; • We assessed the appropriateness of the accounting policy applied by management, in consideration of factors including the Group's business model and the contracts entered into between the Group and its customers; • We reviewed the adjustments passed by the Group in their initial adoption of SFRS(I) 15 as disclosed in Note 44; and • We reviewed the appropriateness and sufficiency of the corresponding disclosures made in the financial statements.

Report on the Audit of Financial Statements *(Continued)*

Key Audit Matters *(Continued)*

Matter	Audit response
Impairment of trade receivables (refer to Note 3.2, Note 22 and Note 41 to the financial statements)	
As at 31 March 2019, the Group reported trade receivables with carrying amount of approximately S$40,274,000 (2018: S$41,826,000), net of allowance for expected credit losses ("ECL"), which represents 53.2% of the Group's current assets. Consequent to the adoption of SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9"), the Group used an allowance matrix to estimate ECL for trade receivables. The ECL rates were based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that were assessed through an age analysis and by geographical locations, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. As the determination of the ECL requires significant judgement of management and in consideration of the significance of trade receivables in the Group, we consider management's assessment and application of SFRS(I) 9 to the impairment of trade receivables as a key audit matter.	Our audit procedures included, and were not limited to, the following: • We obtained an understanding of the Group's process in assessing and determining the loss rates used in their allowance matrix; • We reviewed the appropriateness of the bases of the Group for determining the loss rates, with reference to also the historical payment trends of its customers in the past 3 financial years analyzed by past due dates and the customers' geographical locations, adjusted for the Group's outlook of the macro-economic environment and conditions in which its customers operate in, and considered the subsequent receipts, where applicable; • For long outstanding receivables, we performed background checks on the customers to assess whether the receivables could be credit impaired; • Compared management's assumptions for both collective and individual impairment allowances to externally available industry, financial and economic data and our own assessments in relation to key inputs, including background checks on the corresponding customers' financial standing and researched for any adverse news relating to these customers' operations or financial positions; and • We reviewed the appropriateness and sufficiency of the corresponding disclosures made in the financial statements.

Report on the Audit of Financial Statements *(Continued)*

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

To the Members of Chasen Holdings Limited

Report on the Audit of Financial Statements *(Continued)*

Auditors' Responsibilities for the Audit of the Financial Statements *(Continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lai Keng Wei.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
28 June 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 March 2019

	Note	2019 S$'000	2018 S$'000 Restated Note 44
Revenue	4	131,880	127,563
Cost of sales		(99,762)	(98,350)
Gross profit		32,118	29,213
Other operating income	5	2,371	3,749
Distribution and selling expenses		(8,115)	(9,321)
Administrative expenses		(15,878)	(14,022)
Other operating expenses		(1,674)	(1,174)
Finance expenses	6	(1,570)	(1,472)
Profit before income tax	7	7,252	6,973
Income tax expense	9	(2,452)	(842)
PROFIT FOR THE FINANCIAL YEAR		4,800	6,131
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss			
Net gain/(loss) on fair value changes of other investments	19	51	(679)
Other comprehensive income/(loss) for the financial year that will not be reclassified to profit or loss, net of tax		51	(679)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(741)	615
Other comprehensive (loss)/income for the financial year that may be reclassified to profit or loss, net of tax		(741)	615
Total other comprehensive loss for the financial year, net of tax		(690)	(64)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		4,110	6,067
Profit for the financial year attributable to:			
Owners of the Company		5,374	5,792
Non-controlling interests		(574)	339
Profit for the financial year		4,800	6,131
Total comprehensive income for the financial year attributable to:			
Owners of the Company		4,717	5,672
Non-controlling interests		(607)	395
Total comprehensive income for the financial year		4,110	6,067
Earnings per share for profit attributable to owners of the Company (cents per share)			
Basic	10	1.39	1.56
Diluted	10	1.39	1.56

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 2019

	Note	Group 2019 S$'000	Group 2018 S$'000 Restated Note 44	Group As at 1 April 2017 S$'000 Restated Note 44	Company 2019 S$'000	Company 2018 S$'000
ASSETS						
Non-current assets						
Investment properties	11	900	950	950	6,300	-
Property, plant and equipment	12	40,519	38,311	36,295	-	-
Investments in subsidiaries	13	-	-	-	38,150	38,175
Investments in associates	14	-	-	-	-	-
Goodwill on consolidation	15	10,559	10,559	10,559	-	-
Intangible assets	16	-	-	142	-	-
Land use rights	17	916	966	-	-	-
Club membership	18	4	5	6	-	-
Other investments	19	5,216	5,165	1,212	584	533
Other receivables, deposits and prepayments	23	1,060	1,029	-	-	-
Deferred tax assets	31	1,101	1,260	2,731	-	-
Total non-current assets		60,275	58,245	51,895	45,034	38,708
Current assets						
Inventories	20	4,644	5,075	4,593	-	-
Contract assets	21	1,698	386	1,185	-	-
Trade receivables	22	40,274	41,826	39,004	-	-
Other receivables, deposits and prepayments	23	15,674	16,341	15,814	27	46
Amounts due from subsidiaries	24	-	-	-	48,894	47,343
Cash and cash equivalents	25	13,362	10,819	10,362	898	303
		75,652	74,447	70,958	49,819	47,692
Assets for disposal group classified as held-for-sale		-	-	8,256	-	-
Total current assets		75,652	74,447	79,214	49,819	47,692
Total assets		135,927	132,692	131,109	94,853	86,400
EQUITY AND LIABILITIES						
Equity						
Share capital	26	53,086	52,798	51,053	82,614	82,326
Treasury shares	27	(145)	(145)	(145)	(145)	(145)
Other reserves	28	(6,303)	(3,268)	(2,508)	(4,536)	(4,587)
Retained profits		23,905	20,079	14,647	7,363	4,638
Equity attributable to owners of the Company		70,543	69,464	63,047	85,296	82,232
Non-controlling interests		4,665	3,647	3,105	-	-
Total equity		75,208	73,111	66,152	85,296	82,232

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 2019

		Group			Company	
	Note	2019	2018	As at 1 April 2017	2019	2018
		S$'000	S$'000	S$'000	S$'000	S$'000
			Restated Note 44	Restated Note 44		
Non-current liabilities						
Bank loans	29	4,954	2,094	4,544	3,267	227
Finance lease payables	30	1,850	2,477	3,053	-	-
Deferred tax liabilities	31	1,590	1,073	746	-	-
Total non-current liabilities		8,394	5,644	8,343	3,267	227
Current liabilities						
Contract liabilities	21	88	240	57	-	-
Bank loans	29	28,460	28,551	23,323	5,786	3,423
Finance lease payables	30	1,663	2,250	2,718	-	-
Trade payables	32	12,669	15,349	17,327	-	-
Other payables and accruals	33	8,430	6,794	8,760	504	514
Provision	34	19	666	48	-	-
Income tax payable		996	87	3,079	-	4
		52,325	53,937	55,312	6,290	3,941
Liabilities of disposal group classified as held-for-sale		-	-	1,302	-	-
Total current liabilities		52,325	53,937	56,614	6,290	3,941
Total liabilities		60,719	59,581	64,957	9,557	4,168
Total equity and liabilities		135,927	132,692	131,109	94,853	86,400

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 2019

2019 Group	Note	Equity, total	Attributable to owners of the Company								Non-controlling interests
			Equity attributable to owners of the Company, total	Share capital	Treasury shares	Retained profits	Other reserves, total	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2018 (Restated)		73,111	69,464	52,798	(145)	20,079	(3,268)	1,848	(429)	(4,687)	3,647
Profit/(Loss) for the financial year		4,800	5,374	-	-	5,374	-	-	-	-	(574)
Other comprehensive (loss)/income											
Net gain on fair value changes of financial assets through other comprehensive income	19	51	51	-	-	-	51	-	-	51	-
Exchange differences on translating foreign operations		(741)	(708)	-	-	-	(708)	-	(708)	-	(33)
Other comprehensive (loss)/ income for the financial year, net of tax		(690)	(657)	-	-	-	(657)	-	(708)	51	(33)
Total comprehensive income/(loss) for the financial year		4,110	4,717	-	-	5,374	(657)	-	(708)	51	(607)

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 2019

2019 Group	Note	Equity, total	Attributable to owners of the Company								Non-controlling interests
			Equity attributable to owners of the Company, total	Share capital	Treasury shares	Retained profits	Other reserves, total	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Contributions by and distributions to owners											
Shares issued pursuant to acquisition of a subsidiary without a change in control	26	288	288	288	-	-	-	-	-	-	-
Dividends declared	43	(1,663)	(1,548)	-	-	(1,548)	-	-	-	-	(115)
Total contributions by and distributions to owners		(1,375)	(1,260)	288	-	(1,548)	-	-	-	-	(115)
Changes in ownership interests in subsidiaries											
Acquisition of a subsidiary without a change in control	13(b)	(672)	(2,030)	-	-	-	(2,030)	(2,030)	-	-	1,358
Disposal of subsidiary without a change in control	13(a)	34	(348)	-	-	-	(348)	(348)	-	-	382
Total changes in ownership interests in subsidiaries		(638)	(2,378)	-	-	-	(2,378)	(2,378)	-	-	1,740
Total transactions with owners in their capacity as owners		(2,013)	(3,638)	288	-	(1,548)	(2,378)	(2,378)	-	-	1,625
Balance at 31 March 2019		75,208	70,543	53,086	(145)	23,905	(6,303)	(530)	(1,137)	(4,636)	4,665

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 2019

2018 Group	Note	Equity, total	Attributable to owners of the Company: Equity attributable to owners of the Company, total	Share capital	Treasury shares	Retained profits	Other reserves, total	Capital reserve	Warrants reserve	Foreign currency translation reserve	Fair value adjustment reserve	Non-controlling interests
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2017		67,341	64,031	51,053	(145)	15,631	(2,508)	1,848	640	(988)	(4,008)	3,310
Effect from adopting SFRS(I) 15	44	(1,189)	(984)	-	-	(984)	-	-	-	-	-	(205)
Balance at 1 April 2017 (Restated)		66,152	63,047	51,053	(145)	14,647	(2,508)	1,848	640	(988)	(4,008)	3,105
Profit for the financial year		6,131	5,792	-	-	5,792	-	-	-	-	-	339
Other comprehensive (loss)/income												
Net loss on fair value changes of available-for-sale financial assets	19	(679)	(679)	-	-	-	(679)	-	-	-	(679)	-
Exchange differences on translating foreign operations		615	559	-	-	-	559	-	-	559	-	56
Other comprehensive (loss)/income for the financial year, net of tax		(64)	(120)	-	-	-	(120)	-	-	559	(679)	56
Total comprehensive income/(loss) for the financial year		6,067	5,672	-	-	5,792	(120)	-	-	559	(679)	395

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 2019

2018 Group	Note	Equity, total	Attributable to owners of the Company: Equity attributable to owners of the Company, total	Share capital	Treasury shares	Retained profits	Other reserves, total	Capital reserve	Warrants reserve	Foreign currency translation reserve	Fair value adjustment reserve	Non-controlling interests
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Contributions by and distributions to owners												
Shares issued pursuant to exercise of warrants	26, 28	1,116	1,116	1,745	-	-	(629)	-	(629)	-	-	-
Warrants expired	28	-	-	-	-	11	(11)	-	(11)	-	-	-
Dividends paid	43	(371)	(371)	-	-	(371)	-	-	-	-	-	-
Total contributions by and distributions to owners		745	745	1,745	-	(360)	(640)	-	(640)	-	-	-
Changes in ownership interests in subsidiaries												
Incorporation of subsidiaries with non-controlling interests		147	-	-	-	-	-	-	-	-	-	147
Total changes in ownership interests in subsidiaries		147	-	-	-	-	-	-	-	-	-	147
Total transactions with owners in their capacity as owners		892	745	1,745	-	(360)	(640)	-	(640)	-	-	147
Balance at 31 March 2018 (Restated)		73,111	69,464	52,798	(145)	20,079	(3,268)	1,848	-	(429)	(4,687)	3,647

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 2019

2019 Company	Note	Equity, total	Share capital	Treasury shares	Retained profits	Other reserves, total	Capital reserve	Fair value adjustment reserve
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2018		82,232	82,326	(145)	4,638	(4,587)	100	(4,687)
Profit for the financial year		4,273	-	-	4,273	-	-	-
Other comprehensive income								
Net gain on fair value changes of financial assets through other comprehensive income	19	51	-	-	-	51	-	51
Other comprehensive income for the financial year, net of tax		51	-	-	-	51	-	51
Total comprehensive income for the financial year		4,324	-	-	4,273	51	-	51
Contributions by and distributions to owners								
Shares issued pursuant to acquisition of subsidiary without a change in control	26	288	288	-	-	-	-	-
Dividends paid		(1,548)	-	-	(1,548)	-	-	-
Total contributions by and distributions to owners		(1,260)	288	-	(1,548)	-	-	-
Total transactions with owners in their capacity as owners		(1,260)	288	-	(1,548)	-	-	-
Balance at 31 March 2019		85,296	82,614	(145)	7,363	(4,536)	100	(4,636)

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 2019

2018 Company	Note	Equity, total	Share capital	Treasury shares	Retained profits	Other reserves, total	Capital reserve	Warrants reserve	Fair value adjustment reserve
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2017		80,727	80,581	(145)	3,559	(3,268)	100	640	(4,008)
Profit for the financial year		1,439	-	-	1,439	-	-	-	-
Other comprehensive loss									
Net loss on fair value changes of available-for-sale financial assets	19	(679)	-	-	-	(679)	-	-	(679)
Other comprehensive loss for the financial year, net of tax		(679)	-	-	-	(679)	-	-	(679)
Total comprehensive income/(loss) for the financial year		760	-	-	1,439	(679)	-	-	(679)
Contributions by and distributions to owners									
Shares issued pursuant to exercise of warrants	26,28	1,116	1,745	-	-	(629)	-	(629)	-
Warrants expired	28	-	-	-	11	(11)	-	(11)	-
Dividends paid	43	(371)	-	-	(371)	-	-	-	-
Total contributions by and distributions to owners		745	1,745	-	(360)	(640)	-	(640)	-
Total transactions with owners in their capacity as owners		745	1,745	-	(360)	(640)	-	(640)	-
Balance at 31 March 2018		82,232	82,326	(145)	4,638	(4,587)	100	-	(4,687)

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 2019

	Note	2019 S$'000	2018 S$'000 Restated Note 44
Operating activities			
Profit before income tax		7,252	6,973
Adjustments for:			
Amortization of club membership	18	1	1
Amortization of intangible assets	16	-	142
Amortization of land use rights	17	19	8
Bad debts written off (trade)	7	338	252
Bad debts written off (non-trade)	7	34	-
Depreciation of property, plant and equipment	12	6,254	6,283
Fair value loss on investment property	11	50	-
Gain on disposal of subsidiaries	19	-	(640)
Impairment loss on financial assets	22	258	52
Interest income	5	(104)	(39)
Interest expense	6	1,570	1,472
Net gain on disposal of property, plant and equipment	5, 7	(69)	(311)
Property, plant and equipment written-off	7	-	71
(Reversal of)/Provision for expected losses on onerous contract	34	(647)	618
Reversal of impairment loss on financial assets	22	(1)	(26)
Operating cash flows before movements in working capital		14,955	14,856
Changes in working capital:			
Inventories		431	(482)
Contract assets and liabilities		(1,464)	982
Trade and other receivables		1,559	(5,075)
Trade and other payables		(1,662)	(2,520)
Cash generated from operations		13,819	7,761
Income taxes paid		(852)	(2,060)
Net cash generated from operating activities		12,967	5,701

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 2019

	Note	2019 S$'000	2018 S$'000 Restated Note 44
Investing activities			
Acquisition of a subsidiary without a change in control	13(b)	(384)	-
Acquisition of land use rights	17	-	(958)
Advance receipt from disposal of financial assets at fair value through other comprehensive income ("FVTOCI")	19	504	-
Incorporation of subsidiaries with non-controlling interests		-	147
Divestment of a subsidiary to non-controlling interests	13(a)	34	-
Interest received		104	39
Proceeds from disposal of subsidiaries	19	-	915
Proceeds from disposal of property, plant and equipment		791	343
Purchase of property, plant and equipment	12	(8,446)	(5,935)
Effect of foreign currency re-alignment on investing activities		(576)	501
Net cash used in investing activities		(7,973)	(4,948)
Financing activities			
Dividends paid to owners of the Company		(1,548)	(371)
Interest paid		(1,570)	(1,472)
Proceeds from exercise of warrants	26	-	1,116
Proceeds from bank loans		45,932	32,937
Repayment of bank loans		(42,965)	(30,308)
Repayment of finance lease payables		(2,292)	(3,269)
Release/(pledge) of pledged fixed deposits with banks		448	(959)
Net cash used in financing activities		(1,995)	(2,326)
Net increase/(decrease) in cash and cash equivalents		2,999	(1,573)
Effect of exchange rate changes on cash and cash equivalents		(8)	21
Cash and cash equivalents at beginning of financial year		9,093	10,645
Cash and cash equivalents at end of financial year	25	12,084	9,093

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 2019

Reconciliation of liabilities arising from financing activities

			Non-cash movements			
	At beginning of financial year	Financing cashflows[1]	Purchase of property, plant and equipment	Interest expense	Others	At end of financial year
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2019						
Liabilities						
Bank loans	30,645	1,650	-	1,317	(198)	33,414
Finance lease payables	4,727	(2,522)	1,109	230	(31)	3,513
2018						
Liabilities						
Bank loans	27,867	1,466	-	1,163	149	30,645
Finance lease payables	5,771	(3,545)	2,050	276	175	4,727

[1] *Net of proceeds from interest bearing borrowings, repayment of interest bearing borrowings, interest paid and repayment of finance leases.*

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2019

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

1. General

Chasen Holdings Limited (the "Company") (Registration Number: 199906814G) is a limited liability company incorporated and domiciled in 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 and associates are disclosed in Notes 13 and 14 respectively 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 2019 were authorized for issue by the Board of Directors on 28 June 2019.

2. Summary of significant accounting policies

2.1 Basis of preparation

The 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 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I) ("SFRS(I)s INT") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

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

Singapore Financial Reporting Standards (International)

In December 2017, the Accounting Standards Council (the "ASC") issued the SFRS(I)s as the new accounting framework to be mandatorily applied by qualifying entities, which include Singapore-incorporated entities whose debt or equity instruments are traded in a public market in Singapore, in the preparation and presentation of their general purpose financial statements for annual reporting periods beginning on or after 1 January 2018.

This first volume of SFRS(I)s contains the equivalent of consolidated text of IFRS as issued by the International Accounting Standards Board ("IASB") at 31 December 2017 that are applicable for annual reporting periods beginning on 1 January 2018. Simultaneous to its compliance with SFRS(I)s, the Group can hence elect to include an explicit and unreserved statement of compliance with SFRS(I)s in its first and subsequent SFRS(I)s financial statements.

In its initial adoption of this first set of SFRS(I)s financial statements, the Group has applied SFRS(I) *1 First-Time Adoption of Singapore Financial Reporting Standards (International)* ("SFRS(I) 1") which is equivalent to IFRS *1 First-Time Adoption of International Financial Reporting Standards.*

The effects of applying SFRS(I) 1 is disclosed in Note 44.

2. Summary of significant accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

SFRS(I)s and SFRS(I)s INT issued but not yet effective

At the date of authorization of these financial statements, the following SFRS(I)s and SFRS(I)s INT that are relevant to the Group were issued but not yet effective:

SFRS (I)s	Title	Effective date (annual periods beginning on or after)
SFRS(I) 1-19	Amendments to SFRS(I) 1-19: *Plan Amendment, Curtailment or Settlement*	1 January 2019
SFRS(I) 1-28	Amendments to SFRS(I) 1-28: *Long-term Interests in Associates and Joint Ventures*	1 January 2019
SFRS(I) 1-1, SFRS(I) 1-8	Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*	1 January 2020
SFRS(I) 3	Amendments to SFRS(I) 3: *Definition of a Business*	1 January 2020
SFRS(I) 9	Amendments to SFRS(I) 9: *Prepayment Features with Negative Compensation*	1 January 2019
SFRS (I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
SFRS(I) 16	Leases	1 January 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019
Various	Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
	Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements	
Various	Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
	- Amendments to SFRS(I) 3 *Business Combinations: Additional guidance for applying the acquisition method to particular types of business combinations*	
	- Amendments to SFRS(I) 11 *Joint Arrangements: Accounting for acquisition of interests in joint operations*	
	- Amendments to SFRS(I) 1-12 *Income taxes: Measurement, Recognition of current and deferred tax and borrowing costs*	
	- Amendments to SFRS(I) 1-23 Borrowing costs: *Borrowing costs eligible for capitalization*	

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

The Group and the Company do not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Other than the following standard, management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2. Summary of significant accounting policies *(Continued)*

2.1 Basis of preparation *(Continued)*

SFRS(I) 16 Leases ("SFRS(I) 16")

SFRS(I) 16 supersedes SFRS(I) *1-17 Lease*, SFRS(I) *INT 4 Determining whether an Arrangement contains a Lease*, SFRS(I) *1-15 Operating Leases – Incentives*, and SFRS(I) *INT 1-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and introduces a single, on-balance sheet accounting model for lessees.

The Group plans to apply SFRS(I) 16 on 1 April 2019 and will apply the modified retrospective approach to recognize the cumulative effect of initially applying SFRS(I) 16 on 1 April 2019. Accordingly, the comparative financial statements will not be restated.

Lessee

SFRS(I) 16 requires, with limited exceptions, the lessee to recognize, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of "low-value" assets and qualifying short-term leases entered into by lessees can be exempted from the new recognition criteria.

The Group plans to elect to use the exemption proposed by the standard on lease contracts for which the underlying asset is of low value and where the lease is short-term. The Group also plans to elect not to recognize right-of-use assets and lease liabilities of leases for which the lease term ends within 12 months as of 1 April 2019. In the determination of the lease term as a lessee, the Group plans to apply the practical expedient to use hindsight for contracts which contains options to extend or terminate the lease.

Preliminarily, based on the currently known and reasonably estimable information relevant to its assessment, as at 1 April 2019, the Group expects an increase in right-of-use assets and an increase in lease liabilities.

Lessor

The Group does not expect any significant impact on its financial statements as a lessor in the initial adoption of SFRS(I) 16.

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 structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

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.

2. Summary of significant accounting policies *(Continued)*

2.2 Basis of consolidation *(Continued)*

Intragroup assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions 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.

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 capital reserve 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 accumulated profits) 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 SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognized in profit or loss in the Company's separate financial statements.

2.3 Business combinations

<u>Business combinations from 1 January 2017</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. For each business combination, the Group determines whether to measure the non-controlling interests in the acquire at fair value or at proportionate share in the recognized amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognized in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") 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 SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognized and measured at the lower of cost and fair value less costs to sell.

The Group recognizes any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9, is measured at fair value with the changes in fair value recognized in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

2. Summary of significant accounting policies *(Continued)*

2.3 Business combinations *(Continued)*

Business combinations from 1 January 2017 *(Continued)*

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.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 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 SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *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 SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 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 is 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.

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.

2. Summary of significant accounting policies *(Continued)*

2.3 Business combinations *(Continued)*

Business combinations before 1 January 2017

As part of transition to SFRS(I)s, the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I)s, i.e. 1 January 2017. Goodwill arising from acquisitions before 1 January 2017 has been carried forward from the previous FRS framework as at the date of transition.

In comparison to the above-mentioned requirements under SFRS(I)s, 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

The Group is principally in the business of specialist relocation solutions, third party logistics and technical and engineering. Revenue from contracts with its customers is recognized when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the good or service and that is allocated to that performance obligation. The good or service is transferred when or as the customer obtains control of the good or service. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

Specialist relocation services

Revenue from a contract to provide specialist relocation services is recognized over time, using the output method to measure progress towards complete satisfaction of the service, as the Group has a right to consideration from customers in an amount that corresponds directly with the performance completed to date.

Third-party logistics services

The Group's third-party logistics segment generates revenue from providing supply chain services for its customers including packing, packaging, trucking, distribution, freight forwarding, warehousing and related services. Revenue from third-party logistics services are satisfied over time as customers simultaneously receive and consume the benefits of the Group's services. In general, revenue is recognized using the output method which commensurate with the pattern of transfer of provision of services to the customers. A corresponding receivable is recognized for the consideration that is unconditional when only the passage of time is required before the payment is due.

Sale of goods

Revenue from the sale of goods is recognized at a point in time when the control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer). A corresponding receivable is recognized for the consideration that is unconditional when only the passage of time is required before the payment is due. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2. Summary of significant accounting policies *(Continued)*

2.4 Revenue recognition *(Continued)*

Supply and installation of scaffold

Revenue from the supply and installation of scaffold is recognized at a point in time when the supply and installation of scaffold, identified as one performance obligation, have been rendered to the customers. A corresponding receivable is recognized for consideration that is unconditional when only the passage of time is required before payment is due.

Engineering services

Revenue from the engineering service is recognized over time, using the input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. In the application of the input method, the Group has used cost-to-cost method (i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated contract costs). Contract costs are mainly driven by labour costs. Accordingly, in view of the nature of the engineering service, management considers that this input method is most appropriate in measuring the progress towards complete satisfaction of these performance obligations under SFRS(I)15 *Revenue from Contract with Customers* ("SFRS(I) 15").

Construction contract revenue

Revenue from construction contracts are recognized over time, using the input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. In the application of the input method, the Group has used cost-to-cost method (i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated contract costs). Contract costs are mainly driven by material and labour costs. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress. Accordingly, in view of the nature of the construction contract, management considers that this input method is most appropriate in measuring the progress towards complete satisfaction of these performance obligations under SFRS(I)15.

Capitalized cost

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I)s (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I)s. If these are not within the scope of another SFRS(I)s, the Group will capitalize these as contract costs assets only if (a) these cost relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these cost generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognized in profit or loss in the period in which they are incurred.

Capitalized contract costs are subsequently amortized on a systematic basis as the Group recognizes the related revenue over time. An impairment loss is recognized in the profit or loss to the extent that the carrying amount of capitalized contract costs exceeds the expected remaining consideration less any directly related costs not yet recognized as expenses.

Rental income

Rental income from investment property and leasing of working tools are recognized on a straight-line basis over the term of the relevant lease (see Note 2.23). The aggregate cost of incentives provided to lessees is recognized as a reduction of rental income over the lease term on a straight-line basis.

2. Summary of significant accounting policies *(Continued)*

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 capitalization 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 capitalization.

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.

The Group participates in the national pension schemes as defined by the laws of People's Republic of China ("PRC"). Subsidiaries incorporated in the PRC are required to provide staff pension benefits to their employees under existing PRC legislation. These subsidiaries are required to contribute a certain percentage of their payroll costs to the pension scheme to fund the benefits. The pension funds are managed by government agencies, which are responsible for paying pensions to the retired employees. Contributions under the pension scheme are charged to the profit or loss as they become payable in accordance with the rules of the pension scheme.

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 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.

2. Summary of significant accounting policies *(Continued)*

2.9 Income tax *(Continued)*

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.

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.

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 other comprehensive income.

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.

2. Summary of significant accounting policies *(Continued)*

2.11 Foreign currency transactions and translation *(Continued)*

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar 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 foreign currency 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. Fair values are determined annually by independent professional valuers.

Costs of major renovations and improvements 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.

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 buildings / Renovation	5 – 55 years
Transportation equipment	5 – 10 years
Tools and equipment	3 – 10 years
Furniture, fittings, and office equipment	1 – 10 years

No depreciation is charged on building under construction as this asset is not yet in use as at the end of the financial year.

2. Summary of significant accounting policies *(Continued)*

2.13 Property, plant and equipment *(Continued)*

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.

2.15 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 ("CGUs") expected to benefit from the synergies of the combination. CGUs 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 CGU 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.

On acquisition of an investment in an associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the associate or joint venture is recognized as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities of the associate or joint venture over the cost of investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill. 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.

2. Summary of significant accounting policies *(Continued)*

2.15 Intangible assets *(Continued)*

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.

2.16 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortization. The land use rights are amortized on a straight-line basis over the lease term of 50 years.

2.17 Investments in associates

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of these policies, and generally accompanying a shareholding of between 20% or more of the voting rights.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognized in profit or loss in the Company's separate financial statements.

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 SFRS(I) 5. 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. The Group's share of 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. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see Note 2.15).

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.

The Company has accounted for its investments in associates at cost in its separate financial statements.

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 CGU 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 CGU 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.

2. Summary of significant accounting policies *(Continued)*

2.18 Impairment of tangible and intangible assets excluding goodwill *(Continued)*

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 (CGU) 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 (CGU) 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

The Group recognizes a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Effective interest method

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.

Financial instruments from 1 April 2018

These accounting policies are applied on and after the initial application date of SFRS(I) 9 (i.e. 1 April 2018).

Financial assets

Initial recognition and measurement

All financial assets are recognized on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets 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. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 in Note 2.4.

Financial assets are classified as subsequently measured at amortised cost and fair value through other comprehensive income ("FVTOCI"). The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortized cost

A financial asset is subsequently measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Summary of significant accounting policies *(Continued)*

2.19 Financial instruments *(Continued)*

Financial instruments from 1 April 2018 *(Continued)*

Financial assets *(Continued)*

Financial assets at amortized cost *(Continued)*

Subsequent to initial recognition, the financial asset at amortized cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets held at FVTOCI

A financial asset that is an investment in debt instrument is subsequently measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. Gains or losses are recognized in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognized in profit or loss.

At initial recognition, the Group may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which SFRS(I) 3, as subsequently measured at FVTOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis.

Upon derecognition, other than the aforementioned equity instruments for which their subsequent cumulative fair value changes would be transferred to accumulated profits, the cumulative fair value changes recognized in other comprehensive income is recycled to profit or loss.

Dividend income

Dividends from equity instruments are recognized in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Interest income

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

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on financial assets measured at amortized cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognize the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

2. Summary of significant accounting policies *(Continued)*

2.19 Financial instruments *(Continued)*

Financial instruments from 1 April 2018 *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized in profit or loss.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 41.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial 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.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity.

Treasury shares

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 instruments from 1 April 2018 *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Financial liabilities

Initial recognition and measurement

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

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. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

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. A gain or loss is recognized in profit or loss when the liability is derecognized and through the amortization process.

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). A gain or loss is recognized in profit or loss when the liability is derecognized and through the amortization process.

Financial guarantee contracts

The Company has issued corporate guarantees to banks for banking facilities granted by them to 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 the loss allowance and the amount initially recognized less cumulative amortization in accordance with SFRS(I) 15 *Revenue from Contracts with Customers or FRS 18 Revenue* previously.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statements of financial position when and only when, an entity:

(a) currently has a legally enforceable right to set-off the recognized amounts; and
(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2. Summary of significant accounting policies *(Continued)*

2.19 Financial instruments *(Continued)*

Financial assets before 1 April 2018

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.

<u>Loans and receivables</u>

The Group's loans and receivables comprise trade and other receivables 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. Loan and receivables 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.

<u>Available-for-sale financial assets ("AFS")</u>

Certain equity instruments 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.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

<u>Impairment of financial assets</u>

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.

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.

2. Summary of significant accounting policies *(Continued)*

2.19 Financial instruments *(Continued)*

Financial assets before 1 April 2018 *(Continued)*

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.

2.20 Inventories

Inventories 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 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.

2.22 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.

2.23 Leases

Finance leases

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).

2. Summary of significant accounting policies *(Continued)*

2.23 Leases *(Continued)*

Operating leases

The Group as lessee

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 it is 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.

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.

2.24 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.

2.25 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 managers 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.

2.26 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. Government grant shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other operating income".

2. Summary of significant accounting policies *(Continued)*

2.27 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.

2.28 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 the 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;
  (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); or
  (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and the Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

<u>Key management personnel</u>

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 translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currency of the respective entity, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entity operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

Classification of interest in Eons Global Holdings Pte Ltd ("EGH")

The determination of the level of significant influence the Group has over the investee is often a mix of contractually defined and subjective factors that can be critical to the appropriate accounting treatment of investee in the Group's financial statements. The management exercises significant judgement in analyzing and evaluating relevant, subjective, diverse and sometimes contrasting qualitative and quantitative facts and circumstances surrounding its involvement in the investee, in determining whether the Group has significant influence over the investee. Such evaluation and assessment processes do take into consideration the transactions and events in accordance with its substance and economic reality, and not merely its legal forms.

The Group considered SFRS(I) 1-28 *Investments in Associates and Joint Ventures* to determine whether it exercises significant influence over EGH and considered factors, including but not limited to, its representation on the board of directors of EGH and its participation in policy-making decisions including the financial and operating policies. The directors have determined that they do not have significant influence over EGH even though the Group owns 40% of the issued capital of EGH. In making their judgement, the directors have considered the Group's ability to exercise its power to participate in the financial and operating policy decisions of EGH.

Following the assessment, the directors concluded that the Group does not have significant influence in EGH's financial and operating policies and therefore classified the investment in EGH as available-for-sale financial assets in financial year 2018. During the financial year, the Company has elected to classify the investment as FVTOCI and recognize the changes in fair values of all its equity investment not held for trading and previously classified as available-for-sale, n other comprehensive income. As a result, assets with a fair value of S$4,632,000 were reclassified from "other investments, available-for-sale" to "other investments, at FVTOCI" on 1 April 2019. (Note 19)

Differing conclusions around these judgements may impact how the investment is presented in the consolidated financial statements. If the directors were to conclude that the 40% interest was sufficient to give the Group significant influence, EGH would instead have been classified as an associate and the Group would have accounted for it using the equity method of accounting.

Fair value of financial instruments

Where the fair values of financial instruments recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques, including the discounted cash flow model. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgments include considerations of liquidity and model inputs regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in more details in Note 40.

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

3.1 Critical judgements made in applying the Group's accounting policies *(Continued)*

Revenue recognition from construction contracts

The Group recognizes revenue from construction contracts when the performance obligation is satisfied over time, using the input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. In determining the revenue recognition policy for such contracts entered into with its customers, the Group applied SFRS(I) 15, in consideration that its performance does not create an asset with an alternative use and its enforceability of right to payment for performance completed to date.

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.

Investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognized in profit or loss. The fair values are determined by independent professional valuers using recognized valuation techniques, including the yield method and the discounted cash flow method. The determination of the fair value requires the use of estimates such as future cash flows from the asset and discount rate applicable to that asset. The estimates are based on local market conditions existing as at the reporting date. The carrying amount of the Group's and Company's investment properties as at 31 March 2019 was S$900,000 (2018: S$950,000) and S$6,300,000 (2018: S$Nil) (Note 11) respectively.

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 was 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. The carrying amount of the Group's property, plant and equipment as at 31 March 2019 was S$40,519,000 (2018: S$38,311,000) (Note 12).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where necessary, the Company's and the Group's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries as at 31 March 2019 was S$38,150,000 (2018: S$38,175,000) (Note 13).

Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the 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. The carrying amount of the Group's goodwill on consolidation as at 31 March 2019 was S$10,559,000 (2018: S$10,559,000) (Note 15).

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

3.2 Key sources of estimation uncertainty *(Continued)*

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 inventory and identifies items of inventory which have a market price, being the 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 saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 March 2019 was S$4,644,000 (2018: S$5,075,000). There was no allowance made on inventory for the financial years ended 31 March 2019 and 2018 (Note 20).

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (i.e. Singapore, China, Malaysia, Vietnam) and the growth rates of the major industries in which its customers operate. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 March 2019 is S$1,397,000 (2018: S$1,310,000) (Note 41).

Recognition and recoverability of prepayments for service fees paid

The Group records the service fees paid to external project managers for services rendered on procurement of revenue contracts in the People's Republic of China as prepayments under current assets. Management estimates the amounts to be amortized by matching the pattern of revenue recognized over the period of the relevant contracts. In addition, management reviews the list of projects and monitors the status of each project under negotiations with the target customers as well as its past collection history of each contract. The carrying amount of the Group's prepayments for service fees paid as at 31 March 2019 was S$4,497,000 (2018: S$5,851,000) (Note 23).

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses, unutilized capital allowances and other temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenues from existing orders and contracts for the next 5 years.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognized on the unused tax losses, unutilized capital allowances and other temporary differences. The carrying amount of the Group's deferred tax assets as at 31 March 2019 was S$1,101,000 (2018: S$1,260,000) (Note 31).

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. The carrying amount of the Group's current tax payable and deferred tax liabilities as at 31 March 2019 was S$996,000 (2018: S$87,000) and S$1,590,000 (2018: S$1,073,000) (Note 31) respectively.

4. Revenue

	Group 2019 S$'000	Group 2018 S$'000 Restated
Revenue from contracts with customers	131,880	127,563

The disaggregation of revenue from contracts with customers is as follows:

	Specialist relocation services 2019 S$'000	Specialist relocation services 2018 S$'000	Third-party logistics 2019 S$'000	Third-party logistics 2018 S$'000	Technical and Engineering Services: Sale of goods 2019 S$'000	Sale of goods 2018 S$'000	Scaffolding services 2019 S$'000	Scaffolding services 2018 S$'000	Engineering services 2019 S$'000	Engineering services 2018 S$'000 Restated	Construction contract 2019 S$'000	Construction contract 2018 S$'000 Restated	Total 2019 S$'000	Total 2018 S$'000 Restated	Total 2019 S$'000	Total 2018 S$'000 Restated
Geographical markets[(a)]																
Singapore	20,314	17,374	7513	7,844	4,036	4,001	2,597	3,598	7,820	2,367	5,996	34	20,449	10,000	48,276	35,218
PRC	37,555	35,139	-	-	9,854	18,943	-	-	-	645	-	-	9,854	19,588	47,409	54,727
Malaysia	4,894	5,969	11,506	11,405	-	-	-	-	62	4	-	-	62	4	16,462	17,378
United States of America	10,211	13,184	-	-	-	-	-	-	-	-	-	-	-	-	10,211	13,184
Vietnam	5,025	3,405	13	-	-	-	-	-	-	-	-	-	-	-	5,038	3,405
Thailand	-	-	4,484	3,651	-	-	-	-	-	-	-	-	-	-	4,484	3,651
Total	77,999	75,071	23,516	22,900	13,890	22,944	2,597	3,598	7,882	3,016	5,996	34	30,365	29,592	131,880	127,563
Timing of revenue recognition																
Goods or services transferred at a point in time	-	-	-	-	13,890	22,944	2,597	3,598	-	-	-	-	16,487	26,542	16,487	26,542
Services transferred overtime	77,999	75,071	23,516	22,900	-	-	-	-	7,882	3,016	5,996	34	13,878	3,050	115,393	101,021
Total	77,999	75,071	23,516	22,900	13,890	22,944	2,597	3,598	7,882	3,016	5,996	34	30,365	29,592	131,880	127,563

[(a)] The disaggregation is based on the location of customers from which revenue was generated.

4. Revenue *(Continued)*

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations on 31 March 2019 and expected to be realized in the following financial years:

	Group
	2019
	S$'000
2020	2,806

As permitted under the transitional provisions in the SFRS(I) 15, the transaction price allocated to partially or fully unsatisfied performance obligations as of 31 March 2018 and 1 April 2017 is not disclosed. The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less.

5. Other operating income

		Group	
	Note	**2019**	**2018**
		S$'000	**S$'000**
Compensation received		23	14
Gain on disposal of property, plant and equipment		69	341
Gain on disposal of subsidiaries	19	-	640
Gain on foreign exchange differences		673	872
Grants received from government		868	855
Interest income from banks		104	39
Rental income from investment property	11	46	46
Rental income from leasing of working tools		191	13
Reimbursement of costs		119	135
Sale of scrap materials		31	124
Write-back of allowance for doubtful trade receivables	22	1	26
Miscellaneous income		246	644
		2,371	3,749

6. Finance expenses

	Group	
	2019	**2018**
	S$'000	**S$'000**
Bank loans interest	1,317	1,163
Factoring interest and charges	23	33
Finance lease interest	230	276
	1,570	1,472

7. Profit before income tax

The following charges/(credits) were included in the determination of profit before income tax:

	Note	Group 2019 S$'000	Group 2018 S$'000
Audit fees paid to auditors:			
- Auditors of the Company		272	272
- Other auditors		117	151
Non-audit fees paid to auditors:			
- Other auditors		8	11
Amortization of club membership	18	1	1
Amortization of intangible assets	16	-	142
Amortization of land use rights	17	19	8
Depreciation of property, plant and equipment	12	6,254	6,283
(Reversal of)/Provision for expected losses on onerous contract	34	(647)	618
Directors' fees	38	427	400
Inventories recognized as an expense in cost of sales		7,344	11,095
Key management personnel remuneration	38	2,028	1,887
Operating lease expense			
- land and building		5,273	4,850
- equipment		10,157	4,918
- motor vehicles		1,936	1,583
Staff costs (including key management personnel remuneration)	8	39,921	40,692
Included in other operating expenses:			
Allowance for doubtful trade receivables	22	258	52
Bad debts written off (trade)		338	252
Bad debts written off (non-trade)		34	-
Fair value loss on investment property	11	50	-
Loss on foreign exchange differences		987	769
Loss on disposal of property, plant and equipment		-	30
Property, plant and equipment written off		-	71

8. Staff costs (including key management personnel remuneration)

	Group 2019 S$'000	Group 2018 S$'000
Salaries and bonuses	30,401	31,310
Employers' contribution to defined contribution plan	5,133	4,607
Other related staff costs	4,387	4,775
	39,921	40,692

9. Income tax expense

	Group	
	2019	2018
	S$'000	S$'000
Current income tax		
- Current	1,934	1,784
- Over-provision in prior financial years	(179)	(2,742)
	1,755	(958)
Deferred income tax (Note 31)		
- Current	602	225
- Under-provision in prior financial years	95	1,575
Total tax expense	697	1,800
	2,452	842

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2018: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the difference applicable jurisdictions in the current financial year from the last financial year.

Reconciliation of effective tax rate is as follows:

	Group	
	2019	2018
	S$'000	S$'000
		Restated
Profit before income tax	7,252	6,973
Income tax at statutory rate	1,233	1,185
Tax effect of:		
Expenses not deductible for tax purposes	1,192	987
Income not subject to tax	(171)	(98)
Different tax rates of overseas operations	357	289
Tax exemption	(87)	-
Enhanced allowances	-	(108)
Unrecognized deferred tax benefits	(5)	(52)
Over-provision in prior financial years	(84)	(1,167)
Others	17	(194)
Total tax expense	2,452	842

The Singapore Government has announced that companies will receive 20% Corporate Income Tax ("CIT") rebate that is subject to a cap of S$10,000 for the Year of Assessment 2019.

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$1,470,000 (2018: S$806,000). 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.

10. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing profit 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 and share data used in the computation of basic earnings per share:

	Group	
	2019	**2018**
	S$'000	**S$'000**
		Restated
Profit for the financial year attributable to owners of the Company (S$'000)	5,374	5,792
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	385,795	371,320
Basic earnings per share (cents)	1.39	1.56

There are no dilutive potential ordinary shares for the financial year ended 31 March 2019 and 2018. Hence, the basic earnings per share is the same as the diluted earnings per share.

11. Investment properties

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At beginning of financial year	950	950	-	-
Addition	-	-	2,586	-
Fair value (loss)/gain	(50)	-	3,714	-
At end of financial year	900	950	6,300	-

The following amounts are recognized in profit or loss:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Rental income from investment property (Note 5)	46	46	-	-
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment property	(6)	(2)	(59)	-

Investment properties of the Group and the Company are stated at fair value, which have been determined based on valuation performed as at the end of the financial year. The valuations were performed by Teho Properties Consultant Pte Ltd and Suntec Real Estate Consultants Pte Ltd; both are independent valuers with recognized and relevant professional qualification and with recent experience in the location and category of property being valued. The valuations are based on the properties' highest-and-best-use using the Comparable Sales Method.

As at 31 March 2019, the investment properties are mortgaged to secure bank loans (Note 29).

11. Investment properties *(Continued)*

The details of the investment properties are as follows:

Group

Description and location	Tenure	Unexpired lease term
Commercial property located at 7030 Ang Mo Kio Avenue 5, #04-46 Northstar @ AMK, Singapore 569880	60 years	47 years and 9 month

Company

Description and location	Tenure	Unexpired lease term
Factory cum office located at 56 Senoko Road Woodlands East Industrial Estate Singapore 758120	28 years	21 years and 9 months

12. Property, plant and equipment

Group	Building under construction	Leasehold buildings / Renovation	Transportation equipment	Tools and equipment	Furniture, fittings, and office equipment	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Cost						
At 1 April 2017	4,419	17,931	23,345	26,079	3,158	74,932
Additions	1,503	378	2,627	2,986	491	7,985
Disposals / Written-off	-	(89)	(1,221)	(721)	(13)	(2,044)
Exchange translation differences	-	196	568	384	51	1,199
At 31 March 2018	5,922	18,416	25,319	28,728	3,687	82,072
Additions	2,956	234	1,839	4,255	271	9,555
Disposals / Written-off	-	-	(1,391)	(841)	(92)	(2,324)
Reclassification	(8,842)	8,270	-	572	-	-
Exchange translation differences	(36)	(94)	(352)	(527)	(40)	(1,049)
At 31 March 2019	-	26,826	25,415	32,187	3,826	88,254
Accumulated depreciation						
At 1 April 2017	-	4,254	13,217	18,808	2,358	38,637
Depreciation	-	980	2,515	2,494	294	6,283
Disposals / Written-off	-	(75)	(1,098)	(676)	(13)	(1,862)
Exchange translation differences	-	40	342	278	43	703
At 31 March 2018	-	5,199	14,976	20,904	2,682	43,761
Depreciation	-	979	2,917	2,013	345	6,254
Disposals / Written-off	-	-	(851)	(684)	(67)	(1,602)
Exchange translation differences	-	(37)	(235)	(373)	(33)	(678)
At 31 March 2019	-	6,141	16,807	21,860	2,927	47,735
Carrying amount						
At 31 March 2019	-	20,685	8,608	10,327	899	40,519
At 31 March 2018	5,922	13,217	10,343	7,824	1,005	38,311

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For the Financial Year Ended 31 March 2019

12. Property, plant and equipment *(Continued)*

Property, plant and equipment of the Group with carrying amount of S$5,294,000 (2018: S$7,531,000) were acquired under financial lease arrangements (Note 30).

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$9,555,000 (2018: S$7,985,000) of which S$1,109,000 (2018: S$2,050,000) were acquired by means of finance leases. Cash payments of S$8,446,000 (2018: S$5,935,000) were made to purchase property, plant and equipment.

In addition, the Group's leasehold buildings with carrying amount of S$15,552,000 (2018: S$11,273,000) are mortgaged to secure the Company's bank loans (Note 29) and certain credit facilities granted from banks.

Details of the leasehold buildings held by the Group as at 31 March 2019 are set out below:

Entity	Description and location	Tenure	Unexpired lease term
Chasen Holdings Limited	Factory cum office located at 56 Senoko Road Woodlands East Industrial Estate Singapore 758120	28 years	21 years and 9 months
Chasen Logistics Services Limited	Factory cum office building located at 18 Jalan Besut Singapore 619571	21 years	5 years
Chasen Logistics Services Limited	Factory located at 6 Tuas Avenue 20 Singapore 638820	60 years	34 years
Chasen Logistics Sdn. Bhd.	Warehouse cum office building located at Number 1099, Solok Perindustrian Bukit Minyak, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang, West Malaysia	60 years	51 years and 11 months
Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd	Warehouse cum office building located at No 5, Zhenjiang Road, ChuZhou, Anhui, China	50 years	48 years and 6 months

13. Investments in subsidiaries

	Company	
	2019	2018
	S$'000	S$'000
Unquoted equity share, at cost		
At beginning of the year	38,175	38,175
Less: Partial divestment of a subsidiary (Note a)	(25)	-
At end of the financial year	38,150	38,175

13. Investments in subsidiaries *(Continued)*

The details of the subsidiaries are as follows:

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Effective interest held by the Group 2019 %	Effective interest held by the Group 2018 %
Held by the Company				
Chasen Logistics & Engineering Services Pte. Ltd. (i)	Singapore	Investment holding	100	100
Chasen Logistics Services Limited (i)	Singapore	Relocation services, industrial packing, warehousing, transportation, freight forwarding and shipping	100	100
City Zone Express Pte. Ltd. (i)	Singapore	Investment holding and freight forwarding, logistics, relocation, warehousing and general contractors	75 (Note a)	100
CLE Engineering Services Pte. Ltd. (i)	Singapore	Investment holding	100	100
REI Technologies Pte. Ltd. (i)	Singapore	Engineering services	100	100
Ruiheng International Pte. Ltd. (i)	Singapore	Investment holding	100	100
Held by subsidiaries				
Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd (ii)	PRC	General activities related to high value machinery and equipment	100	100 (Note f)
Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd (ii)	PRC	General activities relating to high value machinery and equipment	100	100
Chasen (USA), Inc. (v)	United States of America	Relocation services, industrial packing, warehousing, transportation, freight forwarding and shipping	100	100
Chasen Engineering Sdn. Bhd. (iii)	Malaysia	Providing services on cryogenic pump	100	100
City Zone Express (Shanghai) Co.,Ltd (formerly known as Chasen Logistics (Shanghai) Co., Ltd (vi)	PRC	Provision of relocation, packaging and warehousing services	100	100
Chasen Logistics Sdn. Bhd. (iii)	Malaysia	Provider of logistics and transportation services	100	100
Chasen Sinology (Beijing) Logistics Co., Ltd (vi)	PRC	Provision of artifact packaging and transportation services	100	100
Chasen Sino-Sin (Beijing) Hi-Tech Services Pte Ltd (vi)	PRC	General activities relating to high tech machinery and equipment, and relocation services	100	100

13. Investments in subsidiaries *(Continued)*

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Effective interest held by the Group 2019 %	2018 %
Held by subsidiaries (Continued)				
Chasen Transport Logistics Co., Ltd (iv)	Vietnam	Provider of third-party logistics services and warehousing	70	70
City Zone Asiatrans Corporation(vi)*	Vietnam	Freight forwarding and local trucking	48.6	62.5 (Note c)
City Zone Express Bonded Warehouse Sdn. Bhd. (vi)	Malaysia	Bonded warehousing, transportation, freight forwarding, rigging and others related logistics	50.4	50.4 (Note d)
City Zone Express Co., Ltd (vi)	Thailand	Freight forwarding	52.5	70
City Zone Express Sdn. Bhd. (iii)	Malaysia	Provider of third-party logistics services, transporting and warehousing service	72	72
City Zone Express Worldwide Co., Ltd (vi)^	Thailand	Freight forwarding	49.9	66.5 (Note e)
DNKH Logistics Pte. Ltd. (i)	Singapore	Provider of freight forwarding, logistics, transportation and general warehousing services	60	60
Global Technology Synergy Pte. Ltd. (i)	Singapore	General building engineering service, process engineering and construction	100	100
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
HLE Construction & Engineering Sdn. Bhd. (iii) #	Malaysia	Construction and engineering, projects and general trading	53	44
HLE International Pte. Ltd. (i)	Singapore	Investment holding	100	83
Hup Lian Engineering Pte Ltd (i)	Singapore	Engineering and structural steel fabrication supplier and installer	100 (Note b)	83
Liten Logistics Services Pte Ltd (i)	Singapore	Machinery and equipment moving, general warehouse and logistics management	100	100
REI (TL) Construction & Engineering Pty, Lda (v)	Timor-Leste	Construction and engineering services	100	100

13. Investments in subsidiaries *(Continued)*

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Effective interest held by the Group 2019 %	Effective interest held by the Group 2018 %
Held by subsidiaries (*Continued*)				
REI Promax Technologies Pte. Ltd. (i)	Singapore	Precision manufacturing of machine tool accessories	55	55
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (vi)	PRC	Management consultancy	100	83
Shanghai FengChuang M & E Equipment Co., Ltd (vi)	PRC	Design, engineering, installation of machinery and equipment	100	83
Suzhou Promax Communication Technology Co., Ltd (ii)	PRC	Contract manufacturing	55	55
Towards Green Sdn. Bhd. (iii)	Malaysia	Engineering and contracting work	100	100

(i) Audited by Mazars LLP, Singapore.
(ii) Audited by Mazars Shanghai, PRC for consolidation purposes.
(iii) Audited by Grant Thornton, Malaysia.
(iv) Audited by Mazars Vietnam for consolidation purposes.
(v) Audited by Mazars LLP, Singapore for consolidation purposes.
(vi) Not audited as insignificant to the Group.

In 2018, HLE Construction & Engineering Sdn. Bhd. was considered to be a subsidiary as it was 53% held by Hup Lian Engineering Pte Ltd who in turn was 83% directly owned by the Company.

* City Zone Asiatrans Corporation is considered to be a subsidiary as it is 70% collectively held by City Zone Express Pte. Ltd., City Zone Express Co., Ltd and Chasen Transport Logistics Co., Ltd who are substantially owned by the Company.

^ City Zone Express Worldwide Co., Ltd is considered to be a subsidiary as it is 95% held by City Zone Express Co., Ltd, which is 70% held by City Zone Express Pte. Ltd. who in turn is 75% 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. Investments in subsidiaries *(Continued)*

Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Proportion of ownership interest held by NCI		Profit/(Loss) allocated to NCI during the financial year		Accumulated NCI at the end of financial year		Dividends paid to NCI	
	2019	2018	2019	2018	2019	2018	2019	2018
	%	%	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
				Restated		Restated		
City Zone Express Sdn. Bhd.	28	28	6	28	835	838	-	-
City Zone Express Pte. Ltd.	25	-	4	-	321	-	-	-
Chasen Transport Logistics Co., Ltd	30	30	299	185	938	741	115	-
DNKH Logistics Pte. Ltd.	40	40	(279)	(82)	444	724	-	-
Hup Lian Engineering Pte Ltd	-	17	-	(587)	-	(960)	-	-
REI Promax Technologies Pte. Ltd.	45	45	(586)	599	2,485	3,157	-	-

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group except for cash and bank balances held in the People's Republic of China of S$1,725,000 (2018: S$2,706,000) which are subject to local exchange control regulations which restrict the amount of currency to be exported other than through dividends.

Summarized financial information about subsidiaries with material NCI

Summarized financial information before intercompany eliminations are as follows:

	City Zone Express Sdn. Bhd.		City Zone Express Pte. Ltd.		Chasen Transport Logistics Co., Ltd		DNKH Logistics Pte. Ltd.		Hup Lian Engineering Pte Ltd		REI Promax Technologies Pte. Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
										Restated		
Assets:												
Non-current assets	2,478	2,881	104	-	702	590	1,203	1,301	-	6,325	6,599	6,856
Current assets	5,894	3,987	1,965	-	3,433	2,559	3,321	2,504	-	2,962	10,659	11,089
Liabilities:												
Non-current liabilities	823	893	-	-	-	-	401	633	-	21	183	292
Current liabilities	4,566	2,982	786	-	1,009	680	3,012	1,362	-	14,914	11,553	10,637
Net assets / (liabilities)	2,983	2,993	1,283	-	3,126	2,469	1,111	1,810	-	(5,648)	5,522	7,016
Results:												
Revenue	12,149	12,315	407	-	5,025	3,405	7,672	7,876	-	70	13,890	22,957
Profit/(Loss) before income tax	227	129	228	-	1,260	773	(698)	(206)	-	(3,452)	(1,360)	1,283
Profit/(Loss) for the financial year	22	100	228	-	998	618	(698)	(206)	-	(3,452)	(1,302)	1,332

13. Investments in subsidiaries *(Continued)*

Financial year ended 31 March 2019

(a) Partial divestment of a subsidiary - City Zone Express Pte. Ltd. ("CZES")

On 27 August 2018, the Company divested 25% equity interest in CZES to one of the directors of CZES for a cash consideration of S$34,000. Upon completion of this transaction, CZES is 75% owned subsidiary of the Group. The carrying value of the disposed interest was S$382,000.

The effect of the change in the Group's ownership interest in CZES on the equity attributable to owners of the Company has been recognized in "Capital reserve" within equity as summarized below:

	S$'000
Consideration received from disposal of non-controlling interests	34
Increase in equity attributable to non-controlling interests	(382)
Decrease in equity attributable to owners of the Company	(348)

(b) Acquisition of non-controlling interests – Hup Lian Engineering Pte Ltd ("HLE")

Before 20 July 2018, the Company's wholly-owned subsidiary, CLE Engineering Services Pte. Ltd. ("CLEE") owns 83% equity interest in HLE.

On 8 June 2018, CLEE has entered into a sale and purchase agreement with the other shareholder ("vendor") to acquire 850,000 ordinary shares representing the remaining 17% equity interest in HLE at a total consideration of S$671,500.

The consideration of S$671,500 is payable by cash of S$383,940 over six (6) monthly instalments and the balance of S$287,560 by allotment of 4,050,140 shares to the vendor. The acquisition was completed on 20 July 2018.

As a result of this acquisition, HLE is 100% owned subsidiary of the Group.

The effect of the change in the Group's ownership interest in HLE on the equity attributable to owners of the Company has been recognized in "Capital reserve" within equity as summarized below:

	S$'000
Consideration paid for acquisition of non-controlling interests	(672)
Increase in equity attributable to non-controlling interests	(1,358)
Decrease in equity attributable to owners of the Company	(2,030)

Financial year ended 31 March 2018

(c) Incorporation of a subsidiary – City Zone Asiatrans Corporation

On 8 February 2018, CZES, City Zone Express Co., Ltd ("CZET") and Chasen Transport Logistics Company Limited ("CTL"), had incorporated a subsidiary known as City Zone Asiatrans Corporation ("CZAT") jointly with a Vietnamese company which holds 30% equity interest in CZAT. The Group holds 70% equity interest in CZAT. This is to complement the Group's current land cross-border business and extend the Group's third-party logistics capability into Vietnam and Indo-China to enhance the long term sustainable growth in this business segment.

13. Investments in subsidiaries *(Continued)*

Financial year ended 31 March 2018 (Continued)

(d) Incorporation of a subsidiary – City Zone Express Bonded Warehouse Sdn. Bhd.

On 28 November 2017, City Zone Express Sdn. Bhd. ("CZEM") incorporated a subsidiary, namely City Zone Express Bonded Warehouse Sdn. Bhd. ("CZEBW") in Malaysia, with a Malaysia National holding equity interest of 30%, to engage in bonded warehousing, transportation and other related logistics business.

On 15 March 2018, CZEM increased its investment in CZEBW, with an additional amount of S$294,000 (equivalent to approximately RM875,000) as paid-up share capital. CZEM's equity interest in CZEBW remains unchanged at 70%.

(e) Incorporation of a subsidiary – City Zone Express Worldwide Co., Ltd.

On 16 May 2017, City Zone Express Co., Ltd ("CZET") incorporated a subsidiary, namely City Zone Express Worldwide Co., Ltd ("CZEW"), in Thailand, with two Thai Nationals holding equity interest of 0.005% and 5% respectively, to complement CZET's current land cross-border business and extend the Group's third party logistics capacity in Thailand into Vietnam, Indo-China and China vis-à-vis worldwide via air and sea links to enhance the long term sustainable growth in this business segment. CZET holds 95% equity interest in CZEW.

(f) Additional investment in a subsidiary – Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd

On 18 December 2017, Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd ("HTS") increased its investment in its wholly-owned subsidiary, Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd ("HTC"), with an additional amount of S$5,034,000 (equivalent to approximately RMB24,510,000) as paid-up share capital.

14. Investments in associates

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Unquoted equity shares, at cost				
At beginning of financial year	1,409	1,409	200	200
Deregistration of an associate	(1,000)	-	(200)	-
At end of financial year	409	1,409	-	200
Share of accumulated post-acquisition results				
At beginning and end of financial year	(409)	(409)	-	-
Less: Impairment				
At beginning of financial year	1,000	1,000	200	200
Deregistration of an associate	(1,000)	-	(200)	-
At end of financial year	-	1,000	-	200
Carrying amount	-	-	-	-

14. Investments in associates *(Continued)*

The details of the associates are as follows:

Name of associate	Place of business / Country of incorporation	Principal activities	Proportion of ownership interest 2019 %	2018 %
Held by the Company				
Caitong Investments Pte. Limited [(i)]	Singapore	Investment holding	-	6
Held by HLE International Pte Ltd				
Caitong Investments Pte. Limited [(i)]	Singapore	Investment holding	-	24
Held by Chasen Sino-Sin (Beijing) Hi-Tech Services Pte Ltd				
Amber Digital Solutions (Beijing) Pte Ltd [(ii)]	PRC	Providing 3D high resolution digital imaging of cultural heritage relics and museum	30	30

(i) The associate has been deregistered with ACRA during the financial year ended 31 March 2019.
(ii) Not audited as insignificant to the Group.

Summarized financial information of the Group's associate

The summarized financial information in respect of Amber Digital Solutions (Beijing) Pte Ltd based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	2019 S$'000	2018 S$'000
Assets and liabilities:		
Non-current assets	10	30
Current assets	704	932
Total assets	714	962
Current liabilities	(3,077)	(2,942)
Total liabilities	(3,077)	(2,942)
Net liabilities	(2,363)	(1,980)
Group's share of associate's net liabilities	(709)	(594)
Goodwill on acquisition	371	371
Other adjustments	338	223
Carrying amount of the investment	-	-
Results:		
Revenue	445	351
Loss for the financial year	(451)	(887)

14. Investments in associates *(Continued)*

	2019 S$'000	2018 S$'000
Current year's share of losses:		
Unrecognized losses	(135)	(266)
	(135)	(266)
Movement of cumulative share of unrecognized losses:		
At beginning of financial year	460	194
Loss during the financial year	135	266
At end of financial year	595	460

The Group has not recognized losses relating to Amber Digital Solutions (Beijing) Pte Ltd where its share of losses exceed the Group's carrying amount of its investment in this associate. The Group's cumulative share of unrecognized losses were S$595,000 (2018: S$460,000). The Group has no obligation in respect of those losses.

15. Goodwill on consolidation

	Group	
	2019 S$'000	2018 S$'000
At cost		
At beginning and end of financial year	10,559	10,559

Goodwill acquired through business combinations is allocated, at acquisition, to the respective CGU that are expected to benefit from the synergies of those business combinations.

The carrying amount of goodwill had been allocated by CGU or groups of CGU as follows:

	Group	
	2019 S$'000	2018 S$'000
Global Technology Synergy Pte. Ltd. / Towards Green Sdn. Bhd. ("GTS Group")	2,908	2,908
Goh Kwang Heng Pte Ltd / Goh Kwang Heng Scaffolding Pte Ltd ("GKH Group")	1,311	1,311
Liten Logistics Services Pte Ltd / Chasen Logistics Services Limited ("LLS & CLSG")	4,186	4,186
Hup Lian Engineering Pte Ltd ("HLE")	2,006	2,006
Others	148	148
	10,559	10,559

15. Goodwill on consolidation *(Continued)*

The carrying amount of goodwill had been allocated by reportable operating segments and geographical areas as follows:

	Specialist Relocation Solutions	Technical & Engineering	Total
	S$'000	S$'000	S$'000
2019			
Singapore	4,186	6,224	10,410
PRC	66	-	66
Vietnam	83	-	83
	4,335	6,224	10,559
2018			
Singapore	4,186	6,224	10,410
PRC	66	-	66
Vietnam	83	-	83
	4,335	6,224	10,559

Impairment testing of goodwill

The Group tests CGU for impairment annually, or more frequently if there is an indication of impairment.

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 Board of Directors 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 gross margins 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 gross margins are based on past practices and expectations of future changes in the market.

Key assumptions on which management has based its cash flow projections for the respective periods of the significant CGU are as follows:

	GTS Group		GKH Group		LLS & CLSG		HLE	
	2019	2018	2019	2018	2019	2018	2019	2018
Gross margin (i)	40%	30% - 37%	29%	22%	31% - 47%	20% - 44%	12%	25% - 29%
Growth rates (ii)	6%	5%	2%	2%	5%	5%	2%	10% - 15%
Discount rates (iii)	9.4%	9.6% - 9.9%	9.6%	9.6%	5.9% - 6.1%	9.6%	9.6%	9.6%
Terminal value growth rates (iv)	1%	1%	1%	1%	1%	1%	1%	1%

15. Goodwill on consolidation *(Continued)*

Impairment testing of goodwill *(Continued)*

Key assumptions used in the value-in-use calculations

(i) *Budgeted gross margins* – Budgeted gross margins are determined based on past performance and its expectations of market developments.

(ii) *Growth rates* – The forecasted growth rates are based on published industry research relevant to the CGUs, taking into account of the forecasted growth rates relevant to the environment where the CGUs operate in.

(iii) *Discount rates* – The discount rates used are based on the weighted average cost of the CGU's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rates.

(iv) *Terminal value growth rates* – The terminal growth rates are determined based on management's estimate of the long-term industry growth rates.

Sensitivity to changes in assumptions

Management is of the view that any reasonable possible change in any of the above key assumptions are not likely to materially cause the CGU's carrying amount to exceed its recoverable amount.

Impairment loss recognized

No impairment loss was recognized during the current financial year ended 31 March 2019 and 2018.

16. Intangible assets

Group	Know-how*	Non-contractual customer relationship**	Total
	S$'000	S$'000	S$'000
Cost			
At 1 April 2017, 31 March 2018 and 2019	440	966	1,406
Accumulated amortization			
At 1 April 2017	386	878	1,264
Amortization charge for the financial year	54	88	142
At 31 March 2018 and 2019	440	966	1,406
Carrying amount			
At 31 March 2019 and 2018	-	-	-

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

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

17. Land use rights

	Group S$'000
Cost	
At 1 April 2017 and 31 March 2017	-
Addition	958
Exchange translation differences	16
At 31 March 2018	974
Exchange translation differences	(31)
At 31 March 2019	943
Accumulated amortization	
At 1 April 2017 and 31 March 2017	-
Amortization charge for the financial year	8
At 31 March 2018	8
Amortization charge for the financial year	19
At 31 March 2019	27
Carrying amount	
At 31 March 2019	916
At 31 March 2018	966

The Group has land use rights over a plot of state-owned land in PRC to house the factory and warehouse of one of its subsidiaries in PRC operating in the Specialist Relocation Business Segment. The land use rights are transferable and have a remaining tenure of 48 years and 6 months.

18. Club membership

	Group S$'000
Cost	
At 1 April 2017, 31 March 2018 and 2019	15
Accumulated amortization	
At 1 April 2017	9
Amortization charge for the financial year	1
At 31 March 2018	10
Amortization charge for the financial year	1
At 31 March 2019	11
Carrying amount	
At 31 March 2019	4
At 31 March 2018	5

18. Club membership *(Continued)*

The club membership was paid for by the Group for the benefit of a director in accordance with his Service Agreement ("Agreement"). Accordingly, the director held the membership in trust for the Group. Pursuant to the Agreement, the director is entitled to benefit from the membership as long as he maintains his role as an Executive Director of the Group up to 31 March 2023 for 15 years' term. Upon completion of the specified term (15 years), the benefit of the club will be entirely vested in the director. Consequently, the membership will be deemed disposed.

19. Other investments

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
At beginning of financial year	5,165	1,212	533	1,212
Additions	-	4,632	-	-
Gain/(Loss) on fair value changes recognized in other comprehensive income	51	(679)	51	(679)
At end of financial year	5,216	5,165	584	533
Details of other investments at FVTOCI				
Unquoted equity instruments – at FVTOCI	4,632	-	-	-
Quoted equity securities – at FVTOCI	584	-	584	-
Total financial assets held at FVTOCI	5,216	-	584	-
Details of other investments at AFS				
Unquoted equity securities – AFS, at cost	-	4,632	-	-
Quoted equity securities – AFS	-	533	-	533
Total AFS	-	5,165	-	533

Quoted equity securities, at fair value

The quoted equity securities measured at FVTOCI (2018: AFS) relates to the investment in GBM Gold Ltd ("GBM") as disclosed below.

On 3 August 2009, the Company had invested in 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 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 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.

19. Other investments *(Continued)*

Quoted equity securities, at fair value *(Continued)*

As a result of the completion of the aforesaid transfers, the Company had 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 75,622,500 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 2019, GBM's issued number of ordinary shares is 1,118,319,556 (2018: 1,118,319,556) and the Company's shareholding in GBM is 6.76% (2018: 6.76%).

* AU$: Australian dollars

Unquoted equity security

The investment in unquoted equity instrument measured at FVTOCI (2018: AFS) relates to investment in one (2018: one) private company, Eons Global Holdings Pte Ltd ("EGH"), incorporated in Singapore which is engaged in the provision of management consultancy services and have no fixed maturity date or coupon rate and are denominated in Singapore dollars.

During financial year ended 31 March 2018 – Disposal of 60% interest in EGH

On 6 February 2017, the Company announced that its wholly-owned subsidiaries, CLEE and Global Technology Synergy Pte. Ltd. ("GTS") have entered into a conditional sale and purchase agreement ("SPA") with a third party ("Purchaser"), to dispose 60% of its equity interest in EGH for an aggregate cash consideration of RMB9.6 million (equivalent to S$1.97 million). The decision was consistent with the Company's strategy to bring on board a local PRC party that would be better positioned to resolve the various issues with the local authorities.

On 15 November 2017, the Group received the final tranche payment of the consideration of RMB4.6 million or S$949,000 from the Purchaser and completed the disposal of 60% of its equity interest in EGH.

Details of the disposal are as follows:

	2018 S$'000
Carrying amounts of net assets over which control was lost	
Current assets, net	6,712
Non-current assets, net	22
Total net assets	6,734
Less: equity interest retained	(4,632)
Net assets disposed	2,102
Consideration received	
Cash	1,949
Add: Assets recoverable	708
Total consideration received	2,657
Gain on disposal	
Total consideration received	2,657
Net assets disposed	(2,102)
Reclassified from equity on loss of control	
- Cumulative foreign exchange reserves	85
Gain on disposal of subsidiaries	640

19. Other investments *(Continued)*

Unquoted equity security *(Continued)*

The gain on disposal of subsidiaries is recorded as part of other operating income in the consolidated statement of profit or loss and other comprehensive income.

	2018
	S$'000
Net cash inflow arising on disposal	
Final tranche payment received	949
Less: cash and bank balances disposed	(34)
Net cash inflow arising on disposal	915

During financial year ended 31 March 2019 – Disposal of additional 37% interest in EGH

On 21 November 2018, the Company and its wholly-owned subsidiary, GTS have entered into a conditional SPA with a third party ("Purchaser"), to dispose an additional 37% of its equity interest in EGH for an aggregate cash consideration of RMB25 million (equivalent to S$4.94 million). The decision was consistent with the Company's strategic plan to rationalize its investments, taking into consideration the financial positions and business prospects of EGH.

The consideration will be satisfied in cash and be paid to the Group in the following stages:
- Tranche 1 (first part payment): RMB2.5 million paid on or before 13 December 2018;
- Tranche 1 (final payment): RMB10 million paid on or before 30 May 2019; and
- Tranche 2: RMB12.5 million paid on or before 13 December 2019.

The Group shall transfer the shares in EGH to the purchaser upon receipt the full payment of RMB25 million.

At the end of the reporting period, the Group has received the tranche 1 (first part payment) of the consideration of RMB2.5 million or S$504,000 (Note 33) from the Purchaser pursuant to the SPA. As of 28 June 2019, the Group has not received the tranche 1 (final payment). The financial impact arising from the disposal of 37% interest will be recorded in the next financial year when all the relevant terms of the SPA are completed and fulfilled.

For the financial year ended 31 March 2019, the fair value of this equity instrument was determined based on the market approach which uses prices and other relevant information that have been generated by market transactions that involve identical or comparable assets and also taking into account the lack of liquidity of the unquoted equity instrument.

For the financial year ended 31 March 2018, the fair value of this equity instrument is measured at cost less impairment losses as it is not practicable to determine with sufficient reliability, its fair value.

20. Inventories

	Group	
	2019	**2018**
	S$'000	**S$'000**
Raw materials	835	1,133
Work-in-progress	1,679	2,263
Finished goods	1,408	1,232
Consumables	722	447
	4,644	5,075

21. Contract assets and liabilities from contracts with customers

	Group		
	2019	2018	1 April 2017
	S$'000	S$'000	S$'000
		Restated	Restated
Contract assets			
Unbilled revenue	1,698	386	1,185
Contract liabilities			
Advance consideration	88	240	57

The unbilled revenue relates to the revenue recognized to date but has not been invoiced to the customers as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

Advance consideration relates to revenue not recognized to date but have been paid by the customers as at the financial year end, and is transferred to revenue, at the point when or as the performance obligation is satisfied.

Contract assets for the financial year ended 31 March 2019 increased due to more works being done but not yet billed as of year end. Contract liabilities for the financial year ended 31 March 2019 decreased due to more advances released with the completion of construction contracts during the financial year.

The Group's revenue recognized in the financial years that was included in the contract liabilities balance at the beginning of the respective financial years is as follow:

	Group	
	2019	2018
	S$'000	S$'000
- Construction contracts	238	57
- Engineering services	2	-
	240	57

22. Trade receivables

	Group	
	2019	2018
	S$'000	S$'000
Third parties	40,827	42,452
Retention receivables	844	684
Less: Allowance for doubtful trade receivables	(1,397)	(1,310)
	40,274	41,826

22. Trade receivables *(Continued)*

Trade receivables are non-interest bearing and the average credit period on sale of goods ranges from 30 to 90 (2018: 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.

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	
	2019	**2018**
	S$'000	**S$'000**
Not past due	-	-
Past due more than 90 days	1,397	1,310
	1,397	1,310

Movements in the allowance for doubtful receivables are as follows:

	Group	
	2019	**2018**
	S$'000	**S$'000**
At beginning of financial year	1,310	1,411
Allowance charged to profit or loss	258	52
Allowance written back during the financial year	(1)	(26)
Allowance written off during the financial year	(162)	(163)
Exchange translation differences	(8)	36
At end of financial year	1,397	1,310

The Group's trade receivables are denominated in the following currencies as at reporting date:

	Group	
	2019	**2018**
	S$'000	**S$'000**
Singapore dollar	20,445	14,245
Chinese Renminbi	11,652	18,262
Thai Baht	632	594
Malaysian Ringgit	4,630	5,241
United States dollar	2,008	2,126
Vietnamese Dong	907	1,358
	40,274	41,826

23. Other receivables, deposits and prepayments

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Non-current				
Loan to an associate	-	424	-	231
Other receivables	1,060	1,029	-	-
Less: Allowance for doubtful other receivables	-	(424)	-	(231)
	1060	1,029	-	-
Current				
Advances to suppliers	-	791	-	-
Deposits paid	2,065	1,888	6	1
Other receivables	8,155	6,657	-	16
Less: Allowance for doubtful other receivables	(703)	(709)	-	-
	7,452	5,948	-	16
Prepayments for service fees	4,497	5,851	-	-
Other prepayments	1,660	1,863	21	29
	6,157	7,714	21	29
	15,674	16,341	27	46
Total	16,734	17,370	27	46

In prior year, the loan to an associate was unsecured, interest-free, and not expected to be repaid within the next twelve months. The loan was considered to be part of the Group's and the Company's net investment in the associate. In current year, this amount has been written off as the associate has been deregistered with ACRA.

Other receivables (non-current) were unsecured, interest-free, and not expected to be repaid within the next twelve months.

Other receivables that are individually determined to be credit impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments.

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

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
At beginning of financial year	1,133	1,134	231	231
Allowance written off	(424)	(35)	(231)	-
Exchange translation differences	(6)	34	-	-
At end of financial year	703	1,133	-	231

23. Other receivables, deposits and prepayments *(Continued)*

The Group's and the Company's other receivables, deposits and prepayments are denominated in the following currencies as at reporting date:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Singapore dollar	4,091	4,849	27	46
Chinese Renminbi	10,601	10,590	-	-
Malaysian Ringgit	1,165	1,137	-	-
United States dollar	431	446	-	-
Vietnamese Dong	267	312	-	-
Thai Baht	179	36	-	-
	16,734	17,370	27	46

24. Amounts due from subsidiaries

The amounts due from subsidiaries (net) are non-trade in nature, unsecured, interest-free, repayable on demand, except for certain amounts due from subsidiaries amounting to S$13,490,000 (2018: S$11,590,000) which bears effective interest rate at 4.25% (2018: 4.25%) per annum. Amount due from subsidiaries are denominated in Singapore dollar as at reporting date.

25. Cash and cash equivalents

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash and bank balances	9,382	9,093	898	303
Fixed deposits placed with banks	3,980	1,726	-	-
	13,362	10,819	898	303

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

The fixed deposits of S$1,278,000 (2018: S$1,726,000) 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 8.20% (2018: 0.05% to 1.35%) per annum with average maturity period ranging from one to twelve months (2018: one to twelve months) at the end of the financial year.

25. Cash and cash equivalents *(Continued)*

The Group's and the Company's cash and cash equivalents are denominated in the following currencies as at reporting date:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	4,763	3,503	890	226
Chinese Renminbi	1,705	2,127	-	-
Malaysian Ringgit	2,766	1,890	-	-
United States dollar	2,100	2,183	8	77
Vietnamese Dong	1,829	874	-	-
Thai Baht	199	242	-	-
	13,362	10,819	898	303

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	
	2019	2018
	S$'000	S$'000
Cash and bank balances	13,362	10,819
Fixed deposits pledged	(1,278)	(1,726)
Cash and cash equivalents	12,084	9,093

26. 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 2017	340,153	51,053	340,153	80,581
Issued for exercise of warrants[(i)]	44,664	1,116	44,664	1,116
Transferred from warrants reserve	-	629	-	629
At 31 March 2018	384,817	52,798	384,817	82,326
Issued for acquisition of a subsidiary without a change in control[(ii)]	4,050	288	4,050	288
At 31 March 2019	388,867	53,086	388,867	82,614

26. Share capital *(Continued)*

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.

(i) Issue of 44,664,397 consideration shares at S$0.025 per share upon exercise of warrants. All ordinary shares are fully paid.

(ii) Issue of 4,050,140 consideration shares at S$0.071 per share upon acquisition of subsidiary without a change in control. All ordinary shares are fully paid. (Note 13(b))

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Chasen Performance Share Plan

The Chasen Performance Share Plan 2017 (the "Plan 2017") which was proposed to replace the expired Chasen Performance Share Plan 2007 (the "Plan 2007"), was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 28 July 2017. Under the new Plan 2017, there is no significant change in terms of administration, rights and rationale as compared to the expired Plan 2007.

The Plan 2017 is administered by the Remuneration Committee which comprises Tan Sin Huat, Dennis (Chairman), Ng Jwee Phuan @ Frederick (Eric) and Chew Mun Yew.

Under the Plan 2017, eligible participants are conferred rights by the Company on shares to be issued or transferred ("Awards"). The Plan 2017 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 share-based incentive scheme 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 the Awards.

As at 31 March 2019, no performance shares are awarded under the Plan 2017.

27. Treasury shares

	Group and Company			
	2019		2018	
	No. of shares '000	S$'000	No. of shares '000	S$'000
At beginning and end of financial year	1,841	145	1,841	145

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

28. Other reserves

Capital reserve

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (i)	69	69	-	-
Liten Logistics Services Pte Ltd (ii)	1,298	1,298	-	-
Global Technology Synergy Pte Ltd (ii)	72	72	-	-
Amber Digital Solutions (Beijing) Pte Ltd (iii)	409	409	-	-
City Zone Express Pte Ltd (ii),(iv)	(348)	-	100	100
Hup Lian Engineering Pte Ltd (ii)	(2,030)	-	-	-
	(530)	1,848	100	100

(i) Represents a contingent payment to the former owner of the acquired subsidiary.
(ii) Represents net gain/(loss) on fair value changes arising from the net assets or liabilities of subsidiaries acquired.
(iii) Represents fair value of consideration injected in an associate.
(iv) Capital reserve at Company level represents allotment of ordinary shares to a wholly-owned subsidiary via capitalization of its retained profits at the sole discretion of the Company's directors and accordingly classified as deemed equity.

Warrants reserve

	Group and Company			
	2019		2018	
	No. of warrants		No. of warrants	
	'000	S$'000	'000	S$'000
At beginning of financial year	-	-	45,499	640
Warrants conversion to ordinary shares	-	-	(44,664)	(629)
Warrants expired	-	-	(835)	(11)
At end of financial year	-	-	-	-

On 2 February 2016, the Company issued 62,098,630 warrants, pursuant to Rights Cum Warrants Issue, each warrant carrying the right subscribe for one new ordinary share in the capital of the Company at the exercise price of S$0.025 during the period commencing on and including the date of issue of the warrants and expiring on the date immediately preceding the second anniversary of such date of issue, on the basis of (i) one Rights Share for every two existing ordinary shares in the capital of the Company, held by the shareholders of the Company as at the time and date to be determined by the directors for the purpose of determining the entitlements of the Entitled Shareholders under the Rights cum Warrants Issue, and (ii) two free detachable Warrants for every one Rights Share subscribed, fractional entitlements to be disregarded. The warrants expired on 1 February 2018.

In prior financial year, 44,664,000 warrants had been exercised.

28. Other reserves *(Continued)*

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.

Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of financial assets at FVTOCI (2018: Available-for-sale financial assets) until they are disposed of or impaired.

29. Bank loans

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Bank loans	33,414	30,645	9,053	3,650

Bank loans are repayable over a period of 3 months to 15 years, as follows:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Within one year	28,460	28,551	5,786	3,423
After one year but within five years	3,112	1,159	2,240	227
After five years	1,842	935	1,027	-
	33,414	30,645	9,053	3,650

The effective interest rates per annum are as follows:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Bank loans	3.00% to 7.68%	2.75% to 8.04%	3.00% to 6.25%	2.90% to 7.26%

The banking facilities are secured by the following:

(a) legal mortgage of the Group's investment properties and leasehold buildings;
(b) corporate guarantee by the Company and a subsidiary, Chasen Logistics Services Limited;
(c) pledge of fixed deposits amounting to about S$1,278,000 (2018: S$1,726,000) (Note 25);
(d) personal guarantee from directors of certain subsidiaries that are not wholly-owned by the Group.

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

29. Bank loans *(Continued)*

The Group's and the Company's bank loans are denominated in the following currencies as at reporting date:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	27,842	23,825	9,053	3,650
Chinese Renminbi	3,961	5,398	-	-
Malaysia Ringgit	1,318	1,422	-	-
United States Dollar	293	-	-	-
	33,414	30,645	9,053	3,650

30. 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			
	2019		2018	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	S$'000	S$'000	S$'000	S$'000
Within one year	1,814	1,663	2,430	2,250
After one year but within five years	1,949	1,847	2,640	2,474
After five years	3	3	3	3
Total minimum lease payments	3,766	3,513	5,073	4,727
Less: Future finance charges	(253)	-	(346)	-
Present value of minimum lease payments	3,513	3,513	4,727	4,727

The finance lease terms range from 1 to 7 years (2018: 1 to 7 years).

The effective interest rates charged during the financial year range from 1.3% to 7.51% (2018: 1.30% to 7.51%) per annum. Interest rates are fixed at the contract dates, and thus are not exposed to fair value interest rate risk. 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' titles to the leased assets, which will revert to the lessors in the event of default by the Group.

30. Finance lease payables *(Continued)*

The Group's finance lease payables are denominated in the following currencies as at reporting date:

	Group	
	2019	**2018**
	S$'000	**S$'000**
Singapore dollar	1,732	2,456
Chinese Renminbi	107	342
Malaysia Ringgit	1,674	1,929
	3,513	4,727

31. Deferred tax

	Group	
	2019	**2018**
	S$'000	**S$'000**
Deferred tax assets	1,101	1,260
Deferred tax liabilities	(1,590)	(1,073)

Deferred tax assets

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

	Group	
	2019	**2018**
	S$'000	**S$'000**
At beginning of financial year	1,260	2,731
(Charged)/Credited to profit or loss	(62)	84
Under-provision in prior financial years	(95)	(1,575)
Exchange translation differences	(2)	20
At end of financial year	1,101	1,260

Deferred tax assets are recognized to the extent that realization of the related tax benefits through future taxable profits is probable.

31. Deferred tax *(Continued)*

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 can utilize the benefits as follows:

	Group	
	2019	**2018**
	S$'000	**S$'000**
Unabsorbed tax losses	14,375	8,304
Unutilized capital allowances	653	1,395
Property, plant and equipment	680	-
	15,708	9,699
Unrecognized deferred tax benefits	2,670	1,649

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. These losses may be carried indefinitely subject to the conditions imposed by law.

Deferred tax liabilities

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

	Group	
	2019	**2018**
	S$'000	**S$'000**
At beginning of financial year	(1,073)	(746)
Charged to profit or loss	(540)	(309)
Exchange translation differences	23	(18)
At end of financial year	(1,590)	(1,073)

Deferred tax liabilities principally arise as a result of excess of carrying amount over tax written down value of property, plant and equipment.

32. Trade payables

	Group	
	2019	**2018**
	S$'000	**S$'000**
Third parties	12,669	15,349

Trade payables are non-interest bearing and the average credit period on purchases of goods is 30 (2018: 30) days according to the terms agreed with the suppliers.

32. Trade payables *(Continued)*

The Group's trade payables are denominated in the following currencies as at reporting date:

	Group	
	2019	2018
	S$'000	S$'000
Singapore dollar	4,926	3,201
Chinese Renminbi	5,777	9,290
Malaysian Ringgit	1,502	1,147
Thai Baht	226	231
United States dollar	169	1,315
Vietnamese Dong	69	165
	12,669	15,349

33. Other payables and accruals

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Amounts due to directors	256	210	44	-
Advance consideration for disposal of other investment	504	-	-	-
Deposits received	332	286	-	-
Accruals	3,795	5,005	415	454
Other payables	3,543	1,293	45	60
	8,430	6,794	504	514

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

Accruals mainly consist of accrued operating expenses.

Other payables are non-trade in nature, unsecured, interest-free, repayable on demand.

The Group's and the Company's other payables and accruals are denominated in the following currencies as at reporting date:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	3,580	3,866	504	514
Chinese Renminbi	3,405	1,634	-	-
Malaysian Ringgit	846	927	-	-
Vietnamese Dong	312	137	-	-
United States dollar	164	153	-	-
Thai Baht	123	77	-	-
	8,430	6,794	504	514

34. Provision

	Group		
	2019	2018	1 April 2017
	S$'000	S$'000	S$'000
		Restated	Restated
Provision of onerous contracts			
At beginning of financial year	666	48	-
Provision made	-	618	48
Reversal of provision	(647)	-	-
At end of financial year	19	666	48

Provision for onerous contracts is made when it is assessed that the costs to fulfil the performance obligation is unavoidable for loss-making contracts. It is expected that these costs will be incurred in the next financial year.

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, office equipment and other operating facilities are as follows:

	Group	
	2019	2018
	S$'000	S$'000
Future minimum lease payments payable:		
Within one year	6,896	2,831
After one year but within five years	5,564	2,958
After five years	4,297	4,008
	16,757	9,797

The leases have its tenure from 1 to 30 (2018: 1 to 30) years, with an option to renew the lease 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.

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 of one to two years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

35. Operating lease commitments *(Continued)*

<u>The Group as lessor *(Continued)*</u>

At the end of the financial year, future minimum rental receivables under non-cancellable operating leases are as follows:

	Group	
	2019	**2018**
	S$'000	**S$'000**
Future minimum lease payments receivable:		
Within one year	988	1,183
After one year but within five years	151	-
	1,139	1,183

36. Capital commitments

	Group	
	2019	**2018**
	S$'000	**S$'000**
Capital commitments contracted but not provided for:		
- Leasehold building	-	2,568
- Plant and equipment	831	-

37. Contingencies

<u>Financial guarantees</u>

As at 31 March 2019, the Company has given corporate guarantees amounting to S$53,716,000 (2018: S$63,596,000) to certain banks and financial institutions in respect of banking facilities granted to the subsidiaries.

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 Company has not recognized any liability in respect of the guarantees given to the banks for banking facilities granted to the subsidiaries as the Company's directors have assessed that the likelihood of the subsidiaries defaulting on repayment is remote.

As at the end of the financial year, the total amount of banking facilities utilized and outstanding covered by the guarantees is S$27,384,000 (2018: S$30,124,000). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilization of the banking facility.

As at the end of the financial year, the Company has also given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to meet their obligations as and when they fall due so that they will continue to operate as going concerns in the foreseeable future.

<u>Legal claims</u>

During the financial year 2017, the Group received legal claims of approximately S$2.7 million lodged by two customers against a subsidiary for loss and damage of goods resulting from a fire incident at its warehouse on 9 August 2015. Subsequently, the subsidiary has raised a counterclaim on the basis that one of the customers had breached their obligations under the contract not to store dangerous goods. Meanwhile, the subsidiary has sought legal advice on its insurance coverage under its fire insurance policy. Given the nature of the claims, it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Hence, no provision of liability has been recognized as at financial year ended 31 March 2019 and 2018.

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	
	2019	2018
	S$'000	S$'000
Subsidiaries		
Interest income	376	887
Management fee income	3,233	3,390
Loan to subsidiaries	4,923	5,077

Key management personnel remuneration

	Group	
	2019	2018
	S$'000	S$'000
Salaries and bonuses	1,657	1,556
Employers' contribution defined contribution plan	125	115
Other allowances	246	216
	2,028	1,887
Comprise amounts paid to:		
Directors of the Company	640	616
Other key management personnel	1,388	1,271
	2,028	1,887
Directors' fees		
Directors of the Company	427	400

The key management personnel comprise directors of the Company and its subsidiaries, senior management of the Company 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) Specialist Relocation Solutions – being the provision of machinery and equipment moving services through projects or maintenance contracts;

(b) Third Party Logistics – 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 – 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 electronics, telecommunications and other high technology industries.

39. Segment information *(Continued)*

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.

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.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.25.

Analysis by business segment

	Specialist Relocation Solutions		Third Party Logistics		Technical & Engineering		Total	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
				Restated		**Restated**		
Revenue:								
External customers	89,435	76,709	26,662	25,208	31,234	30,337	147,331	132,254
Inter-segment revenue	(11,436)	(1,638)	(3,146)	(2,308)	(869)	(745)	(15,451)	(4,691)
Total revenue	77,999	75,071	23,516	22,900	30,365	29,592	131,880	127,563
Results:								
Gross profit	24,106	22,307	3,694	3,815	4,318	3,091	32,118	29,213
Unallocated other operating income							2,266	3,684
Unallocated expenses							(18,763)	(17,779)
Allowance for doubtful trade receivables							(258)	(52)
Write-back of allowance for doubtful trade receivables							1	26
Bad debts written off							(372)	(252)
Depreciation and amortization							(6,274)	(6,434)
Interest income							104	39
Interest expense							(1,570)	(1,472)
Profit before income tax							7,252	6,973

39. Segment information *(Continued)*

Analysis by business segment *(Continued)*

	Specialist Relocation Solutions			Thirty Party Logistics			Technical & Engineering			Total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
								Restated	Restated		Restated	Restated
Reportable segment assets:												
Allocated assets	68,039	43,995	39,043	13,524	9,743	9,243	50,147	26,472	26,330	131,710	80,210	74,616
Unallocated assets										4,217	52,482	56,493
Total assets										135,927	132,692	131,109
Reportable segment liabilities:												
Allocated liabilities	30,644	28,800	21,685	4,790	1,301	1,594	15,702	13,150	19,105	51,136	43,251	42,384
Unallocated liabilities										9,583	16,330	22,573
Total liabilities										60,719	59,581	64,957

	Specialist Relocation Solutions		Third Party Logistics		Technical & Engineering		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
				Restated		Restated		
Other material non-cash items:								
Depreciation and amortization	3,406	3,397	1,356	1,298	1,512	1,739	6,274	6,434
Capital expenditure								
- Property, plant and equipment	6,300	5,420	1,003	1,340	2,252	1,225	9,555	7,985
- Land use rights	-	958	-	-	-	-	-	958

Analysis by geographical segment

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets		Capital expenditure	
	2019	2018	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
		Restated				
Singapore	48,276	35,218	40,109	38,894	2,904	2,184
PRC	47,409	54,727	12,440	11,347	5,356	4,275
Malaysia	16,462	17,378	5,663	5,727	1,040	1,507
Thailand	4,484	3,651	192	127	91	120
United States of America	10,211	13,184	222	327	43	435
Vietnam	5,038	3,405	548	563	121	422
	131,880	127,563	59,174	56,985	9,555	8,943

39. Segment information *(Continued)*

Analysis by geographical segment *(Continued)*

Information about a major customer

Revenue from one major customer amounted to S$9,614,000 (2018: S$13,183,000) arising from sales in the Specialist Relocation Solutions (2018: Specialist Relocation Solutions) business 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 29), non-current and current finance lease payables at prevailing market rate (Note 30), 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 assets and liabilities are determined and categorized using a fair value hierarchy as follows:

(a) Level 1 – the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).

(b) Level 2 – in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.

(c) Level 3 – in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

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 table below analyzes the Group's assets and liabilities that are measured at fair value after initial recognition at the end of the reporting period:

Group (Recurring)	**Level 1**		**Level 2**		**Level 3**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Financial assets:						
Available-for-sale financial assets (Note 19)	-	533	-	-	-	-
Financial assets at FVTOCI (Note 19)	584	-	-	-	4,632	-
Non-financial assets:						
Investment property (Note 11)	-	-	900	950	-	-

Company (Recurring)	**Level 1**		**Level 2**		**Level 3**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Financial assets:						
Available-for-sale financial assets (Note 19)	-	533	-	-	-	-
Financial assets at FVTOCI (Note 19)	584	-	-	-	-	-
Non-financial assets:						
Investment property (Note 11)	-	-	6,300	-	-	-

40. Fair value of assets and liabilities *(Continued)*

Level 2

Investment properties

For investment properties, the valuation technique has been described in Note 11.

There has been no change in the valuation techniques from the last financial year.

Level 3

Unquoted equity security classified as financial assets held at FVTOCI

The unquoted equity security was valued using the market approach.

The method estimates the fair value of the unquoted equity security based on comparable transactions.

Description	Fair value at 31 March 2019 S$'000	Valuation technique	Significant unobservable inputs	Range of unobservable inputs	Relationship of unobservable input to fair value
Unquoted equity security classified as financial assets held at FVTOCI					
Unquoted equity security	4,632	Comparable market approach	Price to book ratio	1.24-3.50	An increase will result in an increase in fair value

There was no movements in Level 3 assets subjected to recurring fair value measurements.

Valuation policies and techniques

The management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regards, the management reports to the Group's Audit Committee.

It is the Group's policy that where assessed necessary by the management, the Group would engage experts to perform significant financial reporting valuations. The management is responsible for selecting and engaging such external experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement.*

Significant changes in fair value measurements from period to period are evaluated for reasonableness. The management also reviews at least on an annual basis, the appropriateness of the valuation methodologies and assumptions adopted and evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

The analysis and results of the external valuations are then reported to the Audit Committee for the latter's comments before presenting the results to the Board of Directors for approval.

During the financial year, there is no change in the applicable valuation techniques.

41. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risk (including foreign currency risk, interest rate risk and equity price risk) and liquidity risk. 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 trading in derivatives for speculative purposes shall be undertaken.

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 exposure is measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortized cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

To assess and manage its credit risk, the Group categorizes the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Group has established credit limits for each customer under which these customers are analyzed for credit worthiness before the Group's standard payment, and delivery terms are offered. The Group's reviews include external ratings, where available and in some cases bank references. Customers that fail to meet the Group's benchmark are only allowed to transact with the Group on a prepayment or cash basis. Most of the customers have been with the Group for many years and losses have occurred infrequently. The Group does not require collateral in respect of trade and other receivables.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognizing ECL
1	Low credit risk [Note 1]	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written off

41. Financial instruments and financial risks *(Continued)*

Credit risk *(Continued)*

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial asset has a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial asset is credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

During the financial year ended 31 March 2019, the Group wrote off S$162,000 (2018: S$163,000) of trade receivables. The amounts were trade receivables from third parties which had been long outstanding, were not secured and had been fully impaired in previous years. In consideration of the aforementioned factors and the financial ability of the debtors, the Group assessed there was no reasonable expectation of recovery.

During the financial year ended 31 March 2019, the Group wrote off S$424,000 (2018: S$35,000) of other receivables. The amount was other receivables from an associate which had been long outstanding, was not secured and had been fully impaired in previous years. In consideration that the associate had been deregistered with ACRA during the financial year, the Group assessed there was no reasonable expectation of recovery.

41. Financial instruments and financial risks *(Continued)*

Credit risk *(Continued)*

Note 4. Write off *(Continued)*

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

With reference to Note 37, the Company provides financial guarantees to certain banks in respect of bank facilities granted to certain subsidiaries. The date when the Company becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Company considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantees is insignificant to the Company.

As at the end of the financial year, other than as disclosed above, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

<u>Trade receivables (Note 22) and contract assets (Note 21)</u>

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables and contract assets, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables and contract assets are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Company assesses, for example, the gross domestic production growth rates of the countries (e.g. Singapore, China, Vietnam, Malaysia) and the growth rates of the major industries which its customers operate in.

Trade receivables and contract assets are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

In the prior financial year, allowance made related to debtors with significant financial difficulties. The management estimated the irrecoverable amounts by reference to past default experience. If repeated reminders and letters of demand to settle overdue payments fail to yield results, the Group will make allowances or write off the debts on a case-by-case basis.

<u>Other receivables and deposits paid (Note 23)</u>

As of 31 March 2019, the Company recorded other receivables and deposits paid of S$10,577,000 (2018: S$8,865,000). The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. The Group assessed that the other receivables and deposits paid are made to parties with good credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

<u>Amounts due from subsidiaries (Note 24)</u>

As of 31 March 2019, the Company recorded amounts due from subsidiaries of S$48,894,000 (2018: S$47,343,000) consequent to an extension of loans to the subsidiaries. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 March 2019, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. Using 12-month ECL, the Company determined that the ECL is insignificant.

41. Financial instruments and financial risks *(Continued)*

Credit risk *(Continued)*

The movement in the loss allowance during the financial year and the Group's and Company's exposure to credit risk in respect of the trade receivables and accrued revenue, other receivables and sundry deposits are as follows:

Group	Trade receivables				Contract assets		Other receivables, loan to an associate and deposits paid			
Internal credit risk grading	Note (i)	Category 4	Category 5	Total	Note (i)	Total	Category 1	Category 4	Category 5	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Loss allowance										
At 1 April 2018	-	1,310	-	1,310	-	-	-	1,133	-	1,133
Reclassification between categories	-	(162)	162	-	-	-	-	(424)	424	-
Currency realignment	-	(8)	-	(8)	-	-	-	(6)	-	(6)
Allowance for impairment loss	-	258	-	258	-	-	-	-	-	-
Write-off of receivables	-	-	(162)	(162)	-	-	-	-	(424)	(424)
Write-back of receivables	-	(1)	-	(1)	-	-	-	-	-	-
At 31 March 2019	-	1,397	-	1,397	-	-	-	703	-	703
Gross carrying amount										
At 1 April 2018	39,890	3,246	-	43,136	386	386	8,865	1,133	-	9,998
At 31 March 2019	37,360	4,311	-	41,671	1,698	1,698	10,577	703	-	11,280
Net carrying amount										
At 1 April 2018	39,890	1,936	-	41,826	386	386	8,865	-	-	8,865
At 31 March 2019	37,360	2,914	-	40,274	1,698	1,698	10,577	-	-	10,577

Note (i): For trade receivables and contract assets, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL. No loss allowance was recognized with respect to these trade receivables and contract assets.

Company	Other receivables				Amounts due from subsidiaries	
Internal credit risk grading	Category 1	Category 4	Category 5	Total	Category 1	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Loss allowance						
At 1 April 2018	-	231	-	231	-	-
Reclassification between categories	-	(231)	231	-	-	-
Write-off of receivables	-	-	(231)	(231)	-	-
At 31 March 2019	-	-	-	-	-	-
Gross carrying amount						
At 1 April 2018	17	231	-	248	47,343	47,343
At 31 March 2019	6	-	-	6	48,894	48,894
Net carrying amount						
At 1 April 2018	17	-	-	17	47,343	47,343
At 31 March 2019	6	-	-	6	48,894	48,894

41. Financial instruments and financial risks *(Continued)*

Credit risk *(Continued)*

Comparative information under FRS 39 *Financial Instruments: Recognition and Measurement* ("FRS 39")

The age analysis of trade receivables is as follows:

	Group 2018 S$'000
Not past due	27,890
Past due for 0 to 30 days	5,341
Past due for 31 to 60 days	2,528
Past due for 61 to 90 days	1,879
Past due for more than 90 days	4,188
Total	41,826

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 were 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.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. 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 optimizing the return on risk.

Foreign currency risk

The Group transacts business in various foreign currencies, including, Singapore dollar ("SGD"), Chinese Renminbi ("RMB"), Vietnamese Dong ("VND"), Malaysian Ringgit ("MYR"), Thai Baht ("THB"), and United States dollar ("USD"), other than the respective functional currencies of the Group, and hence is exposed to foreign currency risk. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2019

41. Financial instruments and financial risks *(Continued)*

Market risk *(Continued)*

Foreign currency risk *(Continued)*

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Monetary assets				
SGD	3,164	315	-	-
RMB	-	1	-	-
MYR	97	-	-	-
THB	97	23	-	-
USD	2,453	1,702	8	77
Monetary liabilities				
SGD	10	7	-	-
RMB	41	22	-	-
MYR	-	8	-	-
VND	-	8	-	-
USD	32	195	-	-

Foreign currency sensitivity analysis

The Group is mainly exposed to SGD, RMB, VND, MYR, THB and USD.

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 Profit or Loss	
	2019	2018
	S$'000	S$'000
Group		
Strengthens/weakens against SGD		
RMB	3	2
MYR	10	1
USD	98	84
Strengthens/weakens against RMB		
SGD	306	-
USD	75	58

41. Financial instruments and financial risks *(Continued)*

Market risk *(Continued)*

Foreign currency risk *(Continued)*

Foreign currency sensitivity analysis (Continued)

	Increase/Decrease in Profit or Loss	
	2019	2018
	S$'000	S$'000
Group		
Strengthens/weakens against MYR		
SGD	10	31
RMB	2	1
THB	10	2
USD	59	6
Strengthens/weakens against VND		
USD	11	15
Company		
Strengthens/weakens against SGD		
USD	1	8

Interest rate risk

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 risk relates 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 interest rate risk arises primarily from the floating rate borrowings with financial institutions.

The Group's and the Company's exposure to interest rate risk are disclosed in Note 29 to the financial statements.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk 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	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Bank loans	254	281	38	21

41. Financial instruments and financial risks *(Continued)*

Market risk *(Continued)*

Equity price risk

The Group is exposed to equity risk arising from equity investments classified as FVTOCI. FVTOCI investments are held for strategic rather than trading purposes. The Group does not actively trade in FVTOCI investments.

Further details of these equity investments can be found in Note 19 to the financial statements.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk 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**	
	2019	**2018**
	S$'000	**S$'000**
Available-for-sale financial assets	-	53
Financial assets at FVTOCI	58	-

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is 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 borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

The repayment terms of bank loans and finance lease payables are disclosed in Notes 29 and 30 to these financial statements respectively.

The Group has access to credit facilities as follows:

	Group	
	2019	**2018**
	S$'000	**S$'000**
Unutilized credit facilities		
Bank overdraft facilities	832	500
Trade facilities	20,364	19,701

41. Financial instruments and financial risks *(Continued)*

Liquidity risk *(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 contractual 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**
2019				
Financial assets:				
Trade and other receivables	49,791	1,060	-	50,851
Cash and cash equivalents	13,362	-	-	13,362
	63,153	1,060	-	64,213
Financial liabilities:				
Bank loans	28,673	3,674	2,555	34,902
Finance lease payables	1,814	1,949	3	3,766
Trade and other payables	21,099	-	-	21,099
	51,586	5,623	2,558	59,767
Total net undiscounted financial assets/(liabilities)	11,567	(4,563)	(2,558)	4,446
2018				
Financial assets:				
Trade and other receivables	50,453	1,029	-	51,482
Cash and cash equivalents	10,819	-	-	10,819
	61,272	1,029	-	62,301
Financial liabilities:				
Bank loans	28,879	1,401	1,099	31,379
Finance lease payables	2,430	2,640	3	5,073
Trade and other payables	22,143	-	-	22,143
	53,452	4,041	1,102	58,595
Total net undiscounted financial assets/(liabilities)	7,820	(3,012)	(1,102)	3,706

41. Financial instruments and financial risks *(Continued)*

Liquidity risk *(Continued)*

Company	1 year or less S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
2019				
Financial assets:				
Other receivables	6	-	-	6
Amounts due from subsidiaries	48,894	-	-	48,894
Cash and cash equivalents	898	-	-	898
	49,798	-	-	49,798
Financial liabilities:				
Bank loans	5,905	2,588	1,618	10,111
Trade and other payables	504	-	-	504
	6,409	2,588	1,618	10,615
Total net undiscounted financial assets/(liabilities)	43,389	(2,588)	(1,618)	39,183
2018				
Financial assets:				
Other receivables	17	-	-	17
Amounts due from subsidiaries	47,343	-	-	47,343
Cash and cash equivalents	303	-	-	303
	47,663	-	-	47,663
Financial liabilities:				
Bank loans	3,470	230	-	3,700
Trade and other payables	514	-	-	514
	3,984	230	-	4,214
Total net undiscounted financial assets/(liabilities)	43,679	(230)	-	43,449

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Loans and receivables				
Trade and other receivables	-	59,196	-	46
Less: Prepayments	-	(7,714)	-	(29)
	-	51,482	-	17
Amount due from subsidiaries	-	-	-	47,343
Cash and cash equivalents	-	10,819	-	303
Total	-	62,301	-	47,663

41. Financial instruments and financial risks *(Continued)*

Financial instruments by category *(Continued)*

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows: *(Continued)*

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Financial assets at amortized cost				
Trade and other receivables	57,008	-	27	-
Less: Prepayments	(6,157)	-	(21)	-
	50,851	-	6	-
Amounts due from subsidiaries	-	-	48,894	-
Cash and cash equivalents	13,362	-	898	-
Total	64,213	-	49,798	-
Financial assets classified as:				
- Available-for-sale	-	5,165	-	533
- FVTOCI	5,216	-	584	-
Financial liabilities at amortized cost				
Bank loans	33,414	30,645	9,053	3,650
Finance lease payables	3,513	4,727	-	-
Trade and other payables	21,099	22,143	504	514
Total	58,026	57,515	9,557	4,164

42. Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through optimization of debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowings disclosed in Note 29 and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed in Notes 26, 27 and 28.

The Group's management reviews the capital structure on a regularly 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 2018.

Management monitors capital based on a gearing ratio of less than one. 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.

42. Capital management policies and objectives *(Continued)*

	Group		Company	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
		Restated		
Total borrowings	58,026	57,515	9,557	4,164
Less: Cash and cash equivalents (Note 25)	(12,084)	(9,093)	(898)	(303)
Net debt	45,942	48,422	8,659	3,861
Total equity	75,208	73,111	85,296	82,232
Total capital	121,150	121,533	93,955	86,093
Gearing ratio	0.38	0.40	0.09	0.04

The Group and the Company are not subjected to any externally imposed capital requirements during the financial years ended 31 March 2019 and 2018.

43. Dividends

	Company	
	2019	**2018**
	S$'000	**S$'000**
Declared and paid during the financial year		
Dividend on ordinary shares:		
Final exempt (one-tier) dividend for 2018: S$0.003 (2017: S$0.001) per share	1,161	371
Interim exempt (one-tier) dividend for 2019: S$0.001 (2018: S$Nil) per share	387	-
	1,548	371

44. Adoption of new financial reporting framework and accounting policies

As a first-time adopter of SFRS(I), the Group has retrospectively applied the accounting policies based on each applicable SFRS(I) effective as at 31 March 2019, being the end of the first SFRS(I) reporting period, except for areas of mandatory exceptions and the application of certain optional exemptions (see below) as set out in SFRS(I) 1. In the adoption of SFRS(I), the Group concurrently applied the following relevant new and amended SFRS(I)s and SFRS(I)s INT that are similarly mandatorily effective from 1 April 2018:

SFRS(I) 2	*Amendments to SFRS(I) 2: Classification and measurement of share- based payment transactions*
SFRS(I) 9	*Financial instruments ("SFRS(I) 9")*
SFRS(I) 15	*Revenue from contracts with customers ("SFRS(I) 15")*
SFRS(I) 1-40	*Amendments to SFRS(I) 1-40: Transfers of investment property*
SFRS(I) INT 22	*Foreign currency transactions and advance consideration*

Improvements to SFRS(I) (December 2016)
- Amendments to SFRS(I) 1-28: *Measuring an associate or joint venture at fair value*

The application of SFRS(I)s did not have significant impact on the Company's separate financial statements. Accordingly, the statement of financial position as at 1 April 2017 of the Company's separate financial statements was not presented. The financial impact to the Group's financial statements that arised from the application of SFRS(I)s are disclosed below.

44. Adoption of new financial reporting framework and accounting policies *(Continued)*

SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*

The application of the mandatory exceptions and certain optional exemptions permitted in SFRS(I) 1 did not have any significant impact on the Group's and Company's financial statements.

Reconciliation of the Group's equity reported in FRS to its equity in accordance with SFRS(I) as of 31 March 2018 is as follow:

	FRS S$'000	SFRS(I) 15 S$'000	SFRS(I) S$'000
Equity			
31 March 2018			
Share capital	52,798	-	52,798
Treasury shares	(145)	-	(145)
Other reserves	(3,268)	-	(3,268)
Retained profits	20,757	(678)	20,079
Non-controlling interests	3,802	(155)	3,647

Reconciliation of the Group's equity reported in FRS to its equity in accordance with SFRS(I) as of 1 April 2017 is as follow:

	FRS S$'000	SFRS(I) 15 S$'000	SFRS(I) S$'000
Equity			
1 April 2017			
Share capital	51,053	-	51,053
Treasury shares	(145)	-	(145)
Other reserves	(2,508)	-	(2,508)
Retained profits	15,631	(984)	14,647
Non-controlling interests	3,310	(205)	3,105

44. Adoption of new financial reporting framework and accounting policies *(Continued)*

Reconciliation of the Group's total comprehensive income reported in FRS to its total comprehensive income reported in SFRS(I) for the financial year ended 31 March 2018 is as follows:

	FRS S$'000	SFRS(I) 15 S$'000	SFRS(I) S$'000
Revenue	127,916	(353)	127,563
Cost of sales	(99,059)	709	(98,350)
Gross profit	28,857	356	29,213
Other operating income	3,749	-	3,749
Distribution and selling expenses	(9,321)	-	(9,321)
Administrative expenses	(14,022)	-	(14,022)
Other operating expenses	(1,174)	-	(1,174)
Finance expenses	(1,472)	-	(1,472)
Profit before income tax	6,617	356	6,973
Income tax expense	(842)	-	(842)
PROFIT FOR THE FINANCIAL YEAR	5,775	356	6,131
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss			
Net loss on fair value changes of other investments	(679)	-	(679)
Other comprehensive loss for the financial year that will not be reclassified to profit or loss, net of tax	(679)	-	(679)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translating foreign operations	615	-	615
Other comprehensive income for the financial year that may be reclassified to profit or loss, net of tax	615	-	615
Total other comprehensive loss for the financial year, net of tax	(64)	-	(64)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	5,711	356	6,067

44. Adoption of new financial reporting framework and accounting policies *(Continued)*

Statement of cash flows for the financial year ended 31 March 2018

The impact on the statement of cash flows for the financial year ended 31 March 2018 only relates to the changes in loss before income tax from continuing operations, certain adjustments to reconcile profit before income tax to net cash flows from operating activities and working capital adjustments. However, there was no impact on the net cash flows from operating activities. The cash flows from investing and financing activities were not affected.

Material adjustments made for each affected financial statement line item are shown below:

	31 March 2018 (FRS) S$'000	Impact from initial adoption of SFRS(I) 15 S$'000	31 March 2018 (SFRS(I)) S$'000	Impact from initial adoption of SFRS(I) 9 S$'000	1 April 2018 (SFRS(I)) S$'000
Affected line items in					
Consolidated statement of financial position					
Current assets					
Gross amount due from customers on contract work-in-progress	313	(313)	-	-	-
Contract assets	-	386	386	-	386
Available-for-sale financial assets	5,165	-	5,165	(5,165)	-
Other investments	-	-	-	5,165	5,165
Equity					
Retained profits	20,757	(678)	20,079	-	20,079
Non-controlling interests	3,802	(155)	3,647	-	3,647
Current liabilities					
Contract liabilities	-	240	240	-	240
Provision	-	666	666	-	666

	2018 (FRS) S$'000	Impact from initial adoption of SFRS(I) 15 S$'000	2018 (SFRS(I)) S$'000
Affected line items in			
Consolidated statement of profit or loss and other comprehensive income			
Revenue	127,916	(353)	127,563
Cost of sales	(99,059)	709	(98,350)
Earnings per share attributable to owners of the parent (cents per share)			
Basic earnings per share	1.48	0.08	1.56
Diluted earnings per share	1.48	0.08	1.56

44. Adoption of new financial reporting framework and accounting policies *(Continued)*

	1 April 2017 (FRS) S$'000	Impact from initial adoption of SFRS(I) 15 S$'000	1 April 2017 (SFRS(I)) S$'000
Affected line items in			
Consolidated statement of financial position			
Current assets			
Gross amount due from customers on contract work-in-progress	2,269	(2,269)	-
Contract assets	-	1,185	1,185
Equity			
Retained profits	15,631	(984)	14,647
Non-controlling interests	3,310	(205)	3,105
Current liabilities			
Contract liabilities	-	57	57
Provision	-	48	48

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 established a comprehensive framework which specifies how and when revenue should be recognized as well as to provide users of financial statements useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. SFRS(I) 15 also specifies the accounting for incremental costs of obtaining a contract and costs incurred to fulfil a contract.

The Group has adopted the five-step model which requires (i) its identification of the contract; (ii) its identification of the performance obligations in the contract; (iii) the determination of transaction price; (iv) allocation of the transaction price; and (v) recognition of revenue when (i.e. at a point in time) or as (i.e. over time) each performance obligation is satisfied.

The Group recognizes revenue to depict the transfer of promised goods or services to its customers in an amount that reflects the consideration which the Group expects to be entitled in exchange for those goods or services.

The Group has adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 January 2018, using the retrospective method of adoption in accordance with SFRS(I) 1, with the cumulative effect of initially applying SFRS(I) 15 recognized as an adjustment to the opening balance of accumulated profits as of 1 April 2017.

44. Adoption of new financial reporting framework and accounting policies *(Continued)*

SFRS(I) 15 *Revenue from Contracts with Customers* *(Continued)*

Comparative information relating to the financial year ended 31 March 2018 has been restated and reported under SFRS(I) 15 subsequent to the Group's application of the following practical expedients:

- Non-restatement of completed contracts which began and ended within the same financial year, or which were completed as of 1 April 2017;
- Use of the transaction price at the date when the contract was completed for completed contracts with variable consideration;
- Reflection of the aggregate effect of all contract modifications that took place prior to 1 April 2017 during the allocation of determined transaction price to identified satisfied and unsatisfied performance obligations for those contracts. Should restatement of such contracts be made, revenue for FY2018 would have been higher; and
- Non-disclosure of the amount of transaction price allocated to the remaining performance obligations nor an explanation of when the timing of expected recognition of the amount as revenue.

The effects of adopting SFRS(I) 15 at the date of initial application being 1 April 2018 and the beginning of the earliest period presented being 1 April 2017 are summarized below:

	Note	31 March 2018 FRS 18 S$'000 As previously stated	Reclassification S$'000	Remeasurement S$'000	31 March 2018 SFRS(I) 15 S$'000 Restated
Gross amount due from customers on contract work-in-progress	(i),(ii)	313	(313)	-	-
Contract assets	(i),(ii)	-	355	31	386
Contract liabilities	(i),(ii)	-	42	198	240
Provision	(i),(ii)	-	-	666	666

	Note	31 March 2017 FRS 18 S$'000 As previously stated	Reclassification S$'000	Remeasurement S$'000	1 April 2017 SFRS(I) 15 S$'000 Restated
Gross amount due from customers on contract work-in-progress	(i),(ii)	2,269	(2,269)	-	-
Contract assets	(i),(ii)	-	2,272	(1,087)	1,185
Contract liabilities	(i),(ii)	-	3	54	57
Provision	(i),(ii)	-	-	48	48

44. Adoption of new financial reporting framework and accounting policies *(Continued)*

SFRS(I) 15 *Revenue from Contracts with Customers* *(Continued)*

The impact on the Group's retained profits as at 31 March 2018 and 1 April 2017 is as follows:

	Note	31 March 2018 S$'000	1 April 2017 S$'000
Retained profits as at		20,757	15,631
Construction contract revenue	(i)	(760)	(1,006)
Engineering services	(ii)	82	22
Restated retained profits		20,079	14,647

The impact on the Group's non-controlling interests as at 31 March 2018 and 1 April 2017 is as follows:

	Note	31 March 2018 S$'000	1 April 2017 S$'000
Non-controlling interests as at		3,802	3,310
Construction contract revenue	(i)	(155)	(205)
Restated non-controlling interests		3,647	3,105

The nature of the adjustments is described below:

(i) ***Construction contract revenue***

Previously, with reference to FRS, the Group recognized revenue from its construction contracts based on percentage of completion method, with reference to the survey of work carried out by the customer. Correspondingly, costs were recorded as a percentage of the total costs budgeted for the contract.

With reference to SFRS(I) 15, the Group assessed that revenue from construction contracts is recognized over time, using the input method to measure progress towards complete satisfaction of the contract, as the customer simultaneously receives and consumes the benefits provided by the Group (Note 2.4).

Upon adoption of SFRS(I) 15, adjustments were made to record the actual costs in the applicable financial years when the performance obligation was satisfied, and to record revenue based on the cost-to-cost method. Consequently, differences between the progress billing and revenue recognized based on the cost-to-cost method are accounted for under either contract assets or contract liability.

The amount of adjustment for the affected financial statement line item has been presented in tabular format above.

(ii) ***Engineering services***

Previously, with reference to FRS, the Group recognized revenue from engineering services with reference to the stage of completion of the contract.

With reference to SFRS(I) 15, the Group assessed that revenue from engineering services are recognized over time, using the input method to measure progress towards complete satisfaction of the contract, as the customer simultaneously receives and consumes the benefits provided by the Group (Note 2.4).

Upon adoption of SFRS(I) 15, adjustments were made to record revenue based on the cost-to-cost method. Consequently, differences between the progress billing and revenue recognized based on the cost-to-cost method are accounted for under either contract assets or contract liability.

The amount of adjustment for the affected financial statement line item has been presented in tabular format above.

44. Adoption of new financial reporting framework and accounting policies *(Continued)*

SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 sets out the requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification of financial assets

Based on facts and circumstances existing as of 1 April 2018, the Group has classified its financial assets into financial assets subsequently measured at (i) fair value through profit or loss; (ii) amortized cost; or (iii) fair value through other comprehensive income, depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, or as otherwise designated as such upon initial recognition, if allowed.

The Group has adopted SFRS(I) 9 retrospectively but did not restate the comparatives by applying the optional exemption provided in SFRS(I) 1. Accordingly, the comparative information was prepared in accordance with the requirements of FRS 39 and disclosures were made in accordance with FRS 107 *Financial Instruments: Disclosure* as applicable.

The effects of adopting SFRS(I) 9 at the date of initial application being 1 January 2018 is summarized below:

	Note	31 March 2018 FRS 39 S$'000 As previously stated	Reclassification S$'000	1 April 2018 SFRS(I) 9 S$'000 Restated
Other investments at AFS	(i)	5,165	(5,165)	-
Other investments at FVTOCI	(i)	-	5,165	5,165

The nature of the adjustments is described below:

(i) Designation of certain financial assets at FVTOCI

Fair value gains or losses were recognized in profit or loss except for those relating to investments in equity instruments, for which the Group has made an irrevocable election to recognize the gains and losses in other comprehensive income as these investments are classified as financial assets that are subsequently measured are measured at FVTOCI.

The available-for-sale financial assets as of 31 March 2018 comprised investments in quoted and unquoted equity instruments.

The Group made an irrevocable election to present the gains and losses on its investments in equity instruments in other comprehensive income as the investments were held as long-term investments and will only sell the investments to re-invest the cash on other financial assets when the opportunity arises. Under FRS 39, quoted equity instruments were previously recognized at fair value and unquoted equity instruments were previously recognized at cost as the fair value could not be reliably measured. At the initial application of SFRS(I) 9 on 1 April 2018, the Group measured the unquoted equity instruments at fair value and noted that there were no significant differences between the carrying amount measured under FRS 39 and the fair value as of 1 April 2018. Hence no adjustments were made to the opening retained profits.

The amount of adjustment for the affected financial statement line item has been presented in tabular format above.

STATISTICS OF SHAREHOLDINGS

As At 24 June 2019

SHAREHOLDERS' INFORMATION

Class of equity securities	Number of equity securities	Voting Rights
Ordinary Shares	387,026,748*	One vote per share (excluding treasury shares)
Treasury Shares	1,841,107	Nil
Subsidiary Holdings	Nil	Nil

** Excludes non-voting treasure shares*

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	537	10.09	12,302	-
100 - 1,000	1,883	35.37	945,931	0.25
1,001 - 10,000	1,758	33.03	7,386,079	1.91
10,001 - 1,000,000	1,109	20.83	116,069,238	29.99
1,000,001 and above	36	0.68	262,613,198	67.85
Total	**5,323**	**100.00**	**387,026,748**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Low Weng Fatt	50,883,708	13.15
2.	Yap Koon Bee @ Louis Yap	35,002,583	9.04
3.	DBS Nominees (Private) Limited	23,607,415	6.10
4.	Yeo Seck Cheong	15,198,165	3.93
5.	Lim Chin Hock	14,479,565	3.74
6.	Liu Wenying	12,000,000	3.10
7.	Siah Boon Hock	10,824,901	2.80
8.	Lim Wui Liat	9,877,704	2.55
9.	Teo Chor Kok	8,113,000	2.10
10.	Cheong Tuck Nang (Zhang Deneng)	7,945,912	2.05
11.	Philip Securities Pte Ltd	6,024,086	1.56
12.	Poh Yong Heng	4,272,000	1.10
13.	UOB Kay Hian Private Limited	4,245,550	1.10
14.	Lim Jit Sing, Jackson (Lin Risheng, Jackson)	4,188,553	1.08
15.	Ng Aik Cheng	4,183,000	1.08
16.	Cheng Chee Chai	4,130,140	1.07
17.	OCBC Securities Private Limited	3,801,114	0.98
18.	Teoh Hai Thow	3,600,000	0.93
19.	Lim & Tan Securities Pte Ltd	3,477,000	0.90
20.	Raffles Nominees (Pte.) Limited	3,401,775	0.88
Total		**229,256,171**	**59.24**

STATISTICS OF SHAREHOLDINGS

As At 24 June 2019

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Low Weng Fatt [(1)]	50,883,708	13.15	662,500	0.17
Yap Koon Bee @ Louis Yap	35,002,583	9.04	-	-

Notes:

[(1)] Mr Low Weng Fatt is deemed to be interested in the 662,500 shares held by his spouse.

The percentage of shareholding above is computed based on the total issued and paid-up ordinary share capital of 387,026,748 Shares (excluding 1,841,107 treasury shares).

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 24 June 2019, approximately 68.36% 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 Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961, on the 30th day of July 2019 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 BUSINESSES

1. To receive and adopt the Statement by Directors and the Audited Financial Statements of the Company and of the Group for the financial year ended 31 March 2019 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final tax-exempt (one-tier) dividend of S$0.003 per share for the financial year ended 31 March 2019. (2018: S$0.003 per share) **(Resolution 2)**

3. To re-elect Mr Low Weng Fatt, the Managing Director retiring pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**).
[See Explanatory Note (i)] **(Resolution 3)**

4. To re-elect Mr Chew Choy Seng, a Director retiring pursuant to Regulation 120 of the Constitution of the Company.
[See Explanatory Note (ii)] **(Resolution 4)**

5. To note the retirement of Mr Tan Sin Huat, Dennis as a Director of the Company.

6. To approve the payment of Directors' fees of up to S$500,000 for the financial year ending 31 March 2020, with payment to be made quarterly in arrears. (2019: S$500,000) **(Resolution 5)**

7. To re-appoint Messrs Mazars LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

9. **Authority to allot and issue shares in the capital of the Company**

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company (**"Shares"**) whether by way of rights, bonus or otherwise; and/or

(ii) 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 Instruments made or granted by the Directors of the Company while this Resolution was in force; and

(c) complete and do all such acts and things, including without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Resolution;

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 and subsidiary holdings) 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 and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculations 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 and subsidiary holdings) 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 which are 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 authority 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 Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting (**"AGM"**) of the Company or the date by which the next AGM 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 (iii)] **(Resolution 7)**

10. **Renewal of Share Buyback Mandate**

That:

(a) for the purposes of the Companies Act, Chapter 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 (each a **"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 (each an **"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:

(i) 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 treasury shares and subsidiary holdings) 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 treasury shares and subsidiary holdings);

"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:

(i) 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 authorised 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 (iv)] **(Resolution 8)**

11. **Authority to issue shares under the Chasen Performance Share Plan 2017**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant performance shares under the Chasen Performance Share Plan 2017 (the **"Plan"**) and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Plan and any other share option schemes/share-based incentive schemes of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (v)] **(Resolution 9)**

12. **Grant of performance shares under the Plan to Mr Low Weng Fatt, an Executive Director and a controlling shareholder of the Company**

That subject to and contingent upon the passing of Ordinary Resolution 9, the proposed grant to Mr Low Weng Fatt, an Executive Director and a controlling shareholder of an award of up to a maximum of 200,000 shares for the year ending 31 March 2020, in the share capital of the Company, in accordance with the Plan be and is hereby approved.

[See Explanatory Note (vi)] **(Resolution 10)**

By Order of the Board

CHEW KOK LIANG
Company Secretary
Singapore, 15 July 2019

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified.)

3. 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 seventy-two (72) hours before the time appointed for holding of the AGM.

4. The proxy form must be signed by the appointor or his attorney duly authorized in writing.

5. In case of joint shareholders, all holders must sign the proxy form.

6. An investor who buys shares using Central Provident Fund Investment Scheme (**"CPF Investor"**) and/or Supplementary Retirement Scheme (**"SRS Investor"**) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

*A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Explanatory Notes:

(i) Mr Low Weng Fatt, if re-elected, will remain as Managing Director and Chief Executive Officer of the Company. Please refer to page 30 of the Corporate Governance Statement in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(ii) Mr Chew Choy Seng, if re-elected, will remain as the Chairman of the Audit Committee, will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to page 30 of the Corporate Governance Statement in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

(iii) Resolution 7, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM 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 aggregate 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) 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 and subsidiary holdings) 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.

(iv) Resolution 8, if passed, will empower the Directors of the Company to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) 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 statements of the Group for the financial year ended 31 March 2019 are set out in greater detail in the Addendum despatched together with the Annual Report 2019.

(v) Resolution 9, if passed, will empower the Directors of the Company, from the date of this AGM until the date of the next AGM, or the date by which the next AGM 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 in the Company pursuant to the vesting of performance shares granted or to be granted pursuant to the Plan, up to an aggregate (together with any other share option schemes/share-based incentive schemes of the Company) not exceeding in total 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(vi) 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 of up to a maximum of 200,000 shares in the share capital of the Company. Mr Low is the Managing Director and CEO of the Company and is responsible for the overall management and strategic growth direction of the Group.

Details of the grant

(a)	Proposed date of grant of awards to Mr Low Weng Fatt	:	Within 3 months upon approval at the AGM
(b)	Release and vesting of the awards	:	<u>After the first anniversary of the date of grant</u> Maximum of 40% of award granted <u>After the second anniversary of the date of grant</u> Maximum of 70% of award granted <u>After the third anniversary of the date of grant</u> 100% of award granted
(c)	Any other material details pertaining to the grant of awards	:	The relevant information on the Plan is disclosed in the shareholders' circular dated 13 July 2017

Rationale for the grant

Mr Low Weng Fatt 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- add 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, Malaysia, Vietnam and in 2016, the United States of America.

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 including extending its core business higher up the supply chain to include technical and engineering services to complement its logistics capability. This competitive advantage enabled the Company to generate revenue well past $100 million annually. 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.

The participation of Mr Low under the Plan has been approved by shareholders when they approved the Plan at the Extraordinary General Meeting held on 28 July 2017. This resolution seeks for the above-stated reasons, shareholders' approval for the Directors to grant an award of up to a maximum of 200,000 shares to Mr Low for the current award in accordance with the Plan.

Mainboard Rule 845(1) provides that the aggregate number of shares available under all schemes must not exceed 15% of the total number of issued shares excluding treasury shares and subsidiary holdings from time to time. Based on the total number of issued shares 387,026,748 (excluding 1,841,107 treasury shares). The maximum aggregate number of shares available under the Chasen Performance Share Plan 2017 would be 58,054,012 shares.

Mainboard Listing Rule 845(2) provides that the aggregate number of shares available to controlling shareholders and their associates must not exceed 25% of the shares available under a scheme. The maximum aggregate number of shares available to controlling shareholders and their associates would be 14,513,503 shares.

Mainboard Listing Rule 845(3) provides that the number of shares available to each controlling shareholder or his associate must not exceed 10% of the shares available under a scheme. The maximum number of shares available to each controlling shareholder or his associate would be 5,805,401.

For the purpose of Listing Rule 845(1), there were no grant of awards or award shares issued for the Chasen Performance Share Plan 2017.

For the purpose of Listing Rule 845(2) and (3), there were no grant of awards or award shares issued to any controlling shareholders and their associates for the Chasen Performance Share Plan 2017.

The Company has not granted or issued any award shares to Mr Low: (a) pursuant to the resolution passed in July 2018; nor (b) under the Chasen Performance Share Plan 2017.

The grant of an award of up to a maximum of 200,000 shares to Mr Low under the Chasen Performance Share Plan 2017 represent 0.34% of the maximum aggregate number of shares available under the Chasen Performance Share Plan 2017.

The grant of an award of up to a maximum of 200,000 shares to Mr Low under the Chasen Performance Share Plan 2017 would be in compliance with Listing Rule 845(1), (2) and (3).

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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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. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We____(Name)__________________________________(NRIC/Passport No.)

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 *him/her/them, the Chairman of the Annual General Meeting ("AGM") of the Company as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the AGM of the Company to be held at Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961 on Tuesday, 30 July 2019 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 AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

*If you wish to exercise all your votes 'For' or 'Against', please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Resolutions relating to:	For	Against
1.	Adoption of Statement by Directors and Audited Financial Statements for the financial year ended 31 March 2019		
2.	Payment of proposed final tax-exempt (one-tier) dividend of S$0.003 per share for the financial year ended 31 March 2019		
3.	Re-election of Mr Low Weng Fatt as a Director		
4.	Re-election of Mr Chew Choy Seng as a Director		
5.	Approval of Directors' fees for the financial year ending 31 March 2020, with payment to be made quarterly in arrears		
6.	Re-appointment of Messrs Mazars LLP as Auditors and authority to Directors to fix their remuneration		
7.	Authority to allot and issue shares in the capital of the Company		
8.	Renewal of Share Buyback Mandate		
9.	Authority to issue shares under the Chasen Performance Share Plan 2017		
10.	Grant of performance shares under the Plan to Mr Low Weng Fatt		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM dated 15 July 2019 for the full purpose and intent of the Resolutions to be passed.

Dated this __________________ day of __________________ 2019

Total Number of Shares Held

____
Signature(s) of Member(s)/
Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: Please read notes overleaf

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 81SF of the Securities and Futures Act, Chapter 289 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 (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her/its stead. A proxy need not be a member of the Company.

3. Where a member (other than a Relevant Intermediary*) appoints two (2) proxies, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy in the instrument appointing the proxies.

4. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number or class of shares shall be specified).

5. Subject to note 9, completion and return of this instrument appointing a proxy or proxies 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.

6. 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 72 hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. 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.

8. A corporation which is a member may authorize 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, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who buys shares using Central Provident Fund Investment Scheme (**"CPF Investor"**) and/or the Supplementary Retirement Scheme (**"SRS Investor"**) (as may be applicable) may attend and cast his/her vote(s) at the AGM in person. CPF and SRS Investor who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investor shall be precluded from attending the AGM.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 July 2019.

CHASEN HOLDINGS LIMITED FOCUS ON GROWTH ANNUAL REPORT 2019

CHASEN™

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