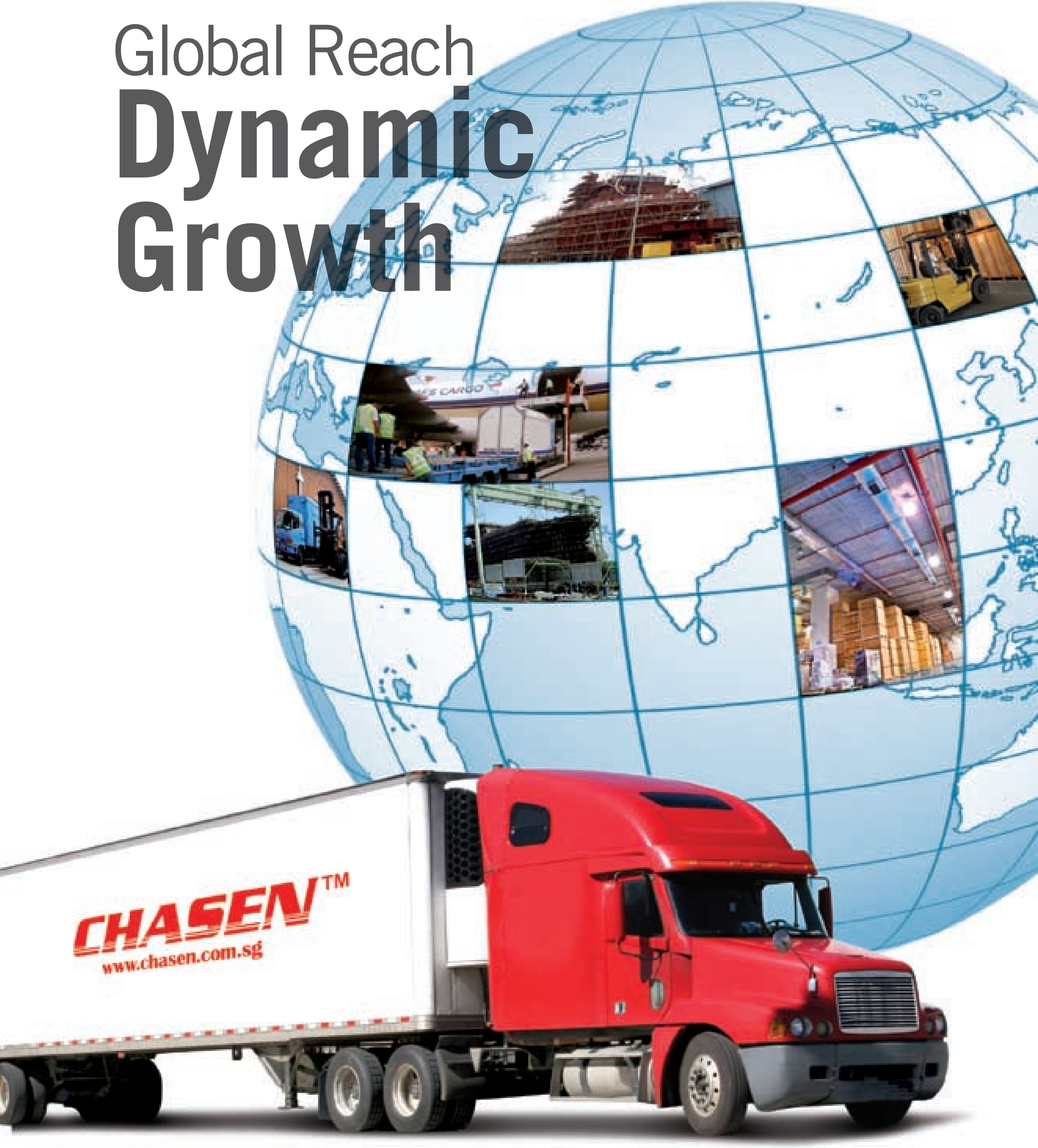
Global Reach

Dynamic Growth



ANNUAL REPORT 2010

Our Vision

We aim to be the leading logistics service provider in the region, specialising in equipment and machinery relocation solutions with complementary technical and engineering service capabilities to meet the diverse needs of the market place.

Contents

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

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

The details of the contact person for the Sponsor is:
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Tel: (65) 6238 3377

Chasen provides turnkey solutions for the relocation of various sophisticated equipment and machinery such as those used in wafer fabrication, TFT LCD panel production, chip testing and assembly, solar panel and pharmaceutical manufacturing.

Corporate Profile

Founded in 1995 as a partnership entity, Chasen was incorporated as a private limited company in November 1999 until it was listed as Chasen Holdings Limited (the "Group" or the "Copmany") on SESDAQ (now known as Catalist) of the Singapore Exchange in February 2007. Chasen is an Investment Holding Company with subsidiaries providing specialist relocation solutions, third party logistics ("3PL") with facilities for packing and warehousing of machinery and equipment and complementary technical and engineering services for the region's manufacturing, marine and construction industries.

Chasen provides turnkey solutions for the relocation of various sophisticated equipment and machinery such as those used in wafer fabrication, TFT LCD panel production, chip testing and assembly, solar panel and pharmaceutical manufacturing. The Group's 3PL services utilize state-of-the-art packaging material to pack machinery and equipment to Original Equipment Manufacturer ("OEM") standards. The Group's warehouses, which have appropriately constructed floors, are mainly air-conditioned with humidity control. The Group also provides technical and engineering services further up the supply chain to extend the scope of its service capability to customers in the high-tech electronics industries as well as property development, oil and gas and other energy-related sectors. This suite of capabilities serves its existing and new customers in Singapore, Malaysia, Vietnam and the People's Republic of China including a few in the American continent and the European Union.

As testaments to our expertise and quality services, several of Chasen's operating subsidiaries have received certification for ISO 9001 in Quality Management System, ISO 14001 in Environmental Management System and OHSAS 18001 in Occupational Health and Safety Management Systems.

Report to Shareholders

The year in review saw the Company consolidate its progress and rapid growth since being listed. Revenue grew by 38% over last financial year to reach S$75.6 million. When the Group listed in 2007, its revenue was S$20.8 million. Group profit before tax was S$8.0 million an increase of 69% over last financial year. In the year of listing our profit before tax was S$2.9 million. Profit after tax increased by 61% over last financial year to S$6.4 million, compared to the profit after tax of S$2.0 million when the Group was first listed.

In the year of listing the Group earned 1.6 cents per share. After the first round of rights issue since the Group listed, with post consolidated shares increasing from 130.6 million shares at time of listing to 146.9 million shares as at 31 March 2010, the Group reported earning 3.2 cents per share on a weighted average basis.

These achievements vindicate the Company's growth strategy through acquisitions and establishment of new businesses to provide customers with a wider range of services within the supply chain of our core business. The Company's original niche business in specialist relocation for the high tech industries such as wafer fabrication, TFT LCD panel manufacturing, biotech and solar panel manufacturing was extended to complementary warehousing, packaging and other third party logistics services for the same customers. Our service capability then moved further up the supply chain for the establishment of new factory facilities through the acquisition of complementary technical and engineering services. In the process, our customer base widened to include several current high growth economic sectors such as construction, marine, telecommunication, electronics, precision engineering and 'green' energy.

Geographically, the Company's regional presence now covers Singapore, Malaysia, the People's Republic of China and Vietnam.

The value-adding capabilities offered by the Company in its acquisition strategy includes its financial resources, regional footprint and management. In the process, the Company acquired a strong combination of professional and entrepreneurial capability in its management ranks and the bottom line results reflected this strength.

The year in review was a period of consolidation in the face of the global economic downturn, which affected most seriously our PRC operations as the commencement of several approved relocation projects were delayed while the decision to award other relocation projects was put off. The economic slowdown also caused some of our newly acquired or start-up operations to take longer to achieve profitability.

In the last quarter of the financial year in review, the Company benefitted from the global economic recovery as seen in the Q4 result relative to the other three quarters. With the funds raised from the recent rights shares cum warrants issue, the Company would be able to take advantage of growth opportunities that will be available as global economic growth picks up. It has already identified a handful of acquisition targets in line with its current growth strategy. These acquisitions, if successful, would further extend our revenue base industry wise and contribute to both top and bottom line growth.

Going forward, the Company would benefit in the current financial year from :

1) resumption of relocation activities in our traditional markets particularly in PRC as well as from the new "green" industries and our entry into Vietnam, another high growth economy in the region;

2) new opportunities abroad for the technical and engineering businesses, which currently derive their revenue mainly from Singapore, in which announcements have already been made over the past months; and

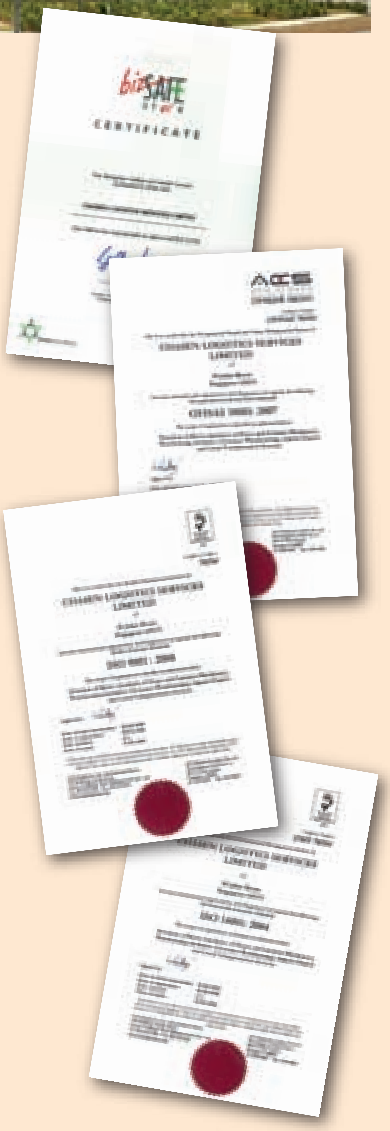
3) the turnaround of businesses that were not profitable in the last financial year as their revenue would be matched against operational costs that were trimmed last year.

To further enhance shareholder value the Company would be looking to derive capital gains from some of its earlier investments. Barring unforeseen circumstances, shareholders can look forward to another successful year with the Company.

I would like to place on record my personal appreciation to all stakeholders - customers, employees, suppliers, professional advisors, financial institutions and most of all my colleagues on the Board of Directors for their confidence, support and assistance in delivering another year of substantial achievement for the Company.

Low Weng Fatt
Managing Director and CEO

Corporate Milestones



2010

- Secured relocation projects in PRC with value estimated at RMB27.1m (S$5.5mil)
- Acquired a 30% stake in S'pore-incorporated Caitong Investments Pte Limited (CTI)
- Established HLE International for foreign venture in PRC
- Entered into JV with Shanghai-based engineering and fabrication company

2009

- Awarded first project to move-in a solar manufacturing facility in PRC and completed Phase 2 of move-in project LCD TFT plant in Kunshan
- Secured contracts to provide design and fabrication of steel works for the Sentosa Integrated Resort and Norway's Renewable Energy Corporation's ("REC") largest solar panel manufacturing complex in Tuas
- Awarded contract to erect scaffolding at REC plant in Singapore
- Extended specialist relocation business to the cultural relics industry in the PRC through the incorporation of Chasen Sinology
- Awarded rigging for REC hook-up project in Singapore
- Achieved bizSAFE Enterprise STAR awarded by Workplace Safety and Health Council

2008

- Business operations expanded to include services to the high growth marine and construction industries through the acquisition of the Goh Kwang Heng Group and Hup Lian Engineering Pte Ltd
- Completed a major equipment conversion project for a wafer fabrication facility in Singapore
- Air-conditioned warehouse facility in Singapore expanded
- Extended 3PL operations in Malaysia through acquisition of City Zone Express Sdn Bhd and incorporation of DNKH Logistics Pte Ltd in Singapore
- Completed share consolidation of every 100 ordinary shares into one consolidated share

2007

- Listed on SGX-SESDAQ (now known as Catalist) via a reverse acquisition of China Entertainment Sports Ltd

2006

- Equipment move-in project for 8-inch wafer fabrication plant in Kulim (Kedah), Malaysia
- Establishment of REI Technologies Pte Ltd, which offers technical services to complement our relocation services

2005

- Equipment move-in project for the 3rd LCD TFT panel manufacturing plant in Kunshan, PRC

2004

- Set up overseas operations in PRC through Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd
- Awarded first turnkey relocation project from Singapore to PRC
- Certified ISO 14001 for Environmental Management and OHSAS 18001 for Occupational Health and Safety Management System
- Equipment move-in project for the 1st and 2nd TFT LCD panel manufacturing plants in Beijing and Shanghai, PRC

2003

- Business operations expanded to include the provision of specialized packing and crating services

2002

- Awarded first chip testing assembly in-house machinery mover and packing contract

2001

- Awarded relocation project for the 1st TFT LCD display panel manufacturing plant in Singapore
- Awarded first turnkey project consolidating several manufacturing facilities of customer to one location in Singapore
- Certified ISO 9001 for Quality Management System

2000

- Awarded first complete new wafer fabrication facility inbound project

1999

- Incorporated as Chasen Logistics Services Pte Ltd

1998

- Awarded first wafer fabrication in-house machinery mover contract

1996

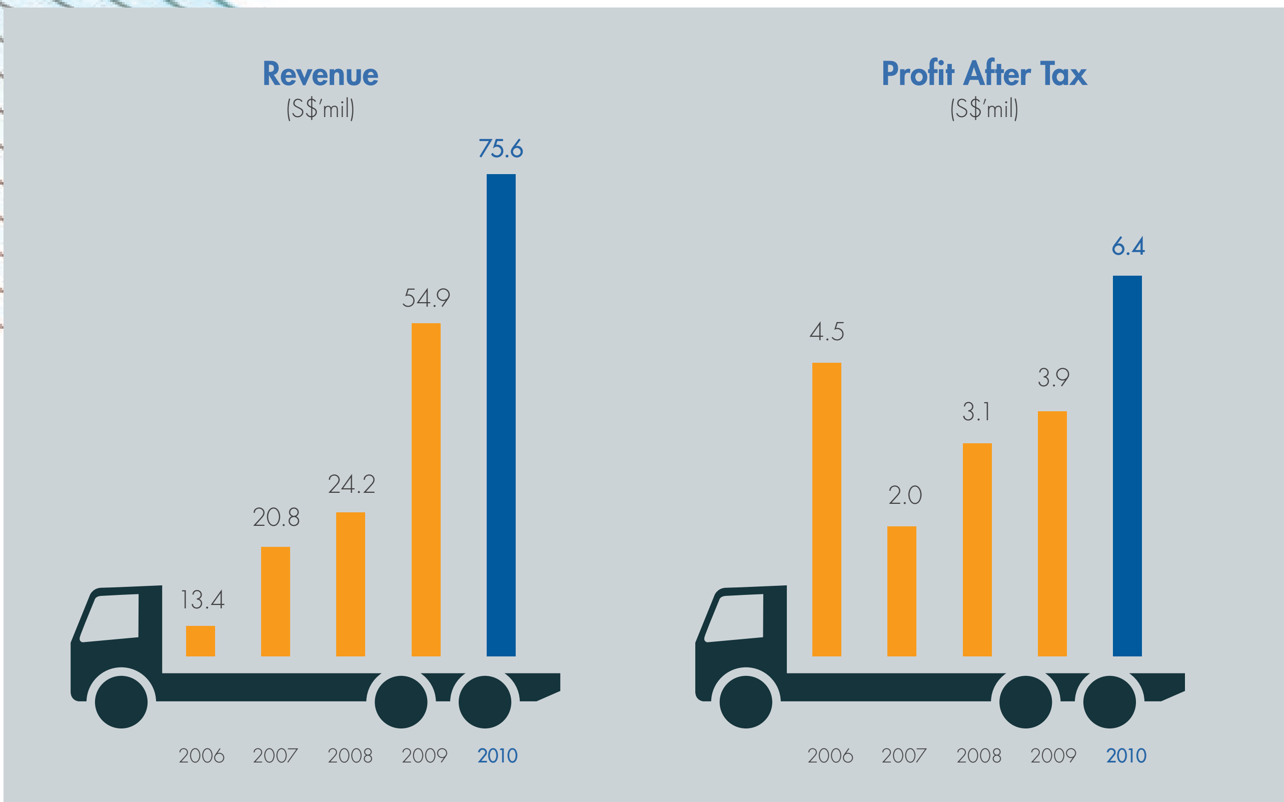
- Moved to 18 Jalan Besut as a result of business expansion
- Awarded first machinery and equipment relocation project

1995

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

Financial Highlights

The Group reported a further increase of 38% in total revenue to S$75.6 million in FY2010, due to the higher turnover recorded by most of the businesses. Net profit after tax soared by 61% to reach S$6.4 million.

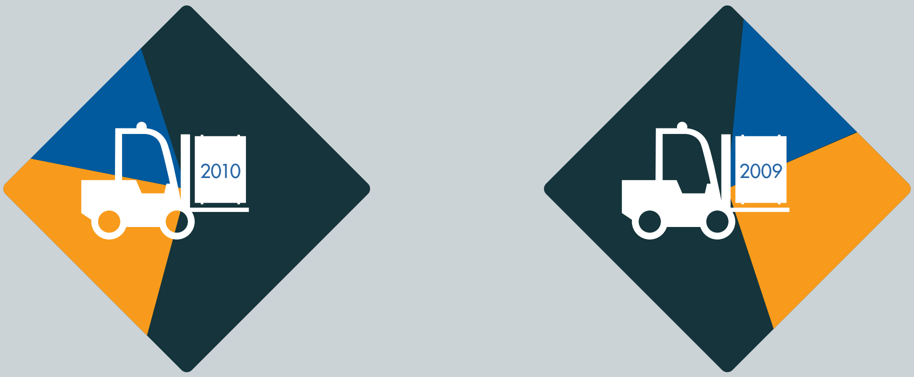


Revenue Analysis

By Business Segment:

Specialist Relocation Solutions · Third Party Logistics Services · Technical & Engineering Services

24%	20%
17%	17%
59%	63%



With the business expansion through acquisitions and organic growth, the Group had reclassified its activities into three business segments namely, Specialist Relocation Solutions, Third Party Logistics Services, and Technical & Engineering Services.

Among them, the Technical & Engineering Services business segment accounted for 59% of the Group's revenue in FY2010, as compared to 63% in the last financial year.

Revenue contribution from Specialist Relocation Solutions, previously the main revenue contributor, accounted for 24% of total revenue in FY2010, as compared to 20% in FY2009.

Third Party Logistics Services - a combined classification of packing, warehousing, transportation and distribution services made up the remaining 17% of the Group's total revenue.

Extending Our Reach

Despite the global economic slowdown, Chasen managed to grow its top and bottom line with the continued expansion of our warehousing and other third party logistics facilities, engineering as well as ongoing relocation services.

Operations Review

In accordance with its growth strategy, Chasen continues to expand our scope of business via acquisitions, start-ups and joint ventures. Despite the global economic slowdown, Chasen managed to grow its top and bottom line with the continued expansion of our warehousing and other third party logistics facilities, engineering as well as ongoing relocation services. As the world's economy started to recover in the third quarter of our last financial year, Chasen benefitted from opportunities in the PRC as well as establishing our footprint in the growing economy of Vietnam.

This strategy has allowed Chasen to achieve growth for the Group and at the same time enhance shareholders' value. As a result the Group's total revenue increased by 38% to S$75.6 million while profit after tax posted an increase of 61% to S$6.4 million in FY2010.

In the year under review, Chasen reclassified its enlarged scope of activities into three segments, namely, Specialist Relocation Solutions, Third Party Logistics and Technical & Engineering services. This segmentation enabled the subsidiaries to focus on their respective industries while at the same time undertake synergic projects with subsidiaries from other business segments. This Operations Review provide an update on the operating subsidiaries in each business segment highlighting their key achievements.

Specialist Relocation Solutions

With highly experienced and resourceful project managers and a well-trained workforce utilizing state-of-the-art material handling and conveyance tools, equipment and facilities, Chasen is the strategic partner in providing turnkey solutions when relocating its customers' machinery within their premises, from one location to another within a country, or from one country to another. Complemented by value-adding support such as our specialized transportation operations, packing and warehousing services, Chasen provided relocation solutions for the movement of various sophisticated equipment and machinery such as those used in wafer fabrication, thin-film transistor (TFT) LCD panel production, chip testing and assembly, solar panel and pharmaceutical manufacturing.

In the development of new manufacturing facilities, the Group also provides technical and engineering services further up the supply chain to extend the scope of its service capability to customers in the high-tech electronics industries. With this suite of capabilities serving existing and new customers, Chasen is able to cater to the needs of any potential customer who needs to relocate their facilities efficiently and effectively.

The operating subsidiaries under the Group's Specialist Relocation Solutions segment are:

Singapore
- Chasen Logistics Services Limited ("CLSL")

Malaysia
- Chasen Logistics Sdn Bhd ("CLSB")

China
- Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd ("Chasen Hi Tech")
- Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd ("Chasen Sino-Sin")
- Chasen Sinology (Beijing) Logistics Co., Ltd ("Chasen Sinology")

Of the three business segments, relocation services contributed 24% to the Group's overall revenue but in terms of gross profit its contribution is 43%. Among the relocation operating subsidiaries, **CLSL** is the pioneer in this field and has established itself as the market leader in this niche logistics industry within the country and in the region specializing in machinery and equipment relocation solutions and enhancing its service capabilities to meet the diverse needs of the market place.

Operations Review

CLSL, which is ISO 9001, ISO14001 and OHSAS 18001 certified, has been the catalyst in the Group extending its operations in the regional markets. Most notable was the expansion of its relocation operation into Vietnam in November 2009 after securing a two-year renewable relocation contract with a major US semiconductor company in Ho Chi Minh City. This operation will ultimately see the birth of a new subsidiary with the establishment of a joint venture entity with a major local logistics player to service the whole Vietnamese market.

CLSL is currently into the last phase of moving-in operations of capital equipment and facilities for Norway's Renewable Energy Corporation's ("REC") complex in Tuas, which is its largest integrated solar manufacturing complex to date. Other significant achievements of CLSL in the year in review included several follow-on move-in operations for TECH Semiconductor plant in Woodlands and the outbound relocation operations for Hewlett Packard from Singapore to Shenzhen, PRC.

Our Malaysian relocation entity, **CLSB** grew exponentially in the past year in terms of contract value for machinery and equipment relocation with its customer base spanning the length of Peninsular Malaysia. CLSB has secured a RM3 million 18-month relocation contract for 14 lines of manufacturing equipment and tools for a major solar panel manufacturer in Malacca in Q1 FY2011. It is currently bidding for relocation projects of similar nature in the east coast of the peninsula and in East Malaysia.

The global economic downturn affected our China operations most, with the award of several relocation projects delayed. With the global economic recovery on track our relocation subsidiary in PRC, **Chasen Hi Tech** secured and commenced in Q4 five relocation contracts with an estimated total value of RMB27.1 million (S$5.5 million) across four provinces. Adding to this is the prospect of Chasen being awarded another contract in Q1 FY2011 valued at RMB20 million (S$4.1 million) to relocate a factory to Nanjing. Overall, our PRC relocation subsidiaries have good prospects in securing further relocation contracts in other PRC provinces in the coming year. Our relocation operations in China secure businesses on their own as well as execute relocation contracts secured by CLSL from its global clientele base.

Chasen Sinology, a new start up in collaboration with Beijing Xuan Gu Ge Artifact Restoration Technology Co., Ltd from April 2009 specializes in the provision of artifact digitization, packaging and transportation for both domestic and international art exhibitions and cultural exchanges. While the global recession had affected its growth potential in the period under review, Chasen Sinology was successful in securing a contract as the appointed specialist to perform R&D digitization work in Inner Mongolia, PRC for the Chinese Society of Museums in Q1 FY2011.

Our specialist relocation solutions include a comprehensive range of services that cater for inbound and outbound projects, the provision of repositioning and maintenance of machinery and equipment, packing, project management and planning for our customers on a regular or ad hoc basis. With a fleet of well diversified and state-of-the-art transportation vehicles and material handling tools and equipment our relocation specialists working in synergy with our subsidiaries from other business segments would be able to provide a wider range of capabilities within the supply chain in developing new operational facilities for its diversified customer base.

Third Party Logistics Services ("3PL")

The Group's 3PL services comprise packing, warehousing, transportation, freight forwarding, customs brokerage and other logistics supply chain services. The Group utilizes state-of-the-art packaging material when customers' machinery and equipment require special packing before being transported to their new locations. With the use of specialized material handling equipment certified by professional engineers, the Group is able to handle and pack machinery and equipment to the Original Equipment Manufacturer ("OEM") standards. Customers also store their goods, machinery and equipment in Chasen's warehouses while waiting installation, distribution or shipping. The Group's warehouses have appropriately constructed floors that allow cranes and heavy trucks access to the storage areas and are mainly air-conditioned with humidity control.

The operating subsidiaries under the 3PL business segment are:

Singapore
- Chasen Logistics Services Limited ("CLSL")
- DNKH Logistics Pte Ltd ("DNKH")

Malaysia
- City Zone Express Sdn Bhd ("CZE")

China
- Chasen Logistics (Shanghai) Co., Ltd ("Chasen Shanghai")
- Chasen Xi'an Co., Ltd ("Chasen Xi'an")

All our 3PL subsidiaries provide complementary services to the relocation segment. In the period under review, this segment contributed 17% to the Group's total revenue and 17% of overall gross profit. Among the 3PL operating subsidiaries, **CLSL** operates the largest warehouse facility with a space of approximately 200,000 square feet of which 120,000 square feet is air conditioned and is specially catered to store customers' machinery and equipment requiring humidity controlled facilities prior to installation or shipment. During the economic downturn, CLSL contracted a sizeable portion of its warehouse to a few customers who had to mothball their machinery in Singapore as a result of the shutdown of their overseas plants.

Besides operating a warehouse facility, **DNKH** specializes in transportation and offers full scale import and export logistics services in air freight, sea freight, oversize cargo handling, machine moving, show logistics and product distribution. DNKH is able to customize and tailor their operating procedures to cater to customers' specific logistics requirements. It has set its sight on the Indonesian market and is close to finalizing a large contract with a Japanese partner.

CZE is the Group's Malaysian subsidiary that has a sizeable truck fleet comprising more than 30 units ranging from 45-footer, 40-footer, 24-footer, 5- tonner, 3-tonner and 1-tonner. The majority of these assets are engaged in daily interstate long and short haul transportation runs between Singapore, Thailand and Peninsular Malaysia. In the year under review, CZE began synergizing its operations with our Singapore 3PL subsidiary, DNKH to provide a seamless service to their respective customers from both sides of the Causeway. Penang-based CZE serves as the core of Chasen's plan to establish 3PL services throughout Malaysia, starting in the peninsula before extending its reach into East Malaysia.

The Group's 3PL entities in PRC, namely, **Chasen Shanghai** and **Chasen Xi'an** are involved in the provision of bonded warehousing facilities, logistics and distribution services in Shanghai and Xi'an respectively. The worldwide economic slowdown affected its services in the PRC market adversely and they ceased operation during the year in review. With the economy picking up, management is looking to revive the operations of both companies in the growing but very competitive PRC economy.

Operations Review

Technical & Engineering Services

Technical & Engineering services that complement our turnkey relocation services cover parts refurbishment, engineering and spares support facilities. It provides parts fabrication and cleaning sales activities to institutions and research facilities in semiconductors, disk media, TFT LCD, pharmaceutical and back-end packaging industry.

Its contract manufacturing capability includes operational facilities in Singapore and PRC catering to multinational clientele in the electronics, telecommunications and other high technology industries.

The engineering business segment of the Group is involved in construction projects of customers in the marine, property development, oil and gas and other energy-related industries in Singapore and made inroads into the PRC construction industry via a joint venture with a local player. In the financial year under review, the Group's Technical & Engineering Division contributed 59% of the Group's total revenue. Gross profit wise, this business segment contributed 40%.

Currently, most of the operating subsidiaries under the Technical & Engineering Division are Singapore-based:

- Hup Lian Engineering Pte Ltd ("HLE")
- Goh Kwang Heng Pte Ltd and Goh Kwang Heng Scaffolding Pte Ltd ("GKH Group")
- REI Technologies Pte Ltd ("REI")
- REI Promax Technologies Pte Ltd ("REI Promax")

REI operates the cryogenic pump refurbishment workshop in Penang, Malaysia under REI Hitech Sdn Bhd while **HLE** just established its joint venture in Shanghai, PRC.

Undoubtedly the "star player" in this business segment and the Group in the year under review was HLE. It has amassed vast experience in the design, supply and installation of steel fabrication for the construction of industrial buildings, such as warehouses and factories, shopping malls, link ways and other steel structures in Singapore. It is ISO 9001 and OHSAS 18001 certified and was accredited structural steel fabricator for category S2 by the Singapore Structural Steel Society in 2005.

HLE completed its multi-million dollar contracts providing structural steel-works for the Sentosa Integrated Resort and REC world's largest solar manufacturing complex in Tuas. It established HLE International as its vehicle in foreign ventures particularly, in the PRC. Towards this end, HLE acquired a 30% stake in Caitong Investments Pte Limited, which was awarded the US$644 million Hai An Township Development Phase 1 Project in Nantong City, Jiangsu Province. HLE's newly established JV with a Shanghai-based engineering and fabrication company, Shanghai FengChuang Enterprise Management Consultant Co., Ltd ("SFEMC") will bid for construction contracts in this township infrastructure development project. Among the contracts available in this township development are:

- Man-made freshwater lake
- Wastewater treatment system
- Canal Bridges and Railway Tunnels
- Road and landscaping works
- Construction of 4,000 public housing units

The primary focus of the **GKH Group** is in providing scaffolding equipment to the marine, shipbuilding and construction industries since 1984. The GKH Group started providing scaffolding services using timber system and thereafter, switched to providing frame scaffold system and eventually turned to the present tubular and coupling scaffold system. GKH has scored many 'firsts' pertaining to safety performance, among which were the introduction of human catch netting, fall arrest mechanism with lifeline and recently the introduction of a 1.5m width emergency escape tower in the Marina Sands IR project.

In the period under review, the GKH Group completed its major projects in the Resorts World Sentosa and Marina Sands Integrated Resorts. Besides these two major contracts, the GKH Group continues to be a contract service



provider to Keppel Shipyard and PRM Shipyard. For the past two years running GKH erected scaffolding stands for the huge television monitors within the F1 racing circuit.

Presently, the GKH Group is negotiating with a major Japanese group for work on Jurong Island as well as making inroads into the electronics sector to provide safety support for working at heights. It hopes to be able to penetrate into the Malaysian and PRC markets in synergy with other Chasen subsidiaries.

Incorporated in Singapore, REI seeks to achieve win-win situations with customers and suppliers focusing on effective communication and commitment to tasks delivering products and services at the highest quality at the lowest cost of ownership. It operates a supporting facility in Penang to enable it to be cost effective in its services.

REI's range of products and services includes turnkey solutions in equipment relocation both locally and regionally, mid-size base build facilities, office renovation, utilities hook-ups, cleanroom construction and automation systems. Through the provision of such services, REI has added a new dimension in the turnkey relocation solutions offered by the Chasen Group to its customers.

In support of the "green movement", REI has introduced an intelligent energy management system called *i.nerv*, employing a systemic approach to improve efficiency of air-conditioning system by up to 40%. To this end, it hopes to provide this value-added service to high-rise commercial buildings and condominium owners and managers in the region.

In the area of cross-segment cooperation, REI is looking at a prospective project where it would require the synergizing of relocation and 3PL services of CLSL and DNKH respectively.

Since its inception, **REI Promax** has been offering its precision machining technology and services to its customers in the semiconductor, optical, aerospace, telecommunication and military industries from Singapore and the region, the PRC, US and Europe. REI Promax provides an array of solutions that comprises prototype machining, precision machining for components such as moulds, jigs and fixtures, mechanical sub-assemblies, design and fabrication of special purpose machines and reverse engineering.

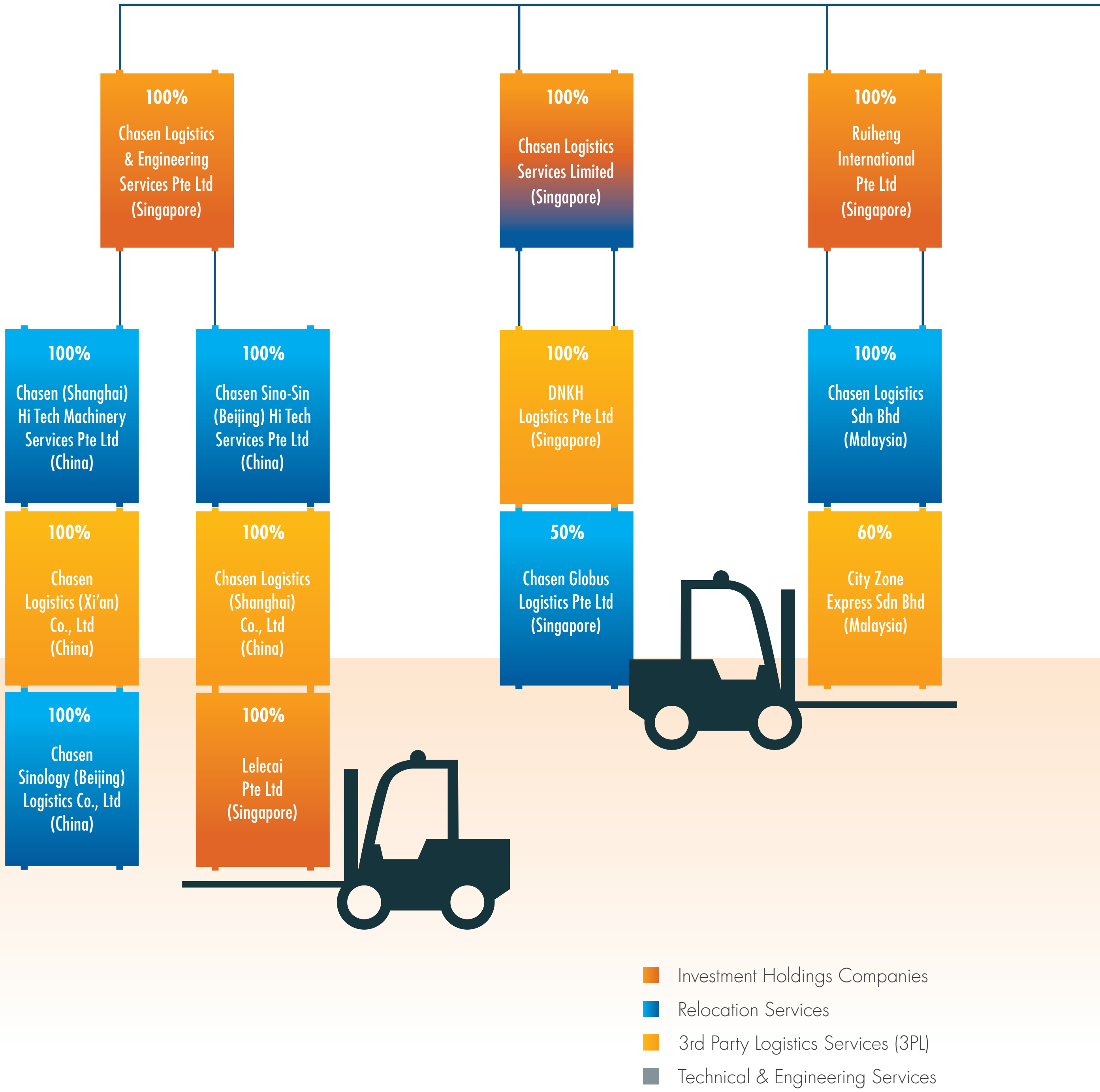
Besides its head office and a manufacturing facility in Singapore, REI Promax also operates a manufacturing plant in Suzhou, PRC.

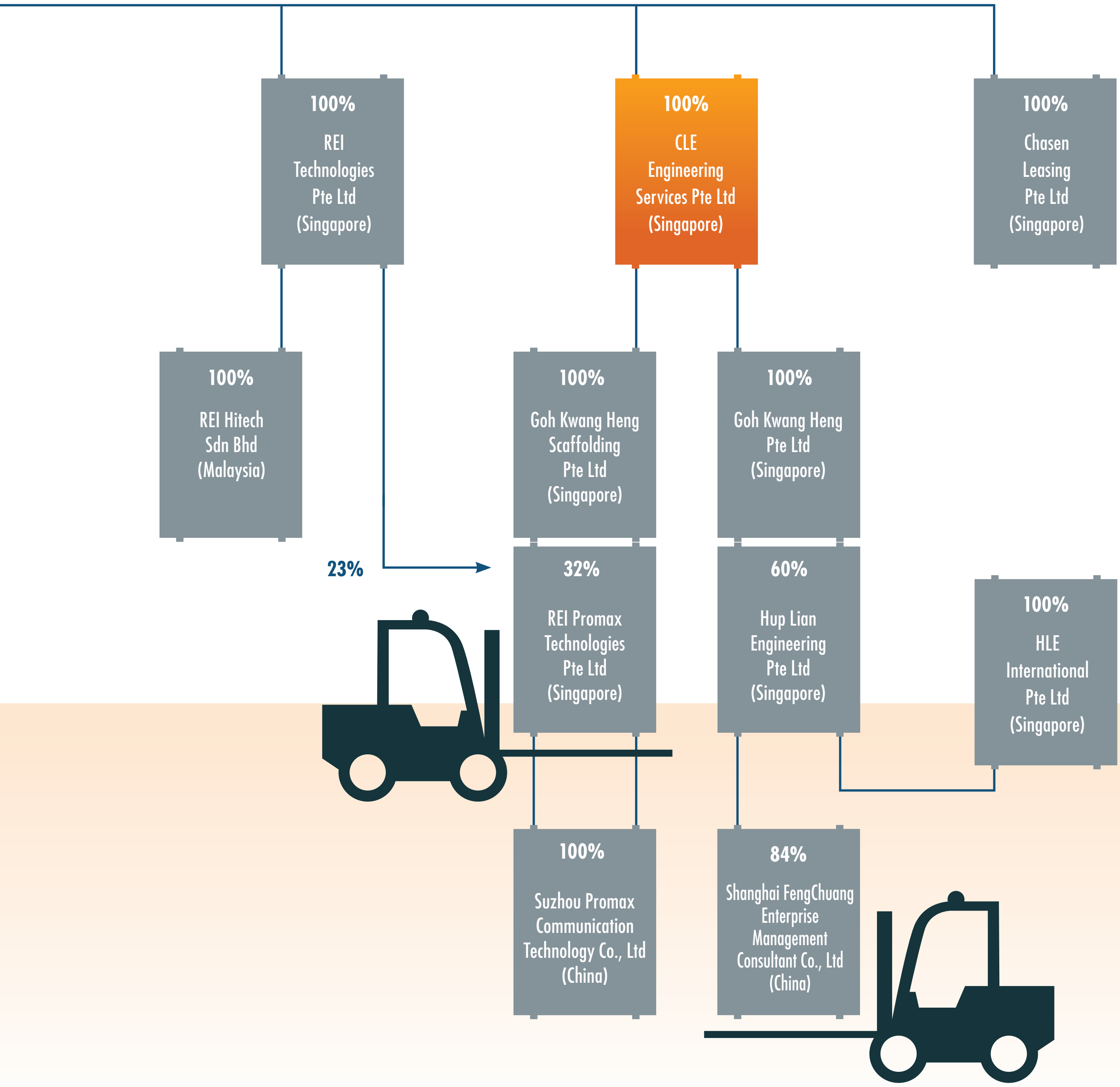
REI Promax operations were adversely affected by the global economic recession. Despite this, it is hopeful of securing more orders from a Swedish telecommunications equipment designer to supply to a major telecommunication service provider in India that successfully bided for a 3G mobile network. It also hopes to maintain its vendor status with its newly secured semiconductor customer.

Overall, the Group's operating subsidiaries performed well to post positive growth for the Group's earnings in FY2010. Going forward in a recovering global economy, the Group sees opportunities ahead in its multi-faceted revenue base from which the strengths of our three business segments would be able to achieve growth to better enhance shareholders' value.

Corporate Structure

Chasen Holdings Limited

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REI Technologies Pte Ltd (Singapore)
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CLE Engineering Services Pte Ltd (Singapore)
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Chasen Leasing Pte Ltd (Singapore)
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REI Hitech Sdn Bhd (Malaysia)
100%
Goh Kwang Heng Scaffolding Pte Ltd (Singapore)
100%
Goh Kwang Heng Pte Ltd (Singapore)
23%
32%
REI Promax Technologies Pte Ltd (Singapore)
60%
Hup Lian Engineering Pte Ltd (Singapore)
100%
HLE International Pte Ltd (Singapore)
100%
Suzhou Promax Communication Technology Co., Ltd (China)
84%
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (China)

Board of Directors

Low Weng Fatt

Managing Director and CEO

Mr Low is the Managing Director cum Chief Executive Officer of the Chasen Group 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 SGX-SESDAQ (now known as Catalist). Mr Low is responsible for strategic planning, overseeing the financial stability of and setting business goals and sales targets for the Group. As Managing Director, he is also responsible for establishing the general business direction for the Group, providing the leadership to steer the Group through its growth plans in local and regional markets and pioneering its regional investment project plans. He continues to identify new business opportunities for the Group in its post-listing growth strategy.

Mr Low joined Chasen Logistics Services in 1996 as a Project Manager responsible for project management and operations control, technical service consultation, development of tools for use in operations and after sales support for the Group's customers. Recognizing the growth potential of the equipment relocation business, he discontinued the labour supply business to focus on this segment of the business. He gradually built up the Group's operational capability by acquiring a fleet of general and specialized trucks, purchase specialist material handling equipment and tools to improve operational efficiency and to meet the needs of increasingly sophisticated equipment being relocated and providing both conventional and air-conditioned warehousing management services, packing and crating services to customers. In late 2003, he extended the Group's operations to PRC, and in 2005 into Malaysia where revenue contribution is substantial enough to be classified as a distinct geographical segment. Mr Low was instrumental in developing the Group's technical support services as part of our growth strategy to extend the scope of our services to include businesses with regular income streams in order to even out the revenue flow throughout the year. With his experience in the Group's niche industry, Mr Low continues to grow the Group's revenue.

Siah Boon Hock

Executive Director

Mr Siah is an Executive Director of the Group. He was appointed to the Board of Chasen Holdings Limited since 2007 and has been responsible for the general management of sales and marketing function in the Group. He assists the Managing Director in strategic planning and oversees the Group's expansion into overseas markets. As Executive Director, Mr Siah heads the Corporate Marketing Office, which co-ordinates the Group's overall marketing plans and strategies. The Corporate Marketing Office is responsible for the development of the Group's marketing capability in the various markets that it operates in and for monitoring the achievement of the Group's total revenue.

Mr Siah is also responsible for business development of the Group, assisting the Managing Director in exploring and following up new business opportunities, as well as, extending our existing businesses into new markets. He brings with him over 15 years of experience in sales and marketing, which includes 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 the Group, Mr Siah was a director of Ascomp Cyberware International Pte Ltd from 2000 to 2001, where he managed the sales development of the trading company.

Yap Koon Bee @ Louis Yap

Non-Executive Director

Mr Yap is a Non-Executive Director of the Group. He has been a Director of Chasen Holdings Limited since 2007. He founded the business in 1995 and managed the Group's business until 2001 when he retired from active business management but he has remained a Non-Executive Director of the Group. His involvement since the early days of 1960s brings along with him substantial experiences especially in the business of labour supply, transportation as well as warehousing operations. Although a Non-Executive Director, Mr Yap still maintains an advisory role in the Group and continues to provide business network and market contacts to the Group and its subsidiaries.

From L - R: Tan Sin Huat Dennis, Ng Jwee Phuan @ Frederick (Eric), Low Weng Fatt, Siah Boon Hock and Yap Koon Bee @ Louis Yap

Ng Jwee Phuan @ Frederick (Eric)
Lead Independent Director

Mr Ng 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. He also advises on business growth and globalization strategies, capital market and corporate governance issues and is an active capital market intermediary matching capital with business. Mr Ng is also active in various societies and institutions, being a member of the Singapore Institute of Directors and the Singapore Human Resource Institute. He also served as District Governor for Singapore of Lions Clubs International from 2002 to 2003. He is also an Independent Director of Avaplas Ltd.

Tan Sin Huat Dennis
Independent Director

Mr Tan was appointed as an Independent Director of Chasen Holdings Limited on 31 Jul 2009. He is the Founder & Managing Director of Innospaces Consulting Pte Ltd., a business consultancy firm that helps organizations in the areas of M&A, strategic management, organizational development, leadership development and change management for public and private sectors.

Mr Tan is an Adjunct Professor with the Nanyang Technological University, Singapore. He teaches Strategic Management and Organizational Behaviours for the final year Undergrads and Leadership in Organization for the MBA students.

He holds an MBA degree from the Nanyang Technological University, Singapore; a Bachelor of Arts degree from the National University of Singapore; and also holds a post-graduate certificate in Executive Coaching from Lancaster University Management School, UK.

Mr Tan is also sitting on the Boards of Renewable Energy Asia Group Ltd. and Swing Media Technology Group Ltd. as an Independent Director. He is also a Director with Richland LSP Pte Ltd.

Executive Officers

Yeo Seck Cheong

General Manager (PRC)

Mr Yeo is the General Manager (PRC) of the Group. In this capacity, he is the CEO of Chasen PRC relocation and warehouse operations conducted through Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd ("Chasen Hi Tech"), Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd ("Chasen Beijing"), Chasen Logistics (Xi'an) Co., Ltd and Chasen Sinology (Beijing) Co., Ltd. He is responsible for the overall sales and marketing of the Group's business in the PRC. He joined the Company in 2000 as a Project Manager responsible for executing relocation projects. He transferred this experience to PRC and has successfully managed project relocation operations there since its establishment. He also assists the Group Managing Director in developing and executing the Group's growth strategy in the PRC market.

Cheong Tuck Nang

General Manager (Regional Operations)

Mr Cheong is the General Manager (Regional Operations) of the Group. He is responsible for the overall operations, manpower training and implementation of safe moving methods and procedures for the Group's warehousing and relocation businesses. His operational responsibilities include trouble shooting, providing technical and engineering solutions and design of specialized relocation tools as and when needed for specific projects. He is also responsible for the execution of major projects of the Group in the region and the provision of after-sales support to the Group's customers. Over the past few years Mr Cheong has been based in PRC as our Group's operations there expanded. He supervised the successful execution of relocation projects in the PRC.

Chew Choy Seng

Chief Financial Officer

Mr Chew was appointed the Chief Financial Officer of the Group on 5 April 2010. He is responsible for the Group's overall financial management and internal control reporting and other compliance requirements of the Group. He is also responsible for developing the Group's internal control system.

Mr Chew has over 30 years of experience in diversified industries and has held various senior positions in German MNCs like Siemens, Peiniger and Westfalia. He is an Associate Member of the Chartered Institute of Management Accountants, UK and the Institute of Chartered Secretaries and Administrators, UK and Intstitute of Certified Public Accountants of Singapore.

Prior to joining the Group, Mr Chew was the group general manager, chief financial officer and company secretary of Compact Metal, a company listed on the SGX Main Board.



DixzyQuo Nurman
General Manager (Singapore)

Mr DixzyQuo is the General Manager (Singapore) of the Group. He joined Chasen Logistics Services in 2000 as a Business Planning Manager, responsible for planning and coordinating the business processes, preparing sales reports and market analysis. He was promoted to his current position in 2004 to oversee relocation projects, general warehousing and after-sales support to customers in Singapore, Malaysia and Vietnam. He is also responsible for the successful execution of turnkey relocation projects out of Singapore including the relocation of a plant from Puerto Rico to Malaysia. Mr DixzyQuo is a suma cum laude graduate from the Bandung Institute of Technogy, Indonesia where he majored in Economics Engineering and holds a Bachelor of Science (Industrial Engineering).

Chiang Mun Hoe Alvin
General Manager (REI)

Mr Chiang is the General Manager of REI Technologies Pte. Ltd ("REI"), a subsidiary of the Group. He is responsible for steering the growth of REI, successful execution of its service operations and strategic planning for this subsidiary. He joined the Group in May 2006 to set up REI to provide equipment repair, maintenance and related technical services to complement the Group's relocation logistics business. Prior to joining REI, he had been with Singapore listed technology company, Ellipsiz Ltd, where he oversaw operations, regional market growth, business development as well as co-ordinated public and investor relations for the company. He had also been with TECH Semiconductor (S) Pte Ltd where his responsibilities covered production / material planning and control, equipment maintenance, special device / technology conversion projects and procurement. Mr Chiang holds a Diploma in Mechanical Engineering from the Singapore Polytechnic and a Bachelor of Science (Mechanical Engineering) from the University of Oklahoma, USA.

Yap Beng Geok Dorothy
Administration Manager

Ms Yap is the Administration Manager of the Group and alternate Director to Mr Yap Koon Bee @ Louis Yap, Non-Executive Director. She is responsible for the day-to-day administrative workflow, human resource matters and the general administration of the Group in Singapore and provides support to our regional operations whenever required. She also provided invaluable assistance during the reverse listing of the Chasen Group. Ms Yap joined Chasen Logistics Services in 1995 and over the past 15 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. She was previously in charge of the Group's accounting matters. Prior to joining the Group, Ms Yap worked as an Administrative Officer with a Japanese multinational in Singapore. She is the daughter of Mr Yap Koon Bee @ Louis Yap, a Controlling Shareholder of the Group.

Corporate Information

Board of Directors
Low Weng Fatt (Managing Director and CEO)
Siah Boon Hock (Executive Director)
Yap Koon Bee @ Louis Yap (Non-Executive Director)
Yap Beng Geok Dorothy (alternate to Yap Koon Bee @ Louis Yap)
Ng Jwee Phuan @ Frederick (Eric) (Lead Independent Director)
Tan Sin Huat Dennis (Independent Director)

Audit Committee
Ng Jwee Phuan @ Frederick (Eric) (Chairman)
Tan Sin Huat Dennis
Yap Koon Bee @ Louis Yap

Remuneration Committee
Ng Jwee Phuan @ Frederick (Eric) (Chairman)
Tan Sin Huat Dennis
Yap Koon Bee @ Louis Yap

Nominating Commitee
Tan Sin Huat Dennis (Chairman)
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
LTC LLP
Certified Public Accountants
1 Raffles Place
#20-02 One Raffles Place
Singapore 048616
Partner in charge: Mr Tsang Siu For Thomas
(a member of the Institute of Certified Public Accountants of Singapore)
(appointed since financial year ended 31 March 2007)

Principal Banker
DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809

Corporate Governance Statement

The Company is committed to putting in place effective corporate governance practices to protect shareholders' interests and enhance shareholders' values. This report describes the Company's corporate governance practices with specific reference made to each principles laid out in the Code of Corporate Governance 2005 (the "Code").

BOARD MATTERS

Board's Conduct of its Affairs

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

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

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

- providing entrepreneurial leadership, setting strategic directions, overseeing management effectiveness and ensuring proper conduct of the Group's business;
- providing the overall strategy of the Group;
- ensuring that policies and processes are in place for evaluating the adequacy of internal controls financial reporting, financial performance, risk management and compliance; and
- assuming responsibility for corporate governance framework of the Group.

To assist the Board in the execution of its responsibilities, the Board is supported by three committees, namely the Nominating Committee, the Remuneration Committee and the Audit Committee. Each Committee has its own defined terms of reference.

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

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended
Low Weng Fatt	5*	5*	5*	5*	2	2	2*	2*
Siah Boon Hock	5*	5*	5*	5*	2*	2*	2*	2*
Yap Koon Bee @ Louis Yap	5	5	5	5	2*	2*	2	2
Ng Jwee Phuan @ Frederick (Eric)	5	5	5	5	2	2	2	2
Tan Chong Huat (1)	1	1	1	1	1	1	1	1
Tan Sin Huat Dennis (2)	5	5	5	5	2	2	2	2
Yap Beng Geok Dorothy (3)	5	5	5	5	2	2	2	2

(1) Resigned on 31 July 2009
(2) Appointed on 31 July 2009
(3) Alternate Director to Yap Koon Bee @ Louis Yap
* By Invitation

Corporate Governance Statement

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

The Board has in place an orientation and training programme for newly appointed Directors in order to familiarise them with the Group's business operations, strategic directions, directors' duties and responsibilities and corporate governance practices. 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 developments which are relevant to the Group and any developments of relevant new laws and regulations.

Board Composition and Guidance

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

The Board consists of six members, the majority of whom are non-executive including two who are Independent Directors:-

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

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

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

The Board considers a Director independent if he has no relationship with the Company, its related corporation or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

The independence of each Director is reviewed annually by the Nominating Committee in accordance with the Code's definition of independence. Each Director is required to complete a 'Confirmation of Independence' return to confirm his independence. The said return, which was drawn up based on the definitions and guidelines set forth in Guideline 2.1 in the Code and the Guidebook for Audit Committees in Singapore issued by Audit Committee Guidance Committee, requires each Director to assess whether he considers himself independent despite not having any of the relationships identified in the Code. The Nominating Committee has reviewed the forms completed by each Director and is satisfied that at least one-third of the Board comprises Independent Directors.

The Nominating Committee is of the view that the Board comprises Directors who have the appropriate mix of diversity, expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

Chairman and Chief Executive Officer

Principle 3: *There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.*

During the financial year ended 31 March 2010, Low Weng Fatt being the Managing Director of the Company, performs the role of CEO and has executive responsibility for the Group's businesses. Responsibility for the workings of the Board is jointly held by Low Weng Fatt and the Lead Independent Director Ng Jwee Phuan @ Frederick (Eric) to ensure that procedures are introduced to comply with the Code.

To further enhance the independence of the Board, the Board has appointed Ng Jwee Phuan @ Frederick (Eric) as the Lead Independent Director to lead and co-ordinate the activities of the Independent Directors, to act as the principal liaison between the Independent Directors and the Managing Director on sensitive issues and to hold meetings with Independent Directors when required.

The Board has set clear guidelines in respect of decisions that are to be made by the Board, decisions that are to be made by the Managing Director 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 process of decision making by the Board has been independent and has been based on collective decisions without any individual exercising any considerable concentration of power or influence.

Board Membership

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

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

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

The NC is governed by its written terms of reference. In accordance with the requirement of the Code, the Chairman of the NC is also not directly associated with a substantial shareholder of the Company. The NC makes recommendation to the Board on all nominations for appointment and re-appointment to the Board, and the Board committees. It 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, the Guidebook for Audit Committees in Singapore issued by Audit Committee Guidance Committee and any other salient factors.

Following its annual review, the Nominating Committee has endorsed the independence status of Ng Jwee Phuan @ Frederick (Eric) and Tan Sin Huat Dennis. The NC, in recommending the nomination of any Director for a re-election, considers the contribution of the Director, which includes his attendance record, overall participation, expertise, strategic vision, business judgment and sense of accountability.

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

Pursuant to the Company's Articles of Association, every Director (except the Managing Director i.e. our CEO, who may be appointed for a term of up to five years) must retire from office at least once every three years by rotation. Directors who retire are eligible to offer themselves for re-election.

New Directors are appointed by way of Board resolution following which they are subject to re-election by shareholders at the next Annual General Meeting.

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

The Nominating Committee has recommended the re-election of Tan Sin Huat Dennis who is retiring at the forthcoming Annual General Meeting to be held on 30 July 2010 (the "forthcoming AGM"). The Board has accepted the recommendation and the retiring Director would be offering himself for re-election.

Corporate Governance Statement

Key information regarding the Directors in office as at 9 July 2010 is set out below:

Name of Director	Date of First Appointment	Date of Last Re-election	Directorship and Chairmanship in Other Listed Companies and Major Appointments (Present and held over preceding 3 years)
Low Weng Fatt	6 February 2007	Not Applicable	Nil
Siah Boon Hock	6 February 2007	31 July 2008	Nil
Yap Koon Bee @ Louis Yap	6 February 2007	24 July 2009	Nil
Ng Jwee Phuan @ Frederick (Eric)	6 February 2007	24 July 2009	Listed Companies - Present 1. Avaplas Ltd Listed Companies – Preceding 3 Years Nil Major Appointments Nil
Tan Sin Huat Dennis	31 July 2009		Listed Companies - Present 1. Renewable Energy Asia Group Ltd 2. Swing Media Tech Group Ltd Listed Companies – Preceding 3 Years Nil Major Appointments Nil
Yap Beng Geok Dorothy [1]	29 May 2008		Nil

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

Board Performance

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

The Nominating Committee has established a formal process for assessing the effectiveness of the Board as a whole and has completed the assessment.

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

Access to Information

Principle 6: *In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.*

To enable the Board to fulfill its responsibility, Management strives to provide Board members with adequate and timely information for Board and committee meetings on an ongoing basis. Board and committee papers are prepared for each meeting and are disseminated to the members before the meetings. Board and committee papers includes sufficient information from 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 committee meetings. Directors are given separate and independent access to the Group's key executives and Company Secretary to address any enquiries.

The Company Secretary or his representatives administer, attend and prepare minutes of Board and committee meetings, and assist the Chairmen in ensuring that proper procedures at such meetings are followed and reviewed so that the Board and committees function effectively. Directors may seek professional advice in furtherance of their duties and the costs will be borne by the Company.

The Board has separate and independent access to the Company's management and the Company Secretary at all times. The appointment and removal of the Company Secretary are subject to the approval of the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

The Remuneration Committee currently comprises the following three members, of whom two are independent directors:

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

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

(1) To review and submit its recommendations for endorsement by the Board, a framework of remuneration and the specific remuneration packages and terms of employment (where applicable) for each director, CEO (or executive of equivalent rank) if the CEO is not a Director and senior management, including but not limited to senior executives who report directly to the CEO of the Group and employees related to the Executive Directors and Controlling Shareholders of the Group. The Independent Directors on the RC shall review and approve annually the total remuneration of the Directors, Executive Officers and other employees who are related to the Substantial Shareholders.

(2) To 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.

(3) To cover all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind in its review and recommendations.

Each member of the Remuneration Committee refrains from voting on any resolutions in respect of the assessment of his remuneration. No Director will be involved in determining his own remuneration.

In structuring and reviewing the remuneration packages, the Remuneration Committee seeks to align interests of Directors with those of shareholders and link rewards to corporate and individual performance as well as roles and responsibilities of each Director. All Independent Directors are paid Directors' fees that are subject to shareholders' approval at the Annual General Meeting.

The Remuneration Committee has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises.

Principle 8: *The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.*

Corporate Governance Statement

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

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 effort 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.

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

The Company entered into a service agreement with our Managing Director, Low Weng Fatt, for a fixed appointment period and does not contain onerous removal clauses. The service agreement allows termination by either party giving not less than six months' notice in writing to the other. The Remuneration Committee is responsible for the review of compensation commitments the service agreement, if any, entails in the event of early termination.

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

Principle 9: *Each company should provide clear disclosure of its remuneration policy, 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 executives, and performance.*

Company's Directors receiving remuneration from the Group for the financial year ended 31 March 2010 are as follows:

Remuneration Band	Number of Directors	
	2010	2009
$500,000 and above	0	0
$250,000 to below $500,000	2	2
Below $250,000	3	3
Total	5	5

Corporate Governance Statement

A breakdown of each individual director's and key executive's remuneration, in percentage terms showing the level and mix for the financial year ended 31 March 2010, is as follows:

	Fees %	Salary %	Bonus %	Other benefits %	Total compensation %
Directors					
$250,000 to below $500,000					
Low Weng Fatt	11	52	37	–	100
Siah Boon Hock	15	56	29	–	100
Below $250,000					
Yap Koon Bee @ Louis Yap	100	–	–	–	100
Ng Jwee Phuan @ Frederick (Eric)	100	–	–	–	100
Tan Sin Huat Dennis (1)	100	–	–	–	100
Tan Chong Huat (2)	–	–	–	–	–
Yap Beng Geok Dorothy	–	–	–	–	–
Key Management					
$250,000 to below $500,000					
-	–	–	–	–	–
Below $250,000					
Mak Peng Leong Philip	–	78	22	–	100
DixzyQuo Nurman	–	67	33	–	100
Yeo Seck Cheong	–	85	15	–	100
Cheong Tuck Nang	–	78	22	–	100
Chiang Mun Hoe Alvin	–	76	24	–	100
Yap Beng Geok Dorothy	–	75	25	–	100

(1) Appointed on 31 July 2009
(2) Resigned on 31 July 2009

The remuneration of one of the employees related to Yap Beng Geok Dorothy, an Alternate Director of the Company, exceeds $150,000 for the financial year ended 31 March 2010.

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

ACCOUNTABILITY AND AUDIT

Accountability

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

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

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.

Corporate Governance Statement

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.

Principle 11: *The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.*

The Audit Committee currently comprises the following three members, of whom two are independent directors:

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

The Company has adopted and has complied with the principles of corporate governance under the Code in relation to the roles and responsibilities of the Audit Committee. In October 2008, the Audit Committee Guidance Committee issued the Guidebook for Audit Committees in Singapore. The terms of reference of the AC, where appropriate, adopts relevant best practices set out in the Guidebook, which will be used as a reference to assist the AC in discharging its responsibilities and duties.

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

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

(a) Financial Reporting

The AC reviews the quarterly, half-year and annual results announcements with management and external auditors before submission to the Board for approval, focusing in particular on significant financial reporting issues and judgments; 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.

(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 functions and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group and to review and ensure annually the adequacy of the internal audit function and monitor management's response to their findings to ensure that appropriate follow-up measures are taken.

(d) Interested Person Transactions

The AC regularly reviews if the Group will be entering into any interested person transactions and if it does, to ensure that the Group complies with the requisite rules under Chapter 9 of the Listing Manual Section B: Rules of the Catalist.

(e) Whistle-blowing

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

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

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

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

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

In the year under review, there was no report received through the whistle-blowing mechanism.

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

The Audit Committee has noted that there are no non-audit services provided by the external auditors and no non-audit fees have been paid to the external auditors during the financial year ended 31 March 2010 and is of the opinion that the external auditors' independence has not been compromised. The Audit Committee has reviewed the performance of the external auditors and recommended to the Board the re-appointment of the external auditors at the forthcoming Annual General Meeting.

During the financial year ended 31 March 2010, the Audit Committee met with the external auditors without the presence of Management.

As there has been no Interested Person Transactions during the financial year ended 31 March 2010, the Audit Committee is of the opinion that Chapter 9 of the Listing Manual Section B: Rules of Catalist has been complied with. The Audit Committee has nevertheless established the necessary review procedures for such Mandated Transactions should they arise.

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

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

Principle 12: *The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.*

The Board is responsible for the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board recognizes that no cost effective internal control system will preclude all errors and irregularities, as a 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 Company's external auditors conduct an annual review of the effectiveness of the Company's material internal controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the Audit Committee. The Audit Committee also reviews the effectiveness of the actions taken by the management on the recommendations made by the internal and external auditors in this respect.

Corporate Governance Statement

The Board is satisfied that currently there are adequate internal controls in the Group. The Board regularly reviews the effectiveness of all internal controls, including operational controls.

Principle 13: *The Company should establish an internal audit function that is independent of the activities it audits.*

The Board acknowledges that it is responsible for maintaining an internal audit function that is independent of the activities it audits. The effectiveness of the internal financial control systems and procedures are monitored by the management. The Board believes that, in the absence of any evidence to the contrary, the system of internal controls that has been maintained by the Group's management throughout the financial year up to the date of this report is adequate to meet the needs of the Group in its current business environment.

Communication with Shareholders

Principle 14: *Companies should engage in regular, effective and fair communication with shareholders.*

Greater Shareholder Participation

Principle 15: *Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.*

The Company is committed to regular and proactive communication with its shareholders in line with continuous disclosure obligations of the Company according to the rules of Catalist. Pertinent information will be disclosed to shareholders in a timely, fair and equitable manner.

Communications are made through:

- annual report that are prepared and issued to all shareholders;
- periodic results announcements;
- media meetings;
- circulars and notices to the shareholders
- press releases; and
- disclosures to the SGX-ST via SGXNET

In addition, shareholders are encouraged to attend the Annual General Meeting to ensure a high level of accountability by the Board and Management and to stay informed of the Group's strategies and growth. The participation of shareholders is encouraged at the Company's Annual General Meeting. The Chairmen of the Audit, Remuneration and Nominating Committees will be available at the forthcoming Annual General Meeting to answer questions relating to the work of these committees. The External Auditors will also be present to assist the Directors in addressing any relevant queries from the shareholders. The Group fully supports the Corporate Governance Code's principle to encourage active shareholders participation.

If any shareholder is unable to attend, he is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance.

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

Corporate Governance Statement

DEALINGS IN SECURITIES

The Company is guided by Rule 1204(18) of the Listing Manual Section B: Rules of Catalist in relation to the dealings in the securities of the Company to its Directors and Management. The Company and its officers are not allowed to deal in the Company's shares (i) during the periods commencing 2 weeks before the announcement of the Company's financial results for each of the first 3 quarters of its financial year and 1 month before the full financial year results, ending on the date of the announcement of the relevant results, and (ii) if they are in possession of unpublished price-sensitive information of the Group.

In addition the Directors and Management are expected not to deal in the Company's securities on short term consideration.

INTERESTED PERSON TRANSACTIONS

Details of Interested Person Transactions, if any, for the financial year ended 31 March 2010 are disclosed in the audited financial statements. To ensure compliance with the relevant rules under Chapter 9 of the Listing Manual Section B: Rules of Catalist on interested person transactions, the Board and Audit Committee regularly reviews if the Company will be entering into any interested person transaction and if it does, to ensure that the Company complies with the requisite rules under Chapter 9. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

MATERIAL CONTRACTS

Other than disclosed in the audited financial statements, there are no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholder subsisting at the end of the financial year ended 31 March 2010.

RISK MANAGEMENT

Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies.

Management will also review the Group's exposure to foreign exchange risk. In addition, the Company will (a) seek the approval from the Board of Directors before entering into any foreign exchange hedging transactions and (b) put in place adequate procedures which must be reviewed and approved by the Audit Committee and all foreign exchange hedging policies will be approved and reviewed by the Board of Directors.

Corporate Governance Statement

UPDATES ON USE OF PROCEEDS FROM RIGHTS SHARES CUM WARRANTS ISSUE ("2010 Rights Shares cum Warrants Issue")

On 6 May 2010, the Company raised $9.457m via the 2010 Rights Shares cum Warrants Issue exercise. The use of proceeds from the 2010 Rights Shares cum Warrants Issue is as follows :-

Description		Amount ($'000)
Net Proceeds from 2010 Rights Shares cum Warrants Issue		9,190
Amount utilized for: -		
(1)	Increase in paid-up capital for China Sinology (Beijing) Logistics Co., Ltd	(1,239)
(2)	Additional consideration in the acquisition of Hup Lian Engineering Pte Ltd	(1,192)
Balance as at 1 July 2010		6,759

The balance Rights proceeds of $646,000 from the Rights Issue raised in October 2007 was transferred to working capital as at 15 January 2009.

There had been no material disbursement of the remaining proceeds from the 2010 Rights Shares cum Warrants Issue and there were no material deviations from the stated use of the proceeds from 2010 Rights Shares cum Warrants Issue.

CATALIST SPONSOR

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is KW Capital Pte. Ltd. For the purposes of Rule 1204(20) of the Rules of Catalist, there was no non-sponsor fee paid to the sponsor by the Company for the year ended 31 March 2010. However, the total amount of fees paid to the affiliates of KW Capital Pte. Ltd., namely KhattarWong and KW Corporate Advisory Pte. Ltd. for legal work and corporate secretarial work done respectively for the year ended 31 March 2010 was approximately $175,577.

Report of the Directors

The directors present their report to the members together with the audited consolidated financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 March 2010.

1. DIRECTORS

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

Low Weng Fatt
Siah Boon Hock
Yap Koon Bee @ Louis Yap
Yap Beng Geok, Dorothy (Alternate director to Mr Yap Koon Bee @ Louis Yap)
Ng Jwee Phuan @ Frederick (Eric)
Tan Chong Huat (Resigned on 31 July 2009)
Tan Sin Huat Dennis (Appointed on 31 July 2009)

2. LISTING ON THE CATALIST BOARD

The Company's shares were listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 28 October 2008.

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital or debentures of the Company or its related corporations (excluding wholly owned subsidiaries) as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the name of the director		Shareholdings in which a director is deemed to have an interest	
The Company	At 1 April 2009 or date of appointment	At 31 March 2010	At 1 April 2009 or date of appointment	At 31 March 2010
Number of ordinary shares				
Ordinary shares:				
Low Weng Fatt	45,680,689	35,834,689	110,000	110,000
Siah Boon Hock	9,506,551	4,622,051	–	–
Yap Koon Bee @ Louis Yap	29,963,169	22,066,669	–	–
Ng Jwee Phuan @ Frederick (Eric)	131,000	169,500	–	–
Yap Beng Geok Dorothy*	–	38,500	5,078,275	5,155,275

* Yap Beng Geok Dorothy is deemed to be interested in the shares held by her spouse as at 31 March 2010.

Report of the Directors

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (cont'd)

The Director's interests in the ordinary shares of the Company as at 21 April 2010 were the same as those as at 31 March 2010.

5. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company of which he has a substantial financial interest, except as disclosed in the financial statements.

6. CHASEN PERFORMANCE SHARE PLAN

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

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

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

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

From the commencement of the Plan to 31 March 2010, awards comprising an aggregate of 2,981,912 shares have been granted.

As at end of 31 March 2010, details of performance shares awarded under the Plan are set out as below:-

Date of grant	Share Awards granted since commencement of Plan to end of financial year under review	Share Awards vested since commencement of Plan to end of financial year under review	Share Awards cancelled since commencement of Plan to end of financial year under review	Share Awards outstanding as at end of financial year under review
23 August 2007	476,000	(333,200)	Nil	142,800
1 September 2008	970,000	(350,000)	Nil	620,000
27 July 2009	189,000	(132,300)	Nil	56,700
22 February 2010	1,346,912	Nil	Nil	1,346,912

Note: As at 31 March 2010, the total number of share awards granted to the Directors and employees of the company and its subsidiaries during FY2010 and since the commencement of the Plan to the end of FY2010 are 1,346,912 and 2,981,912 respectively. During FY2010, no director or employee of the company and its subsidiaries receive 5% or more of the total number of awards available to all directors and employees of the company and its subsidiaries under the Plan.

Report of the Directors

6. CHASEN PERFORMANCE SHARE PLAN (cont'd)

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

Name of participant	Awards granted during financial year under review	Aggregate Awards granted since commencement of Plan to end of financial year under review	Aggregate Awards vested since commencement of Plan to end of financial year under review	Aggregate Awards outstanding as at end of financial year under review
Low Weng Fatt*	206,000	360,000	(154,000)	206,000
Siah Boon Hock	60,000	270,000	(115,500)	154,500
Yap Koon Bee @ Louis Yap*	51,500	90,000	(38,500)	51,500
Ng Jwee Phuan @ Frederick (Eric)	20,000	90,000	(38,500)	51,500
Yap Beng Geok Dorothy	51,500	90,000	(38,500)	51,500
Tan Sin Huat Dennis	20,000	20,000	Nil	20,000

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

Note: As at 31 March 2010, there are no participants receiving 5% or more of the total number of share awards available under the Plan.

7. WARRANTS

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

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

Date of Grant of Warrants	Warrants Issued	Warrants Exercised	Warrants Outstanding
6 May 2010	36,373,444	180	36,373,264

8. STOCK OPTIONS

The Company does not have a Stock Option Scheme. As such, no options to take up unissued shares of the Company or its subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries. There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

9. AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

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

9. AUDIT COMMITTEE (cont'd)

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50.

In performing those functions, the Committee reviewed:

- The scope and the results of internal audit procedures with the internal auditor;
- The audit plan of the Company's independent auditor and its report on the weakness of internal accounting controls arising from the statutory audit;
- The assistance given by the Company's management to the independent auditor; and
- The statement of financial position and the statement of changes in equity of the Company as at 31 March 2010 and the consolidated financial statements of the Group as at 31 March 2010 before their submission to the Board of Directors, as well as the independent auditor's report on the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group.

Other functions performed by the AC are described in the report on corporate governance included in the annual report.

The AC has recommended to the Board that the independent auditors, LTC LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

10. INDEPENDENT AUDITORS

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

On behalf of the directors

Low Weng Fatt
Director

Siah Boon Hock
Director

Singapore, 9 July 2010

Statement by Directors

In the opinion of the directors:-

(i) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 40 to 95 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 and the results of the business, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

Low Weng Fatt
Director

Siah Boon Hock
Director

Singapore, 9 July 2010

Independent Auditors' Report

To the Members of Chasen Holdings Limited
For the Financial Year Ended 31 March 2010

We have audited the accompanying financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 40 to 95, which comprise the statements of financial position of the Company and of the Group as at 31 March 2010, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independent Auditors' Report (cont'd)

To the Members of Chasen Holdings Limited
For the Financial Year Ended 31 March 2010

Opinion

In our opinion,

(a) the statement of financial position of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010, and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to the disclosure in the note 3(a)(iv) to the financial statements concerning significant judgements, including the use of estimates, which have been made by the management of the Group on the outstanding receivables of $7,950,000 which arose from variation orders recorded in the Group's technical and engineering business. The amount of the variation orders has yet to be finalized with the customers.

LTC LLP
Public Accountants and
Certified Public Accountants

Singapore, 9 July 2010

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2010

	Note	2010 $'000	2009 (Restated) $'000
Revenue	4	75,562	54,940
Cost of sales		(56,800)	(40,158)
Gross profit		18,762	14,782
Other operating income	5	1,628	1,140
Negative goodwill arising from acquisition of subsidiaries	15	–	824
Distribution and selling expenses		(3,739)	(3,235)
Administrative expenses		(8,023)	(8,123)
Other operating expenses		(127)	(279)
Finance costs	6	(482)	(350)
Profit before income tax	7	8,019	4,759
Income tax expense	9	(1,586)	(768)
Net profit for the financial year		6,433	3,991
Other comprehensive income:			
Currency translation differences arising from consolidation		(1,147)	1,362
Other comprehensive (expense)/income, net of tax		(1,147)	1,362
Total comprehensive income		5,286	5,353
Net profit attributable to:			
Equity holders of the Company		4,690	2,679
Minority interests		1,743	1,312
		6,433	3,991
Total comprehensive income attributable to:			
Equity holders of the Company		3,589	4,102
Minority interests		1,697	1,251
		5,286	5,353
Earnings per share for net profit attributable to equity holders of the Company (Cents)			
Basic	10	3.22	1.83
Diluted	10	3.20	1.82

The accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 March 2010

	Note	Group 2010 $'000	Group 2009 (Restated) $'000	Group 2008 $'000	Company 2010 $'000	Company 2009 (Restated) $'000	Company 2008 $'000
ASSETS							
Non-current assets							
Property, plant and equipment	11	15,309	14,491	8,473	–	–	–
Fixed deposits	12	1,000	1,000	2,000	1,000	1,000	2,000
Financial assets, available-for-sale	13	4,336	3,861	200	4,336	3,861	–
Club membership	14	56	74	60	43	60	60
Other receivables, debtors and prepayments	21	2,829	3,091	1,488	2,019	1,381	510
Investments in subsidiaries	15	–	–	–	37,375	37,372	37,000
Intangible assets	16	2,293	–	–	–	–	–
Goodwill on consolidation	17	3,382	2,191	1,359	–	–	–
		29,205	24,708	13,580	44,773	43,674	39,570
Current assets							
Gross amount due from customers on work-in-progress	18	162	1,751	–	–	–	–
Inventories	19	755	238	–	–	–	–
Trade receivables	20	28,951	22,924	8,249	–	–	–
Amount due from subsidiaries		–	–	–	12,028	10,883	7,344
Other receivables, deposits and prepayments	21	4,033	5,337	2,899	1,134	2,099	109
Cash and bank balances	22	6,957	8,948	13,228	115	672	7,105
		40,858	39,198	24,376	13,277	13,654	14,558
LIABILITIES							
Current liabilities							
Bank overdraft		204	12	–	–	–	–
Bank loans (secured)	23	5,754	1,650	236	1,928	1,004	–
Trade payables	24	7,518	14,780	2,690	–	–	–
Other payables and accruals	25	6,291	3,945	1,790	400	334	256
Deferred income	26	19	21	–	–	–	–
Obligations under hire purchase contracts	27	1,159	1,137	265	–	–	–
Income tax payable		1,552	814	865	37	–	–
		22,497	22,359	5,846	2,365	1,338	256
Net current assets		18,361	16,839	18,530	10,912	12,316	14,302
Non-current liabilities							
Bank loans (secured)	23	4,490	2,845	874	947	2,016	–
Deferred income	26	14	48	–	–	–	–
Obligations under hire purchase contracts	27	1,237	1,573	613	–	–	–
Deferred income tax liabilities	28	339	297	50	–	–	–
		6,080	4,763	1,537	947	2,016	–
NET ASSETS		41,486	36,784	30,573	54,738	53,974	53,872

Statements of Financial Position (cont'd)

As at 31 March 2010

		Group			Company		
	Note	2010	2009 (Restated)	2008	2010	2009 (Restated)	2008
		$'000	$'000	$'000	$'000	$'000	$'000
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital	29	23,737	23,737	23,737	53,265	53,265	53,265
Treasury shares	30	(358)	(534)	–	(358)	(534)	–
Currency translation reserve		32	1,133	(290)	–	–	–
Performance share plan reserve		160	154	–	160	154	–
Retained profits		13,040	9,103	7,011	1,671	1,089	607
		36,611	33,593	30,458	54,738	53,974	53,872
Minority interests		4,875	3,191	115	–	–	–
Total equity		41,486	36,784	30,573	54,738	53,974	53,872

The accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2010

Group	Share capital $'000	Treasury shares $'000	Currency translation reserve $'000	Performance share plan reserve $'000	Retained profits $'000	Attributable to equity holders of the Company $'000	Minority interests $'000	Total equity $'000
Balance as at 1 April 2009 (restated)	23,737	(534)	1,133	154	9,103	33,593	3,191	36,784
Purchase of treasury shares (Note 30)	–	(19)	–	–	–	(19)	–	(19)
Transfer of treasury shares to performance share plan reserve (Note 30)	–	195	–	(195)	–	–	–	–
Cost of share-based payments	–	–	–	201	–	201	–	201
Final dividend for the previous year paid (Note 37)	–	–	–	–	(753)	(753)	–	(753)
Acquisition of minority interest (Note 15)	–	–	–	–	–	–	(13)	(13)
Total comprehensive income for the financial year	–	–	(1,101)	–	4,690	3,589	1,697	5,286
Balance as at 31 March 2010	23,737	(358)	32	160	13,040	36,611	4,875	41,486
Balance as at 1 April 2008	23,737	–	(290)	–	7,011	30,458	115	30,573
Purchase of treasury shares (Note 30)	–	(534)	–	–	–	(534)	–	(534)
Cost of share-based payments	–	–	–	154	–	154	–	154
Final dividend for the previous year paid (Note 37)	–	–	–	–	(587)	(587)	–	(587)
Acquisition of subsidiaries (restated)	–	–	–	–	–	–	1,913	1,913
Acquisition of minority interests	–	–	–	–	–	–	(88)	(88)
Total comprehensive income for the financial year (restated)	–	–	1,423	–	2,679	4,102	1,251	5,353
Balance as at 31 March 2009 (restated)	23,737	(534)	1,133	154	9,103	33,593	3,191	36,784

The accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity

For the financial year ended 31 March 2010

Company	Share capital $'000	Treasury shares $'000	Performance share plan reserve $'000	Retained profits $'000	Total $'000
Balance as at 1 April 2009	53,265	(534)	154	1,089	53,974
Purchase of treasury shares (Note 30)	–	(19)	–	–	(19)
Transfer of treasury shares to performance share plan reserve (Note 30)	–	195	(195)	–	–
Cost of share-based payments	–	–	201	–	201
Final dividend for the previous year paid (Note 37)	–	–	–	(753)	(753)
Total comprehensive income for the financial year	–	–	–	1,335	1,335
Balance as at 31 March 2010	53,265	(358)	160	1,671	54,738
Balance as at 1 April 2008	53,265	–	–	607	53,872
Purchase of treasury shares (Note 30)	–	(534)	–	–	(534)
Cost of share-based payments	–	–	154	–	154
Final dividend for the previous year paid (Note 37)	–	–	–	(587)	(587)
Total comprehensive income for the financial year	–	–	–	1,069	1,069
Balance as at 31 March 2009	53,265	(534)	154	1,089	53,974

The accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2010

	2010 $'000	2009 (Restated) $'000
Cash flows from operating activities: -		
Profit before income tax	8,019	4,759
Adjustments for:		
Depreciation of property, plant and equipment	3,653	2,851
(Gain)/loss on disposal of plant and equipment	(85)	25
Plant and equipment written off	82	–
Cost of share-based payments	201	154
Negative goodwill arising from acquisition of subsidiaries	–	(824)
Negative goodwill arising from acquisition of minority interest	(10)	–
Investments written off	45	–
Allowance for doubtful trade receivables	92	164
Amortisation of club membership	18	1
Amortisation of deferred income	(36)	(12)
Interest income	(44)	(34)
Interest expense	398	206
Operating profit before working capital changes	12,333	7,290
Trade and other receivables	(5,300)	(6,041)
Due from customers on work-in-progress	1,589	(1,751)
Inventories	(517)	(2)
Trade and other payables	(4,916)	4,914
Cash generated from operations	3,189	4,410
Income tax paid	(806)	(680)
Net cash generated from operating activities	2,383	3,730
Cash flows from investing activities: -		
Withdrawal of long term fixed deposits	–	1,000
Acquisition of subsidiaries, net of cash acquired (Notes 15 and 17)	(1,191)	(1,709)
Investment in financial assets, available-for-sale	(475)	(3,861)
Prepayment in investing activities*	(1,546)	(1,524)
Purchase of plant and equipment **	(4,053)	(3,927)
Proceeds from disposal of plant and equipment	148	84
Acquisition of minority interest (Note 15)	(3)	–
Interest received	44	34
Net cash used in investing activities	(7,076)	(9,903)
Cash flows from financing activities: -		
Interest paid	(398)	(206)
Proceeds from bank loans	7,001	3,034
Repayment of bank loans	(1,253)	(224)
Repayments of hire purchase contracts	(1,219)	(550)
Dividend paid to equity holders of the Company	(753)	(587)
Placement of pledged fixed deposits with banks	(326)	(181)
Purchase of treasury shares	(19)	(534)
Net cash from financing activities	3,033	752

Statement of Changes in Equity

For the financial year ended 31 March 2010

	2010 $'000	2009 $'000
Net decrease in cash and cash equivalents	(1,660)	(5,421)
Cash and cash equivalents at beginning of financial year	7,850	12,323
Effect of exchange rate changes on cash and cash equivalents	(849)	948
Cash and cash equivalents at end of financial year (Note 22)	5,341	7,850
Cash and cash equivalents comprise:		
Cash and bank balances	5,545	6,085
Fixed deposits	1,412	2,863
	6,957	8,948
Less: Fixed deposits pledged	(1,412)	(1,086)
Bank overdraft	(204)	(12)
	5,341	7,850

* During the financial year, the Group made prepayments for (a) potential business opportunities amounting to $1,546,000 (2009: $653,000) and (b) down payment for purchase of property amounting to nil (2009: $871,000) in Singapore.

** During the financial year, the Group acquired plant and equipment with an aggregate cost of $4,957,000 (2009: $4,523,000) of which $904,000 (2009: $596,000) were acquired by means of finance leases. Cash payments of $4,053,000 (2009: $3,927,000) were made to purchase plant and equipment.

The accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2010

1. GENERAL

Chasen Holdings Limited (the "Company") is a limited liability company, which is incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

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

The principal activities of the Company are those of an investment holding company. The principal activities of the subsidiaries are stated in Note 15 to the financial statements.

The consolidated financial statements of the Group for the financial year ended 31 March 2010 and the statement of financial position and the statement of changes in equity of the Company as at 31 March 2010 were authorized for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) Basis of presentation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements are expressed in Singapore dollars ("SGD" or "$"), which is also the Company's functional and presentation currency and prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(II) Interpretations and amendments to published standards effective in 2009

On 1 April 2009, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or revised FRS and INT FRS that are relevant to the Group:

(i) FRS 1 (revised) Presentation of financial statements (effective from 1 January 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. All non-owner changes in equity are shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has chosen to adopt the former alternative. Where comparative information is restated or reclassified, a restated balance sheet is required to be presented as at the beginning comparative period. There is no restatement of the balance sheet as at 1 April 2008 in the current financial year.

(ii) FRS 108 Operating segments (effective from 1 January 2009) replaces FRS 14 Segment reporting, and requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Segment revenue, segment profits and segment assets are also measured on a basis that is consistent with internal reporting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(II) Interpretations and amendments to published standards effective in 2009 (cont'd)

(iii) Amendment to FRS 107 Improving disclosures about financial statements (effective from 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the accounting policies and measurement bases adopted by the Group.

(III) New accounting standards and FRS interpretation

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2010 or later periods and which the Group has not early adopted. The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is set out below:

(i) FRS 27 (revised) Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009).

FRS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in equity is re-measured to fair value, and a gain or loss is recognized in profit or loss. The Group will apply FRS 27 (revised) prospectively to transactions with minority interests from 1 April 2010.

(ii) FRS 103 (revised) Business Combinations (effective for annual periods beginning on or after 1 July 2009)

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply FRS 103 (revised) prospectively to all business combinations from 1 April 2010.

(IV) Group accounting

(a) Subsidiaries

Investments in subsidiaries are stated in the financial statements of the Company at cost less accumulated losses in the Company's balance sheet. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the dates of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition, irrespective of the extent of non-controlling interest. Please refer to the paragraph "Goodwill on acquisitions" for the accounting policy on goodwill on acquisition of subsidiaries.

Notes to the Financial Statements

For the financial year ended 31 March 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(IV) Group accounting (cont'd)

(a) Subsidiaries (cont'd)

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealized gains on transactions between group entities are eliminated. Unrealized losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Joint ventures

Investment in a joint-venture company is stated in the financial statements of the Company at cost less impairment loss.

The Group's joint venture is an entity over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. A joint venture company is a joint venture that involves the establishment of a separate entity in which each venture has an interest. The Group's interest in a joint venture is accounted for in the consolidated financial statements using proportionate consolidation.

Proportionate consolidation involves combining the Group's share of the joint-venture's income and expenses, assets and liabilities and cash flows of the jointly-controlled entities on a line-by-line basis with similar items in the Group's financial statements.

When the Group sells assets to a joint venture, the Group recognizes only the portion of unrealized gains or losses on the sale of assets that is attributable to the interest of the other venturers. The Group recognizes the full amount of any loss when the sale provides evidence of a reduction in the net realizable value of current assets or an impairment loss.

When the Group purchases assets from a joint venture, it does not recognize its share of the profits of the joint venture arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(IV) Group accounting (cont'd)

(c) Minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. They are presented in the consolidated statement of financial position within equity, separately from the equity of the shareholders of the Company, and are separately disclosed in the consolidated statement of comprehensive income.

Where the losses applicable to the minority in a subsidiary exceed the minority interests in the equity of that subsidiary, the excess and further losses applicable to the minority interests are attributed to the equity holders of the Company, unless the minority has a binding obligation to, and is able to make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interests are attributed to the equity holders of the Company until the minority interests' share of losses previously absorbed by the equity holders of the Company has been recovered.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interest result in gains and losses for the Group that are recognized in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the Group's incremental share of the carrying value of identifiable net assets of the subsidiary.

(d) Goodwill on acquisitions

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition.

Goodwill on subsidiaries is recognized separately and carried at cost less accumulated impairment losses (Note 2.XIV.a).

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

Where the cost of acquisition is less than the fair value of the Group's share of the net identifiable assets and contingent liabilities of the subsidiary acquired, the difference ("negative goodwill") is recognized directly in the income statement.

(V) Property, plant and equipment

(a) Measurement

(i) Property plant and equipment

Property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Component of costs

The cost of an item of property, plant and equipment initially recognized includes its purchase price and cost that is directly attributable to the acquisition of the items. 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 asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(V) Property, plant and equipment and depreciation (cont'd)

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Estimated Useful Lives
Leasehold building	5-21 years
Transportation equipment	5-10 years
Tools and equipment	3-10 years
Furniture, fittings, and office equipment	1-10 years

The residual values and estimated useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognized in the profit or loss when the changes arise.

Fully depreciated assets still in use are retained in the financial statements.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses recognized in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in profit or loss.

(VI) Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company and the presentation of the financial statements are in Singapore Dollars.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognized in the profit or loss, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognized in the currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(VI) Currency translation (cont'd)

(b) Transactions and balances (cont'd)

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rate at the date of the balance sheet date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognized in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the balance sheet. For acquisitions prior to 1 January 2005, the exchange rates at the dates of acquisition are used.

(VII) Income taxes

(a) Current income tax

Current income tax for the current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

(b) Deferred income tax

Deferred income tax is recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill on an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognized on temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the timing of 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(VII) Income taxes (cont'd)

(b) Deferred income tax (cont'd)

Deferred income tax is measured:

(i) the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognized as income or expenses in profit or loss except to the extent that the tax arises from a business combination or a transaction which is recognized directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

(VIII) Assets under hire purchase contracts

Where assets are under hire purchase contracts, the assets are capitalized in the financial statements and the corresponding obligation treated as a liability. The assets capitalized are depreciated in accordance with the Group's accounting policy on depreciation of fixed assets. The total interest, being the difference between the total instalments payable and the capitalized amount is charged to the profit or loss to give a constant rate of charge on the remaining balance of the obligation.

(IX) Leases

(a) Finance leases

Leases where the Group assumes substantially all the risks and rewards incidental to ownership of the leased assets are recognized on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalized. Lease payments are apportioned between the finance expenses and the reduction of the outstanding lease liability. The finance expense is recognized in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease ability.

Capitalized leased assets are depreciated over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

For sale and finance leaseback, differences between sales proceeds and net book values are taken to the balance sheet as deferred gain on sale and leaseback transactions, included under "deferred income" and amortized over the minimum lease terms.

(b) Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are recognized in profit or loss on a straight-line basis over the period of lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(IX) Leases (cont'd)

(b) Operating leases (cont'd)

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in profit or loss when incurred.

(X) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenues are presented net of value-added tax, rebates and discounts, and after eliminating revenue within the Group.

The Group recognizes revenue when the amount of revenue and related costs can be reliably measured, or it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

Rendering of services

Revenue from logistics services is recognized when the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

Interest income

Interest income is recognized using the effective interest method.

Contract income

Revenue from construction contracts for the current financial year ended 31 March 2010 is recognized as disclosed in Note 2.XXV "Construction contracts".

Sale of goods

Revenue from sale of goods is recognized when the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold.

Rental income

Rental income from letting of machinery is recognized on accrual basis.

(XI) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and bank deposits with financial institution which are subject to an insignificant risk of drop in value. For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are payable on demand and which form an integral part of the Group's cash management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(XII) Employee benefits

Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Employee leave entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

Share-based payment

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 at grant date and spread over the vesting period during which the employees become unconditionally entitled to the shares. At each balance sheet 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.

(XIII) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where the Group expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized in the statement of comprehensive income as finance expense.

Provision are measured at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

(XIV) Impairment of non-financial assets

(a) Goodwill on acquisition

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognized when the carrying amount of a CGU, including goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(XIV) Impairment of non-financial assets

(a) Goodwill on acquisition (cont'd)

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognized in the profit of loss and is not reversed in a subsequent period.

(b) Club membership
Property, plant and equipment
Investment in subsidiaries and joint-venture

Club membership, property, plant and equipment and investments in subsidiaries and joint-venture are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognized as an impairment loss in the profit of loss.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognized in profit or loss.

(XV) Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: (i) loans and receivables and (ii) available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(XV) Financial assets (cont'd)

(a) Classification (cont'd)

(i) *Loan and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as in current assets, except those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(ii) *Financial assets, available-for-sale*

Financial assets, available-for-sale, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as in non-current assets unless management intends to dispose of the assets within 12 months after balance sheet date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date – the date on which the Group commits to purchase or sell the assets.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and the carrying amount is recognized in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(c) Initial measurement

Financial assets are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognized at fair value. Transaction costs for financial assets at fair value through profit or loss are recognized immediately as expenses.

(d) Subsequent measurement

Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Financial assets, available-for-sale are subsequently carried at fair value. Interest and dividend income on financial assets, available-for-sale are recognized separately in income. Changes in fair values of available-for-sale equity securities (ie. non-monetary items) are recognized in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes an allowance for impairment when such evidence exists.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(XV) Financial assets (cont'd)

(e) Impairment (cont'd)

(i) *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortized cost had no impairment been recognized in prior periods.

(ii) *Financial assets, available for sale*

Significant or prolonged declines in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

The cumulative loss that was recognized in the fair value reserve is transferred to the profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortization) and the current fair value, less any impairment loss recognized as an expense. The impairment losses recognized as an expense on equity securities are not reversed through profit or loss.

(XVI) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method.

(XVII) Loans and borrowings

All loans and borrowings are recognized initially at fair value, (net of transaction costs incurred) and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorized for issue. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(XVIII) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

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 profit 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 Advanced Share Option Scheme, the cost of treasury shares is reversed from the treasury share account and the realised 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.

(XIX) Financial guarantees

The Company has issued corporate guarantees to banks for bank facilities and borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their financial facilities rendered and borrowings.

Financial guarantee contracts are initially recognized at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortized to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the amortized amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intergroup transactions are eliminated on consolidation.

(XX) Dividend to Company's shareholders

Dividends to the Company's shareholders are recognized when the dividends are approved for payment.

(XXI) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

(XXII) Club membership

Club membership is measured at cost less accumulated amortization and any impairment loss. Club membership is amortized on a straight-line basis over the estimated useful life of 5 to 15 years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(XXIII) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of the financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and make assumptions that are based on the market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortized cost approximate their carrying amounts.

(XXIV) Borrowing costs

Borrowing costs are recognized in the income statement using the effective interest method except for those costs that are directly attributable to borrowings acquired specifically for the construction or development of properties. The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalized in the cost of the property under development.

(XXV) Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that are likely to be recoverable. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or claim is recognized as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to professional survey of work performed. Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet date unless it is probable that such contracts are recoverable from the customers, in which case, such costs are recognized as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognized profit (less recognized loss) on each contract is compared against the progress billings. Where costs incurred plus the recognized profits (less recognized losses) exceed the progress billings, the balance is presented on the balance sheet as due from customers on construction contracts as an asset. Where progress billings exceed costs incurred plus recognized profits (less recognized losses), the balance is presented on balance sheet as due to customers on construction contracts as a liability.

Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables". Advances received are included within "trade and other payables".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(XXVI) Inventories

Inventories, comprising mainly machinery components, are carried at the lower of cost and net realizable value, cost being determined on the first-in, first-out basis and include all costs of purchase, cost of conversion and other costs 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 being determined on a weighted average basis and include all attributable production overheads. In arriving at the net realizable value, due allowance is made for obsolete, damaged and slow-moving items.

Inventories are carried at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Cost also includes any gains or losses on qualifying cash flow hedges of foreign currency purchases of inventories that are transferred from the hedging reserve. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

(XXVII) Intangible assets

(i) Know-how

Know-how is stated at cost less accumulated amortisation and impairment loss.

(ii) Software development cost

Software development cost are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits and probable, and the Group intends to and has sufficient resources to complete development and to use or sell that asset. An expenditure capitalized includes the cost of materials, direct labour and overhead costs that directly attributable to preparing the asset for its intended use.

(iii) Subsequent expenditure

Subsequent expenditures are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iv) Amortization

Amortization is calculated over the cost of the asset less its residual value. Amortization is recognized in profit or loss on a straight-line basis over its useful lives. The estimated useful lives are as follow:

Know-how	8 years
Software development costs	5 years

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(XIV)(a). The recoverable amounts of cash-generating-units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Details of goodwill assessment of impairment are disclosed in Note 17.

(ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives. Management estimates that useful lives of these property, plant and equipment to be within 1 to 21 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iv) Revenue of technical & engineering services - variation orders recognised

Included in revenue of technical & engineering services for the current financial year ended 31 March 2010 was an amount of $7,950,000 being an estimation of variation works and claims recognized to the extent that it is probable to be recovered from customers. A corresponding receivables from the customers were recorded as at 31 March 2010.

The management evaluated whether it would be appropriate to recognize variation orders considering that FRS 11 Construction Contracts, requires that variation orders are to be recognized to the extent that it is probable that they will result in revenue and that they are capable of being reliably measured.

In making these judgements, the management considered that it has met the requirements of FRS 11 Construction Contracts and considers that it would be more appropriate to record the variation orders so as to match the revenue earned on the contracts with its recorded costs. In addition, the amount of variation orders recognized were measured based on the estimated quantity of work from the construction drawings of the customer and unit rate assumed to the extent it is probable to be recovered from the customer. The management had adopted a conservative approach in recognising the revenue by providing for commercial discounts in the variation claims.

In determining whether there is objective evidence of impairment loss, the Group takes into consideration the likelihood of collection. In this regard, the management is satisfied that no allowance for doubtful debts is required.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (cont'd)

(b) Critical judgements in applying the entity's accounting policies

(i) Impairment of financial assets, available-for-sale

The Group follows the guidance of FRS 39 in determining when an investment is other-than-temporary impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its costs, the financial health of and near-term business outlook for the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. There is no indication of impairment loss for the current year, as disclosed in Note 13.

(ii) Impairment of trade and other receivables

The determination of impairment for trade and other receivable requires the Group to first assess whether objective evidence of impairment exists for individually significant debtors and collectively for debtors which are not individually significant. The Group evaluates, among other factors, financial status of the debtors, any changes in the collection status and changes in industry conditions that affect the debtors. Trade and other receivables that are collectively evaluated for impairment are based on historical loss experience for receivables with similar credit risk characteristics. The method and assumption used for estimating potential impairment loss are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Impairment loss of the Group amounting to approximately $92,000 (2009: $164,000) is made during the financial year as disclosed in Note 20. The carrying amount of trade receivables of the Group as at 31 March 2010 is approximately $28,951,000 (2009: $22,924,000).

4. REVENUE

	Group	
	2010	2009
	$'000	$'000
Relocation services	18,659	11,156
Third party logistics services	12,490	9,405
Technical & engineering services	44,413	34,379
	75,562	54,940

5. OTHER OPERATING INCOME

	Group	
	2010	2009 (Restated)
	$'000	$'000
Bank interest income	44	34
Reimbursement of costs	169	248
Gain on foreign exchange differences, net	177	90
Negative goodwill arising from acquisition of minority interest	10	–
Other income	1,228	768
	1,628	1,140

6. FINANCE COSTS

	Group 2010 $'000	Group 2009 $'000
Hire purchase interest	146	73
Bank loans interest	252	133
Factoring interest and charge	13	24
Bank charges	71	120
	482	350

7. PROFIT BEFORE INCOME TAX

This is determined after charging/(crediting) :

	Group 2010 $'000	Group 2009 (Restated) $'000
Negative goodwill arising from acquisition of subsidiaries	–	(824)
Depreciation of property, plant and equipment	3,653	2,851
Directors' fee:		
- directors of holding company	400	300
- directors of subsidiaries	12	3
Directors' remuneration:		
- directors of subsidiaries	1,090	999
Gain on foreign exchange differences, net	(177)	(100)
(Gain)/loss on disposal of plant and equipment	(85)	25
Operating lease expense		
- land and building	2,526	1,871
- equipment	1,216	944
- motor vehicles	2,076	737
Plant and equipment written off	82	–
Reversal of allowance for doubtful trade debts	(19)	–
Allowance for doubtful trade receivables	92	164
Investment written off	45	–
Amortization of club membership	18	1
Amortization of deferred income	(36)	(12)
Negative goodwill arising from acquisition of minority interests	(10)	–

8. STAFF COST

	Group 2010 $'000	Group 2009 $'000
Wages and salaries and other staff related expenses	15,976	12,359
Employers' contribution to defined contribution plan	1,165	1,338
Directors' remuneration:		
- directors of subsidiaries	1,090	999
Staff welfares	700	1,532
	18,931	16,228

9. INCOME TAX EXPENSES

	Group 2010 $'000	Group 2009 $'000
Current income tax expense:		
Singapore	1,549	614
Foreign	260	88
Over provision of prior year taxation	(318)	(11)
Deferred income tax expense	95	77
	1,586	768

The income tax expense varied from the amount of income tax expense by applying the Singapore income tax rate of 17% (2009: 17%) to profit before income tax as a result of the following differences:

	Group 2010 $'000	Group 2009 (restated) $'000
Profit before income tax	8,019	4,759
Income tax expense at statutory rate	1,363	809
Effect of changes in statutory tax rate	–	(3)
Tax effects on non-allowable items	517	420
Tax effects on non-taxable items	(393)	(110)
Over provision of prior year taxation	(318)	(11)
Tax effect on exemption scheme and rebates in other country	(135)	(104)
Tax effects of different tax schemes in other country	(6)	(1)
Deferred tax liabilities/(assets) unrecognized in previous year	33	(3)
Utilisation of tax losses and capital allowance brought forward	(116)	(463)
Others	641	234
	1,586	768

The subsidiary, Chasen Sino-Sin (Beijing) Hi-Tech Services Pte Ltd, has received the approval from the relevant authority in China for some tax incentives from years 2006 to 2012; 15% enterprise tax for year 2006, full exemption from years 2007 to 2009 and 50% tax on normal enterprise tax rate from years 2010 to 2012. The enterprise tax rate in China is 25% (2009: 25%).

9. INCOME TAX EXPENSES (cont'd)

Pursuant to the PRC Enterprise Income Tax Law which was promulgated on 22 February 2008, dividends distributed by PRC entities for profits generated before 1 January 2008 are exempt from withholding tax. Dividend paid in respect of profits generated on or after 1 January 2008 will be subject to a withholding tax of 5%.

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 recognised is approximately $33,000 (RMB155,000) [2009: $9,000 (RMB37,000)]. No liability has been recognised 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

(a) Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2010	2009 (Restated)
Net profit attributable to equity holders of the Company ($'000)	4,690	2,679
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	145,711	146,420
Basic earnings per share (cents)	3.22	1.83

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted for the effects of all dilutive potential ordinary shares.

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

10. BASIC AND DILUTED EARNINGS PER SHARE (cont'd)

(b) Diluted earnings per share (cont'd)

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

	Group 2010	Group 2009 (Restated)
Net profit attributable to equity holders of the Company ($'000)	4,690	2,679
Weighted average number of ordinary shares in calculation of basic earnings per share ('000)		
Adjusted for - weighted average number of unissued ordinary shares from:	145,711	146,420
- shares under Performance Share Plan ('000)	725	852
Weighted average number of ordinary shares in issue (diluted) ('000)	146,436	147,272
Fully diluted earnings per share (cents)	3.20	1.82

11. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold building $'000	Transportation equipment $'000	Tools and equipment $'000	Furniture, fittings, and office equipment $'000	Total $'000
Cost					
As at 1 April 2009 (Restated)	3,301	8,457	14,106	1,398	27,262
Additions	868	1,069	2,742	278	4,957
Disposals	(26)	(313)	(781)	(71)	(1,191)
Currency translation differences	9	(276)	(288)	(17)	(572)
As at 31 March 2010	4,152	8,937	15,779	1,588	30,456
Accumulated depreciation					
As at 1 April 2009 (Restated)	1,161	3,916	7,011	683	12,771
Depreciation charge for the year	398	1,108	1,870	277	3,653
Disposals	(10)	(233)	(742)	(60)	(1,045)
Currency translation differences	28	(105)	(161)	6	(232)
As at 31 March 2010	1,577	4,686	7,978	906	15,147
Carrying amount					
As at 31 March 2010	2,575	4,251	7,801	682	15,309

11. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Leasehold building $'000	Transportation equipment $'000	Tools and equipment $'000	Furniture, fittings, and office equipment $'000	Total $'000
Cost					
As at 1 April 2008	2,536	5,754	7,442	752	16,484
On acquisition of subsidiaries (restated)	583	971	4,066	213	5,833
Additions	224	1,516	2,371	412	4,523
Disposals	(65)	(91)	(33)	(9)	(198)
Currency translation differences	23	307	260	30	620
As at 31 March 2009 (restated)	3,301	8,457	14,106	1,398	27,262
Accumulated depreciation					
As at 1 April 2008	846	2,605	4,200	360	8,011
On acquisition of subsidiaries	121	364	1,267	102	1,854
Depreciation charge for the year (restated)	208	956	1,469	218	2,851
Disposals	(17)	(63)	(7)	(2)	(89)
Currency translation differences	3	54	82	5	144
As at 31 March 2009 (restated)	1,161	3,916	7,011	683	12,771
Carrying amount					
As at 31 March 2009	2,140	4,541	7,095	715	14,491

For the financial year ended 31 March 2010:

(i) The Group purchased $1,426,000 of assets under hire purchase (2009: $596,000).

(ii) The carrying amounts of transportation equipment, tools and equipment and office equipment of the Group purchased under hire purchase are approximately $3,437,000 (2009: transportation equipment $3,308,000).

(iii) The leasehold buildings of the Group are mortgaged to banks for certain credit facilities granted including the bank loans (Note 23).

12. FIXED DEPOSITS

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
At cost:				
As at beginning of the year	1,000	2,000	1,000	2,000
Withdrawal during the year	–	(1,000)	–	(1,000)
As at end of the year	1,000	1,000	1,000	1,000

This is a long term fixed deposit in the form of unit trusts at fixed term for 5 years and it matures on 24 December 2012. Interest payment is variable upon the index movement of quoted shares held in the basket. The effective interest rate for the financial year ended is 0.137% (2009:$Nil). The fixed deposit is principal protected.

13. FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
At cost:				
Unquoted equity shares and convertible notes				
As at beginning of the year	3,861	200	3,861	–
Addition during the year	475	3,861	475	3,861
Disposal during the year	–	(200)	–	–
As at end of the year	4,336	3,861	4,336	3,861

(a) On 5 June 2008, the Company had announced that it has agreed in principle to invest A$5.63 million ($7.37 million) for a stake of about 10 per cent in an intermodal terminal logistic hub development in Queensland, Australia. The stake would be held through a New Zealand investment holding company, Far Pacific Capital Ltd ("FPC"). The transaction is subject to completion of a definitive agreement between FPC and the promoters of the intermodal development and due diligence on the project.

Under this arrangement, the Company had acquired 67,500 ordinary shares amounting to A$1,547,000 (equivalent to $1,983,000) and 77,810 convertible notes amounting to A$1,623,000 (equivalent to $1,878,000) in FPC for the financial year ended 31 March 2009. The convertible notes are convertible into equity interest of FPC at the option of the Company upon fulfillment of certain conditions. Thus, the convertible notes are classified as equity investment and measured at cost.

FPC also holds through its 52% subsidiary Far Pacific Resources Ltd, a 44% stake in a junior mining company, Greater Bendigo Gold Mines Ltd ("6BM"), which is listed on the Australia Securities Exchange.

On 3 August 2009, the Company had announced that FPC had declined the offer to invest in the project.

(b) On 3 August 2009, the Company had announced that it had invested into GBM. 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 A$405,000 (equivalent to $475,000).

14. CLUB MEMBERSHIP

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Carrying amount:				
As at 1 April	74	60	60	60
On acquisition of a subsidiary	–	15	–	–
Less: Amortization for the year	(18)	(1)	(17)	–
As at 31 March	56	74	43	60

The club membership of $60,000 was paid for by the Company for the benefit of a Director in accordance with his Service Agreement ("Agreement"). Accordingly, the director held the membership in trust for the Company. 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 Company up to 1 April 2012. Upon completion of the specified term (5 years), the benefit of the club will be entirely vested in the Director. Consequently, the membership will be deemed disposed.

The club membership of $15,000 was paid by the Group for the benefit of a director of a subsidiary.

15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2010	2009
	$'000	$'000
Unquoted equity share, at cost	37,375	37,372

Details of the subsidiaries are as follows:

Name of company (Country of incorporation/place of business)	Principal activities	Effective Percentage of equity held	
		2010	2009
		%	%
Held by the Company			
Chasen Logistics Services Limited [i] (Singapore)	Relocation services, industrial packing, warehousing, transportation, freight forwarding and shipping	100	100
Chasen Logistics & Engineering Services Pte Ltd [i] (Singapore)	Investment Holding	100	100
Ruiheng International Pte Ltd [i] (Singapore)	Investment Holding	100	100
REI Technologies Pte Ltd [i] (Singapore)	Engineering services	100	99
CLE Engineering Services Pte Ltd [i] (Singapore)	Investment Holding	100	100
Chasen Leasing Pte Ltd [i] (Singapore)	Leasing of equipment	100	100

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of company (Country of incorporation/place of business)	Principal activities	Effective Percentage of equity held 2010 %	2009 %
Held by Chasen Logistics & Engineering Services Pte Ltd			
Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd (ii) (PRC)	General activities relating to high value machinery and equipment	100	100
Chasen Sino-Sin (Beijing) Hi Tech Services Private Ltd (iv) (PRC)	General activities relating to high tech machinery and equipment, and relocation services	100	100
Chasen Logistics (Shanghai) Co. Ltd (v) (PRC)	Provision of relocation, packing and warehousing services	100	100
Chasen Logistics (Xi'An) Co. Ltd (vii) (PRC)	Provision of warehousing services	100	100
Chasen Sinology (Beijing) Logistics Co. Ltd (vii) (PRC)	Provision of artifact packaging and transportation services	100	100
Lelecai Pte Ltd (i) (Singapore)	Provision of management consultancy services	100	100
Held by Ruiheng International Pte Ltd			
Chasen Logistics Sdn Bhd (iii) (Malaysia)	Provider of logistics and transportation services	100	100
City Zone Express Sdn Bhd (iii) (Malaysia)	Provider of third party logistics services, transporting and warehouse service	60	60
Held by REI Technologies Pte Ltd			
REI Hitech Sdn Bhd (iii) (Malaysia)	Providing services on cryogenic pump	100	100
REI Promax Technologies Pte Ltd (viii) (Singapore)	Precision manufacturing of machine tool accessories	32	32
Held by CLE Engineering Services Pte Ltd			
Goh Kwang Heng Pte Ltd (viii) (Singapore)	Scaffolding service provider to marine and construction industries	100	100
Goh Kwang Heng Scaffolding Pte Ltd (viii) (Singapore)	Scaffolding equipment services	100	100

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of company (Country of incorporation/place of business)	Principal activities	Effective Percentage of equity held 2010 %	2009 %
Held by CLE Engineering Services Pte Ltd			
Hup Lian Engineering Pte Ltd [vi] (Singapore)	Engineering and structural steel fabrication supplier and installer	60	60
REI Promax Technologies Pte Ltd [viii] (Singapore)	Precision manufacturing of machine tool accessories	23	23
Held by Chasen Logistics Services Limited			
DNKH Logistics Pte Ltd [vii] (Singapore)	Provider of freight forwarding, logistics, transportation and general warehousing services	100	100
Held by REI Promax Technologies Pte Ltd			
Suzhou Promax Communication Co., Ltd [ix] (PRC)	Contract manufacturing	100	–
Held by Hup Lian Engineering Pte Ltd			
HLE International Pte Ltd (Singapore)	Investment holding	100	–

(i) Audited by LTC LLP, Singapore

(ii) Audited by Cheng Hui Certified Public Accountants, PRC for local statutory audit and audited by LTC LLP for group consolidation purposes.

(iii) Audited by Moore Stephens Associates and Co, Malaysia.

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

(v) Audited by Shanghai Hong Hua Certified Public Accountants, PRC for local statutory audit and audited by LTC LLP for group consolidation purposes.

(vi) Audited by De Associates, Singapore.

(vii) Audited by LTC LLP for group consolidation purposes.

(viii) Audited by ShineWing, Singapore.

(ix) Audited by Suzhou Lixin Certified Public Accountants Co., Ltd, PRC for local statutory audit and audited by LTC LLP for group consolidation purposes.

The Company's Board and Audit Committee are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Company.

On 20 November 2008, REI Promax Technologies Pte Ltd incorporated a wholly owned subsidiary, Suzhou Promax Communication Co., Ltd in the PRC with a paid up capital of RMB8,486,599 (equivalent to $1,684,450).

On 9 February 2010, Hup Lian Engineering Pte Ltd ("HLE") incorporated a wholly owned subsidiary, HLE International Pte Ltd with a paid up capital of $100 divided by 100 shares. HLE International Pte Ltd was dormant since date of incorporation.

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

(i) On 1 April 2008, CLE Engineering Services Pte Ltd acquired 60% equity interest in Hup Lian Engineering Pte Ltd ("HLE"), a company incorporated in Singapore, for a cash consideration of $1,055,000. The total fair value of the net identifiable assets of HLE was $403,000.

The identifiable assets and liabilities of HLE acquired by CLE Engineering Services Pte Ltd on the date of acquisition were as follows:

	April 2008 $'000
Property, plant and equipment	867
Trade and other receivables	4,145
Trade and other payables	(5,720)
Cash and bank balances	611
Increase in share capital	500
	403
Less: Minority interest's share of net assets	(162)
Group's share of net assets acquired	241
Total consideration	1,055
Goodwill on acquisition	814
Consideration paid	1,055
Less: Cash of subsidiaries	(611)
Net cash outflow on acquisition	444

The goodwill was attributable to the acquired expertise in specialised engineering and structural steel fabrication services in the construction industry that would enable the Group to generate regular and project income for the Group through its strong order book.

The Group had engaged an independent valuer to determine the fair value of the net indentifiable assets acquired as at 1 April 2008. Accordingly, the net assets acquired were stated at fair value based on the valuation report received from the independent valuer.

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

(ii) On 30 September 2008, Ruiheng International Pte Ltd acquired 60% equity interest in City Zone Express Sdn Bhd ("CZE"), a company incorporated in Malaysia, for a cash consideration of $370,000.The provisional fair value of the net identifiable assets of CZE was $988,000.

	As previously reported $'000	Purchase price allocation adjustments $'000	As restated $'000
Net assets acquired:			
Property, plant and equipment	297	178	475
Trade and other receivables	806	–	806
Trade and other payables	(539)	101	(438)
Cash and bank balances	54	–	54
Increase in share capital	370	–	370
	988	279	1,267
Less: Minority interest's share of net assets	(395)	(112)	(507)
Group's share of net assets acquired	593	167	760
Total consideration	370	–	370
Negative goodwill on acquisition	(223)	(167)	(390)
Consideration paid	370	–	370
Less: Cash of subsidiaries	(54)	–	(54)
Net cash outflow on acquisition	316	–	316

As at 30 September 2008, the fair value of the motor vehicles had been determined on a provisional basis as the results of the independent valuation report was not obtained. During the year, the Group has engaged an independent motor vehicle valuer to determine the fair value of the motor vehicles. The fair values of the net assets acquired were restated based on the revised valuation reports on motor vehicles received from the valuer and management evaluation on other assets and liabilities. Accordingly, the 2009 comparative figures for the Group have been restated as disclosed in Note 38.

15. INVESTMENTS IN SUBSIDIARIES (cont'd)

(iii) On 31 December 2008, Chasen Holdings Limited acquired an aggregate of 55% equity interest in REI Promax Technologies Pte Ltd ("REI Promax"), a company incorporated in Singapore, through its subsidiaries, namely CLE Engineering Services Pte Ltd and REI Technologies Pte Ltd for a cash consideration of $1,087,000. The provisional fair value of the net identifiable assets of REI Promax was $2,719,000.

	As previously reported $'000	Purchase price allocation adjustments $'000	As stated $'000
Net assets acquired:			
Property, plant and equipment	2,496	187	2,683
Trade and other receivables	9,964	(387)	9,577
Inventories	–	237	237
Trade and other payables	(10,896)	–	(10,896)
Cash and bank balances	128	10	138
Increase in share capital (restated)	1,027		1,027
	2,719	47	2,766
Less: Minority interest's share of net assets	(1,224)	(21)	(1,245)
Group's share of net assets acquired	1,495	26	1,521
Total consideration	1,087		1,087
Negative goodwill on acquisition	(408)	(26)	(434)
Consideration paid	1,087	–	1,087
Less: Cash of subsidiaries	(128)	(10)	(138)
Net cash outflow on acquisition	959	(10)	949

As at 31 December 2008, the fair value of the plant and equipment had been determined on a provisional basis as the results of the independent valuation report was not obtained. During the year, the Group has engaged an independent equipment valuer to determine the fair value of the plant and equipment. The fair value of the net assets acquired were restated based on the revised valuation report received from the valuer on the plant and equipment and management evaluation on other assets and liabilities. Accordingly, the 2009 comparative figures for the Group have been restated as disclosed in Note 38.

(iv) On 3 December 2009, Chasen Holdings Limited acquired the balance 1% equity interest in REI Technologies Pte Ltd ("REI"), a company incorporated in Singapore, for a cash consideration of $3,000 from the minority shareholder.

The minority interest's share of net assets of REI acquired by Chasen Holdings Limited during the year was as follows:

	$'000
Minority interest's share of net assets	13
Total consideration	3
Negative goodwill on acquisition of minority interest (Note 5)	(10)

16. INTANGIBLE ASSETS

	Know-how* $'000	Software development** $'000	Total $'000
Cost			
As at 1 April 2009	–	–	–
Additions	445	1,848	2,293
As at 31 March 2010	445	1,848	2,293
Accumulated Amortization			
As at 1 April 2009 and As at 31 March 2010	–	–	–
Carrying amount			
As at 31 March 2010	445	1,848	2,293

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

** Cost on Software development is attributable to the platform providing sport and social welfare lottery service in PRC through the paperless media

17. GOODWILL ON CONSOLIDATION

	Group	
	2010 $'000	2009 $'000
At the beginning of the year	2,191	1,359
Goodwill arising from acquisition of a subsidiary*	1,191	814
Goodwill arising from acquisition of minority interest		
- GKH Group**	–	(48)
- Chasen Logistics (Shanghai) Co., Ltd***	–	66
As at end of the year	3,382	2,191

* In accordance with the Sale and Purchase and Investment Agreement dated 28 February 2008, the purchase consideration was finalised after applying the appropriate price earning ratios on the subsidiary companies' net profit after tax for the 12 months period after 1 April 2008 (date of acquisition). A purchase consideration adjustment was made by way of additional cash consideration of $1,191,000. As a result of the purchase consideration adjustment, the goodwill as computed was adjusted accordingly.

** In 2009, in accordance with the Sale and Purchase and Investment Agreement dated 8 January 2008, the purchase consideration was finalised after applying the appropriate price earning ratios on the subsidiary companies' net profit after tax for the 12 months period after 31 January 2008 (date of acquisition). A purchase consideration adjustment was made by way of transfer of shares from the minority interest to the Company. As a result of the purchase consideration adjustment, the goodwill as computed was adjusted accordingly.

*** In 2009, the subsidiary company, Chasen Logistics & Engineering Services Pte Ltd acquired an additional 30% equity interest in Chasen Logistics (Shanghai) Co., Ltd ("Chasen Shanghai") on 18 July 2008 from its minority interest for a cash consideration of US$50,000 (equivalent to S$68,000). Consequently, Chasen Shanghai became a wholly owned subsidiary of the Company.

17. GOODWILL ON CONSOLIDATION (cont'd)

The goodwill arose from the acquisition of equity interest in the following subsidiaries:

	Group	
	2010	2009
	$'000	$'000
- GKH Group	1,311	1,311
- Hup Lian Engineering Pte Ltd	2,005	814
- Chasen Logistics (Shanghai) Co., Ltd	66	66
	3,382	2,191

Impairment test for goodwill

The recoverable amount of the goodwill was determined based on value in use calculation. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 5% (2009: 5%) per annum. The growth rate used is based on management expectation of growth in the marine, construction and logistics industry in which the subsidiary companies operate. The discount rate is 5% (2009: 5%) and has been applied to the cash flow projections.

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

18. GROSS AMOUNT DUE FROM CUSTOMERS ON WORK-IN-PROGRESS

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Aggregated costs incurred and recognized profits (less recognized losses) to date on uncompleted construction contracts	1,574	13,979	–	–
Less: Progress billing	(1,412)	(12,228)	–	–
	162	1,751	–	–
Presented as:				
Gross amount due from customers on work-in-progress	162	1,751	–	–

19. INVENTORIES

	Group	
	2010	2009 (Restated)
	$'000	$'000
Raw materials	297	10
Work in progress	183	116
Finished goods	235	68
Consumables	40	44
	755	238

20. TRADE RECEIVABLES

	Group 2010 $'000	Group 2009 $'000
Outside parties	27,510	22,306
Retention receivable	1,669	809
Less: Allowances for doubtful trade receivables	(228)	(191)
	28,951	22,924

The movement in the allowances for doubtful trade receivables account is as follows:

	Group 2010 $'000	Group 2009 $'000
Balance at beginning of year	191	27
Addition during the year	92	164
Amount written off	(36)	–
Reversal of allowance no longer required	(19)	–
Balance at end of year	228	191

The Group deal with customers who are reputable in both domestic and international markets. Management believes that there is no credit risk which warrants an allowance for impairment of the Group's trade receivables.

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group 2010 $'000	Group 2009 (Restated) $'000	Company 2010 $'000	Company 2009 $'000
Deposit paid	781	772	–	–
Dividend received	–	–	1,000	2,000
Other receivables and prepayment	6,081	7,656	2,153	1,480
	6,862	8,428	3,153	3,480
Less: Non-current portion	(2,829)	(3,091)	(2,019)	(1,381)
	4,033	5,337	1,134	2,099

In 2009, included in the deposits was an amount of $270,000 being deposits for banker's guarantees issued to a customer as performance guarantees on construction contracts.

Included in other receivables and prepayment are (1) an amount of nil (2009: $1,110,000) incurred by the Group on software development which was capitalized as intangible asset during the financial year (Note 16); (2) an amount of $1,546,000 (2009: $653,000) being prepayment made by the Group and Company in anticipation of potential business opportunities and (3) an amount of $1,272,000 (2009: $1,381,000) being down payment by the Group and Company for the purchase of an industrial property.

22. CASH AND BANK BALANCES

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Cash and bank balances	5,545	6,085	115	672
Fixed deposits placed with banks	1,412	2,863	–	–
	6,957	8,948	115	672

Included in the fixed deposits of the Group is an amount of approximately $1,412,000 (2009: $1,086,000) pledged to banks as securities for the bank facilities.

Fixed deposits of the Group bear interest rates ranging from 0.1000% to 0.9250% per annum (2009: ranging from 0.0200% to 1.5000% per annum) with maturity dates within one month to twelve months (2009: one month) from the end of the financial year.

The carrying amounts of cash and cash equivalents approximate their fair values.

The weighted average effective interest rates of cash at bank and fixed deposits at the balance sheet date are as follows:

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Singapore Dollar	0.17%	0.31%	–	–
United States Dollar	–	0.12%	–	–
Chinese Yuan	1.90%	1.60%	–	–
Malaysian Ringgit	–	1.00%	–	–

The exposure of bank and cash balances to interest rate risks is disclosed in Note 36(c).

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	Group	
	2010	2009
	$'000	$'000
Cash and bank balances	6,957	8,948
Less: fixed deposits – pledged	(1,412)	(1,086)
Bank overdraft	(204)	(12)
Cash and cash equivalents per consolidated statement of cash flows	5,341	7,850

23. BANK LOANS (SECURED)

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Bank loans	10,244	4,495	2,875	3,020
Current portion of bank loans	(5,754)	(1,650)	(1,928)	(1,004)
Non-current portion of bank loans	4,490	2,845	947	2,016

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Bank loans repayable:				
Within one year	5,754	1,650	1,928	1,004
Within two to five years	4,237	2,762	947	2,016
After five years	253	83	–	–
	10,244	4,495	2,875	3,020

The bank loan is secured by the following:

a) legal mortgage of the Group's leasehold building.

b) corporate guarantee of the Company, Chasen Holdings Limited, and a subsidiary, Chasen Logistics Services Limited.

c) pledge of fixed deposits amounting to about $1,412,000 (2009: $1,086,000).

d) personal guarantee from a director of a subsidiary for a certain amount guaranteed by certain directors of subsidiaries).

e) debenture with a fixed charge on certain plant and equipment.

f) assignment of contract proceeds from a specific project undertaken by a subsidiary (2009: Nil).

The bank loans are repayable from 6 months to 20 years (2009: 3 to 14 years). Interest is charged at range from 1.00% to 13.75% per annum (2009: 3.25% to 18.00% per annum).

24. TRADE PAYABLES

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Outside parties	7,518	14,780	–	–

25. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2010	2009 (Restated)	2010	2009
	$'000	$'000	$'000	$'000
Accrual	3,418	2,182	383	185
Amounts due to directors*	90	284	–	–
Deposits received	4	84	–	–
Others	2,779	1,395	17	149
	6,291	3,945	400	334

* These represent amounts owing to directors of the Company which are unsecured, interest-free and repayable on demand.

26. DEFERRED INCOME

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Balance at beginning of the year/date of acquisition of subsidiaries	69	81	–	–
Amount amortized during the year	(36)	(12)	–	–
Balance at end of the year	33	69	–	–
Current portion	(19)	(21)	–	–
Non-current portion	14	48	–	–

Deferred income relates to the asset sale and leaseback transactions arising from finance leases recognized as deferred income and is being amortized over the lease term.

27. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

The Group leases certain plant and equipment, and motor vehicles from non-related parties under hire purchase. The hire purchase agreements 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.

	Group	
	2010	2009
	$'000	$'000
Minimum lease payments payable:		
Within one year	1,293	1,241
Within two to five years	1,237	1,644
After five years	162	124
	2,692	3,009
Less: Future finance charges	(296)	(299)
Present value of minimum lease payments	2,396	2,710

27. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS (cont'd)

The present values of minimum leases payments are analysed as follows:

	Group	
	2010	2009
	$'000	$'000
Within one year	1,159	1,137
Later than one year:		
Within two to five years	1,210	1,470
After five years	27	103
Total	2,396	2,710

The rates of interest range from 2.20% to 17.97% per annum (2009: 2.00% to 7.00% per annum).

The carrying amounts of obligations under hire purchase contracts approximate their fair values and are denominated in Singapore dollars.

All assets acquired under hire purchase contracts are secured. The net carrying value of the plant and equipment acquired under hire purchase contracts is disclosed in Note 11.

28. DEFERRED INCOME TAX LIABILITIES

The movement for the period in deferred tax position is as follows:

	Group	
	2010	2009
	$'000	$'000
At beginning of the year	297	50
Charge to income for the year	42	139
On acquisition of subsidiaries	–	108
At end of the year	339	297

The following are the major deferred tax liabilities recognized by the Group during the year:

	Group	
	2010	2009
	$'000	$'000
Tax effect of:		
Deferred tax liabilities:		
Excess of capital allowances over depreciation	349	297
Deductible timing differences in respect of revenue and expenses	(10)	–
	339	297

29. SHARE CAPITAL

Issued share	Group No of ordinary shares '000	Group $'000	Company No of ordinary shares '000	Company $'000
At 1 April 2008	14,699,416	23,737	14,699,416	53,265
Share consolidation [1]	(14,552,422)	–	(14,552,422)	–
At 31 March 2009/2010	146,994	23,737	146,994	53,265

(1) On 1 December 2008, the ordinary shares were consolidated on a 100:1 basis.

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Chasen Performance Share Plan (The "Plan")

From the commencement of the Plan to 31 March 2010, awards comprising an aggregate of 2,981,912 shares prior to share consolidation have been granted. The vesting period of the shares awarded varied from one to three years and is subject to the fulfilment of the conditions stated in the Plan.

As at end of 31 March 2010, details of performance shares awarded under the Plan are set out as below:-

Date of grant	Share Awards granted since commencement of Plan to end of financial year under review	Share Awards vested since commencement of Plan to end of financial year under review	Share Awards cancelled since commencement of Plan to end of financial year under review	Share Awards outstanding as at end of financial year under review
23 August 2007	476,000	(333,200)	Nil	142,800
1 September 2008	970,000	(350,000)	Nil	620,000
27 July 2009	189,000	(132,300)	Nil	56,700
22 February 2010	1,346,912	Nil	Nil	1,346,912

30. TREASURY SHARES

	Group and Company			
	2010		2009	
	Number of ordinary shares	$'000	Number of ordinary shares	$'000
As at beginning of the year	2,219,444	534	–	–
Repurchased during the year	96,000	19	2,219,444	534
Transferred during the year	(815,500)	(195)	–	–
As at end of the year	1,499,944	358	2,219,444	534

The Company acquired 96,000 (2009: 2,219,444) of its own shares through purchase on the Singapore Exchange during the year. The total amount paid was $19,000 (2009: $534,000) and has been deducted from shareholders' equity. The shares are held as "Treasury shares".

During the financial year ended 31 March 2010, the Company has released 815,500 shares pursuant to the vesting of 815,500 out of the 1,347,000 performance shares awarded by transferring of treasury shares to the eligible participants.

31. RELATED PARTY TRANSACTIONS

Disclosure on related party transactions

An entity or individual is considered a related party of the Group for the purposes of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group;

(ii) it is subject to common control or common significant influence.

The following transactions took place between the Group and related parties during the financial year:

(a) **Significant transactions with related parties:**

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Advances from directors	100	–	–	–

(b) **Key management personnel compensation:**

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Wages and salaries and other related expenses	1,043	1,203	–	–
Employers' contribution to defined contribution plan	53	49	–	–
	1,096	1,252	–	–

(c) **Significant transactions with subsidiaries:**

	Company	
	2010	2009
	$'000	$'000
Funds transferred to subsidiaries	900	910

Amount due from subsidiaries are unsecured, interest-free and repayable on demand.

32. FINANCIAL GUARANTEES

The Company has given corporate guarantees up to $5,343,000 (2009: $3,843,000) to certain banks and financial institution for credit 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 consequential benefit derived from its guarantees to the banks and financial institution with regard to the subsidiaries is minimal. The subsidiaries for which the guarantees were provided are in favourable equity positions and are profitable.

The directors estimated that the fair value of the corporate guarantee is negligible.

33. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had outstanding commitments for non-cancellable operating lease payments in respect of the leasehold buildings and warehouse. The non-cancellable leases have remaining lease terms from 3 months to 14 years (2009: 1 to 15 years). Future minimum lease payments payable under non-cancellable lease are as follows:

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Lease payable:				
Within one year	1,751	842	–	–
Within two to five years	2,674	1,329	–	–
After five years	2,215	2,382	–	–
	6,640	4,553	–	–

34. CAPITAL COMMITMENT

	Group		Company	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Capital commitments contracted but not provided for:				
a. Property	–	390	–	–
b. Acquisition of a construction company	–	94	–	–
c. Plant and equipment	1,113	–	–	–
d. Incorporation of a joint-venture company by way of certain plant and equipment as capital contribution – Note 39(2)	5,135	–	–	–
e. Acquisition of an associated company*	4,000	–	–	–
f. Capital contribution on the incorporation of a joint-venture company**	1,011	–	–	–
	11,259	484	–	–

* During the financial year, the Company and its subsidiary, HLE had entered into a sale and purchase agreement with Caitong Investments Pte Limited ("CTI") to acquire 30% equity interest in CTI for a consideration of $5,000,000 of which $1,000,000 has been paid and recorded as prepayment as at 31 March 2010. The acquisition of CTI shares is to facilitate the combination of complementary capabilities of the Company and CTI to pursue, secure and execute infrastructure related project in the PRC.

** During the financial year, the subsidiary, HLE incorporated a joint-venture company with Shanghai FengChuang M & E Equipment Co., Ltd. The capital contribution made by HLE was US$722,400 (equivalent to S$1,010,638) subsequent to the balance sheet date.

35. SEGMENT INFORMATION

The Group is currently engaged in three business activities namely relocation services, third party logistics services and technical & engineering services ("technical & engineering services"). These three business segments are the basis on which the Group reports its primary segment information.

The principal business activities are:-

A. Relocation services – being the provision of machinery and equipment moving services through projects or maintenance contracts;

B. Third party logistics services – being the provision of packing services and the supply of packaging and crating materials, the provision of warehousing of customers' new or replaced machinery and equipment in our premises or open yard prior to installation in the customers' premises or shipping out of the country and land transportation services using specialised conveyance vehicles and material handling equipment.

C. Technical & engineering services – being the provision of turnkey facilities and engineering solutions, repair and maintenance services to customers in the high tech electronic industries, construction projects of customers in the marine, property development, oil and gas industries and contract manufacturing services in the electronic, telecommunications and other high technology industries.

Segment revenue and expense are the operating revenue and expense reported in the Group's income statement 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 fixed assets 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 bank balances, bank loan and overdraft, trade payables, other payables and provisions, deferred taxation, provision for taxation, obligations under hire purchase contracts, other operating income and operating expense.

35. SEGMENT INFORMATION (cont'd)

For the financial year ended 31 March 2010:

	Relocation services $'000	Thirty Party Logistics services $'000	Technical & Engineering services $'000	Total $'000
Revenue				
External sales	18,659	12,490	44,413	75,562
Results				
Gross profit	8,033	3,132	7,597	18,762
Unallocated other operating income				1,452
Unallocated expenses				(11,713)
Profit from operations				8,501
Finance costs				(482)
Profit before income tax				8,019
Income tax expense				(1,586)
Net profit for the financial year				6,433
Other information				
Segment assets – trade receivable	7,113	4,762	17,076	28,951
Segment assets – fixed assets	6,263	2,870	6,176	15,309
Segment assets – Unallocated				25,803
Total assets				70,063
Segment liabilities – Unallocated				(28,577)
Capital expenditure – Unallocated				(4,957)
Depreciation	1,252	574	1,377	3,203
Depreciation – unallocated				377
Total depreciation				3,580

35. SEGMENT INFORMATION (cont'd)

For the financial year ended 31 March 2009:

	Relocation Services $'000	Thirty Party Logistics services $'000	Technical & Engineering services $'000	Total $'000
Revenue				
External sales	11,156	9,405	34,379	54,940
Results				
Gross profit	3,174	3,898	7,710	14,782
Unallocated other operating income				1,964
Unallocated expenses				(11,637)
Profit from operations				5,109
Finance costs				(350)
Profit before income tax				4,759
Income tax expense				(768)
Net profit for the financial period				3,991
Other information				
Segment assets – trade receivables	2,721	2,262	17,941	22,924
Segment assets – fixed assets	6,343	3,431	4,717	14,491
Segment assets – Unallocated				26,491
Total assets				63,906
Segment liabilities – Unallocated				(27,122)
Capital expenditure – Unallocated				4,523
Depreciation	1,096	614	816	2,526
Depreciation – unallocated				325
Total depreciation				2,851

35. SEGMENT INFORMATION (cont'd)

Geographical Segment

Distribution of total revenue by geographical locations of services rendered:-

	2010 $'000	2009 $'000
Singapore	64,294	47,714
PRC	5,612	4,982
Malaysia and Vietnam	5,656	2,244
Total	75,562	54,940

Assets and capital expenditure by geographical areas based on the location of those assets:

	Carrying amounts of segment assets		Capital expenditure	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Singapore	55,654	49,744	3,941	1,717
PRC	10,292	11,867	544	2,204
Malaysia and Vietnam	4,117	2,295	472	602
	70,063	63,906	4,957	4,523

36. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks. The Group's overall business strategies, tolerance of risk and general risk management philosophy are determined by directors in accordance with prevailing economic and operating conditions.

(a) Credit risk

Credit risk is the risk that companies and other parties will be unable to meet their obligations to the Group resulting in financial loss to the Group. The Group manages such risks by dealing with a diversity of credit-worthy counterparties to mitigate any significant concentration of credit risk. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections. The Group places its cash and cash equivalents with creditworthy institutions.

Trade receivables are generally on 30 days to 90 days terms. As the Group does not hold any collateral, the maximum exposure to credit risk in the event that the counterparties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the balance sheet.

36. FINANCIAL RISK MANAGEMENT (cont'd)

Financial risk factors (cont'd)

(a) Credit risk (cont'd)

The credit risk for financial guarantees based on the information provided to key management is as follows:

Company	2010 $'000	2009 $'000
Financial guarantees	5,343	3,843

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

Financial assets that are past due and/or impaired.

There is no other class of financial assets that is past due and/or impaired except for trade receivables as shown in the balance sheet.

The age analysis of trade receivables past due but not impaired is as follows:

Group	Group 2010 $'000	2009 $'000
Past due 0-30 days	2,415	3,897
Past due 31-60 days	591	1,640
Past due 61-90 days	1,021	870
More than 90 days	447	8,729
Total	4,474	15,136

The management has evaluated the credit standing of the customers with significant outstanding balances with the Group at the balance sheet date. As the majority of them are multinational corporations, the management has reasonable grounds to believe that the Group does not have significant credit risk at the balance sheet date. Credit risks arising from sales are evaluated on an on-going basis. The receivables are also monitored continually and hence the Group does not expect to incur material credit losses.

(b) Foreign exchange risk

Foreign exchange risk arises from a change in foreign currency exchange rate, which is expected to have adverse effect on the Group in the current reporting period and in future years.

The Group's main foreign currency risk arises from foreign currency denominated sales and purchases, and operating expenses. This risk is mitigated to certain extent by the natural hedge between sales receipts and purchases, and operating expenses disbursement.

Companies within the Group maintain their books in their respective functional currencies. Profits and net assets of overseas companies are translated into Singapore dollars, the Group's reporting currency for consolidation purposes.

36. FINANCIAL RISK MANAGEMENT (cont'd)

Financial risk factors (cont'd)

(b) Foreign exchange risk (cont'd)

The Group also maintains foreign currency bank accounts for operating purposes.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	RMB $'000	MYR $'000	USD $'000	YEN $'000	EURO $'000	BAHT $'000	Total $'000
The Group								
At 31 March 2010								
Financial assets								
Bank and cash balances	5,410	632	239	662	14	–	–	6,957
Trade and other receivables	26,034	5,632	2,354	1,793	–	–	–	35,813
	31,444	6,264	2,593	2,455	14	–	–	42,770
Financial liabilities								
Other liabilities	9,602	3,429	574	204	–	–	–	13,809
Net financial assets/(liabilities)	21,842	2,835	2,019	2,251	14	–	–	28,961
Less: Net financial assets denominated in the respective entities' functional currencies	21,842	2,835	2,019	–	–	–	–	26,696
Net financial assets	–	–	–	2,251	14	–	–	2,265
At 31 March 2009								
Financial assets								
Bank and cash balances	2,899	3,850	679	1,505	15	–	–	8,948
Trade and other receivables	19,025	2,682	1,054	8,591	–			31,352
	21,924	6,532	1,733	10,096	15	–	–	40,300
Financial liabilities								
Other liabilities	11,425	196	264	6,778	12	27	23	18,725
Net financial assets/(liabilities)	10,499	6,336	1,469	3,318	3	(27)	(23)	21,575
Less: Net financial assets denominated in the respective entities' functional currencies	10,499	6,336	1,469	–	–	–	–	18,304
Net financial assets	–	–	–	3,318	3	(27)	(23)	3,271

36. FINANCIAL RISK MANAGEMENT (cont'd)

Financial risk factors (cont'd)

(b) Foreign exchange risk (cont'd)

If the USD varies against the SGD by 10.00% (2009: 10%) , the YEN varies against SGD by 10.00% (2009: 10.00%) and with all other variables including tax rate being held constant, the effects from the net financial asset position will be as follows:

	Net Profit 2010 $'000	Net Profit 2009 $'000
USD against SGD		
- strengthen	225	332
- weaken	(225)	(332)
YEN against SGD		
- strengthen	1	–
- weaken	(1)	–

(c) Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Group's financial conditions and/or results. The primary source of the Group's interest rate risk is its borrowings from financial institutions in Singapore. The Group's and Company's policy is to manage its interest cost using a combination of fixed and variable interest rate borrowings, where applicable.

The Group has adequate credit facilities to ensure necessary liquidity as provided from the consolidated balance sheet.

The Group has cash balances placed with reputable banks. The Group manages its interest rate risks on its interest income by placing the cash balances in varying maturities and interest rate terms.

The financial assets and liabilities of the Group are non-interest bearing except for bank and cash balances and borrowings as set out in the table below, categorised by the earlier of contractual repricing or maturity dates.

	Variable Rates less than 12 months $'000	Variable Rates more than 12 months $'000	Fixed Rates less than 12 months $'000	Total $'000
The Group				
At 31 March 2010				
Assets				
Long term fixed deposits	–	1,000	–	1,000
Cash and cash equivalents	5,545	–	1,412	6,957
Liabilities				
Borrowings	–	9,244	1,000	10,244

36. FINANCIAL RISK MANAGEMENT (cont'd)

Financial risk factors (cont'd)

(c) Interest rate risk (cont'd)

	Variable Rates less than 12 months $'000	Variable Rates more than 12 months $'000	Fixed Rates less than 12 months $'000	Total $'000
The Group				
At 31 March 2009				
Assets				
Long term fixed deposits	–	1,000	–	1,000
Cash and cash equivalents	6,085	–	2,863	8,948
Liabilities				
Borrowings	–	4,495	–	4,495

The Company's borrowings at variable rates are denominated mainly in SGD and USD. If the interest rates increase by 0.5% (2009: 0.5%) with all other variables including tax rate being held constant, the net profit will be lower by $51,000 (2009: $22,000) as a result of higher interest expense on these borrowings.

(d) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group maintains sufficient cash balances to provide flexibility in meeting its day to day funding requirements.

(e) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, buy back issued shares or obtain new borrowings.

The capital structure of the Group and Company is predominately equity. In view of the strong cash and net equity position, gearing is currently considered not significant.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2009 and 2010.

(f) Fair values of financial assets and financial liabilities

The fair values of financial assets and financial liabilities approximate their carrying amount as reflected in the consolidated balance sheet.

37. DIVIDENDS

	Group and Company 2010 $'000	2009 $'000
Declared and paid during the year:		
Dividends on ordinary shares:		
Final exempt (one-tier) dividend for 2008 at $0.00004 per share	–	587
Final exempt (one-tier) dividend for 2009 at $0.0052 per share	753	–
Proposed but not recognized as a liability as at 31 March 2010/2009		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
Final exempt (one-tier) dividend for 2010 at $0.0060 (2009: $0.0052 per share)	1,309	764

38. RESTATEMENT AND RECLASSIFICATION OF COMPARATIVE FIGURES

	As previously reported $'000	Group purchase price allocation adjustments $'000	As restated $'000
Presented in the consolidated statement of comprehensive income:			
Cost of sales	40,129	29	40,158
Other operating income	1,150	10	1,140
Negative goodwill arising from acquisition of subsidiaries	631	193	824
Administrative expenses	8,083	40	8,123
Presented in the statements of financial position:			
Property, plant and equipment	14,155	336	14,491
Other receivables, deposits and prepayments	5,363	26	5,337
Other payable and accruals	4,005	60	3,945
Currency translation reserve	1,072	61	1,133
Retained profits	8,989	114	9,103
Minority interests	3,120	71	3,191

As disclosed in Note 15 (ii) and (iii), the fair value of the materials of the acquired subsidiaries, CZE and REI Promax as at 30 September 2008 and 31 December 2008, respectively, had been determined on a provisional basis as the results of the independent valuation reports were not obtained by the date of the issue of the financial statements for the year ended 31 March 2009.

During the year, the independent valuation reports were received and the fair value of the net assets acquired was restated. Accordingly, adjustments were made to the purchase price allocation on the acquisition of CZE and REI Promax as if the adjustments had been made in the effective date of acquisition of 30 September 2008 and 31 December 2008, respectively. The 2009 comparative figures of the Group were restated as shown above.

Notes to the Financial Statements

For the financial year ended 31 March 2010

39. EVENTS AFTER BALANCE SHEET DATE

(1) On 6 May 2010, 72,747,081 right shares of $0.13 each amounting to $9,457,000 and 36,373,444 warrants (where each warrant carrying the right to subscribe for one new ordinary share at the exercise price of $0.30 during the period commencing on and including the date of issue of the warrants and expiring on the date immediately preceding the fifth (5th) anniversary of such date of issue) were issued.

(2) On 21 May 2010, the subsidiary, Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd ("Chasen HiTech"), incorporated a joint-venture company ("JV Company") with Sinotrans Air Transportation Development Co., Ltd ("Sinotrans"). Under the joint venture agreement, Chasen HiTech and Sinotrans will hold a 50% equity interest each in the JV Company. Chasen HiTech will contribute to the share capital in the form of certain plant and equipment valued at RMB25,000,000 (equivalent to $5,134,525).

Statistics of Shareholdings

As at 28 June 2010

I.	Class of shares	:	Ordinary
	No. of ordinary shares	:	218,241,423 *
	Voting right	:	One vote per share (excluding treasury shares)
	Treasury Shares	:	1,499,944

* *Excludes non-voting treasury shares*

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	2,223	34.02	688,472	0.31
1,000 - 10,000	3,579	54.77	13,071,651	5.99
10,001 - 1,000,000	719	11.00	33,600,536	15.40
1,000,001 and above	14	0.21	170,880,764	78.30
Total	6,535	100.00	218,241,423	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Low Weng Fatt	47,397,708	21.72
2	Yap Koon Bee @ Louis Yap	34,881,083	15.98
3	United Overseas Bank Nominees Pte Ltd	22,579,016	10.35
4	Yeo Seck Cheong	19,503,165	8.94
5	Siah Boon Hock	8,287,401	3.80
6	Cheong Tuck Nang (Zhang Deneng)	7,732,912	3.54
7	Lim Poh Hee	7,564,000	3.47
8	Tan Yee Kiang	7,528,410	3.45
9	Hong Leong Finance Nominees Pte Ltd	5,263,000	2.41
10	Kim Eng Securities Pte. Ltd.	3,425,164	1.57
11	Tan See Tee	2,729,410	1.25
12	Yeo Loo Eng	1,464,000	0.67
13	David Tan Chao Hsiung	1,280,000	0.59
14	DBS Vickers Securities (S) Pte Ltd	1,245,495	0.57
15	Tng Kay Lim	889,000	0.41
16	Tay Geok Tin	810,000	0.37
17	CIMB Securities (Singapore) Pte Ltd	779,998	0.36
18	Lee Teck Lim	750,000	0.34
19	DBS Nominees Pte Ltd	746,482	0.34
20	Phillip Securities Pte Ltd	746,139	0.34
	Total	175,602,383	80.47

Statistics of Shareholdings

As at 28 June 2010

II.	Total Number of Ordinary Shares held in treasury ("Treasury Shares")	:	1,499,944
	Voting right	:	None
	Percentage of this holding against total number of issued shares excluding Treasury Shares	:	0.69%

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	%	Indirect Interest	%
Low Weng Fatt [1]	50,397,708	23.09	165,000	0.08
Yap Koon Bee @ Louis Yap	34,881,083	15.98	–	–
Yeo Seck Cheong	19,503,165	8.94	–	–

Note :

(1) *3,000,000 shares are held by Hong Leong Finance Nominees Pte Ltd.*

Statistics of Warrantholdings

As at 28 June 2010

DISTRIBUTION OF WARRANTHOLDINGS

Size of Holdings	No. of Warrantholders	%	No. of Warrants	%
1 - 999	1,135	38.28	293,864	0.81
1,000 - 10,000	1,706	57.54	3,538,586	9.73
10,001 - 1,000,000	117	3.94	8,400,476	23.09
1,000,001 and above	7	0.24	24,140,338	66.37
Total	2,965	100.00	36,373,264	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name	No. of Warrants	%
1	Low Weng Fatt	7,281,509	20.02
2	Yap Koon Bee @ Louis Yap	6,407,207	17.62
3	United Overseas Bank Nominees Pte Ltd	3,732,152	10.26
4	Siah Boon Hock	2,832,675	7.79
5	Yeo Seck Cheong	1,333,772	3.67
6	Cheong Tuck Nang (Zhang Deneng)	1,288,818	3.54
7	Tan Yee Kiang	1,264,205	3.48
8	David Tan Chao Hsiung	650,000	1.79
9	Lim Poh Hee	620,000	1.70
10	Cheng Wa Sing	444,000	1.22
11	Tan See Tee	409,205	1.13
12	Lee Teck Lim	409,000	1.12
13	Kim Eng Securities Pte. Ltd.	408,396	1.12
14	Yew Sam Ju	307,000	0.84
15	Yeo Loo Eng	220,000	0.60
16	Chong Lai Fun Katherine	215,000	0.59
17	Mak Yeow Seng	214,000	0.59
18	DBS Vickers Securities (S) Pte Ltd	195,646	0.54
19	Lin Yucheng	169,500	0.47
20	CIMB Securities (Singapore) Pte Ltd	154,115	0.42
	Total	28,556,200	78.51

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 28 June 2010, approximately 43.51% 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. Therefore, 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 the Raffles Lounge (Level 2), Raffles Country Club, 450 Jalan Ahmad Ibrahim, Singapore 639932 on the 30th day of July 2010 at 11.00 a.m. for the purposes of considering and if thought fit, passing the following resolutions as Ordinary Resolutions, with or without any modifications:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company and the Group for the year ended 31 March 2010 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a one-tier tax exempt final dividend of $0.006 per share for the year ended 31 March 2010 (2009: $0.0052 per share). **(Resolution 2)**

3. To re-elect Siah Boon Hock, a Director of the Company retiring pursuant to Article 110 of the Articles of Association of the Company. **(Resolution 3)**

4. To re-elect Tan Sin Huat Dennis, a Director of the Company retiring pursuant to Article 120 of the Articles of Association of the Company.

   [See Explanatory Note (a)] **(Resolution 4)**

5. To re-appoint Mr Yap Koon Bee @ Louis Yap, a Non-Executive Director of the Company retiring under Section 153(6) of the Companies Act, Chapter. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.

   [See Explanatory Note (b)] **(Resolution 5)**

6. To approve the payment of Directors' fees of $400,000 for the year ended 31 March 2010 (2009: $300,000). **(Resolution 6)**

7. To re-appoint Messrs LTC LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

9. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the SGX-ST Listing Manual – Section B: Rules of Catalist**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the SGX-ST Listing Manual - Section B: Rules of Catalist, the Directors of the Company be authorised and empowered to:

   (a) (i) 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 pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**")

provided that:

(1) The aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

    (a) new shares arising from the conversion or exercise of the Instruments;

    (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and

    (c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the SGX-ST Listing Manual – Section B: Rules of Catalist for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (c)] **(Resolution 8)**

10. **Authority to allot and issue shares and Instruments other than on a pro-rata basis at a discount not exceeding 20 per centum (20%)**

That subject to and pursuant to the Share Issue Mandate being obtained in Resolution 8 above, approval be and is hereby given to the Directors of the Company to allot and issue shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to the Share Issue Mandate) other than on a pro rata basis at an issue price per share as the Directors of the Company may in their absolute discretion deem fit provided that such price shall not (i) if the issue was made on or before 31 December 2010, or such other date as may be determined by the Singapore Exchange Securities Trading Limited, represent a discount of more than 20% to the weighted average price per share or (ii) if the issue was made after 31 December 2010, or such other date as may be determined by the Singapore Exchange Securities Trading Limited, represent a discount of more than 10% to the weighted average price per share, determined in accordance with the requirements of the SGX-ST; and unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held or whichever is the earlier.

[See Explanatory Note (d)] **(Resolution 9)**

Notice of Annual General Meeting

11. **Renewal of Share Buyback Mandate**

That:-

(a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued shares in the capital of the Company ("Shares") from time to time 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 through the SGX-ST's Central Limit Order Book ("CLOB") trading system or through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, Cap 50 and the Listing Rules ("**Off-Market Purchase**").

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST, be and is hereby authorized and approved generally and unconditionally (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 of the Company is held or required by law to be held;

(ii) the date on which the share buybacks are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.

(c) In this Resolution:

"**Prescribed Limit**" means 10% of the total number of ordinary shares in the Company (excluding any treasury shares) as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act Cap. 50, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which this AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever this 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:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) 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 (e)] **(Resolution 10)**

12. That the proposed grant to Low Weng Fatt, an Executive Director and a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award of 140,000 shares, in the share capital of the Company, in accordance with the Chasen Performance Share Plan ("Plan") on or before 31 March 2011, be and is hereby approved.

[see Explanatory Note (f)] **(Resolution 11)**

13. That the proposed grant to Yap Koon Bee @ Louis Yap, a Non-Executive Director and a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award of 35,000 shares, in the share capital of the Company, in accordance with the Plan on or before 31 March 2011, be and is hereby approved.

[see Explanatory Note (g)] **(Resolution 12)**

14. That the proposed grant to Yap Beng Geok Dorothy, an Associate of a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award of 35,000 shares, in the share capital of the Company, in accordance with the Plan on or before 31 March 2011, be and is hereby approved.

[see Explanatory Note (h)] **(Resolution 13)**

By Order of the Board

CHEW KOK LIANG
Company Secretary
Singapore, 15 July 2010

Notice of Annual General Meeting

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. If a proxy is to be appointed, the form must be deposited at the registered office of the Company, at 18 Jalan Besut, Singapore 619571 not less than 48 hours before the meeting.

3. The proxy form must be signed by the appointor or his attorney duly authorised in writing.

4. In case of joint shareholders, all holders must sign the proxy form.

Explanatory Notes:

a. Mr Tan Sin Huat Dennis will, upon re-election as Director of the Company, remain as the Chairman of Nominating Committee and member of the Audit and Remuneration Committees and will be considered independent.

b. The effect of the Resolution 5 above, is to re-appoint a director of the Company who is over 70 years of age. Mr Yap Koon Bee @ Louis Yap will, upon re-appointment as a Non-Executive Director of the Company, remain as a member of the Audit and Remuneration Committees and will be considered non-independent.

c. Resolution 8 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 50% may be issued other than on a *pro-rata* basis to existing shareholders of the Company save that such number shall be up to 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company in relation to a *pro-rata* renounceable rights issue to existing shareholders for issue on or before 31 December 2010.

   For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time the 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.

d. Another measure implemented by the SGX-ST stated in the Press Release empowers directors to issue shares other than on a *pro-rata* basis at a discount of not more than 20% to the weighted average price per share determined in accordance with the requirements of the SGX-ST provided such issue is made on or before 31 December 2010, or such other date as may be determined by the SGX-ST.

e. Resolution 10 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the earliest of (i) the date on which the next AGM of the Company or the date by which the next AGM of the Company is held or required by law to be held; (ii) the date on which the share buybacks are carried out to the full extent mandated, or (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in general meeting, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company as at the date of the AGM at which this Ordinary Resolution is passed. The rationale for, the authority and limitation on, the sources of the funds to be used for the purchase or acquisition, including the amount of financing and financial effects of the purchase or acquisition of the ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 March 2010 are set out in greater detail in the Letter to Shareholders dated 15 July 2010 attached to this Annual Report.

f. Resolution 11 above, if passed, will empower the Directors to grant to Mr Low Weng Fatt, who is an Executive Director and a Controlling Shareholder, an award of 140,000 shares in the share capital of the Company.

   Mr Low Weng Fatt is the Managing Director of the Company and is responsible for the overall management and strategic growth direction of the Group.

   Mr Low took over the helm of the Company's subsidiary, Chasen Logistics Services Limited, in 2001. He has been with the Company since 1996 when it operated as a partnership and has played a pivotal role in steering the growth of Company since he became its Managing Director. He has ably led the Group with his extensive experience in the logistics industry by exploiting its first mover advantage in meeting the growing specialist relocation needs of manufacturers and other businesses which use sophisticated and expensive machines and equipment in their operations locally and in this region and building up a good track record and reputation for the Group.

   He has in-depth knowledge of the needs of the business as it evolved over the years. His ability to anticipate business trend and demand has enabled the Group to offer the right type of skills, equipment and value added services to meet the total relocation needs of customers. The development of this comprehensive range of services to meet the customers' relocation logistics needs also enabled the Group to replicate our services capabilities overseas in particular the People's Republic of China and Malaysia.

Notice of Annual General Meeting

Since the Company was listed on SGX in February 2007, Mr Low continues to play an instrumental role in charting the Group's business development, growth and expansion into the region. The Directors are of the view that the remuneration package of Mr Low which includes awards under the Plan, is fair given his contributions to the Group. The extension of the Plan to Mr Low is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr Low already has a shareholding interest in the Company, the extension of the Plan to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long term commitment to the Group.

During the year in review Mr Low successfully implemented the strategy to extend the scope of the Group's capability and to diversify its revenue base to other high growth industries such as solar energy, marine and construction in Singapore. He identified the new businesses and led in the negotiation to acquire them. The results of the Group's performance for the financial year ended 31 March 2010 which saw its revenue grew by 38% and Profit after tax by more than 61% from last financial year is testimony to the success of the corporate growth strategy.

The participation of and grant of awards to Mr Low Weng Fatt under the Plan has been approved in principle by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. This resolution seeks for the above-stated reasons, shareholders approval for the Directors decision to grant an award of 140,000 shares to Mr Low Weng Fatt in accordance with the Plan.

g. Resolution 12 above, if passed, will empower the Directors to grant to Mr Yap Koon Bee @ Louis Yap, who is a Non-Executive Director and a Controlling Shareholder, an award of 35,000 shares in the share capital of the Company.

Mr Yap Koon Bee @ Louis Yap is a Non-Executive Director of our Company and has been a Director of the Company's subsidiary, Chasen Logistics Services Limited since its incorporation in 1999.

Mr Yap is the founder of the Company, which started its business in 1995 as a partnership to supply labour for the stuffing and unstuffing of containers, packing and warehousing. He managed the Chasen Logistics Services Limited's business until 2001 when he retired from the day-to-day management. Although he is a Non-Executive Director, Mr Yap possesses substantial experience in the business of labour supply as well as transport and warehousing as he has been in this line since the 1960s. Mr Yap still maintains an advisory role in the Company and the Company is of the view that he will be able to provide business networks and market contacts to the Company and its subsidiaries which will be invaluable in assisting the Company in its objective of achieving a higher level of performance.

The extension of the Plan to Mr Yap is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr Yap already has a shareholding interest in the Company, the extension of the Plan to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his continued commitment to the Group.

The participation of and grant of awards to Mr Yap Koon Bee @ Louis Yap under the Plan has been approved in principle by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. For the above-stated reasons, the Directors propose to grant an award of 35,000 shares, as the case may be, to Mr Yap Koon Bee @ Louis Yap in accordance with the Plan.

h. Resolution 13 above, if passed, will empower the Directors to grant to Ms Yap Beng Geok Dorothy, who is an Associate of a Controlling Shareholder, an award of 35,000 shares in the share capital of the Company.

Ms Yap Beng Geok Dorothy is the daughter of our Non-Executive Director and Controlling Shareholder of our Company, Mr Yap Koon Bee @ Louis Yap. Ms Yap is the Group Administration Manager and is responsible for the day-to-day administrative workflow at the Company, human resource policy and other general administrative matters of the Group, including co-ordinating with professional service providers in corporate activities of the Company as a public listed company.

Having been with the Group since 1995, Ms Yap has acquired in-depth knowledge of many aspects of the Group's business, including its operation and administration.

The Directors are of the view that the remuneration package of Ms Yap which includes awards under the Plan is fair given her contributions to the Group. The extension of the Plan to Ms Yap is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. As the Plan serves as a recognition of the past contributions of those eligible to participate in the Plan, as well as to secure future contributions for the Company and the Group from them, the Directors consider it important that Ms Yap should not be excluded from the Plan on account of her being an associate of a substantial shareholder. The Directors consider it crucial that the Company compensates its employees on the merit of their work performance regardless of their relationship with shareholders.

The participation of and grant of awards to Ms Yap Beng Geok Dorothy under the Plan has been approved in principle by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. For the above-stated reasons, the Directors propose to grant an award of 35,000 shares, to Ms Yap Beng Geok Dorothy in accordance with the Plan.

BRIEF INFORMATION ON THE CHASEN PERFORMANCE SHARE PLAN

The Plan contemplates the award of fully paid shares, free of any payment by the awardee, when and after pre-determined performance or service-conditions are accomplished and/or due recognition has been given to any good work performance and/or contribution to the Company.

The aggregate number of new Shares over which the Committee may grant awards on any date, when added to the number of new Shares issued and issuable in respect of all Shares granted under this Plan and any other existing share schemes or share option schemes implemented or to be implemented by the Company, shall not exceed fifteen (15) per cent. of the issued share capital (excluding treasury shares) of the Company on the day preceding that date ("Plan Limit").

The total number of Shares to be offered to Controlling Shareholders and their associates shall not during the entire operation of the Plan exceed 25 per cent. of the Plan Limit and the total number of Shares to be offered to a Participant who is a Controlling Shareholder or his associate shall not during the entire operation of the Plan exceed 10 per cent. of the Plan Limit.

The eligibility of employees to participate in the Plan and the number of Shares which are the subject of each award at each date of grant to a participant in accordance with the Plan shall be determined at the absolute discretion of the Remuneration Committee which shall take into account the performance of the participant and such other general criteria as the Remuneration Committee may consider appropriate, subject to the following limits as well as other limitations set forth under the rules of the Listing Manual Section B: Rules of CataList and these Rules:

(a) Managing Director– up to 200,000 shares per year;

(b) Executive Directors (other than the Managing Director) – up to 150,000 shares each per year;

(c) Non-Executive Directors – up to 50,000 shares each per year;

(d) General Managers/Senior Managers – up to 100,000 shares each per year; and

(e) Managers – up to 50,000 shares each per year.

Subject to the Plan, the awards shall be released, in accordance with any conditions that the Remuneration Committee may, in its absolute discretion specify in the letter of offer granting the share awards subject to the following proportions and Vesting Periods:

(a) After the first anniversary of Date of Grant: maximum of 40% of share awards granted;

(b) After the second anniversary of Date of Grant: maximum of 70% of share awards granted; and

(c) After the third anniversary of Date of Grant: 100% of share awards granted.

The Company is unable to give an estimate cost of the grant of awards because it will be subject to computation on a global basis taking into consideration several factors, e.g price of shares buyback.

More detailed information on the Plan can be referred to in the Circular dated 23 April 2007, a copy of which can be inspected at the registered office at 18 Jalan Besut Singapore 619571.

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

I/We, ______________________________

of ______________________________

being a member/members of CHASEN HOLDINGS LIMITED (the "Company"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Raffles Lounge (Level 2), Raffles Country Club, 450 Jalan Ahmad Ibrahim, Singapore 639932 on 30 July 2010 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1.	Directors' Report and Audited Accounts for the year ended 31 March 2010		
2.	Payment of proposed one-tier tax exempt final dividend of $0.006 per share for financial year ended 31 March 2010		
3.	Re-election of Mr Siah Boon Hock as a Director		
4.	Re-election of Mr Tan Sin Huat Dennis as a Director		
5.	Re-appointment of Mr Yap Koon Bee @ Louis Yap as a Director		
6.	Approval of Directors' fees for financial year ended 31 March 2010		
7.	Re-appointment of Messrs LTC LLP as Auditors		
8.	Authority to issue additional shares pursuant to Section 161 of the Companies Act Cap. 50		
9.	Authority to issue new shares other than on *pro-rata* at a discount not more than 20%		
10.	Renewal of Share Buyback Mandate		
11.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Mr Low Weng Fatt		
12.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Mr Yap Koon Bee @ Louis Yap		
13.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Ms Yap Beng Geok Dorothy		

Dated this ____________ day of ________________ 2010

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

____

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

*Delete where inapplicable

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If the proportion of shareholding is not indicated, the second proxy will be deemed as alternate.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 18 Jalan Besut, Singapore 619571 not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

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

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Co. Reg. No. 199906814G