CHASEN™

Sustainable Growth
Service Excellence

ANNUAL REPORT 2018

OUR VISION

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

OUR MISSION

To develop each individual business unit capability in achieving the corporate vision

OUR SHARED VALUES

PROFIT-MINDEDNESS

Recognizing and maximizing the effective use of resources as a whole

MANAGEMENT EXCELLENCE

Art in achieving all stakeholders' needs from outside-in to inside-out to achieve a competitive advantage

TEAMWORK

To work with utmost co-operation to overcome and complete tasks promptly

INTEGRITY

Possessing strong moral values and principles, honest and upright to differentiate between right and wrong and being responsible and consistent

RESPECT

Positive feeling of esteem or deference for a person or other business unit

COMMITMENT

Responsibility of individual / business unit to put in extra efforts in completion / achievement of common goals / tasks

CONTENTS

Corporate Profile

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

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

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

Specialist Relocation Solutions – providing specialist manpower equipped with specialized material handling tools, equipment and vehicles to relocate the machinery and equipment of our customers within their premises, from one location to another location within a country, or from one country to another. The Chasen Group acts as a strategic partner to its customers in the management of their global relocation needs through projects or maintenance contracts. The Group is equipped to handle very sensitive machinery and equipment in cleanroom and "raised floor" environment.

"The Group's diversified revenue base and long-standing customer relationship provide a strong fundamental that would enable the Group to weather business cycles in specific industry."

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

Technical & Engineering – covering design, fabrication and installation of steel structures, mechanical and electrical installations including hook-up for production facilities, parts refurbishment, engineering and spares support, facilities management, scaffolding equipment and services, contract manufacturing, water treatment and process engineering services.

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

Chairman's Message

ERIC J P NG
Non-Executive Chairman

Dear Shareholders,

Our financial year ended 31 March 2018 ("**FY2018**") was particularly significant on several fronts. Our business was able to ride the global economic revival that saw the resumption of manufacturing capacity growth after plant expansion plans were put on hold in previous years. In addition the efforts of management to restructure and consolidate several internal processes bore fruit. This resulted in the Group achieving its highest annual revenue and reporting its best ever bottomline gain for a long while.

The global capacity expansion benefited our Specialist Relocation Solutions business segment most as Chinese flat-panel display manufacturers put on track their expansion plans and several new plants were established in the People's Republic of China ("**PRC**") by foreign investors. New and expanded solar panel manufacturing facilities also kept our Malaysian and Vietnamese relocation operations busy. Most of all, our newly established US subsidiary executed its maiden relocation project even though it was set up basically to market the Group's integrated service capabilities to the head offices of our MNC customers. These and a slew of other projects drove our revenue for FY2018 to an all-time high of S$127.9 million. This helped lift our net profit attributable to shareholders to a six-year high of S$5.5 million.

Besides Specialist Relocation, our Third Party Logistics ("**3PL**") business segment, which grew its cross-border trucking and related supply chain services including packaging and warehousing, also turned in a commendable performance in FY2018. Spanning Southeast Asia and China, our cross-border land freight capability is well regarded in the region given our extensive reach and track record in dependability for on-time deliveries, security and safety.

The hard slog restructuring and right-sizing the construction related Technical & Engineering ("**T&E**") services started to bear fruit and in the current financial year would be expected to turn around as their breakeven threshold has been reduced considerably. At the same time, the restructured business succeeded in securing projects that would enable them to meet their turn around targets.

Our ability to offer complementary T&E services raised the competitive advantage and value add to our relocation logistics capability. It is also gaining traction complementing our 3PL operations, enabling them to differentiate themselves from those who can only offer the basic 3PL services in bidding for projects in this sector. We are currently offering T&E services to the construction, logistics and manufacturing industries.

Chairman's Message

The Group's Vision is to offer integrated services combining technical and engineering capabilities to complement logistics services. As the Vision is being realised the Group would enhance its competitiveness beyond pricing.

Chasen as a whole continues to make good progress and the current financial year is expected to be another watershed as each subsidiary successfully implement their strategic business plans approved by the Board last financial year. As book orders continue to build up and projects executed across our three business segments, we hope to achieve another record in annual revenue in line with global economic growth opportunities. If the revenue targets for this financial year are achieved, and barring unforeseen circumstances, the Group would be expected to be well on its way to achieve its target of $200 million in revenue by 2020 through the following strategies:

I. Scaling up relocation business in China, Malaysia, Vietnam and the US;
II. Growing the 3PL cross-border land freight business; and
III. Streamlining Singapore operations, particularly the T&E operations, to improve internal cost efficiencies

Having said that, we are mindful of potential risks on the horizon, such as the growing trade tensions between the US and its key trading partners, including China. As various commentators have highlighted, trade disputes would dampen business and investment confidence and possibly even weaken global economic growth.

In the meantime, we continue to actively explore various options to enhance value for shareholders and to exit the SGX watch-list. Chasen has been on the watch-list since 5 June 2017 for not meeting the required minimum trading price of 20 Singapore cents for mainboard companies. We have 36 months from then to meet the minimum price requirement.

On behalf of the Board of Directors, I would like to thank all customers, business partners, employees and shareholders for staying the course with us. I look forward to your continued support in FY2019.

ERIC J P NG
Non-Executive Chairman

CEO's Operational Review

LOW WENG FATT
Managing Director & Chief Executive Officer

Dear Shareholders,

The Group turned in a much stronger result in FY2018 than the previous year. Our Specialist Relocation and Third Party Logistics ("**3PL**") businesses fared particularly well, offsetting a subpar performance by our Technical & Engineering ("**T&E**") business.

The overall strong performance is a testimony of our proven track record of efficiency, reliability and safety. It also reaffirms our deep knowledge and understanding of our customers' diverse and often complex business needs in all the industries and markets they operate in.

FINANCIAL PERFORMANCE

Buoyed by strong demand for our relocation services in China and the US and for our cross-border land freight services in Southeast Asia, the Group achieved its highest annual net profit in six years in FY2018.

Net profit attributable to shareholders more than doubled to S$5.5 million from S$2.6 million in the previous year ("FY2017"). Fully diluted earnings per share increased to 1.48 Singapore cents in FY2018 from 0.76 Singapore cent in FY2017. The improvement came on the back of a 20% increase in revenue to an all-time high of S$127.9 million compared to S$106.2 million in FY2017.

The Group's bottomline also benefited from a reversal of a tax provision made in FY2017, as well as an absence of an impairment loss on an investment in an associate company and an absence of allowance for doubtful debts, which were incurred in FY2017. A government subsidy for an overseas subsidiary, a gain on disposal of fixed assets, and favorable foreign-exchange conditions also underpinned our FY2018 earnings.

The Specialist Relocation business segment was the largest contributor to our overall revenue and gross profit in FY2018. It generated S$75.1 million in revenue and S$22.3 million in gross profit, compared to S$52.8 million and S$20.6 million respectively in FY2017.

The 3PL business contributed S$22.9 million in revenue and S$3.8 million in gross profit in FY2018, up from S$18.6 million and S$2.8 million respectively in the previous year. Demand for our cross-border trucking services, available across Southeast Asia and even China, drove the increase.

As mentioned earlier, the T&E business was the odd one out in terms of the performance of our three business segments. Revenue from the T&E segment fell to S$29.9 million in FY2018 from S$34.8 million in FY2017 while gross profit declined to S$2.7 million from S$3.5 million over the comparative periods. The weaker performance was due mainly to the continued weakness in Singapore's construction sector, where profit margins in general are being squeezed by stiff competition and high operating costs.

SPECIALIST RELOCATION SOLUTIONS

Specialist Relocation was the busiest of our three main businesses in FY2018. Demand for such services was particularly robust in China, where we took on a number of move-in projects for various flat-panel display manufacturers. Many of these flat-panel display suppliers, especially those from China and Taiwan, have stepped up production of larger panels to meet increased demand.

In the year under review, Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd, one of our Chinese subsidiaries, clinched two contracts worth a combined RMB90 (S$18) million to provide move-in services for two 8.6th-Generation thin-film transistor liquid-crystal display ("**TFT LCD**") plants, which are located in Xianyang City in Shaanxi Province and Chengdu City in Sichuan Province respectively.

Our Chuzhou-based relocation subsidiary secured two projects worth a total of RMB36 (S$7.5) million. One was a four-month project worth RMB16 (S$3.3) million to assist in the move-in of an 11th-Generation TFT LCD manufacturing plant in Shenzhen. This is the first such plant in the world. The second project worth RMB20 (S$4.2) million and due to be completed in November 2018, involves managing a temporary warehouse for a 6th-Generation AMOLED plant in Mianyang city in Sichuan province. AMOLED, or active-matrix organic light-emitting diode, is a display technology used in smartwatches, mobile devices, laptops and television sets.

In the US, our subsidiary Chasen (USA), Inc. successfully completed the second phase of a US$12 (S$17) million relocation project for a major automobile product manufacturing plant in the state of Nevada. Chasen (USA), Inc. delivered its maiden full-year revenue in FY2018 amounting to US$9.8 (S$13.2) million, representing 10.3% of the Group's total revenue that year.

In Malaysia, Penang-based Chasen Logistics Sdn Bhd secured RM2.2 (S$0.7) million worth of orders at the start of FY2018 from companies involved in manufacturing solar panels, optical components and printed circuit boards. The project for the solar panel manufacturer, an American

MNC operating in Malaysia, was particularly notable. Not only did we beat the service provider that the customer usually works with for such jobs, we also completed the assignment – to relocate four decommissioned production lines to the scrapyard – in just two months, compared to the industry norm of 10 to 12 months for an undertaking of a similar nature. Chasen Logistics Sdn Bhd went on to clinch another contract worth RM6.6 (S$2.2) million, to help a US solar panel manufacturer fit out a new production line in Kulim, Kedah.

In Vietnam, our subsidiary Chasen Transport Logistics Co. Ltd. secured two projects worth a total value of US$1.5 (S$2) million. The first project worth US$0.2 (S$0.3) million project from a Korean MNC is to provide move-in services for an OLED (organic light-emitting diode) manufacturing plant in Hai Phong while the second project was for a US solar panel manufacturing plant in Dong Nam valued at US$1.3 (S$1.7) million.

CEO's Operational Review

THIRD PARTY LOGISTICS ("3PL")

The key contributors to the improved performance of our 3PL business in FY2018 were our operating entities in Malaysia and Thailand. In seeking to further expand in Malaysia, our Penang-based unit City Zone Express Sdn Bhd set-up a subsidiary, City Zone Express Bonded Warehouse Sdn Bhd in November 2017 to extend its business to include bonded warehousing.

We also set up 3PL operations in Vietnam in February 2018 with the incorporation of City Zone Asiatrans Corporation in Ho Chi Minh City. The new entity will complement our current cross-border trucking business and extend our 3PL capabilities into the Indo-China countries and China.

TECHNICAL & ENGINEERING ("T&E") SERVICES

In the T&E business segment, we have three core businesses: (1) construction-related work including additions and alterations to existing building interiors and structures, scaffolding as well as mechanical and engineering works, (2) contract manufacturing of machine parts for the telecommunications and ordnance industries, and (3) engineering services for the electronic, semi-conductor and water treatment industries.

Operating conditions in Singapore's construction industry remained challenging in FY2018. As a service provider in this industry, we were not spared. However, with the streamlining of the construction-related entities within our T&E business, we expect to do better in FY2019.

These streamlining efforts included the sale of a 60% stake in Eons Global Holdings Pte Ltd, which provides management consultancy services to a Chinese wastewater and sewage treatment company. With the sale completed in November 2017, we now own only 40% of Eons Global Holdings Pte Ltd.

Our most recent effort to reorganize the T&E business involved acquiring in June 2018 the remaining 17% of Hup Lian Engineering Pte Ltd ("**HLE**") we did not already own. With HLE now a wholly-owned subsidiary, we will set a new direction to turn it around.

LOOKING AHEAD

We have specific plans to further increase our value position and enhance value for all shareholders. These plans can be summed up as follow:

Scaling up Relocation Business in China, Malaysia and the US

To meet the growing demand for our services in China, a new 110,000 sq ft warehouse in Chuzhou in Anhui province will be up and running in the second half of calendar 2018. This will open up new opportunities throughout China for our relocation business that would be complemented with value-add warehousing services for our TFT customers.

In Malaysia, we expect to expand beyond our current focus area, which spans the Kulim IT corridor in Kedah to Ipoh in Perak. We have set our sights on the Klang Valley in Selangor and the Nilai corridor in Negeri Sembilan.

In the meantime, we are in discussions with a major electronics manufacturer currently operating in Asia that intends to move some of its production operations back to the US. We expect more of such onshoring activities as President Donald Trump pushes for more manufacturing companies to operate in the US.

Growing the 3PL Cross-Border Land Freight Business

With our newly established operations in Thailand and Vietnam, we can now perform cross-border truck deliveries to even more markets in Southeast Asia and beyond. The addition of the two new markets to our network provides cohesion and high efficiency in operating cross-border trucking along this important land transport artery connecting Singapore, Malaysia, Thailand, Indo-China and mainland China. This will further enhance our first-mover advantage in Southeast Asia's nascent cross-border land freight sector.

A transport hub at the Malaysia-Thailand border is in the works to provide truck docking services to smaller land freight companies within Thailand. With support from the EnterpriseSG, we are also exploring the setting up of another transport hub in Laos to coordinate cross-border traffic in the Indo-China states.

We are also seeking new business opportunities by reaching out to companies that need to move various types of products, such as lithium batteries, electronic goods, solar panels, aircraft engines and refrigerated goods.

Further Streamlining Singapore Operations, Particularly T&E, to Improve Internal Cost Efficiencies

The lease on our Singapore premises at Jalan Besut is due to expire in 2024. We are firming up redevelopment plans to transform the site into a multi-storey warehouse cum office complex. To meet the primary criteria of a lease renewal by JTC, we plan to expand the area to approximately 254,041 sq ft, which is more than double the total land size currently. The estimated cost of redevelopment would be in the range of S$25-30 million.

When completed, the new complex will include a four-storey air-conditioned and humidity-controlled warehouse linked to a six-storey office cum dormitory block. We will have our own dedicated warehouse with an area for producing customized crates/pallets and for packing services. The warehouse will also come with technologies like a barcoding system, heavy duty industrial elevators and an overhead crane for easier hoisting of cargo and machinery from the ground level. As part of the Group's efforts to reduce its carbon footprint, diesel forklifts will be phased out progressively in favour of electric forklifts as well as replacing the older prime movers with the newer fuel efficient and environmentally-friendly Euro 6 version trucks.

CEO's Operational Review

After the approvals by the various government agencies and JTC are given, redevelopment work on the current site is expected to commence in the first quarter of 2019. When that happens, staff will be working temporarily from our sister company premises in Tuas, while operations personnel will function from a leased warehouse in the nearby Jurong Logistics Hub.

These three broad initiatives will reinforce our business foundation and position us for even stronger and more sustainable growth going forward.

APPRECIATION

On behalf of the Group, I would like to thank our customers, business partners and shareholders for your kind support. I would also like to assure shareholders that we are actively exploring options to enhance value for you and that we are fully committed to getting Chasen out of the SGX watchlist.

Last but not least, I would like to thank my fellow board directors, management staff and all employees for their tireless efforts in making Chasen the service provider of choice for many companies and industries.

LOW WENG FATT
Managing Director & Chief Executive Officer

Geographic Reach

Corporate Milestones

1995

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

1999

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

CHASEN™
Relocation Solutions Specialist

2001

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

2010

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

2011

- Chasen Hi-Tech was awarded first major Korean project to relocate an OLED (organic light-emitting diode) production line from Busan, South Korea to Shanwei, Guangdong Province, PRC
- CHL was awarded the Certificate of Excellence in "Best Investor Relations by a SGX-Catalist Company" at the IR Magazine South East Asia Awards 2011

2012

- Chasen Group achieved record historical high revenue of S$99 million since listing (in 2007)
- CHL was recognized as one of the World's Top 1000 Fastest Growing Public Companies in 2011 by the International Business Times (announced in January 2012)

2013

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

2014

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

2015

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

Corporate Milestones

2004

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

2005

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

2007

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

2008

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

2009

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

2016

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

2017

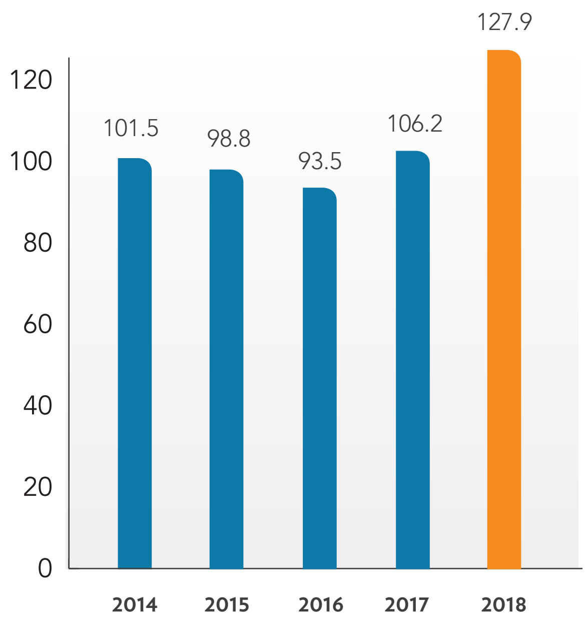
- Chasen Group exceeded S$100 million revenue benchmark for second time amassing S$106.2 million
- Chasen Hi-Tech achieved highest contracts secured totalling S$50 million (RMB245 million)
- 3PL established air and sea freight business in Thailand to complement its cross-border trucking operations

2018

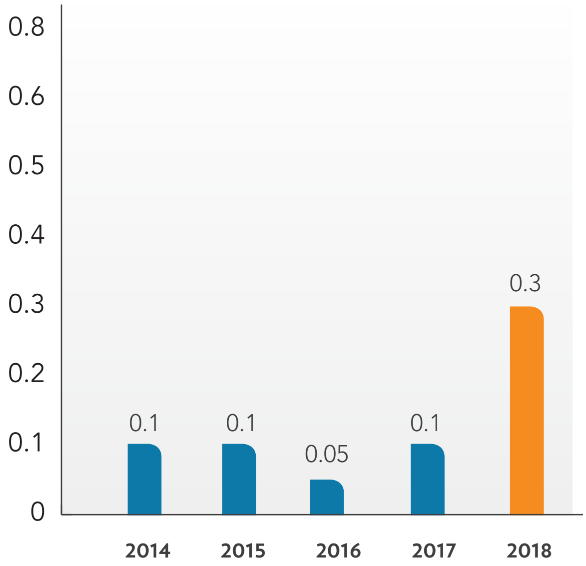
- Chasen Group achieved its highest revenue to date @ S$127.9 million
- Chasen Hi-Tech secured relocation contract for pilot phase of the world's first 11th Generation TFT LCD plant in Shenzhen, PRC
- 3PL established bonded warehouse in Penang and office in Vietnam to manage cross-border land freight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

Financial Highlights

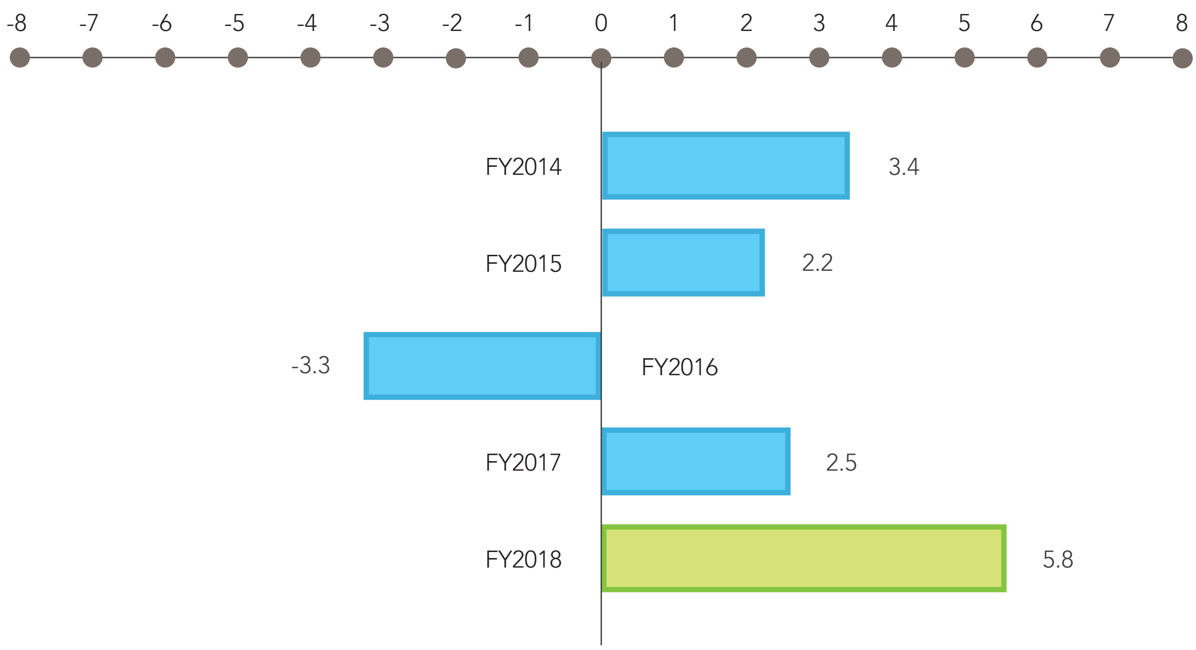
REVENUE ANALYSIS
(S$'MIL)



DIVIDEND PER SHARE
(CENTS)

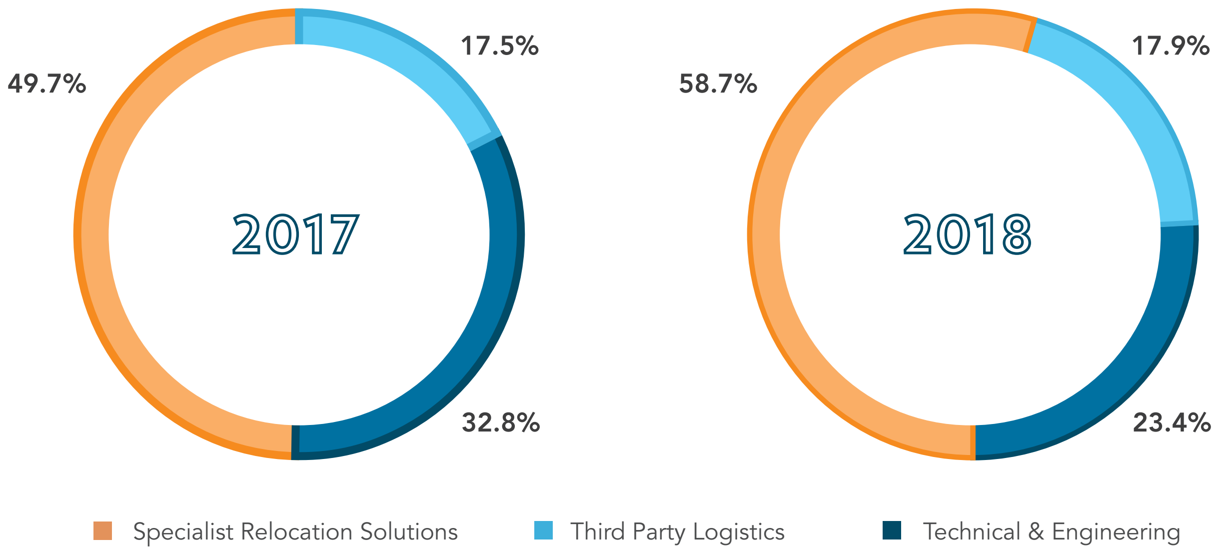


PROFIT/ (LOSS) AFTER TAX
(S$'MIL)

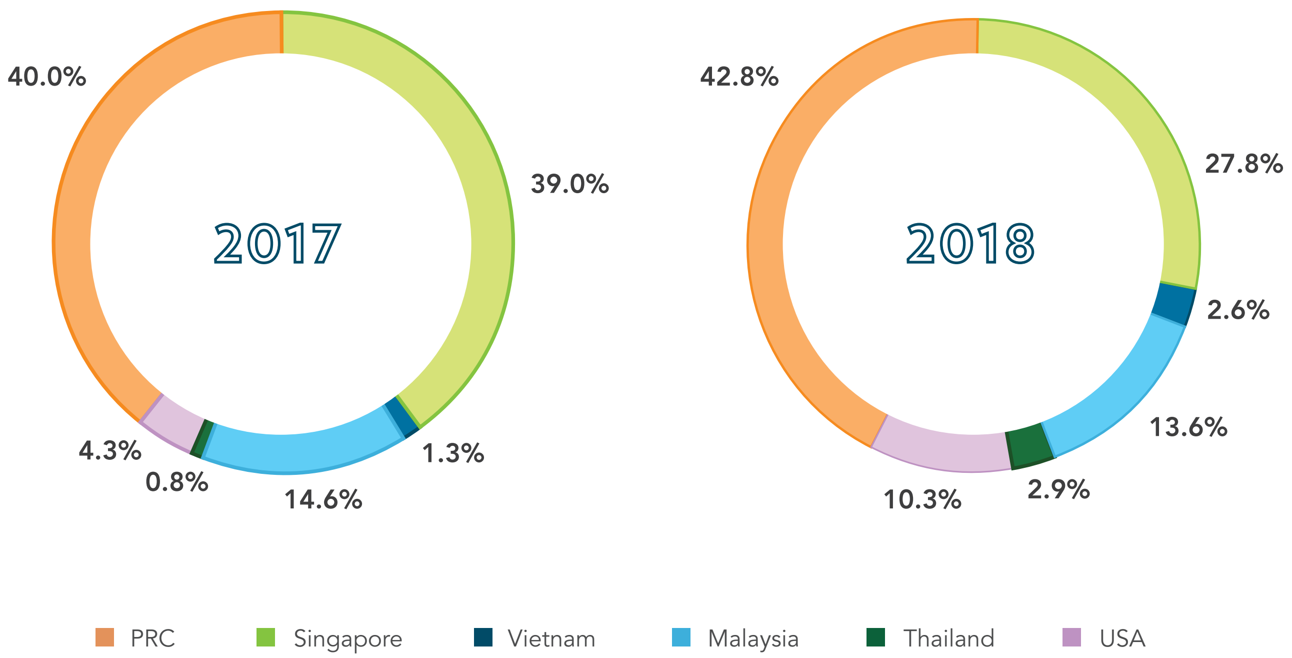


Financial Highlights

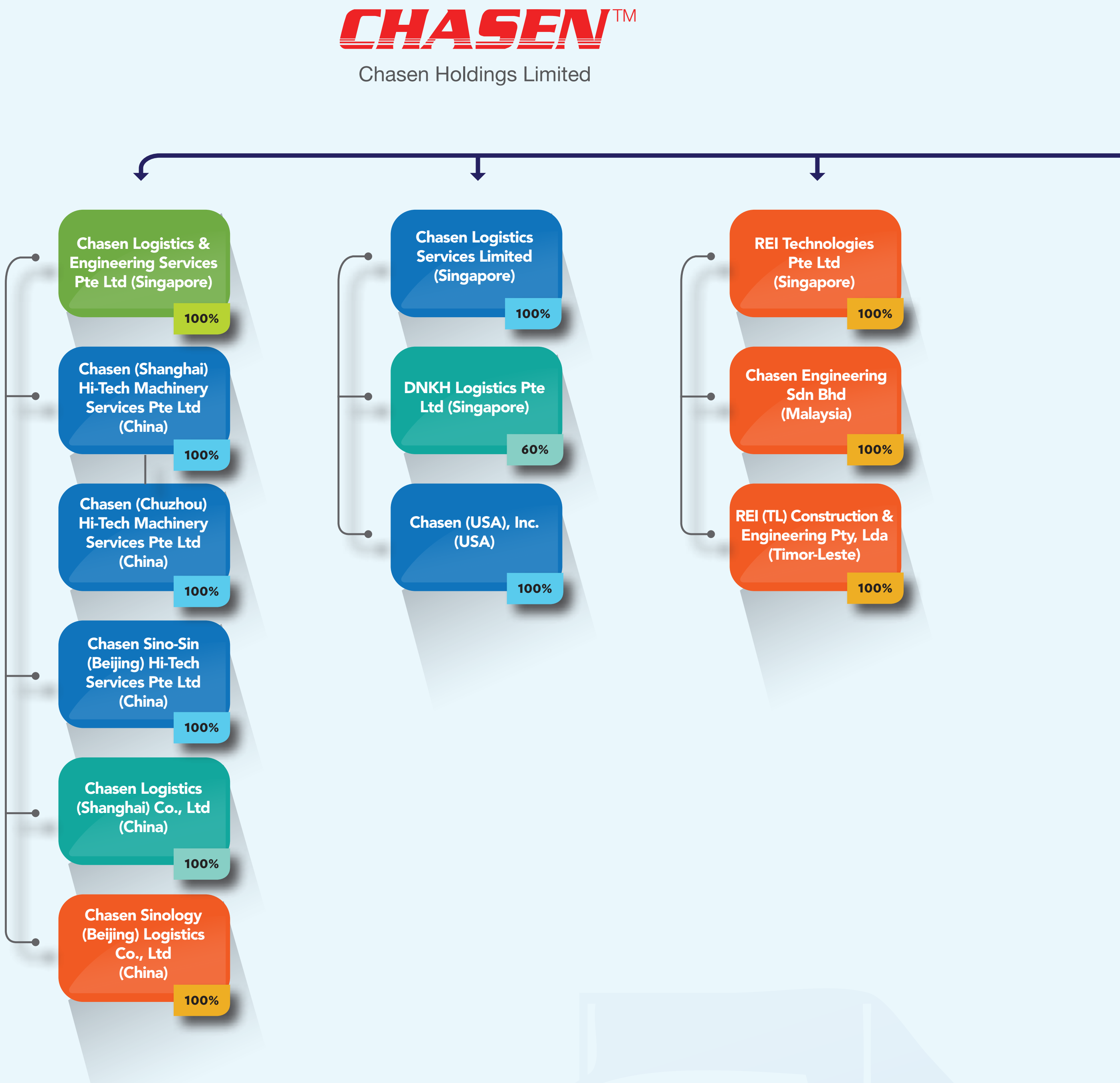
REVENUE BREAKDOWN BY BUSINESS SEGMENT



REVENUE BREAKDOWN BY GEOGRAPHICAL



Corporate Structure



Legend:

- Investment Holding Companies
- Specialist Relocation Solutions
- Third Party Logistics (3PL)
- Technical & Engineering

Corporate Structure

Board of Directors

LOW WENG FATT
Managing Director and CEO

Mr Low Weng Fatt, the Managing Director and CEO of the Group, was appointed to the Board of Chasen Holdings Limited since 2007. He was instrumental in ensuring the success of the reverse acquisition of China Entertainment Sports Ltd, which led to the listing of the Chasen Group on SESDAQ (now known as Catalist) and transferred to the Mainboard in February 2013. As Managing Director and CEO, Mr Low is responsible for executing the Group's business strategy as deliberated and approved by the Board, providing leadership to ensure success of the Group's operations in the region, identifying new business opportunities identifying as well as managing and supervising the daily operation of the Group.

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

His ability to anticipate business trend and demand has enabled the Group to offer the right type of skills, equipment and value-add services to meet the total relocation needs of customers. The development of this comprehensive range of services to meet the customers' relocation logistics needs also enabled the Group to replicate its services capabilities overseas in particular the People's Republic of China (2004), Malaysia (2005), Vietnam (2009) and in 2015, the United States of America.

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

SIAH BOON HOCK
Executive Director

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

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

Mr Siah brings with him more than 20 years of experience in sales and marketing, which include being a regional sales manager responsible for the sales and market development of supply chain management solutions to personal computer OEMs with internationally recognized brands such as Apple, IBM, Compaq (now known as Hewlett Packard) in Asia. Prior to joining Chasen, Mr Siah was a director with Ascomp Cyberware International Pte Ltd from 2000 to 2001, where he managed the sales development of the trading company.

NG JWEE PHUAN @ FREDERICK (ERIC)
Non-Executive Chairman and Independent Director

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

He has been the Principal Consultant of Chadway Management Service Pte Ltd since 1982. He is responsible for providing operational management, planning and executing growth strategies, merger and acquisitions activities and corporate finance services to companies in Singapore and the region, including the PRC. He also advises on business growth and globalization strategies, capital market and corporate governance issues and is an active capital market intermediary matching capital (from institutions, public and private equity funds) with business (including publicly listed companies). He also provides advisory services for companies in their public listing via an IPO or RTO on regional stock exchanges.

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

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

TAN SIN HUAT, DENNIS
Independent Director

Mr Tan Sin Huat, Dennis was appointed as an Independent Director of Chasen Holdings Limited on 31 July 2009. He is the Chairman of the Remuneration Committee. Mr Tan also serves on the Boards of Renewable Energy Asia Group Ltd that is listed on the SGX and Solis Holdings Ltd, listed on the HKSE.

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

CHEW MUN YEW
Independent Director

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

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

Mr Chew brings with him a span of 33 years of experience in the Semiconductor Industry in Manufacturing, Quality, Engineering, Supply Chain & Procurement Management of which 22 years are at senior management level. He worked at TAS (now SingTel), Hewlett-Packard Company and subsequently joined a greenfield DRAM wafer fab start-up TECH Semiconductor (S) Pte Ltd that counts Texas Instrument as technology partner. He served as Director of Procurement and Materials Management from 1991 at TECH Semiconductor and was also a Director of Procurement in the Shared Service Centre of Micron Semiconductor Asia from 2010 till 2012.

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

Executive Officers

TAN LA HIONG
Chief Financial Officer

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

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

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

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

YAP BENG GEOK DOROTHY
Head of Corporate Administration

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

Ms Yap joined Chasen Logistics Services in 1995 and over the past 23 years she has been with the Group, she has acquired in-depth knowledge of many aspects of the Group's business, including its operation and administration.

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

Operations Business Units

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

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

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

Mr DixzyQuo brings with him valuable experiences where he took charge of the execution of turnkey relocation projects for major international manufacturing companies from USA and Europe which had relocated to Singapore, Malaysia and Vietnam or the PRC.

Mr DixzyQuo is a suma cum laude graduate from the Bandung Institute of Technology, Indonesia where he graduated with a Bachelor of Science (Industrial Engineering) degree, majoring in Economics Engineering.

CHEONG TUCK NANG
General Manager
Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd ("Chasen Hi-Tech")
Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd ("Chasen Chuzhou")
Chasen Logistics (Shanghai) Co., Ltd ("CLSJ")

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

Mr Cheong has been with the Chasen Group since the partnership days of Chasen Logistics Services and he brings with him more than 20 years of experience in the logistics, warehousing management and Specialist Relocation business. He was one of the pioneers in the setting up of the Group's PRC operation and is responsible for securing and execution of major large-scale relocation projects that resulted in the Group's record revenue of RMB100 million in FY2012.

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

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

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

Besides PRC, Mr Yeo is also responsible for general management, growth and development of GTS business in Singapore.

LIM JIT SING, JACKSON
General Manager
Goh Kwang Heng Pte Ltd ("GKH")
Goh Kwang Heng Scaffolding Pte Ltd ("GKHS")
Hup Lian Engineering Pte Ltd ("HLE")
REI Technologies Pte Ltd ("REI")

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

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

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

LIM WUI LIAT
Executive Director
Liten Logistics Services Pte Ltd ("LLS")

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

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

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

WEE TECK WEE

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

Mr Wee Teck Wee is the General Manager of the Group's subsidiaries in the contract manufacturing business in Singapore and the PRC. Promax is in the business of providing solutions such as prototype, machining, precision engineering and machining for components such as moulds, jigs and fixtures, mechanical sub-assemblies, design and fabrication of special purpose machines and reverse engineering for the telecommunication and ordnance industries.

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

HENG KHIM SOON

General Manager
DNKH Logistics Pte Ltd ("DNKH")

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

Mr Heng is tasked with the challenges to ensure the Group logistics services, such are freight, warehousing, transportation and distribution are competitive particularly, the air and sea shipment rates to/fro Singapore and within the region. He also provides the other business units within the Group with value-added services to complement their services to customers who require supply chain services in third party logistics.

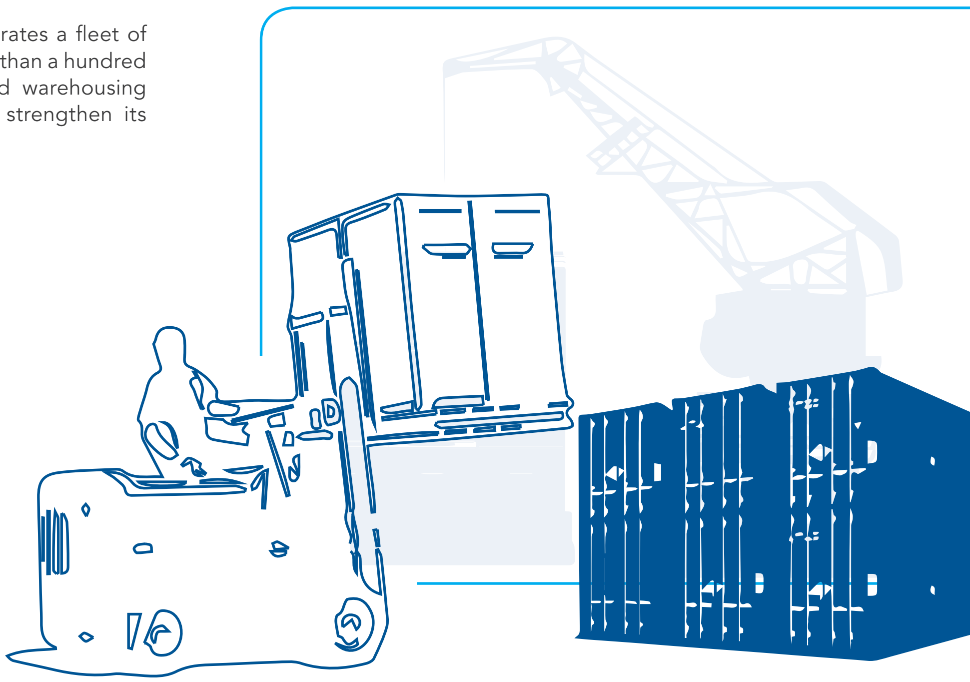
Under the helm of Mr Heng, DNKH currently operates a fleet of more than 20 trucks of varying capacities and more than a hundred field operation personnel in the distribution and warehousing businesses. This capability assists the Group to strengthen its global network in the freight industry.

S. PIRITHIVARAJ SELVARAJOO

Executive Director/General Manager
City Zone Express Pte Ltd ("CZE-S")
City Zone Express Sdn Bhd ("CZE-M")
City Zone Express Bonded Warehouse Sdn Bhd ("CZE-BW")
City Zone Express Company Limited ("CZE-T")
City Zone Express Worldwide Co., Ltd ("CZE-W")
City Zone Asiatrans Corporation ("CZAT")

Mr S. Pirithivaraj Selvarajoo is the Executive Director of the Group's Malaysian 3PL subsidiary, CZE-M. He is also a minority shareholder of CZE-M. He is responsible for the overall management and growth of the entities under his charge. CZE Group provides freight forwarding, warehousing (including bonded warehousing services), transportation, customs brokerage and other logistics supply chain services, operating out of Penang. He oversees the operation of a sizeable truck fleet comprising more than 90 trucks (including trailers and containers) which are deployed for daily interstate long and short haul overland transportation between Singapore and Peninsular Malaysia.

Mr S. Pirithivaraj continues to strengthen CZE's cross-border land freight business in broadening the Company's revenue base and enhancing its profitability. He also assists the Group in identifying business opportunities to grow the Group's business in Malaysia, Thailand and Vietnam to capture a larger share of the inland and cross-border transport business within Indo-China and beyond. He is instrumental in setting up joint venture companies with business partners in Thailand and Vietnam with operating offices in Bangkok, Songkhla and Ho Chi Minh City.



Corporate Information

BOARD OF DIRECTORS

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

Low Weng Fatt
(Managing Director and CEO)

Siah Boon Hock
(Executive Director)

Tan Sin Huat, Dennis
(Independent Director)

Chew Mun Yew
(Independent Director)

Yap Beng Geok Dorothy
(Alternate Director to Low Weng Fatt)

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

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

COMPANY SECRETARY

Chew Kok Liang

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

18 Jalan Besut
Singapore 619571
Tel: (65) 6266 5978
Fax: (65) 6262 4286
Website: www.chasen.com.sg

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

AUDITORS

Mazars LLP
Chartered Accountants of Singapore
135 Cecil Street
#10-01 MYP Plaza
Singapore 069536
Partner in charge: Lai Keng Wei
(a member of the Institute of Singapore Chartered Accountants)
(appointed with effect from the financial year ended 31 March 2017)

PRINCIPAL BANKER

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

Corporate Social Responsibility

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

ENVIRONMENTAL POLICY

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

COMMITMENT TO SUSTAINABLE DEVELOPMENT

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

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

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

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

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

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

CORE VALUES OF THE CSR FRAMEWORK

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

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

FINANCIAL CONTENTS

Corporate Governance Statement

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

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

BOARD MATTERS

Board's Conduct of its Affairs

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

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

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

– provides entrepreneurial leadership, setting strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

– provides the overall strategy of the Group;

– establishes a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

– reviews management performance;

– identifies the key stakeholder groups and recognizing that their perceptions affect the Company's reputation;

– sets the Company's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met;

– considers sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and

– assumes the responsibilities of corporate governance framework of the Group.

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

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

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

Corporate Governance Statement

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

Names of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Ng Jwee Phuan @ Frederick (Eric)	4	4	5	5	1	1	1	1
Low Weng Fatt	4	4	5	4*	1	1	1	1*
Siah Boon Hock	4	4	5	4*	1	1*	1	1*
Tan Sin Huat, Dennis	4	4	5	5	1	1	1	1
Chew Mun Yew	4	4	5	5	1	1	1	1
Yap Beng Geok Dorothy(1)	4	3	5	4*	1	–	1	–

(1) Alternate Director to Low Weng Fatt
* By Invitation

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

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

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

– Approval of the annual reports and audited financial statements;

– Convening of shareholders' meetings;

– Approval of corporate strategies;

– Approval of material acquisitions and disposal of assets; and

– Approval of major investment and funding decisions.

There was no new Director appointed in the financial year ended 31 March 2018. The Board has and will continue to have in place, an orientation and training programme for newly appointed Directors in order to familiarize them with the Group's business operations, strategic directions, directors' duties and responsibilities, corporate governance practices, regulations and guidelines from SGX-ST. Upon appointment of a new Director, a formal letter setting out his duties and responsibilities will be provided. The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of directors' duties and responsibilities.

The Directors are also kept abreast of any relevant new laws, regulations and changing commercial risks, from time to time which are relevant to the Group and the training courses related to the aforesaid will be arranged and funded by the Company. News releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Company are circulated to the Directors.

Board Composition and Guidance

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

The current Board of Directors consists of two Executive Directors and three Independent Directors. The Directors of the Company are:

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

<u>Executive Directors</u>
Low Weng Fatt (Managing Director and Chief Executive Officer ("**CEO**"))
Siah Boon Hock
Yap Beng Geok Dorothy, Alternate Director to Low Weng Fatt

<u>Independent Directors</u>
Tan Sin Huat, Dennis
Chew Mun Yew

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

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

The Nominating Committee has reviewed the forms completed by each Director and is satisfied that half the Board comprises Independent Directors. Save for Ng Jwee Phuan @ Frederick (Eric), none of the Independent Directors has served on the Board beyond nine years from the date of his/her appointment.

The Nominating Committee, with the concurrence of the Board, is satisfied that after a rigorous review of his independence undertaken by the Nominating Committee, Ng Jwee Phuan @ Frederick (Eric) continued to be considered independent after taking into account, inter alia, the following factors:-

(a) his contributions initially as the Lead Independent Director, then as Non-Executive Chairman of the Board, and as Chairman of the Audit Committee and member of Remuneration and Nominating Committees since the Company was listed, where he regularly raised questions on issues relating to the Group's strategy, business and financial performance and at formal and informal company meetings;

(b) his active attendance and participation in discussions at meetings where he regularly expressed his views based on his experience, expertise and knowledge and provide overall guidance to the Management from a third party's perspective;

(c) his ability to objectively and actively scrutinizing the Management in order to provide reasonable checks and balances for the Management and exercise independent business judgement with a view to the best interests of the Company;

(d) his chairing of shareholders' meetings where he attended and responded to all shareholders' queries on Company matters to their satisfaction and also encouraged shareholders' active participation at such meetings;

(e) he does not have any business transactions or dealings with the Company and its subsidiaries (the "**Group**") (including but not limited to interested person transactions as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited); and

(f) his confirmation of independence based on the definitions and guidelines set forth in Guideline 2.3 of the Code of Corporate Governance 2012.

Ng Jwee Phuan @ Frederick (Eric) had abstained from the discussions pertaining to the rigorous review of his independence.

Having considered the aforesaid factors, the Board is of the view that Ng Jwee Phuan @ Frederick (Eric) remained independent in his exercise of objective judgement on the corporate affairs of the Company, notwithstanding that he has served on the Board for more than nine years from the date of his first appointment.

The composition of the Board is reviewed at least annually by the Nominating Committee. The Nominating Committee noted that gender diversity on the Board is also one of the recommendations under the Code to provide an appropriate balance and diversity. There is currently a female Alternate Director appointed to the Board and the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration. The Nominating Committee is of the view that the Board currently comprises Directors who have the appropriate balance and diversity of skills, expertise and experience, knowledge of the industries the Group does business in and collectively possess the necessary core competencies for effective functioning and informed decision-making.

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

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

Chairman and Chief Executive Officer

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

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

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

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

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

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

(e) ensure effective communication with shareholders;

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

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

(h) promote high standards of corporate governance.

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

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

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

Board Membership

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

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

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

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

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

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

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

The Nominating Committee is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple listed company board representations, and there is presently no need to implement internal guidelines to address the competing time commitments. This matter is reviewed on an annual basis by the Nominating Committee. Pursuant to the Company's Constitution, every Director (except the Managing Director and CEO) must retire from office at least once every three years by rotation. Directors who are due for retirement are eligible to offer themselves for re-election. New Directors are appointed by way of Board resolution following which they are subject to retire at the annual general meeting ("**AGM**") following his/her appointment and he/she shall be eligible for re-election by shareholders at the AGM.

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

Corporate Governance Statement

The Nominating Committee has recommended the re-election of Siah Boon Hock and Tan Sin Huat, Dennis who are retiring via rotation at the forthcoming AGM to be held on 27 July 2018. The Board has accepted the recommendations and the retiring Directors would be offering themselves for re-election at the forthcoming AGM.

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

Key information regarding the Directors is set out below:-

Name of Director	Date of First Appointment	Date of Last Re-election	Directorship and Chairmanship in Other Listed Companies and Major Appointments (Present and held over preceding 3 years)
Ng Jwee Phuan @ Frederick (Eric)	6 February 2007	28 July 2017	Listed Companies - Present 1. GBM Gold Limited 2. Ephraim Resources Ltd Listed Companies - Preceding 3 Years Richfield International Limited
Low Weng Fatt	6 February 2007	Not Applicable	Nil
Siah Boon Hock	6 February 2007	29 July 2015 (to be re-elected at the forthcoming AGM)	Nil
Tan Sin Huat, Dennis	31 July 2009	29 July 2016 (to be re-elected at the forthcoming AGM)	Listed Companies - Present 1. Renewable Energy Asia Group Ltd 2. Solis Holdings Limited Listed Companies - Preceding 3 Years 1. Swing Media Technology Group Ltd 2. P99 Holdings Limited
Chew Mun Yew	5 August 2013	28 July 2017	Nil
Yap Beng Geok Dorothy [1]	29 May 2008	Nil	Nil

(1) Alternate Director to Low Weng Fatt

Board Performance

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

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

The Nominating Committee had decided unanimously, that there would be no separate assessment of the Board Committees and individual Directors. The Nominating Committee, in considering the re-nomination of any Director, had considered but not limited to the extent of their attendance, participation and contribution in the proceedings of the meetings.

Each Director was requested to complete evaluation forms to assess the overall effectiveness of the Board as a whole. The appraisal process focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, communication with key management personnel and Directors' standard of conduct. The results of the evaluation are used constructively by the Nominating Committee to identify areas of improvements and recommend to the Board the appropriate action. No external facilitator has been used for the purpose of Board assessment in FY2018. The Board Evaluation Questionnaires will be reviewed and updated as necessary from time to time.

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

Access to Information

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

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

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

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

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

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

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

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

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

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

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

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

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

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

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

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

Level and Mix of Remuneration

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

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

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

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

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

The Company entered into a service agreement with our Managing Director and CEO, Low Weng Fatt for a fixed appointment period and it does not contain onerous removal clauses. The service agreement allows 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 key management personnel is fair and competitive. The Remuneration Committee will carry out annual reviews of the remuneration packages of the Directors and key management personnel, having due regard to their contributions as well as the financial and commercial needs of the Group.

The Remuneration Committee may recommend the Company to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.

Disclosure on Remuneration

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

The Company's Directors and key management personnel receiving remuneration from the Group for the financial year ended 31 March 2018 are as follows:

Remuneration Band	Number of Directors	
	2018	2017
Directors		
$250,000 to below $500,000	2	2
Below $250,000	3	3
Total	5	5
Key Management Personnel		
$250,000 to below $500,000	1	0
Below S$250,000	4	5
Total	5	5

A breakdown of each individual Director's and key management personnel's remuneration, in percentage terms showing the level and mix for the financial year ended 31 March 2018, is as follows:

	Fees %	Salary %	Bonus %	Other benefits %	Total %
Directors					
$250,000 to below $500,000					
Low Weng Fatt	10.5	81.8	7.7	–	100
Siah Boon Hock	18.4	74.9	6.7	–	100
Below $250,000					
Ng Jwee Phuan @ Frederick (Eric)	100	–	–	–	100
Tan Sin Huat, Dennis	100	–	–	–	100
Chew Mun Yew	100	–	–	–	100
Yap Beng Geok Dorothy	–	–	–	–	–

Corporate Governance Statement

	Fees %	Salary %	Bonus %	Other benefits %	Total %
Key Management Personnel					
$250,000 to below $500,000					
Cheong Tuck Nang	–	78.3	7.2	14.5	100
Below $250,000					
Tan La Hiong	–	86.5	8.0	5.5	100
DixzyQuo Nurman	–	71.0	–	29.0	100
Yeo Seck Cheong	–	66.3	5.7	28.0	100
Heng Khim Soon	–	79.4	7.0	13.6	100
Yap Beng Geok Dorothy	–	81.7	7.1	11.2	100

The aggregate total remuneration paid to the above mentioned key management personnel (who are not Directors or the Managing Director and CEO) for the financial year ended 31 March 2018 is approximately S$1,270,937.

None of the Directors (including the Managing Director and CEO) and the top six key management personnel (who are not Directors or the Managing Director and CEO) of the Company has received any termination, retirement, post-employment benefits for the financial year ended 31 March 2018.

Save for Cheong Tuck Nang, who is the spouse of Yap Beng Geok Dorothy, an Alternate Director of the Company, there is no other employee who is an immediate family member of a Director or the CEO and whose remuneration exceeds S$50,000 for the financial year ended 31 March 2018. Mr Cheong Tuck Nang's remuneration for the financial year ended 31 March 2018 was between S$250,000 to S$500,000.

Due to the highly competitive market, the Company believes it is unwise to disclose the breakdown of the remuneration of the Directors and the key management personnel. The Company has not disclosed exact details of the remuneration of each individual Director as maintaining confidentiality on such matters is desirable in the overall interest of the business. Attracting and retaining capable professional are top priorities for the Group operating in a highly competitive industry.

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

ACCOUNTABILITY AND AUDIT

Accountability

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

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

This accountability to our shareholders is demonstrated through the presentation of our periodic financial statements as well as announcements and news releases of significant corporate developments and activities so that the shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects. In line with Rule 705(5) of the Listing Manual of SGX-ST, the Board provides a negative assurance confirmation to shareholders in its interim financial statements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the interim financial statements false or misleading in any material aspect. In addition, all Directors and key management personnel of the Company also signed a letter of undertaking pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

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

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

Risk Management and Internal Controls

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

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

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

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

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

The Directors have received the management representation letters from the Executive Directors and the Chief Financial Officer of the Company and from the Executive Directors, General Managers and Heads of Finance, Operations and Sales of the key subsidiaries as well as Heads of Group functions in relation to the financial information for the financial year ended 31 March 2018.

For the financial year ended 31 March 2018, the Board has received assurance from the Managing Director and CEO as well as the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and the Group's risk management and internal control systems are sufficiently effective.

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

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

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

Corporate Governance Statement

Audit Committee

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

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

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

None of the Audit Committee members is a former partner or director of the Company's existing auditing firm within a period of 12 months nor has any financial interest in the auditing firm. The Company has adopted and has complied with the principles of corporate governance under the Code in relation to the roles and responsibilities of the Audit Committee.

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

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

(a) Financial Reporting

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

(b) External Audit

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

(c) Internal Audit

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

(d) Internal Controls

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

(e) Interested Person Transactions

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

(f) Whistle-blowing

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

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

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

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

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

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

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

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

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

The Audit Committee has also undertaken a review of the independence and objectivity of the external auditors. The Company has paid S$272,000 to Messrs Mazars LLP, the external auditors, for the financial year ended 31 March 2018. There is no non-audit fee paid to Mazars LLP.

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

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

Corporate Governance Statement

During the financial year ended 31 March 2018, the Audit Committee met with the external auditors without the presence of the Management.

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

As there has been no IPT during the financial year ended 31 March 2018, the Audit Committee is of the opinion that Chapter 9 of the Listing Manual of the SGX-ST has been complied with. The Audit Committee has nevertheless established the necessary review procedures should IPT 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.

Internal Audit

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

The appointed internal auditor of the Group had completed its 3-year cycle audit review of all internal audit criteria at all subsidiaries of the Company, including overseas subsidiaries. Those subsidiaries that had more internal control weaknesses as identified by the internal auditor, had to further undergo an additional year of internal audit review on the specific weak areas to ensure that enhancements to that subsidiary's internal controls and risk management procedures had been fully implemented. As the cycle had just been completed, the Company did not engage any external professional firm to perform internal audit review for the financial year ended 31 March 2018. A new cycle of internal audit review for all subsidiaries would be initiated in the current financial year. For newly established subsidiaries, an enterprise risk audit would be conducted to review their inherent and operational risks before commencing on the full audit review cycle.

The Board acknowledges that it is responsible for maintaining an internal audit function that is independent of the activities it audits. The main objective is to identify significant internal control weaknesses in the key business processes of the Group that require the attention of the Audit Committee and Management. The Audit Committee approves the hiring, removal, evaluation and compensation of the internal auditors. The internal auditor has unfettered access to the Group's documents, records, properties and personnel, including access to the Audit Committee.

In conducting the internal audit of each subsidiary, the appointed internal auditors pay particular attention to follow-up on the identified inherent and operational risks of that business entity as well as the content of any management letter issued by the external auditors for that particular subsidiary to ensure that the committed rectification measures have been implemented.

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

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

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

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

Communication with Shareholders

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

Conduct of Shareholder Meetings

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

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

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

– periodic results announcements;

– media meetings;

– circulars and notices to the shareholders;

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

– disclosures to the SGX-ST via SGXNET.

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

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

If any shareholder is unable to attend, he/she may appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's Constitution currently does not allow a member to appoint more than two proxies to attend and vote at the same general meeting.

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

1 A Relevant Intermediary is:

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

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

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

Corporate Governance Statement

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

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

The Company will put all resolutions to vote by poll at its forthcoming AGM. Shareholders will be briefed on the rules, including poll voting procedures, that govern general meetings of shareholders. The Company will make an announcement of the detailed results showing the numbers of votes cast for and against each resolution and the respective percentages.

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

DEALINGS IN SECURITIES

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

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

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

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

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

INTERESTED PERSON TRANSACTIONS ("IPT")

Details of IPT, if any, for the financial year ended 31 March 2018 are disclosed in the audited financial statements. To ensure compliance with the relevant rules under Chapter 9 of the Listing Manual of the SGX-ST on IPTs, the Board and Audit Committee regularly reviews if the Company will be entering into any IPT and if it does, to ensure that the Company complies with the requisite rules under Chapter 9 of the Listing Manual of the SGX-ST. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

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

MATERIAL CONTRACTS

Other than disclosed in the audited financial statements, there was no material contract entered into by the Company or its subsidiaries involving the interest of any Director or controlling shareholder subsisting as at the end of the financial year ended 31 March 2018.

UPDATE ON USE OF RIGHTS ISSUE (2016) PROCEEDS AND PROCEEDS FROM EXERCISED WARRANTS

The net proceeds from the subscription of Rights shares cum Warrants Issue of $1.3 million and net proceeds from the exercise of warrants W180201 of $1.5 million from the date of issuance up to its expiry date on 1 February 2018 were deposited into the Company's common bank account and be used in accordance with the Offer Information Statement dated 5 January 2016.

The use of the net proceeds for working capital purposes were as follows:

	S$' million
Net proceeds from subscription of Rights shares cum Warrant Issue (after deducting professional fees and related expenses)	1.3
Net proceeds from exercise of W180201 warrants	1.5
	2.8
Amount utilized as working capital:	
Professional fees and annual report expense	(0.1)
Sub-contracting and materials expenses	(1.2)
Amount utilized for expansion and growth of existing businesses:	
Additions and alterations work of a factory	(0.7)
Purchase of equipment and tools	(0.8)
Balance as at 1 February 2018	–

The Warrants W180201 has expired on 1 February 2018.

Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2018.

1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group, and the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards ("FRS"); and

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

2. Directors

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

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

Executive directors
Low Weng Fatt
Siah Boon Hock
Yap Beng Geok Dorothy (Alternate director to Low Weng Fatt)

Independent directors
Tan Sin Huat, Dennis
Chew Mun Yew

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4, 5, 6 and 7 below.

4. Directors' interests in shares, warrants or debentures

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

	Direct interest		Deemed interest		
Name of the directors and respective companies in which interests are held	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year	At 21 April 2018
The Company	Number of ordinary shares				
Ng Jwee Phuan @ Frederick (Eric) (i)	56,000	56,000	923,475	1,539,125	1,539,125
Low Weng Fatt (ii)	50,883,708	50,883,708	397,500	662,500	662,500
Siah Boon Hock	10,824,901	10,824,901	–	–	–
Tan Sin Huat, Dennis (iii)	10,500	10,500	79,500	79,500	79,500
Chew Mun Yew	–	–	–	–	–
Yap Beng Geok Dorothy (iv)	200,000	241,500	7,945,912	7,945,912	7,945,912

Notes:

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

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

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

(iv) Yap Beng Geok Dorothy is deemed to be interested in the 7,945,912 shares held by her spouse.

5. Chasen Performance Share Plan

The Chasen Performance Share Plan 2007 (the "Plan 2007"), a share-based incentive scheme, was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 16 May 2007.

The Plan 2007 was administered by the Remuneration Committee which comprises Tan Sin Huat, Dennis (Chairman), Ng Jwee Phuan @ Frederick (Eric) and Chew Mun Yew.

Under the Plan 2007, eligible participants are conferred rights by the Company on shares to be issued or transferred ("Awards"). The Plan 2007 contemplates the award of fully paid shares free of charge when and after pre-determined performance or service conditions are accomplished and/or due recognition is given to any good work performance and/or any significant contribution to the Company.

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

From the commencement to the expiry of the Plan 2007 on 15 May 2017, awards comprising an aggregate of 5,314,562 shares have been granted to the directors and employees of the Company and its subsidiaries.

5. Chasen Performance Share Plan (Continued)

As at 15 May 2017, details of performance shares awarded under the Plan 2007 are set out as below:

Date of grant	Share Awards granted since commencement to end of financial year under review	Share Awards vested since commencement to end of financial year under review	Share Awards cancelled since commencement to end of financial year under review	Share Awards outstanding as at end of financial year under review
23 August 2007	476,000	(476,000)	Nil	Nil
1 September 2008	970,000	(864,500)	(105,500)	Nil
27 July 2009	189,000	(189,000)	Nil	Nil
22 February 2010	1,346,912	(1,307,282)	(39,630)	Nil
31 March 2011	1,069,200	(937,180)	(132,020)	Nil
30 March 2012	1,263,450	(1,167,260)	(96,190)	Nil

The performance shares awarded to directors and controlling shareholders and their associates under the Plan 2007 as at 15 May 2017 are as follows:

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

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

As at 31 March 2018, no performance shares are awarded under the Plan 2017.

6. Warrants

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

6. Warrants (Continued)

As at 31 March 2018, the details of the warrants issued by the Company are set out as below:

Date of issue	At 1 April 2017	Warrants expired	Warrants exercised	At 31 March 2018	Exercise price per share	Expiry date
					S$	
2 February 2016	45,499,030	(834,633)	(44,664,397)	–	0.025	1 February 2018

7. Share options

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

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

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

8. Audit Committee

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

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

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

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

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

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

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

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

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

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

8. Audit Committee (Continued)

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

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

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

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

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

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

9. Auditors

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

On behalf of the Board of Directors

Low Weng Fatt
Director

Siah Boon Hock
Director

Singapore
29 June 2018

Independent Auditors' Report

To the Members of Chasen Holdings Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 March 2018, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on page 52 to 133.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis of Opinion

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

Overview

Audit Approach

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

Materiality

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

Scope of audit

For the audit of the current financial year's financial statements, we identified 9 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

Out of the 9 significant components, 4 were audited by component auditors under our instructions and the remaining 5 were audited by us. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

Area of focus

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

Report on the Audit of Financial Statements (Continued)

Key Audit Matters

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

Key audit matter	Audit response
Impairment assessment on goodwill on consolidation	
Refer to Note 3.2 for critical accounting judgements and key sources of estimation uncertainty, and Note 15 (Goodwill on consolidation) for disclosures relating to the impairment assessment.	
As at 31 March 2018, the Group has recognized goodwill on consolidation with carrying value amounting to S$10,559,000 (2017: S$10,559,000). In accordance with FRS 36 *Impairment of Assets*, goodwill acquired in a business combination is required to be tested for impairment, at least annually. The goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGU") or groups of CGU that are expected to benefit from the synergies of that business combination. The management assessed the CGU or groups of CGU for impairment annually or more frequently when there is an indication that the unit may be impaired. The recoverable amounts of the CGU or groups of CGU are determined based on estimates of forecasted revenues, growth rates, gross margins and discount rates. These estimates require significant judgement and hence the management's determination of the recoverable amounts is a key focus area for our audit.	Our procedures focused on evaluating and challenging the key assumptions used by management in conducting the impairment review. These procedures included the following: ● Evaluated the process by which management prepared its cash flow forecasts and compared them against the latest Board approved financial budgets and management approved forecast; ● Discussed with management on their planned strategies, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers, and obtained the list of secured and tendered contracts; ● Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's key assumptions and estimates applied in the value-in-use models, with comparison to recent performance, trend analysis, market expectations, and historical accuracy of the plans and forecasts; and ● Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU or groups of CGU subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	Audit response
Recoverability of trade receivables	
Refer to Note 3.2 for critical accounting judgements and key sources of estimation uncertainty, and Note 22 (Trade receivables) for disclosures note.	
As at 31 March 2018, the Group recorded trade receivables of S$41,826,000 (2017: S$39,004,000) under current assets. The Group follows the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* to determine when trade receivables are impaired. This determination requires certain level of judgement. The Group first assesses 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 receivables that are collectively evaluated for impairment are based on historical loss experience for receivables with similar credit risk characteristics. The methodology and assumptions used for estimating potential impairment loss are reviewed regularly to reduce any differences between loss estimates and actual loss experience. The recoverability of debtors is an area of concern due to the current economy climate. Trade receivables represents 32% (2017: 30%) of total assets of the Group and significant judgement made by management on the recoverability of these receivables thus is a key focus area for our audit.	Our procedures included the following: ● Reviewed outstanding debts as at year-end, differentiated in two streams, namely major customers and long outstanding debts exceeding credit terms granted with reference to ageing profile; ● Evaluated the assumptions used by the management in assessing the adequacy of impairment allowances for individually assessed trade receivables; ● Compared the management's assumptions for both collective and individual impairment allowances to externally available industry, financial and economic data and our own assessments in relation to key inputs, including background checks on the corresponding customers' financial standing and researched for any adverse news relating to these customers' operations or financial positions; and ● Critically assessed the management's estimates and assumptions, specifically in respect of the consistency of judgement applied in the use of economic factors and the observation period for historical default rates.

Other information

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

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

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

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

Report on the Audit of Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRS, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

Report on the Audit of Financial Statements (Continued)

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
29 June 2018

Consolidated Statement of Profit or loss and Other Comprehensive Income

For the financial year ended 31 March 2018

	Note	Group 2018 S$'000	Group 2017 S$'000
Revenue	4	127,916	106,170
Cost of sales		(99,059)	(79,304)
Gross profit		28,857	26,866
Other operating income	5	3,749	2,558
Distribution and selling expenses		(9,321)	(7,016)
Administrative expenses		(14,022)	(13,282)
Other operating expenses		(1,174)	(3,178)
Finance expenses	6	(1,472)	(1,361)
Share of results of associates		–	(86)
Profit before income tax	7	6,617	4,501
Income tax expense	9	(842)	(2,014)
PROFIT FOR THE FINANCIAL YEAR		5,775	2,487
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Net (loss)/gain on fair value changes of available-for-sale financial assets	19	(679)	587
Exchange differences on translating foreign operations		615	(981)
Other comprehensive loss for the financial year, net of tax		(64)	(394)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		5,711	2,093
Profit for the financial year attributable to:			
Owners of the Company		5,486	2,596
Non-controlling interests		289	(109)
Profit for the financial year		5,775	2,487
Total comprehensive income for the financial year attributable to:			
Owners of the Company		5,366	2,267
Non-controlling interests		345	(174)
Total comprehensive income for the financial year		5,711	2,093
Earnings per share for profit attributable to owners of the Company (cents per share)			
Basic	10	1.48	0.78
Diluted	10	1.48	0.76

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

Statements of Financial Position

As at 31 March 2018

	Note	Group 2018 S$'000	Group 2017 S$'000	Company 2018 S$'000	Company 2017 S$'000
ASSETS					
Non-current assets					
Investment property	11	950	950	–	–
Property, plant and equipment	12	38,311	36,295	–	–
Investments in subsidiaries	13	–	–	38,175	38,175
Investments in associates	14	–	–	–	–
Goodwill on consolidation	15	10,559	10,559	–	–
Intangible assets	16	–	142	–	–
Land use rights	17	966	–	–	–
Club membership	18	5	6	–	–
Available-for-sale financial assets	19	5,165	1,212	533	1,212
Other receivables, deposits and prepayments	23	1,029	–	–	–
Deferred tax assets	31	1,260	2,731	–	–
Total non-current assets		58,245	51,895	38,708	39,387
Current assets					
Inventories	20	5,075	4,593	–	–
Gross amount due from customers on contract work-in-progress	21	313	2,269	–	–
Trade receivables	22	41,826	39,004	–	–
Other receivables, deposits and prepayments	23	16,341	15,814	46	53
Amounts due from subsidiaries	24	–	–	47,343	44,488
Cash and cash equivalents	25	10,819	10,362	303	486
		74,374	72,042	47,692	45,027
Assets for disposal group classified as held-for-sale	34	–	8,256	–	–
Total current assets		74,374	80,298	47,692	45,027
Total assets		132,619	132,193	86,400	84,414
EQUITY AND LIABILITIES					
Equity					
Share capital	26	52,798	51,053	82,326	80,581
Treasury shares	27	(145)	(145)	(145)	(145)
Other reserves	28	(3,268)	(2,508)	(4,587)	(3,268)
Retained profits		20,757	15,631	4,638	3,559
Equity attributable to owners of the Company		70,142	64,031	82,232	80,727
Non-controlling interests		3,802	3,310	–	–
Total equity		73,944	67,341	82,232	80,727

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

Statements of Financial Position

As at 31 March 2018

		Group		Company	
	Note	2018	2017	2018	2017
		S$'000	S$'000	S$'000	S$'000
Non-current liabilities					
Bank loans	29	2,094	4,544	227	1,505
Finance lease payables	30	2,477	3,053	–	–
Deferred tax liabilities	31	1,073	746	–	–
Total non-current liabilities		5,644	8,343	227	1,505
Current liabilities					
Bank loans	29	28,551	23,323	3,423	1,648
Finance lease payables	30	2,250	2,718	–	–
Trade payables	32	15,349	17,327	–	–
Other payables and accruals	33	6,794	8,760	514	530
Income tax payable		87	3,079	4	4
		53,031	55,207	3,941	2,182
Liabilities of disposal group classified as held-for-sale	34	–	1,302	–	–
Total current liabilities		53,031	56,509	3,941	2,182
Total liabilities		58,675	64,852	4,168	3,687
Total equity and liabilities		132,619	132,193	86,400	84,414

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

Statements of Changes in Equity

For the financial year ended 31 March 2018

2018 Group	Note	Equity, total S$'000	Attributable to owners of the Company: Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Warrants reserve S$'000	Foreign currency translation reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
Balance at 1 April 2017		67,341	64,031	51,053	(145)	15,631	(2,508)	1,848	640	(988)	(4,008)	3,310
Profit for the financial year		5,775	5,486	–	–	5,486	–	–	–	–	–	289
Other comprehensive (loss)/income												
Net loss on fair value changes of available-for-sale financial assets	19	(679)	(679)	–	–	–	(679)	–	–	–	(679)	–
Exchange differences on translating foreign operations		615	559	–	–	–	559	–	–	559	–	56
Other comprehensive loss for the financial year, net of tax		(64)	(120)	–	–	–	(120)	–	–	559	(679)	56
Total comprehensive income for the financial year		5,711	5,366	–	–	5,486	(120)	–	–	559	(679)	345

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

Statements of Changes in Equity

For the financial year ended 31 March 2018

2018 Group	Note	Equity, total S$'000	Attributable to owners of the Company: Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Warrants reserve S$'000	Foreign currency translation reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
Contributions by and distributions to owners												
Shares issued pursuant to exercise of warrants	26, 28	1,116	1,116	1,745	–	–	(629)	–	(629)	–	–	–
Warrants expired	28	–	–	–	–	11	(11)	–	(11)	–	–	–
Dividends paid	43	(371)	(371)	–	–	(371)	–	–	–	–	–	–
Total contributions by and distributions to owners		745	745	1,745	–	(360)	(640)	–	(640)	–	–	–
Changes in ownership interests in subsidiaries												
Incorporation of subsidiaries with non-controlling interests		147	–	–	–	–	–	–	–	–	–	147
Total changes in ownership interests in subsidiaries		147	–	–	–	–	–	–	–	–	–	147
Total transactions with owners in their capacity as owners		892	745	1,745	–	(360)	(640)	–	(640)	–	–	147
Balance at 31 March 2018		73,944	70,142	52,798	(145)	20,757	(3,268)	1,848	–	(429)	(4,687)	3,802

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

Statements of Changes in Equity

For the financial year ended 31 March 2018

2017 Group	Note	Equity, total S$'000	Attributable to owners of the Company: Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Warrants reserve S$'000	Foreign currency translation reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
Balance at 1 April 2016		65,420	61,475	50,876	(116)	12,047	(1,332)	1,848	1,487	(72)	(4,595)	3,945
Profit for the financial year		2,487	2,596	–	–	2,596	–	–	–	–	–	(109)
Other comprehensive income/(loss)												
Net gain on fair value changes of available-for-sale financial assets	19	587	587	–	–	–	587	–	–	–	587	–
Exchange differences on translating foreign operations		(981)	(916)	–	–	–	(916)	–	–	(916)	–	(65)
Other comprehensive loss for the financial year, net of tax		(394)	(329)	–	–	–	(329)	–	–	(916)	587	(65)
Total comprehensive income for the financial year		2,093	2,267	–	–	2,596	(329)	–	–	(916)	587	(174)

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

Statements of Changes in Equity

For the financial year ended 31 March 2018

2017 Group	Note	Equity, total S$'000	Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Warrants reserve S$'000	Foreign currency translation reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
			← Attributable to owners of the Company →									
<u>Contributions by and distributions to owners</u>												
Shares issued pursuant to exercise of warrants	26, 28	114	114	177	–	–	(63)	–	(63)	–	–	–
Warrants expired	28	–	–	–	–	784	(784)	–	(784)	–	–	–
Purchase of treasury shares	27	(29)	(29)	–	(29)	–	–	–	–	–	–	–
Dividends paid	43	(227)	(167)	–	–	(167)	–	–	–	–	–	(60)
Total contributions by and distributions to owners		(142)	(82)	177	(29)	617	(847)	–	(847)	–	–	(60)
<u>Changes in ownership interests in subsidiaries</u>												
Acquisition of non-controlling interests without a change in control	13(g)	(30)	371	–	–	371	–	–	–	–	–	(401)
Total changes in ownership interests in subsidiaries		(30)	371	–	–	371	–	–	–	–	–	(401)
Total transactions with owners in their capacity as owners		(172)	289	177	(29)	988	(847)	–	(847)	–	–	(461)
Balance at 31 March 2017		67,341	64,031	51,053	(145)	15,631	(2,508)	1,848	640	(988)	(4,008)	3,310

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

Statements of Changes in Equity

For the financial year ended 31 March 2018

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

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

Statements of Changes in Equity

For the financial year ended 31 March 2018

2017 Company	Note	Equity, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Warrants reserve S$'000	Fair value adjustment reserve S$'000
Balance at 1 April 2016		79,658	80,404	(116)	2,478	(3,108)	–	1,487	(4,595)
Profit for the financial year		464	–	–	464	–	–	–	–
<u>Other comprehensive income</u>									
Net gain on fair value changes of available-for-sale financial assets	19	587	–	–	–	587	–	–	587
Other comprehensive income for the financial year, net of tax		587	–	–	–	587	–	–	587
Total comprehensive income for the financial year		1,051	–	–	464	587	–	–	587
<u>Contributions by and distributions to owners</u>									
Shares issued pursuant to exercise of warrants	26, 28	114	177	–	–	(63)	–	(63)	–
Warrants expired	28	–	–	–	784	(784)	–	(784)	–
Purchase of treasury shares	27	(29)	–	(29)	–	–	–	–	–
Dividends paid	43	(167)	–	–	(167)	–	–	–	–
Total contributions by and distributions to owners		(82)	177	(29)	617	(847)	–	(847)	–
<u>Changes in ownership interests in subsidiaries</u>									
Deemed equity	13(e)	100	–	–	–	100	100	–	–
Total changes in ownership interests in subsidiaries		100	–	–	–	100	100	–	–
Total transactions with owners in their capacity as owners		18	177	(29)	617	(747)	100	(847)	–
Balance at 31 March 2017		80,727	80,581	(145)	3,559	(3,268)	100	640	(4,008)

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

	Note	Group 2018 S$'000	Group 2017 S$'000
Operating activities			
Profit before income tax		6,617	4,501
Adjustments for:			
Allowance for doubtful trade receivables	22	52	318
Allowance for doubtful other receivables	23	–	555
Amortization of club membership	18	1	1
Amortization of intangible assets	16	142	195
Amortization of land use rights	17	8	–
Bad debts written off (trade)	7	252	17
Bad debts written off (non-trade)	7	–	28
Depreciation of property, plant and equipment	12	6,283	5,901
Gain on disposal of subsidiaries	34	(640)	–
Impairment loss on investment in an associate	14	–	1,000
Interest income	5	(39)	(31)
Interest expense	6	1,472	1,361
Net gain on disposal of plant and equipment	5, 7	(311)	(262)
Plant and equipment written-off	7	71	–
Share of results of associates	14	–	86
Write-back of allowance for doubtful trade receivables	22	(26)	–
Operating cash flows before movements in working capital		13,882	13,670
Changes in working capital:			
Inventories		(482)	(584)
Gross amount due from customers on contract work-in-progress		1,956	(269)
Trade and other receivables		(5,075)	(8,904)
Trade and other payables		(2,520)	8,388
Cash generated from operations		7,761	12,301
Income taxes paid		(2,060)	(1,403)
Net cash generated from operating activities		5,701	10,898
Investing activities			
Acquisition of non-controlling interests in a subsidiary	13(g)	–	(30)
Acquisition of land use rights	17	(958)	–
Incorporation of subsidiaries with non-controlling interests		147	–
Interest received		39	31
Proceeds from disposal of subsidiaries		915	–
Proceeds from disposal of plant and equipment		343	480
Purchase of plant and equipment	12	(5,935)	(7,112)
Effect of foreign currency re-alignment on investing activities		501	(629)
Net cash used in investing activities		(4,948)	(7,260)

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2018

	Note	Group 2018 S$'000	Group 2017 S$'000
Financing activities			
Dividends paid to owners of the Company	43	(371)	(167)
Dividends paid to non-controlling interests		–	(60)
Interest paid		(1,472)	(1,361)
Proceeds from exercise of warrants	26	1,116	114
Purchase of treasury shares	27	–	(29)
Proceeds from bank loans		32,937	25,795
Repayment of bank loans		(30,308)	(24,704)
Repayment of finance lease payables		(3,269)	(2,447)
(Pledge)/release of pledged fixed deposits with banks		(959)	617
Net cash used in from financing activities		(2,326)	(2,242)
Net (decrease)/increase in cash and cash equivalents		(1,573)	1,396
Effect of exchange rate changes on cash and cash equivalents		21	(95)
Cash and cash equivalents at beginning of financial year		10,645	9,344
Cash and cash equivalents at end of financial year	25	9,093	10,645

Reconciliation of liabilities arising from financing activities

	At beginning of financial year S$'000	Financing cashflows[1] S$'000	Non-cash movements: Purchase of property, plant and equipment S$'000	Non-cash movements: Interest expense S$'000	Non-cash movements: Others S$'000	At end of financial year S$'000
Liabilities						
Bank loans	27,867	1,466	–	1,163	149	30,645
Finance lease payables	5,771	(3,545)	2,050	276	175	4,727

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

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

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

1. General

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

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

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

The consolidated financial statements of the Group, and the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 March 2018 were authorized for issue by the Board of Directors on 29 June 2018.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for annual periods beginning on or after 1 April 2017. Other than the following standard, the adoption of these new or revised FRS and INT FRS did not result in changes to the Group's and the Company's accounting policies and has no material effect on the current or prior year and is not expected to have a material effect on future periods.

FRS 7 *Amendments to FRS 7: Disclosure Initiative*

Consequent to the adoption of these amendments, the Group has disclosed additional information to enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Comparative information has not been presented. This disclosure has been included in the Consolidated Statement of Cash Flows.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective

At the date of authorization of these financial statements, the following FRS, INT FRS and amendments to FRS were issued but not yet effective:

	Description	Effective date (annual periods beginning on or after)
FRS 40	Amendments to FRS 40: Transfers of Investment Property	1 January 2018
FRS 102	Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 104	Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 115	Amendments to FRS 115: Effective Date of FRS 115	1 January 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
INT FRS 122	Foreign Currency Transactions and Advance Considerations	1 January 2018
FRS 28	Amendments to FRS 28: Long-term interests in Associates and Joint Ventures	1 January 2019
FRS 109	Amendments to FRS 109: Prepayment Features with Negative Compensation	1 January 2019
FRS 116	Leases	1 January 2019
INT FRS 123	Uncertainty over Income Tax Treatments	1 January 2019
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Various	Improvements to FRSs (March 2018)	1 January 2019
FRS 117	Insurance Contracts	1 January 2021

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

The Group and the Company have not early adopted any of the above new or revised standards, interpretations and amendments to the existing standards in the financial year ended 31 March 2018. Management anticipates that the adoption of the aforementioned new or revised standards will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

FRS 109 *Financial Instruments*

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* ("FRS 39") with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Financial assets are classified into financial assets measured at (i) fair value through profit or loss; (ii) amortized cost; or (iii) fair value through other comprehensive income, depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, or as otherwise designated as such upon initial recognition, if allowed.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS 109 *Financial Instruments* (Continued)

Fair value gains or losses will be recognized in profit or loss except for certain equity investments, for which the entity will have a choice to recognize the gains and losses in other comprehensive income if the financial assets are measured at fair value through other comprehensive income.

There have been no changes in the de-recognition requirements of financial assets and liabilities, nor the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognized in other comprehensive income unless that would create or enlarge an accounting mismatch.

A new forward-looking impairment model based on expected credit losses, which replaces the incurred loss model in FRS 39, determines the recognition of impairment provisions as well as interest revenue. An entity will recognize (at a minimum of) 12 months of expected credit losses in profit or loss for financial assets measured at amortized cost or fair value through other comprehensive income, unless in the circumstance when there is a significant increase in credit risk after initial recognition which requires the entity to recognize lifetime expected credit losses on the affected assets.

The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 109. However, the Group is still assessing the potential impact of FRS 109 on its financial statements in the initial year of adoption. Preliminarily, based on currently known and reasonably estimable information relevant to its assessment, the Group does not expect any potential impact in its initial adoption.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18 *Revenue*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services* to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Entities are required to adopt a five-step model which requires (i) their identification of the contract; (ii) their identification of the performance obligations in the contract; (iii) the determination of transaction price; (iv) allocation of the transaction price; and (v) recognition of revenue when (i.e. at a point in time) or as (i.e. over time) each performance obligation is satisfied.

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

The Group's main streams of revenue are as follows:

- Specialist relocation services;
- Technical and engineering services; and
- Third party logistics services.

The Group is still assessing the potential impact of FRS 115 on its financial statements in the initial year of adoption but will be adopting the retrospective approach. Preliminarily, based on currently known and reasonably estimable information relevant to its assessment, the Group does not expect any potential impact in its initial adoption.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS 116 *Leases*

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* to set out the principles for the recognition, measurement, presentation and disclosure of leases. The changes introduced by FRS 116 will primarily affect the financial statements of the lessees.

FRS 116 requires, with limited exceptions, the lessee to recognize, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of "low-value" assets and qualifying short term leases entered into by lessees can be exempted from the new recognition criteria.

The Group is still assessing the potential impact of FRS 116 on its financial statements in the initial year of adoption.

Singapore Financial Reporting Standards (International)

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

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

In the initial adoption of its first SFRS(I) financial statements and each interim financial report presented in accordance with SFRS (I) 1-34 *Interim Financial Reporting*, the Group is required to apply SFRS(I) 1 *First-Time Adoption of Singapore Financial Reporting Standards (International)* ("SFRS(I) 1") which is equivalent to IFRS 1 *First-Time Adoption of International Financial Reporting Standards* and which mandates, amongst other disclosure requirements, the Group's presentation of at least 3 statements of financial position, including comparative information for all statements presented.

The Group has not early adopted SFRS(I) and has commenced its assessment of the impact of the initial adoption of SFRS(I) on its financial statements. Such assessment includes its consideration and application of the transition requirements and options made available in SFRS(I) 1 in the financial statements. Concurrently, the Group considered the impact of the initial adoption of the aforementioned relevant revised/new FRS, amendments to and interpretations of FRS, for which there are equivalent standards in the SFRS(I) framework, which are also effective from the same date of the Group's initial adoption of SFRS(I) on its financial statements.

Preliminarily, based on currently known and reasonably estimable information relevant to its assessment, the Group does not expect material impact on its financial statements in its initial adoption of SFRS(I) 1.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

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

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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

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

Intra-group assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

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

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

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

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

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

2.3 Business combinations

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

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

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

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

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

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

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

- assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 are measured in accordance with that Standard.

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

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

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

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

2.4 Revenue recognition

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

<u>Sale of goods</u>

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

2. Summary of significant accounting policies (Continued)

2.4 Revenue recognition (Continued)

Rendering of services

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

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

- revenue from charging of time for labour and material contracts are recognized at the contractual rates as labour hours are delivered and direct expenses are incurred; and

- revenue from construction contracts is recognized in accordance with the Group's accounting policy on revenue contracts (see Note 2.21).

Rental income

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

Dividend income

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

Interest income

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

2.5 Borrowing costs

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

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

2.6 Retirement benefit costs

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

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

2. Summary of significant accounting policies (Continued)

2.7 Employee leave entitlements

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

2.8 Share-based payments

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

2.9 Income tax

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

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

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

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

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.9 Income tax (Continued)

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

2.10 Dividends

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

2.11 Foreign currency transactions and translation

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

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

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

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

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

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

2.12 Investment property

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

2. Summary of significant accounting policies (Continued)

2.12 Investment property (Continued)

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

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

2.13 Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.14 Club membership

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

2.15 Intangible assets

Goodwill on acquisition

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

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

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

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

Intangible assets acquired in a business combination

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

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

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

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

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

2.16 Land use rights

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

2. Summary of significant accounting policies (Continued)

2.17 Investments in associates

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

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

The results and assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under FRS 105. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognized, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see Note 2.15).

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

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

2.18 Impairment of tangible and intangible assets excluding goodwill

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

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

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

2. Summary of significant accounting policies (Continued)

2.19 Financial instruments

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

Effective interest method

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

Financial assets

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

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

Loans and receivables

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

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

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

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

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

Impairment of financial assets

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

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

2. Summary of significant accounting policies (Continued)

2.19 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

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

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Ordinary share capital

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

Treasury shares

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

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

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

2. Summary of significant accounting policies (Continued)

2.19 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

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

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

Other financial liabilities

Trade and other payables

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

Borrowings

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

Financial guarantee contracts

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

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

Derecognition of financial liabilities

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

Offsetting of financial instruments

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

(a) currently has a legally enforceable right to set-off the recognized amounts; and

(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.20 Inventories

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

2. Summary of significant accounting policies (Continued)

2.20 Inventories (Continued)

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

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

2.21 Revenue contracts

Where the outcome of a revenue contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the financial year (percentage-of-completion method), except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

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

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

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

2.22 Cash and cash equivalents

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.24 Leases

Finance leases

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

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

Operating leases

The Group as lessee

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

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

The Group as lessor

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

2.25 Provisions

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.26 Segment reporting

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

2.27 Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other operating income".

2.28 Contingencies

A contingent liability is:

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

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

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

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

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

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

2.29 Related parties

A related party is defined as follows:

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

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

- (ii) Has significant influence over the Company; or

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

2. Summary of significant accounting policies (Continued)

2.29 Related parties (Continued)

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

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

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

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

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

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

Key management personnel

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

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

Determination of functional currency

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

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

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

Impairment of available-for-sale equity instrument

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

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

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

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

Following the assessment, the directors concluded that the Group does not have significant influence in EGH's financial and operating policies and therefore classified the investment in EGH as available-for-sale financial assets. Differing conclusions around these judgements may impact how the investment is presented in the consolidated financial statements. If the directors were to conclude that the 40% interest was sufficient to give the Group significant influence, EGH would instead have been classified as an associate and the Group would have accounted for it using the equity method of accounting.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Contracts revenue

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

The carrying amount of the construction contract work-in-progress as at the end of the reporting period can be subjected to uncertainty in respect of the variation works and estimation of future costs. The Group adopts a conservative approach in evaluating these uncertainties. Refer to Note 21 to the financial statements for the disclosure on the carrying amount of the Group's assets and liabilities arising from contract work-in-progress as at 31 March 2018 and 2017.

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

3.2 Key sources of estimation uncertainty (Continued)

Investment property

The Group carries its investment property at fair value, with changes in fair values being recognized in profit or loss. The fair values are determined by independent professional valuer using recognized valuation techniques, including the yield method and the discounted cash flow method. The determination of the fair value requires the use of estimates such as future cash flows from the asset and discount rates applicable to that asset. The estimates are based on local market conditions existing as at the reporting date. The carrying amount of the Group's investment property as at 31 March 2018 was S$950,000 (2017: S$950,000) (Note 11).

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment as at 31 March 2018 was S$38,311,000 (2017: S$36,295,000) (Note 12).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where necessary, the Company's and the Group's assessments are based on the estimation of the value-in-use of the assets defined in FRS 36 *Impairment of Assets* by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries as at 31 March 2018 was S$38,175,000 (2017: S$38,175,000) (Note 13).

Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The carrying amount of the Group's goodwill on consolidation as at 31 March 2018 was S$10,559,000 (2017: S$10,559,000) (Note 15).

Inventory valuation method

Inventory is valued at the lower of cost and net realizable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items, that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the salability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 March 2018 was S$5,075,000 (2017: S$4,593,000). There was no allowance made on inventory for the financial years ended 31 March 2018 and 2017 (Note 20).

Impairment of loans and other receivables

The Group assesses its loans and receivables on a continuous basis for any objective evidence of impairment by considering factors, including the ageing profile, the creditworthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Group's and the Company's loans and other receivables as at 31 March 2018 were S$62,301,000 (2017: S$56,540,000) and S$47,663,000 (2017: S$44,981,000) respectively (Note 41).

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

3.2 Key sources of estimation uncertainty (Continued)

Recognition and recoverability of prepayments for service fees paid

The Group recorded the service fees paid to external project managers for services rendered on procurement of revenue contracts in the People's Republic of China as prepayments under current assets. Management estimates the amounts to be amortized by matching the pattern of revenue recognized over the period of the relevant contracts. In addition, management reviews the list of projects and monitors the status of each project under negotiations with the target customers as well as its past collection history of each contract. The carrying amount of the Group's prepayments for service fees paid as at 31 March 2018 was S$5,851,000 (2017: S$6,430,000) (Note 23).

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses and unutilized capital allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenues from existing orders and contracts for the next 5 years. Where taxable profits are expected in the foreseeable future, deferred tax assets are recognized on the unused tax losses and unutilized capital allowances. The carrying amount of the Group's deferred tax assets as at 31 March 2018 was S$1,260,000 (2017: S$2,731,000) (Note 31).

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amount of the Group's current tax payable as at 31 March 2018 was S$87,000 (2017: S$3,079,000).

4. Revenue

	Group	
	2018	2017
	S$'000	S$'000
Sales of goods	23,590	21,863
Rendering of services	103,880	79,647
Contract revenue	446	4,660
	127,916	106,170

5. Other operating income

	Note	Group 2018 S$'000	Group 2017 S$'000
Compensation received		14	–
Gain on disposal of plant and equipment		341	262
Gain on disposal of subsidiaries	34	640	–
Gain on foreign exchange differences		872	838
Grants received from government		855	479
Interest income from banks		39	31
Insurance claims		–	12
Rental income from investment property	11	46	48
Rental income from leasing of working tools		13	–
Reimbursement of costs		135	124
Reversal of bad debts written off		–	21
Reversal of over-provision of expenses		–	173
Sale of scrap materials		124	150
Write-back of allowance for doubtful trade receivables	22	26	–
Miscellaneous income		644	420
		3,749	2,558

6. Finance expenses

	Group 2018 S$'000	Group 2017 S$'000
Bank loans interest	1,163	1,056
Bank overdrafts interest	–	4
Factoring interest and charges	33	5
Finance lease interest	276	296
	1,472	1,361

7. Profit before income tax

The following charges were included in the determination of profit before income tax:

	Note	Group 2018 S$'000	Group 2017 S$'000
Audit fees paid to auditors:			
- Auditors of the Company		272	269
- Other auditors		151	176
Non-audit fees paid to auditors:			
- Auditors of the Company		–	–
- Other auditors		11	16
Amortization of club membership	18	1	1
Amortization of intangible assets	16	142	195
Amortization of land use rights	17	8	–
Depreciation of property, plant and equipment	12	6,283	5,901
Directors' fees	38	400	400
Inventories recognized as an expense in cost of sales		11,095	11,382
Key management personnel remuneration	38	1,887	1,933
Operating lease expense			
- land and building		4,850	4,988
- equipment		4,918	3,330
- motor vehicles		1,583	1,136
Staff costs (including key management personnel remuneration)	8	40,692	34,788
Included in other operating expenses:			
Allowance for doubtful trade receivables	22	52	318
Allowance for doubtful other receivables	23	–	555
Bad debts written off (trade)		252	17
Bad debts written off (non-trade)		–	28
Impairment loss on investment in an associate	14	–	1,000
Loss on foreign exchange differences		769	1,154
Loss on disposal of plant and equipment		30	–
Plant and equipment written off		71	–

8. Staff costs (including key management personnel remuneration)

	Group 2018 S$'000	Group 2017 S$'000
Salaries and bonuses	31,310	26,166
Employers' contribution to defined contribution plan	4,607	5,201
Other related staff costs	4,775	4,497
	40,692	35,864
Less: Reversal of over-provision of bonuses	–	(1,076)
	40,692	34,788

9. Income tax expense

	Group 2018 S$'000	Group 2017 S$'000
Current income tax		
- Current	1,784	3,659
- (Over)/Under-provision in prior financial years	(2,742)	25
	(958)	3,684
Deferred income tax (Note 31)		
- Current	225	(1,675)
- Under-provision in prior financial years	1,575	5
Total tax expense	842	2,014

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2017: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the difference applicable jurisdictions in the current financial year from the last financial year.

Reconciliation of effective tax rate is as follows:

	Group 2018 S$'000	Group 2017 S$'000
Profit before income tax	6,617	4,501
Income tax at statutory rate	1,125	765
Tax effect of:		
- Expenses not deductible for tax purposes	1,047	900
- Income not subject to tax	(98)	(354)
- Different tax rates of overseas operations	289	640
- Enhanced allowances	(108)	(127)
- Unrecognized deferred tax benefits	(52)	(147)
- (Over)/Under-provision in prior financial years	(1,167)	30
- Share of results of associates	–	(15)
- Others	(194)	322
Total tax expense	842	2,014

The Singapore Government has announced that companies will receive 20% Corporate Income Tax ("CIT") rebate that is subject to a cap of S$10,000 for the Year of Assessment ("YA") 2019 and 40% CIT rebate that is subject to a cap of S$15,000 for the YA 2018.

At the end of the reporting period, the aggregate amount of temporary differences associated with the undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognized is approximately S$806,000 (2017: S$581,000). No liability has been recognized in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

10. Basic and diluted earnings per share

Basic earnings per share

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

The following table reflects the profit and share data used in the computation of basic earnings per share:

	Group	
	2018	2017
Profit for the financial year attributable to owners of the Company (S$'000)	5,486	2,596
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	371,320	334,155
Basic earnings per share (cents)	1.48	0.78

Diluted earnings per share

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

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

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

	Group	
	2018	2017
Profit for the financial year attributable to owners of the Company (S$'000)	5,486	2,596
Weighted average number of ordinary shares in calculation of basic earnings per share ('000)	371,320	334,155
Effect of dilution – number of unexercised warrants ('000)	–	9,461
Weighted average number of ordinary shares outstanding (diluted) ('000)	371,320	343,616
Fully diluted earnings per share (cents)	1.48	0.76

11. Investment property

	Group	
	2018	2017
	S$'000	S$'000
At beginning and end of financial year	950	950

The following amounts are recognized in profit or loss:

	Group	
	2018	2017
	S$'000	S$'000
Rental income from investment property (Note 5)	46	48
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment property	(2)	(2)

Investment property is stated at fair value, which has been determined based on valuation performed as at the end of the financial year. The valuation was performed by Teho Properties Consultant Pte Ltd, an independent valuer with a recognized and relevant professional qualification and with recent experience in the location and category of properties being valued. The valuation is based on the property's highest-and-best-use using the Comparable Sales Method.

As at 31 March 2018, the investment property is mortgaged to secure bank loans (Note 29).

The details of the investment property are as follows:

Description and location	Tenure	Unexpired lease term
Commercial property located at 7030 Ang Mo Kio Avenue 5, #04-46 Northstar @ AMK, Singapore 569880	60 years	48 years and 9 months

12. Property, plant and equipment

Group	Building under construction S$'000	Leasehold buildings / Renovation S$'000	Transportation equipment S$'000	Tools and equipment S$'000	Furniture, fittings, and office equipment S$'000	Total S$'000
Cost						
At 1 April 2016	1,953	16,848	21,169	24,318	2,994	67,282
Additions	2,466	1,332	3,804	2,701	296	10,599
Disposals / Written-off	–	–	(952)	(491)	(11)	(1,454)
Attributable to disposal group (Note 34)	–	(63)	(76)	(1)	(59)	(199)
Exchange translation differences	–	(186)	(600)	(448)	(62)	(1,296)
At 31 March 2017	4,419	17,931	23,345	26,079	3,158	74,932
Additions	1,503	378	2,627	2,986	491	7,985
Disposals / Written-off	–	(89)	(1,221)	(721)	(13)	(2,044)
Exchange translation differences	–	196	568	384	51	1,199
At 31 March 2018	5,922	18,416	25,319	28,728	3,687	82,072
Accumulated depreciation						
At 1 April 2016	–	3,577	12,228	16,982	2,123	34,910
Depreciation	–	773	2,238	2,534	356	5,901
Disposals / Written-off	–	–	(840)	(382)	(14)	(1,236)
Attributable to disposal group (Note 34)	–	(60)	(54)	–	(53)	(167)
Exchange translation differences	–	(36)	(355)	(326)	(54)	(771)
At 31 March 2017	–	4,254	13,217	18,808	2,358	38,637
Depreciation	–	980	2,515	2,494	294	6,283
Disposals / Written-off	–	(75)	(1,098)	(676)	(13)	(1,862)
Exchange translation differences	–	40	342	278	43	703
At 31 March 2018	–	5,199	14,976	20,904	2,682	43,761
Carrying amount						
At 31 March 2018	5,922	13,217	10,343	7,824	1,005	38,311
At 31 March 2017	4,419	13,677	10,128	7,271	800	36,295

Property, plant and equipment of the Group with carrying amount of S$7,531,000 (2017: S$6,571,000) were acquired under financial lease arrangements (Note 30).

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$7,985,000 (2017: S$10,599,000) of which S$2,050,000 (2017: S$3,487,000) were acquired by means of finance leases. Cash payments of S$5,935,000 (2017: S$7,112,000) were made to purchase property, plant and equipment.

In addition, the Group's leasehold buildings with carrying amount of S$11,273,000 (2017: S$11,989,000) are mortgaged to secure the Company's bank loans (Note 29) and certain credit facilities granted from banks.

12. Property, plant and equipment (Continued)

Details of the leasehold buildings held by the Group as at 31 March 2018 are set out below:

Subsidiary	Description and location	Tenure	Unexpired lease term
Chasen Logistics Services Limited	Factory cum office building located at 18 Jalan Besut Singapore 619571	21 years	6 years
Chasen Logistics Services Limited	Factory located at 6 Tuas Avenue 20 Singapore 638820	60 years	35 years
Hup Lian Engineering Pte Ltd	Factory cum office located at 56 Senoko Road Woodlands East Industrial Estate Singapore 758120	28 years	22 years and 9 months
Chasen Logistics Sdn Bhd	Warehouse cum office building located at Number 1099, Solok Perindustrian Bukit Minyak, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang, West Malaysia	60 years	52 years and 11 months

13. Investments in subsidiaries

	Company	
	2018 S$'000	2017 S$'000
Unquoted equity share, at cost	38,175	38,175

The details of the subsidiaries are as follows:

Name of subsidiary	Place of business/ Country of incorporation	Principal activities	Effective interest held by the Group 2018 %	2017 %
Held by the Company				
Chasen Logistics & Engineering Services Pte Ltd (i)	Singapore	Investment holding	100	100
Chasen Logistics Services Limited (i)	Singapore	Relocation services, industrial packing, warehousing, transportation, freight forwarding and shipping	100	100
City Zone Express Pte Ltd (i)	Singapore	Investment holding and freight forwarding, logistics, relocation, warehousing and general contractors	100	100 (Note e)
CLE Engineering Services Pte Ltd (i)	Singapore	Investment holding	100	100
REI Technologies Pte Ltd (i)	Singapore	Engineering services	100	100
Ruiheng International Pte Ltd (i)	Singapore	Investment holding	100	100

13. Investments in subsidiaries (Continued)

Name of subsidiary	Place of business/ Country of incorporation	Principal activities	Effective interest held by the Group 2018 %	2017 %
Held by subsidiaries				
Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd (ii)	People's Republic of China ("PRC")	General activities related to high value machinery and equipment	100 (Note d)	100
Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd (ii)	PRC	General activities relating to high value machinery and equipment	100	100
Chasen (USA), Inc. (vi)	United States of America	Relocation services, industrial packing, warehousing, transportation, freight forwarding and shipping	100	100
Chasen Engineering Sdn Bhd (iv)	Malaysia	Providing services on cryogenic pump	100	100
Chasen Logistics (Shanghai) Co., Ltd (vii)	PRC	Provision of relocation, packaging and warehousing services	100	100
Chasen Logistics Sdn Bhd (iv)	Malaysia	Provider of logistics and transportation services	100	100
Chasen Sinology (Beijing) Logistics Co., Ltd (vii)	PRC	Provision of artifact packaging and transportation services	100	100
Chasen Sino-Sin (Beijing) Hi-Tech Services Pte Ltd (vii)	PRC	General activities relating to high tech machinery and equipment, and relocation services	100	100
Chasen Transport Logistics Co., Ltd (v)	Vietnam	Provider of third party logistics services and warehousing	70	70 (Note g)
City Zone Asiatrans Corporation (vii)	Vietnam	Freight forwarding and local trucking	70 (Note a)	–
City Zone Express Bonded Warehouse Sdn Bhd (vii)	Malaysia	Bonded warehousing, transportation, freight forwarding, rigging and others related logistics	70 (Note b)	–
City Zone Express Company Limited (vii)	Thailand	Freight forwarding	70	70 (Note f)
City Zone Express Sdn Bhd (iv)	Malaysia	Provider of third party logistics services, transporting and warehousing service	72	72
City Zone Express Worldwide Co., Ltd. (vii)	Thailand	Freight forwarding	95 (Note c)	–
DNKH Logistics Pte Ltd (i)	Singapore	Provider of freight forwarding, logistics, transportation and general warehousing services	60	60

13. Investments in subsidiaries (Continued)

Name of subsidiary	Place of business/ Country of incorporation	Principal activities	Effective interest held by the Group 2018 %	Effective interest held by the Group 2017 %
Held by subsidiaries (Continued)				
Eons Global Holdings Pte Ltd (iii), (vii)	Singapore	Provision of management consultancy services	– (Note 34)	100
Eons Global Water (JL) Co., Ltd (iii), (vii)	PRC	Operate the purified water treatment plant and waste water treatment plant	– (Note 34)	100
Global Technology Synergy Pte Ltd (i)	Singapore	General building engineering service, process engineering and construction	100	100
Goh Kwang Heng Pte Ltd (i)	Singapore	Scaffolding service provider to marine and construction industries	100	100
Goh Kwang Heng Scaffolding Pte Ltd (i)	Singapore	Scaffolding equipment services	100	100
HLE Construction & Engineering Sdn Bhd (iv) #	Malaysia	Construction and engineering, projects and general trading	44	44
HLE International Pte Ltd (i)	Singapore	Investment holding	83	83
Hup Lian Engineering Pte Ltd (i)	Singapore	Engineering and structural steel fabrication supplier and installer	83	83
Liten Logistics Services Pte Ltd (i)	Singapore	Machinery and equipment moving, general warehouse and logistics management	100	100
REI (TL) Construction & Engineering Pty, Lda (vi)	Timor-Leste	Construction and engineering services	100	100
REI Promax Technologies Pte Ltd (i)	Singapore	Precision manufacturing of machine tool accessories	55	55
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (vii)	PRC	Management consultancy	83	83
Shanghai FengChuang M & E Equipment Co., Ltd (vii)	PRC	Design, engineering, installation of machinery and equipment	83	83
Suzhou Promax Communication Technology Co., Ltd (ii)	PRC	Contract manufacturing	55	55
Towards Green Sdn Bhd (iv)	Malaysia	Engineering and contracting work	100	100

13. Investments in subsidiaries (Continued)

(i) Audited by Mazars LLP, Singapore.

(ii) Audited by Mazars Shanghai, PRC for consolidation purposes.

(iii) Disposed during the financial year.

(iv) Audited by Grant Thornton, Malaysia.

(v) Audited by Mazars Vietnam for consolidation purposes.

(vi) Audited by Mazars LLP, Singapore for consolidation purposes.

(vii) Not audited as insignificant to the Group.

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

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

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

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

Name of subsidiary	Proportion of ownership interest held by NCI		Profit/(Loss) allocated to NCI during the financial year		Accumulated NCI at the end of financial year		Dividends paid to NCI	
	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
City Zone Express Sdn Bhd	28	28	28	67	838	761	–	–
Chasen Transport Logistics Co., Ltd	30	30	185	27	741	597	–	–
DNKH Logistics Pte Ltd	40	40	(82)	(118)	724	806	–	60
Hup Lian Engineering Pte Ltd	17	17	(488)	(707)	(1,900)	(1,359)	–	–
REI Promax Technologies Pte Ltd	45	45	599	600	3,157	2,490	–	–

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group except for cash and bank balances held in the People's Republic of China of S$2,706,000 (2017: S$3,108,000) which are subject to local exchange control regulations which restrict the amount of currency to be exported other than through dividends.

13. Investments in subsidiaries (Continued)

Summarized financial information about subsidiaries with material NCI

Summarized financial information before intercompany eliminations are as follows:

	City Zone Express Sdn Bhd		Chasen Transport Logistics Co., Ltd		DNKH Logistics Pte Ltd		Hup Lian Engineering Pte Ltd[1]		REI Promax Technologies Pte Ltd[1]	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Assets:										
Non-current assets	2,881	2,578	590	284	1,301	1,327	6,426	6,168	6,856	6,978
Current assets	3,987	3,497	2,559	2,130	2,504	2,397	3,002	6,628	11,089	10,120
Liabilities:										
Non-current liabilities	893	1,433	–	–	633	600	21	74	292	872
Current liabilities	2,982	1,925	680	425	1,362	1,109	16,447	16,678	10,637	10,693
Net assets/(liabilities)	2,993	2,717	2,469	1,989	1,810	2,015	(7,040)	(3,956)	7,016	5,533
Results:										
Revenue	12,315	10,936	3,405	1,367	7,876	7,069	483	4,681	22,957	21,147
Profit/(Loss) before income tax	129	339	773	112	(206)	(295)	(2,989)	(3,955)	1,283	1,831
Profit/(Loss) for the financial year	100	241	618	89	(206)	(295)	(2,989)	(3,955)	1,332	1,333

[1] Consolidated results of the respective subsidiaries before intercompany eliminations.

13. Investments in subsidiaries (Continued)

Financial year ended 31 March 2018

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

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

(b) *Incorporation of a subsidiary – City Zone Express Bonded Warehouse Sdn Bhd*

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

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

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

On 16 May 2017, City Zone Express Company Limited ("CZE-T") incorporated a subsidiary, namely City Zone Express Worldwide Co., Ltd ("CZE-W"), in Thailand, with two Thai Nationals holding equity interest of 0.005% and 5% respectively, to complement CZE-T's current land cross-border business and extend the Group's third party logistics capacity in Thailand into Vietnam, Indo-China and China vis-à-vis worldwide via air and sea links to enhance the long term sustainable growth in this business segment. CZE-T holds 95% equity interest in CZE-W.

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

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

Financial year ended 31 March 2017

(e) *Additional investment in a subsidiary – City Zone Express Pte Ltd*

On 1 April 2016, the Company increased its issued and paid-up capital in its wholly-owned subsidiary, City Zone Express Pte Ltd ("CZES"), from 1 to 100,000 ordinary shares, by way of a further allotment of 99,999 ordinary shares via capitalization of S$99,999 retained profits of CZES.

(f) *Incorporation of a subsidiary – City Zone Express Company Limited*

On 10 May 2016, City Zone Express Pte Ltd ("CZES") incorporated a subsidiary, namely City Zone Express Company Limited ("CZET"), in Thailand, with three Thai Nationals ("JV Partners") holding equity interest of 15%, 15% and 21% respectively, to engage in logistics business and other services relating thereto in Thailand as well as to act as the vehicle through which the intended business collaboration activities shall be conducted. CZES holds 70% equity interest in CZET with 21% equity interest held-in-trust by one of the JV Partners.

13. Investments in subsidiaries (Continued)

(g) Acquisition of non-controlling interests – Chasen Transport Logistics Co., Ltd

On 1 April 2016, the Company's wholly-owned subsidiary company, Ruiheng International Pte Ltd, acquired an additional 21% equity interest in Chasen Transport Logistics Company Limited ("CTL") from its non-controlling interests for a cash consideration of S$30,000. As a result of this acquisition, CTL is 70% owned subsidiary of the Group. The carrying value of the net assets of CTL as at 1 April 2016 was S$1,909,000 and the carrying value of the additional interest acquired was S$401,000. The difference of S$371,000 between the consideration and the carrying value of the additional interest acquired had been recognized in "Retained Profits" within equity.

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

	2017 S$'000
Consideration paid for acquisition of non-controlling interests	(30)
Decrease in equity attributable to non-controlling interests	401
Increase in equity attributable to owners of the Company	371

14. Investments in associates

	Group		Company	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Unquoted equity share, at cost	1,409	1,409	200	200
Exchange translation differences	7	7	–	–
Share of results of associates	(416)	(416)	–	–
Impairment loss	(1,000)	(1,000)	(200)	(200)
Carrying amount	–	–	–	–

Allowance for impairment loss was recognized in profit or loss in prior financial year as an associate of the Group and the Company, Caitong Investments Pte. Limited, remained dormant with no future business plan. The associate is currently in the process of winding up.

Movements in allowance for impairment loss are as follows:

	Group		Company	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
At beginning of financial year	1,000	–	200	–
Impairment loss recognized during the financial year	–	1,000	–	200
At end of financial year	1,000	1,000	200	200

14. Investments in associates (Continued)

The details of the associates are as follows:

Name of associate	Place of business / Country of incorporation	Principal activities	Proportion of ownership interest 2018 %	Proportion of ownership interest 2017 %
Held by the Company				
Caitong Investments Pte. Limited [(i)]	Singapore	Investment holding	6	6
Held by HLE International Pte Ltd				
Caitong Investments Pte. Limited [(i)]	Singapore	Investment holding	24	24
Held by Chasen Sino-Sin (Beijing) Hi-Tech Services Pte Ltd				
Amber Digital Solutions (Beijing) Pte Ltd [(ii)]	People's Republic of China	Providing 3D high resolution digital imaging of cultural heritage relics and museum	30	30

(i) The associate is dormant and is gazetted to be struck off.

(ii) Not audited as insignificant to the Group.

The activities of the associates are strategic to the Group's activities.

Summarized financial information of the Group's associates

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

	2018 S$'000	2017 S$'000
Assets and liabilities:		
Non-current assets	30	50
Current assets	932	1,007
Total assets	962	1,057
Current liabilities	(2,942)	(2,104)
Total liabilities	(2,942)	(2,104)
Net liabilities	(1,980)	(1,047)
Group's share of associate's net liabilities	(594)	(314)
Goodwill on acquisition	371	371
Other adjustments	223	(57)
Carrying amount of the investment	–	–
Results:		
Revenue	351	1,107
Loss for the financial year	(887)	(933)
Group's share of associate's loss for the financial year	–	(86)

14. Investments in associates (Continued)

Summarized financial information of the Group's associates (Continued)

	2018 S$'000	2017 S$'000
Current year's share of losses:		
Recognized losses	–	(86)
Unrecognized losses	(266)	(194)
	(266)	(280)
Movement of cumulative share of unrecognized losses:		
At beginning of financial year	194	–
Losses during the financial year	266	194
At end of financial year	460	194

The Group has not recognized losses relating to Amber Digital Solutions (Beijing) Pte Ltd where its share of losses exceed the Group's carrying amount of its investment in this associate. The Group's cumulative share of unrecognized losses were S$460,000 (2017: S$194,000). The Group has no obligation in respect of those losses.

15. Goodwill on consolidation

	Group	
	2018 S$'000	2017 S$'000
At cost		
At beginning and end of financial year	10,559	10,559

Goodwill acquired through business combinations is allocated, at acquisition, to the respective cash-generating units ("CGU") that are expected to benefit from the synergies of those business combinations.

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

	Group	
	2018 S$'000	2017 S$'000
Global Technology Synergy Pte Ltd / Towards Green Sdn Bhd ("GTS Group")	2,908	2,908
Goh Kwang Heng Pte Ltd / Goh Kwang Heng Scaffolding Pte Ltd ("GKH Group")	1,311	1,311
Liten Logistics Services Pte Ltd / Chasen Logistics Services Limited ("LLS & CLSG")	4,186	4,186
Hup Lian Engineering Pte Ltd ("HLE")	2,006	2,006
Others	148	148
	10,559	10,559

15. Goodwill on consolidation (Continued)

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

	Specialist Relocation Solutions S$'000	Technical & Engineering S$'000	Total S$'000
2018			
Singapore	4,186	6,224	10,410
People's Republic of China	66	–	66
Vietnam	83	–	83
	4,335	6,224	10,559
2017			
Singapore	4,186	6,224	10,410
People's Republic of China	66	–	66
Vietnam	83	–	83
	4,335	6,224	10,559

Impairment testing of goodwill

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

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

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

	GTS Group		GKH Group		LLS & CLSG		HLE	
	2018	2017	2018	2017	2018	2017	2018	2017
Gross margin (i)	30% - 37%	26% - 56%	22%	19%	20% - 44%	21%	25% - 29%	23%
Growth rates (ii)	5%	20%	2%	2%	5%	5%	10% - 15%	3%
Discount rate (iii)	9.6% - 9.9%	11.1% - 12.5%	9.6%	10.6%	9.6%	10.5%	9.6%	13.7%
Terminal value growth rate (iv)	1%	1%	1%	1%	1%	1%	1%	1%

Key assumptions used in the value-in-use calculations

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

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

15. Goodwill on consolidation (Continued)

Impairment testing of goodwill (Continued)

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

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

Sensitivity to changes in assumptions

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

Impairment loss recognized

No impairment loss was recognized during the current financial year ended 31 March 2018 and 2017.

16. Intangible assets

Group	Know-how*	Non–contractual customer relationship**	Total
	S$'000	S$'000	S$'000
Cost			
At 1 April 2016	443	966	1,409
Exchange translation differences	(3)	–	(3)
At 31 March 2017 and 2018	440	966	1,406
Accumulated amortization			
At 1 April 2016	330	739	1,069
Amortization charge for the financial year	56	139	195
At 31 March 2017	386	878	1,264
Amortization charge for the financial year	54	88	142
At 31 March 2018	440	966	1,406
Carrying amount			
At 31 March 2018	–	–	–
At 31 March 2017	54	88	142

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

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

17. Land use rights

	Group S$'000
Cost	
At 1 April 2017 and 31 March 2017	–
Addition	958
Exchange translation differences	16
At 31 March 2018	974
Accumulated amortization	
At 1 April 2017 and 31 March 2017	–
Amortization charge for the financial year	8
At 31 March 2018	8
Carrying amount	
At 31 March 2018	966
At 31 March 2017	–

The Group has land use rights over a plot of state-owned land in People's Republic of China (PRC) to house the factory and warehouse of one of its subsidiaries in PRC operating in the Specialist Relocation Business Segment. The land use rights are transferable and have a remaining tenure of 49 years and 6 months.

18. Club membership

	Group	
	2018 S$'000	2017 S$'000
Carrying amount		
At beginning of financial year	6	7
Less: Amortization charge for the financial year	(1)	(1)
At end of financial year	5	6

The club membership of S$15,000 was paid for by the Group for the benefit of a director in accordance with his Service Agreement ("Agreement"). Accordingly, the director held the membership in trust for the Group. Pursuant to the Agreement, the director is entitled to benefit from the membership as long as he maintains his role as an Executive Director of the Group up to 31 March 2023 for 15 years' term. Upon completion of the specified term (15 years), the benefit of the club will be entirely vested in the director. Consequently, the membership will be deemed disposed.

19. Available-for-sale financial assets

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
At beginning of financial year	1,212	625	1,212	625
Additions (Note 34)	4,632	–	–	–
(Loss)/gain on fair value changes recognized in other comprehensive income	(679)	587	(679)	587
At end of financial year	5,165	1,212	533	1,212

Details of the available-for-sale financial assets

	Group 2018 S$'000	Group 2017 S$'000	Company 2018 S$'000	Company 2017 S$'000
Quoted equity securities, at fair value	533	1,212	533	1,212
Unquoted equity securities, at cost	4,632	–	–	–
Total available-for-sale financial assets	5,165	1,212	533	1,212

Quoted equity securities, at fair value

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

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

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

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

As a result of the completion of the aforesaid transfers, the Company has transferred back to the majority shareholder of FPC all its investment in FPC and increased its total shareholdings in GBM from 30,375,000 ordinary shares to 75,622,500 ordinary shares representing 11.32% of the total issued and paid up share capital of GBM. In addition, the Company became a substantial shareholder of GBM and an announcement had been released on ASX on or around 4 November 2013 where GBM is listed via a filing of ASX Form 603.

As at 31 March 2018, GBM's issued number of ordinary shares is 1,118,319,556 (2017: 1,118,319,556) and the Company's shareholding in GBM is 6.76% (2017: 6.76%).

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

* AU$: Australian dollars

Unquoted equity securities, at cost

The Group's investment in unquoted equity securities relates to a 40% investment in Eons Global Holdings Pte Ltd ("EGH") (Note 34). The Group recognized the unquoted equity securities as available-for-sale financial assets as the Group does not retain significant influence over EGH and intends to dispose off the investment in the near future. The investment is measured at cost less impairment losses as it is not practicable to determine with sufficient reliability, its fair value.

20. Inventories

	Group 2018 S$'000	Group 2017 S$'000
Raw materials	1,133	559
Work-in-progress	2,263	3,036
Finished goods	1,232	664
Consumables	447	334
	5,075	4,593

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

	Group 2018 S$'000	Group 2017 S$'000
Aggregate costs incurred and recognized profits (less recognized losses) to date on uncompleted construction contract	1,964	8,573
Less: Progress billings	(1,651)	(6,304)
	313	2,269
Contract work-in-progress:		
Gross amount due from customers	355	2,272
Gross amount due to customers	(42)	(3)
	313	2,269
Retention sums on construction contracts included in trade receivables (Note 22)	684	845

Gross amount due from customers on contract work-in-progress that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments.

The Group's gross amount due from customers on contract work-in-progress is denominated in the following currencies as at reporting date:

	Group 2018 S$'000	Group 2017 S$'000
Singapore dollar	80	2,050
Malaysian Ringgit	233	219
	313	2,269

22. Trade receivables

	Group	
	2018	2017
	S$'000	S$'000
Third parties	42,452	39,570
Retention receivables	684	845
Less: Allowance for doubtful trade receivables	(1,310)	(1,411)
	41,826	39,004

Trade receivables are non-interest bearing and the average credit period on sale of goods ranges from 30 to 90 (2017: 30 to 90) days according to the terms agreed with the customers. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

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

	Group	
	2018	2017
	S$'000	S$'000
Not past due	–	74
Past due more than 90 days	1,310	1,337
	1,310	1,411

Movements in the allowance for doubtful receivables are as follows:

	Group	
	2018	2017
	S$'000	S$'000
At beginning of financial year	1,411	1,397
Allowance charged to profit or loss	52	318
Allowance written back during the financial year	(26)	–
Allowance written off during the financial year	(163)	(258)
Exchange translation differences	36	(46)
At end of financial year	1,310	1,411

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

	Group	
	2018	2017
	S$'000	S$'000
Singapore dollar	14,245	14,554
Chinese Renminbi	18,262	13,731
Euro	–	28
Thai Baht	594	236
Malaysian Ringgit	5,241	4,530
United States dollar	2,126	5,566
Vietnamese Dong	1,358	359
	41,826	39,004

23. Other receivables, deposits and prepayments

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Non-current				
Loan to an associate	424	424	231	231
Other receivables	1,029	–	–	–
Less: Allowance for doubtful other receivables	(424)	(424)	(231)	(231)
	1,029	–	–	–
Current				
Advances to suppliers	791	1,090	–	–
Deposits paid	1,888	3,112	1	1
Other receivables	6,657	3,682	16	6
Less: Allowance for doubtful other receivables	(709)	(710)	–	–
	5,948	2,972	16	6
Prepayments for service fees	5,851	6,430	–	–
Other prepayments	1,863	2,210	29	46
	7,714	8,640	29	46
	16,341	15,814	46	53
Total	17,370	15,814	46	53

The loan to an associate was unsecured, interest-free, and not expected to be repaid within the next twelve months. The loan was considered to be part of the Group's and the Company's net investment in the associate. In previous financial year, an allowance was recognized in profit or loss as the investment in the associate of the Group and the Company had been fully impaired as disclosed in Note 14.

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

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

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

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
At beginning of financial year	1,134	618	231	–
Allowance charged to profit or loss	–	555	–	231
Allowance written off	(35)	–	–	–
Exchange translation differences	34	(39)	–	–
At end of financial year	1,133	1,134	231	231

23. Other receivables, deposits and prepayments (Continued)

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

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	4,849	3,077	46	53
Chinese Renminbi	10,590	9,362	–	–
Malaysian Ringgit	1,137	926	–	–
United States dollar	446	1,860	–	–
Vietnamese Dong	312	570	–	–
Thai Baht	36	19	–	–
	17,370	15,814	46	53

24. Amounts due from subsidiaries

The amounts due from subsidiaries (net) are non-trade in nature, unsecured, interest-free, repayable on demand and denominated in Singapore dollar as at reporting date, except for certain amounts due from subsidiaries amounting to S$11,590,000 (2017: S$8,549,000) which bears effective interest rate at 4.25% (2017: 4.25%) per annum.

25. Cash and cash equivalents

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Cash and bank balances	9,093	9,595	303	486
Fixed deposits placed with banks	1,726	767	–	–
	10,819	10,362	303	486

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

The fixed deposits of S$1,726,000 (2017: S$767,000) were pledged to financial institutions as securities for banking facilities and performance guarantees of the Group.

Fixed deposits of the Group bear interest rates ranging from 0.05% to 1.35% (2017: 0.13% to 1.35%) per annum with average maturity period ranging from one to twelve months (2017: one to twelve months) at the end of the financial year.

25. Cash and cash equivalents (Continued)

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

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	3,503	3,917	226	76
Chinese Renminbi	2,127	1,979	–	–
Malaysian Ringgit	1,890	1,852	–	–
United States dollar	2,183	1,425	77	410
Vietnamese Dong	874	1,177	–	–
Thai Baht	242	12	–	–
	10,819	10,362	303	486

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

	Group	
	2018	2017
	S$'000	S$'000
Cash and bank balances	10,819	10,362
Fixed deposits pledged	(1,726)	(767)
Disposal group classified as held-for-sale (Note 34)	–	1,050
Cash and cash equivalents	9,093	10,645

26. Share capital

	Group		Company	
	No. of shares		No. of shares	
	'000	S$'000	'000	S$'000
Issued and fully paid, with no par value				
At 1 April 2016	335,608	50,876	335,608	80,404
Issued for exercise of warrants (i)	4,545	114	4,545	114
Transferred from warrants reserve	–	63	–	63
At 31 March 2017	340,153	51,053	340,153	80,581
Issued for exercise of warrant (ii)	44,664	1,116	44,664	1,116
Transferred from warrants reserve	–	629	–	629
At 31 March 2018	384,817	52,798	384,817	82,326

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

26. Share capital (Continued)

(i) Issue of 4,545,000 consideration shares at S$0.025 per share upon exercise of warrants. All ordinary shares are fully paid.

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

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

Chasen Performance Share Plan

The Chasen Performance Share Plan 2007 (the "Plan 2007"), a share-based incentive scheme, was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 16 May 2007.

The Plan 2007 was administered by the Remuneration Committee which comprises Tan Sin Huat, Dennis (Chairman), Ng Jwee Phuan @ Frederick (Eric) and Chew Mun Yew.

Under the Plan 2007, eligible participants are conferred rights by the Company on shares to be issued or transferred ("Awards"). The Plan 2007 contemplates the award of fully paid shares free of charge when and after pre-determined performance or service conditions are accomplished and/or due recognition is given to any good work performance and/or any significant contribution to the Company.

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

From the commencement to the expiry of the Plan 2007 on 15 May 2017, awards comprising an aggregate of 5,314,562 shares have been granted to the directors and employees of the Company and its subsidiaries.

As at 15 May 2017, details of performance shares awarded under the Plan 2007 are set out as below:

Date of grant	Share Awards granted since commencement to end of financial year under review	Share Awards vested since commencement to end of financial year under review	Share Awards cancelled since commencement to end of financial year under review	Share Awards outstanding as at end of financial year under review
23 August 2007	476,000	(476,000)	Nil	Nil
1 September 2008	970,000	(864,500)	(105,500)	Nil
27 July 2009	189,000	(189,000)	Nil	Nil
22 February 2010	1,346,912	(1,307,282)	(39,630)	Nil
31 March 2011	1,069,200	(937,180)	(132,020)	Nil
30 March 2012	1,263,450	(1,167,260)	(96,190)	Nil

26. Share capital (Continued)

The performance shares awarded to directors and controlling shareholders and their associates under the Plan 2007 as at 15 May 2017 are as follows:

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

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

As at 31 March 2018, no performance shares are awarded under the Plan 2017.

27. Treasury shares

	Group and Company			
	2018		2017	
	No. of shares '000	S$'000	No. of shares '000	S$'000
At beginning of financial year	1,841	145	1,091	116
Repurchased during the financial year	–	–	750	29
At end of financial year	1,841	145	1,841	145

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

In the previous financial year, the Company acquired 750,000 of its own shares through purchase on the SGX-ST. The total amount paid to acquire the share was S$29,000 and this was presented as a component within shareholders' equity.

28. Other reserves

Capital reserve

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (i)	69	69	–	–
Liten Logistics Services Pte Ltd (ii)	1,298	1,298	–	–
Global Technology Synergy Pte Ltd (ii)	72	72	–	–
Amber Digital Solutions (Beijing) Pte Ltd (iii)	409	409	–	–
City Zone Express Pte Ltd (iv)	–	–	100	100
	1,848	1,848	100	100

(i) Represents a contingent payment to the former owner of the acquired subsidiary.

(ii) Represents net gain on fair value changes arising from the net assets of subsidiaries acquired.

(iii) Represents fair value of consideration injected in an associate.

(iv) Represents allotment of ordinary shares to a wholly-owned subsidiary via capitalization of its retained profits at the sole discretion of the Company's directors and accordingly classified as deemed equity (Note 13(e)).

Warrants reserve

	Group and Company			
	2018		2017	
	No. of warrants '000	S$'000	No. of warrants '000	S$'000
At beginning of financial year	45,499	640	152,129	1,487
Warrants conversion to ordinary shares	(44,664)	(629)	(4,545)	(63)
Warrants expired	(835)	(11)	(102,085)	(784)
At end of financial year	–	–	45,499	640

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

During the financial year ended 31 March 2018, 44,664,000 (2017: 4,545,000) warrants have been exercised.

Foreign currency translation reserve

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

Fair value adjustment reserve

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

29. Bank loans

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Bank loans	30,645	27,867	3,650	3,153

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

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Within one year	28,551	23,323	3,423	1,648
After one year but within five years	1,159	3,569	227	1,505
After five years	935	975	–	–
	30,645	27,867	3,650	3,153

The effective interest rates per annum are as follows:

	Group		Company	
	2018	2017	2018	2017
Bank loans	2.75% to 8.04%	2.38% to 7.59%	2.90% to 7.26%	5.64% to 7.26%

The banking facilities are secured by the following:

(a) legal mortgage of the Group's investment property and leasehold buildings;

(b) corporate guarantee by the Company and a subsidiary, Chasen Logistics Services Limited;

(c) pledge of fixed deposits amounting to about S$1,726,000 (2017: S$767,000) (Note 25);

(d) personal guarantee from directors of certain subsidiaries that are not wholly-owned by the Group.

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

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

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	23,825	24,283	3,650	3,153
Chinese Renminbi	5,398	2,166	–	–
Malaysia Ringgit	1,422	1,418	–	–
	30,645	27,867	3,650	3,153

30. Finance lease payables

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

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

	Group			
	2018		2017	
	Minimum lease payments S$'000	Present value of minimum lease payments S$'000	Minimum lease payments S$'000	Present value of minimum lease payments S$'000
Within one year	2,430	2,250	2,967	2,718
After one year but within five years	2,640	2,474	3,212	3,016
After five years	3	3	38	37
Total minimum lease payments	5,073	4,727	6,217	5,771
Less: Future finance charges	(346)	–	(446)	–
Present value of minimum lease payments	4,727	4,727	5,771	5,771

The finance lease terms range from 1 to 7 years (2017: 1 to 9 years).

The effective interest rates charged during the financial year range from 1.30% to 7.51% (2017: 1.38% to 7.77%) per annum. Interest rates are fixed at the contract dates, and thus are not exposed to fair value interest rate risk. As at the end of the financial year, the fair values of the Group's finance lease obligations approximate their carrying amounts.

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

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

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

	Group	
	2018 S$'000	2017 S$'000
Singapore dollar	2,456	2,645
Chinese Renminbi	342	680
Malaysian Ringgit	1,929	2,446
	4,727	5,771

31. Deferred tax

	Group	
	2018	2017
	S$'000	S$'000
Deferred tax assets	1,260	2,731
Deferred tax liabilities	(1,073)	(746)

Deferred tax assets

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

	Group	
	2018	2017
	S$'000	S$'000
At beginning of financial year	2,731	1,163
Credited to profit or loss	84	1,657
Over-provision in prior financial years	(1,575)	(65)
Exchange translation differences	20	(24)
At end of financial year	1,260	2,731

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

Unrecognized deferred income tax assets

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

	Group	
	2018	2017
	S$'000	S$'000
Unabsorbed tax losses	8,304	8,682
Unutilized capital allowances	1,395	1,325
	9,699	10,007
Unrecognized deferred tax benefits	1,649	1,701

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

31. Deferred tax (Continued)

Deferred tax liabilities

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

	Group	
	2018	2017
	S$'000	S$'000
At beginning of financial year	(746)	(846)
(Charged)/Credited to profit or loss	(309)	18
Over-provision in prior financial years	–	60
Exchange translation differences	(18)	22
At end of financial year	(1,073)	(746)

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

32. Trade payables

	Group	
	2018	2017
	S$'000	S$'000
Third parties	15,349	17,327

Trade payables are non-interest bearing and the average credit period on purchases of goods is 30 (2017: 30) days according to the terms agreed with the suppliers.

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

	Group	
	2018	2017
	S$'000	S$'000
Singapore dollar	3,201	5,400
Chinese Renminbi	9,290	9,278
Malaysian Ringgit	1,147	1,025
Thai Baht	231	203
United States dollar	1,315	1,356
Vietnamese Dong	165	65
	15,349	17,327

33. Other payables and accruals

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Amounts due to directors	210	262	–	–
Deposits received	286	1,546	–	–
Accruals	5,005	4,422	454	406
Other payables	1,293	2,530	60	124
	6,794	8,760	514	530

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

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

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

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	3,866	2,846	514	530
Chinese Renminbi	1,634	2,973	–	–
Malaysian Ringgit	927	1,239	–	–
Vietnamese Dong	137	76	–	–
United States dollar	153	1,626	–	–
Thai Baht	77	–	–	–
	6,794	8,760	514	530

34. Disposal group classified as held-for-sale

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

On 23 March 2017, the Group received the first tranche payment of the consideration of RMB5 million or S$1 million from the Purchaser pursuant to the SPA.

On 24 March 2017, the Company and the Purchaser entered into a Supplemental Agreement to the SPA with respect to the payment of the balance consideration that should the Purchaser fail to pay the RMB4.6 million within two months from the date of the first tranche payment of the consideration, and unless extended by mutual consent, the Purchaser shall own only 31.25% of EGH.

As at 31 March 2017, the assets and liabilities relating to EGH, which are expected to be sold within twelve months, are classified as a disposal group held-for-sale and are presented in the statements of financial position as "Assets of disposal group classified as held-for-sale" and "Liabilities of disposal group classified as held-for-sale". As the profit and loss effect of the disposal group is not material, management did not separately present and disclose the quantum in and the effect of the disposal group to the consolidated statement of profit and loss and comprehensive income (including comparatives), including the disclosure for statement of cash flows and earnings/(losses) per share. The disposal group belonged to the technical and engineering segment.

34. Disposal group classified as held-for-sale (Continued)

The major classes of assets and liabilities of EGH classified as held-for-sale as at 31 March 2017 are as follows:

	Group 2017 S$'000
Assets:	
Property, plant and equipment (Note 12)	32
Trade receivables	404
Other receivables, deposits and prepayments	6,770
Cash and cash equivalents	1,050
Assets of disposal group classified as held-for-sale	8,256
Liabilities:	
Trade payables	240
Other payables and accruals	1,050
Income tax payable	12
Liabilities of disposal group classified as held-for-sale	1,302
Net assets directly associated with disposal group classified as held-for-sale	6,954

On 15 November 2017, the Group received the final tranche payment of the consideration of RMB4.6 million or S$949,000 from the Purchaser and completed the disposal. Following the completion of the disposal, the Group holds 40% shareholding interest in EGH and classified the remaining retained interest in EGH as available-for-sale financial assets (Note 19).

Details of the disposal are as follows:

	2018 S$'000
Carrying amounts of net assets over which control was lost	
Current assets, net	6,712
Non-current assets, net	22
Total net assets	6,734
Less: equity interest retained (Note 19)	(4,632)
Net assets disposed	2,102
Consideration received	
Cash	1,949
Add: Assets recoverable	708
Total consideration received	2,657
Gain on disposal	
Total consideration received	2,657
Net assets disposed	(2,102)
Reclassified from equity on loss of control	
- Cumulative foreign exchange reserves	85
Gain on disposal of subsidiaries	640

34. Disposal group classified as held-for-sale (Continued)

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

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

35. Operating lease commitments

The Group as lessee

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

	Group	
	2018 S$'000	2017 S$'000
Future minimum lease payments payable:		
Within one year	2,831	4,503
After one year but within five years	2,958	4,688
After five years	4,008	4,404
	9,797	13,595

The leases have its tenure from 1 to 30 (2017: 1 to 30) years, with an option to renew the lease subject to certain conditions being met. Lease payments are increased upon renewal to reflect market rentals. There are no restrictions placed upon the Company by entering into these leases. The lease expenditure charged to profit or loss during the financial year is disclosed in Note 7 to the financial statements.

The Group as lessor

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

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

	Group	
	2018 S$'000	2017 S$'000
Future minimum lease payments receivable:		
Within one year	1,183	1,561
After one year but within five years	–	186
	1,183	1,747

36. Capital commitments

	Group	
	2018	2017
	S$'000	S$'000
Capital commitments contracted but not provided for:		
- Leasehold building	2,568	–
- Plant and equipment	–	251

37. Contingencies

Financial guarantees

As at 31 March 2018, the Company has given corporate guarantees amounting to S$62,448,000 (2017: S$56,964,000) to certain banks and financial institutions in respect of banking facilities granted to the subsidiaries.

The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the fair value of the guarantees to the banks and financial institutions with regard to the subsidiaries is not significant. The Company has not recognized any liability in respect of the guarantees given to the banks for banking facilities granted to the subsidiaries as the Company's directors have assessed that the likelihood of the subsidiaries defaulting on repayment is remote.

Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilization of the banking facility.

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

Legal claims

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

38. Significant related party transactions

During the financial year, in addition to those disclosed elsewhere in these financial statements, the Company entered into the following transactions with related parties:

	Company	
	2018	2017
	S$'000	S$'000
Subsidiaries		
Dividend income	–	769
Interest income	887	285
Management fee income	3,390	2,073
Loan to subsidiaries	5,077	1,564

Key management personnel remuneration

	Group	
	2018	2017
	S$'000	S$'000
Salaries and bonuses	1,556	1,679
Employers' contribution defined contribution plan	115	127
Other allowances	216	127
	1,887	1,933
Comprise amounts paid to:		
Directors of the Company	616	616
Other key management personnel	1,271	1,317
	1,887	1,933
Directors' fees		
Directors of the Company	400	400

The key management personnel comprise directors of the Company and its subsidiaries, senior management of the Company such as Chief Financial Officer, General Managers and others, and their compensation is disclosed as above.

39. Segment information

The Group is organized into business units based on their products and services, and has three reportable segments as follows:

(a) Specialist Relocation Solutions – being the provision of machinery and equipment moving services through projects or maintenance contracts;

(b) Third Party Logistics – being the provision of packing services and the supply of packaging and crating materials, the provision of warehousing of customers' new or replaced machinery and equipment in our premises or open yard prior to installation in the customers' premises or shipping out of the country and land transportation services using specialized conveyance vehicles and material handling equipment; and

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

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The Group's reportable segments are strategic business units that are organized based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

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

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment revenue and expense are the operating revenue and expense reported in the Group's consolidated statement of comprehensive income that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets consist principally of property, plant and equipment and trade receivables that are directly attributable to a segment.

Unallocated items comprise property, plant and equipment, other receivables, deposits and prepayments, fixed deposits, cash and cash equivalents, bank loans and overdrafts, trade payables, other payables and accruals, deferred tax liabilities, income tax payable, finance lease payables, other operating income and expenses.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.26.

39. Segment information (Continued)

Analysis by business segment

	Specialist Relocation Solutions		Thirty Party Logistics		Technical & Engineering		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue:								
External sales	75,071	52,758	22,900	18,640	29,945	34,772	127,916	106,170
Results:								
Gross profit	22,307	20,611	3,815	2,770	2,735	3,485	28,857	26,866
Unallocated other operating income							3,684	2,527
Unallocated expenses							(17,779)	(15,461)
Allowance for doubtful trade receivables							(52)	(873)
Write-back of allowance for doubtful trade receivables							26	–
Bad debts written off							(252)	(45)
Depreciation and amortization							(6,434)	(6,097)
Interest income							39	31
Interest expense							(1,472)	(1,361)
Impairment loss on investment in an associate							–	(1,000)
Share of results of associates							–	(86)
Profit before income tax							6,617	4,501

39. Segment information (Continued)

Analysis by business segment (Continued)

	Specialist Relocation Solutions		Thirty Party Logistics		Technical & Engineering		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Reportable segment assets:								
Allocated assets	43,995	39,043	9,743	9,243	26,399	27,417	80,137	75,703
Unallocated assets							52,482	56,490
Total assets							132,619	132,193
Reportable segment liabilities:								
Allocated liabilities	28,800	21,685	1,301	1,594	12,244	19,003	42,345	42,282
Unallocated liabilities							16,330	22,570
Total liabilities							58,675	64,852
Other material non-cash items:								
Depreciation and amortization	3,397	2,853	1,298	1,117	1,739	2,127	6,434	6,097
Capital expenditure								
- Property, plant and equipment	5,420	2,704	1,340	2,231	1,225	5,664	7,985	10,599
- Land use rights	958	–	–	–	–	–	958	–

Analysis by geographical segment

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

	Revenue		Non-current assets		Capital expenditure	
	2018	2017	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Singapore	35,570	41,470	40,041	35,264	2,184	4,823
People's Republic of China	54,728	42,475	11,441	11,099	3,317	3,894
Malaysia	17,378	15,460	5,727	5,104	1,507	1,765
Thailand	3,651	864	127	9	120	9
United States of America	13,184	4,534	327	72	435	84
Vietnam	3,405	1,367	582	347	422	24
	127,916	106,170	58,245	51,895	7,985	10,599

Information about a major customer

Revenue from one major customer amounted to S$13,183,000 (2017: S$10,792,000) arising from sales in the Specialist Relocation Solutions (2017: Technical & Engineering) business segment.

40. Fair value of assets and liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, non-current and current bank loans (secured) at floating rate (Note 29), non-current and current finance lease payables at prevailing market rate (Note 30), approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of applicable assets and liabilities are determined and categorized using a fair value hierarchy as follows:

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

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

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

Fair value measurements that use inputs of different hierarchy levels are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Group	Level 1		Level 2		Level 3	
	2018	2017	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Financial assets:						
Available-for-sale financial assets (Note 19)	533	1,212	–	–	4,632	–
Non-financial assets:						
Investment property (Note 11)	–	–	950	950	–	–

Valuation policies and techniques

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

It is the Group's policy that where assessed necessary by the management, the Group would engage experts to perform significant financial reporting valuations. The management is responsible for selecting and engaging such external experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 *Fair Value Measurement*.

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

40. Fair value of assets and liabilities (Continued)

Valuation policies and techniques (Continued)

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

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

41. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risk (including foreign currency risk, interest rate risk and equity price risk) and liquidity risk. The Group's overall risk management strategy seeks to minimize adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposure is measured using sensitivity analysis indicated below.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and generally do not require a collateral. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group's and the Company's major classes of financial assets are bank deposits and trade and other receivables.

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

The age analysis of trade receivables is as follows:

	Group	
	2018	2017
	S$'000	S$'000
Not past due	27,890	16,775
Past due for 0 to 30 days	5,341	7,446
Past due for 31 to 60 days	2,528	3,996
Past due for 61 to 90 days	1,879	3,670
Past due for more than 90 days	4,188	7,117
Total	41,826	39,004

41. Financial instruments and financial risks (Continued)

Credit risk (Continued)

The movements in the allowance for impairment in respect of trade receivables during the financial year are disclosed in Note 22 to the financial statements.

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Based on past experience, except for certain trade receivables balances that were impaired, the Group believes that no impairment allowance is necessary in respect of the remaining trade receivables due to the good payment track record of its customers.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group	
	2018 S$'000	2017 S$'000
By country:		
Singapore	13,875	14,662
People's Republic of China	18,262	15,595
Malaysia	5,693	5,267
Thailand	570	211
United States of America	2,068	2,910
Vietnam	1,358	359
	41,826	39,004
By industry sectors:		
Specialist Relocation Solutions	20,852	20,514
Third Party Logistics	5,734	5,337
Technical & Engineering	15,240	13,153
	41,826	39,004

At the end of the reporting date, approximately 50% (2017: 57%) of the Group's trade receivables were due from 16 (2017: 16) major customers who are located in Singapore, Malaysia, People's Republic of China and United States of America.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Foreign currency risk

The Group transacts business in various foreign currencies, including, Singapore dollar, Chinese Renminbi, Euro, Malaysian Ringgit, Thai Baht, and United States dollar, other than the respective functional currencies of the Group, and hence is exposed to foreign currency risks. The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

41. Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

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

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Monetary assets				
Singapore dollar	315	218	–	–
Chinese Renminbi	1	–	–	–
Euro	–	28	–	–
Malaysian Ringgit	–	64	–	–
Thai Baht	23	29	–	–
United States dollar	1,702	5,145	77	410
Monetary liabilities				
Singapore dollar	7	1	–	–
Chinese Renminbi	22	1,013	–	–
Malaysian Ringgit	8	47	–	–
Thai Baht	–	2	–	–
Vietnamese Dong	8	–	–	–
United States dollar	195	562	–	–

Foreign currency sensitivity analysis

The Group is mainly exposed to Singapore dollar ("SGD"), Chinese Renminbi ("RMB"), Euro, Malaysian Ringgit ("MYR"), Thai Baht and United States dollar ("USD").

The following table details the Group's sensitivity to a 10% change in various foreign currencies against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 10% change in the foreign currency exchange rates from the end of the financial year, with all variables held constant.

	Increase/Decrease in Profit or Loss	
	2018	2017
	S$'000	S$'000
Group		
Strengthens/weakens against SGD		
Chinese Renminbi	2	101
Malaysian Ringgit	1	2
United States dollar	84	269
Strengthens/weakens against RMB		
Euro	–	3
United States dollar	58	187

41. Financial instruments and financial risks (Continued)

Market risk (Continued)

Foreign currency risk (Continued)

Foreign currency sensitivity analysis (Continued)

	Increase/Decrease in Profit or Loss	
	2018	2017
	S$'000	S$'000
Group		
Strengthens/weakens against MYR		
Singapore dollar	31	22
Chinese Renminbi	1	–
Thai Baht	2	3
United States dollar	6	2
Strengthens/weakens against VND		
United States dollar	15	4
Company		
Strengthens/weakens against SGD		
United States dollar	8	41

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Group's interest rate risk relates to interest-bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings.

The Group's interest rate risk arises primarily from the floating rate borrowings with financial institutions.

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

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for both derivatives and non-derivative instruments at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 1% change in the interest rates from the end of the financial year, with all variables held constant.

	Increase/Decrease in Profit or Loss			
	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Bank loans	281	230	21	–

41. Financial instruments and financial risks (Continued)

Market risk (Continued)

Equity price risk

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

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

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the financial year.

The sensitivity analysis assumes an instantaneous 10% change in the equity prices from the balance sheet date, with all variables held constant.

Group and Company	Increase/Decrease in Profit or Loss / Equity	
	2018	2017
	S$'000	S$'000
Available-for-sale financial assets	53	121

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company monitor their liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's operations are financed mainly through equity, retained profits and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

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

The Group has access to credit facilities as follows:

	Group	
	2018	2017
	S$'000	S$'000
Unutilized credit facilities		
Bank overdraft facilities	500	500
Trade facilities	19,701	14,836

41. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group	1 year or less S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
2018				
Financial assets:				
Trade and other receivables	50,453	1,029	–	51,482
Cash and cash equivalents	10,819	–	–	10,819
	61,272	1,029	–	62,301
Financial liabilities:				
Bank loans	28,879	1,401	1,099	31,379
Finance lease payables	2,430	2,640	3	5,073
Trade and other payables	22,143	–	–	22,143
	53,452	4,041	1,102	58,595
Total net undiscounted financial assets/(liabilities)	7,820	(3,012)	(1,102)	3,706
2017				
Financial assets:				
Trade and other receivables	46,178	–	–	46,178
Cash and cash equivalents	10,362	–	–	10,362
	56,540	–	–	56,540
Financial liabilities:				
Bank loans	23,804	3,931	1,160	28,895
Finance lease payables	2,967	3,212	38	6,217
Trade and other payables	26,087	–	–	26,087
	52,858	7,143	1,198	61,199
Total net undiscounted financial assets/(liabilities)	3,682	(7,143)	(1,198)	(4,659)

41. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

Company	1 year or less S$'000	1 to 5 years S$'000	Total S$'000
2018			
Financial assets:			
Other receivables	17	–	17
Amounts due from subsidiaries	47,343	–	47,343
Cash and cash equivalents	303	–	303
	47,663	–	47,663
Financial liabilities:			
Bank loans	3,470	230	3,700
Other payables and accruals	514	–	514
	3,984	230	4,214
Total net undiscounted financial assets/(liabilities)	43,679	(230)	43,449
2017			
Financial assets:			
Other receivables	7	–	7
Amounts due from subsidiaries	44,488	–	44,488
Cash and cash equivalents	486	–	486
	44,981	–	44,981
Financial liabilities:			
Bank loans	1,802	1,554	3,356
Other payables and accruals	530	–	530
	2,332	1,554	3,886
Total net undiscounted financial assets/(liabilities)	42,649	(1,554)	41,095

Financial instruments by category

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

	Group		Company	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Loans and receivables				
Trade and other receivables	59,196	54,818	46	53
Less: Prepayments	(7,714)	(8,640)	(29)	(46)
	51,482	46,178	17	7
Amount due from subsidiaries	–	–	47,343	44,488
Cash and cash equivalents	10,819	10,362	303	486
Total	62,301	56,540	47,663	44,981
Available-for-sale financial assets	5,165	1,212	533	1,212

41. Financial instruments and financial risks (Continued)

Financial instruments by category (Continued)

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Financial liabilities at amortized cost				
Bank loans	30,645	27,867	3,650	3,153
Finance lease payables	4,727	5,771	–	–
Trade and other payables	22,143	26,087	514	530
Total	57,515	59,725	4,164	3,683

42. Capital management policies and objectives

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

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

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends to shareholders, return capital to shareholders or issue new shares and share buy-backs. The Group's overall strategy remains unchanged from 31 March 2017.

Management monitors capital based on a gearing ratio of less than one. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (excluding bank overdrafts, income tax payable and deferred tax liabilities as shown in the statements of financial position), less cash and cash equivalents (net of bank overdrafts and fixed deposits pledged). Total capital is calculated as total equity as shown in the statements of financial position, plus net debt.

	Group		Company	
	2018	2017	2018	2017
	S$'000	S$'000	S$'000	S$'000
Total borrowings	57,515	61,027	4,164	3,683
Less: Cash and cash equivalents (Note 25)	(9,093)	(9,595)	(303)	(486)
Net debt	48,422	51,432	3,861	3,197
Total equity	73,944	67,341	82,232	80,727
Total capital	122,366	118,773	86,093	83,924
Gearing ratio	0.40	0.43	0.04	0.04

The Group and the Company are not subjected to any externally imposed capital requirements during the financial years ended 31 March 2018 and 2017.

43. Dividends

	Company	
	2018	2017
	S$'000	S$'000
Declared and paid during the financial year		
Dividend on ordinary shares:		
Final exempt (one-tier) dividend for 2017: S$0.001 (2016: S$0.0005) per share	371	167

44. Event subsequent to the reporting date

On 8 June 2018, the Company and its wholly-owned subsidiary, CLE Engineering Services Pte Ltd ("CLEE") has entered into a sale and purchase agreement with a shareholder to acquire 850,000 ordinary shares representing 17% of equity interest in Hup Lian Engineering Pte Ltd ("HLE") at a total consideration of S$671,500 payable by the Company by cash of S$383,940 over six (6) monthly instalments and the balance of S$287,560 by the issuance of new shares in the capital of the Company to the vendor.

The completion of the sale and purchase of the interest in HLE are conditional and subject to various conditions precedent to be fulfilled. Upon completion, CLEE will hold 100% in the issued and paid up share capital of HLE. The acquisition has not been completed at the date of this report.

Statistics of Shareholdings

As at 22 June 2018

SHAREHOLDERS' INFORMATION

Class of equity securities	Number of equity securities	Voting Rights
Ordinary Shares	382,976,608*	One vote per share (excluding treasury shares)
Treasury Shares	1,841,107	Nil

** Excludes non-voting treasure shares*

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding			Number of Shareholders	%	Number of Shares	%
1	-	99	559	10.08	12,382	0.00
100	-	1,000	1,908	34.40	957,744	0.25
1,001	-	10,000	1,811	32.65	7,581,436	1.98
10,001	-	1,000,000	1,231	22.20	124,009,303	32.38
1,000,001	and above		37	0.67	250,415,743	65.39
			5,546	100.00	382,976,608	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Low Weng Fatt	50,883,708	13.29
2.	Yap Koon Bee @ Louis Yap	35,002,583	9.14
3.	DBS Nominees (Private) Limited	22,627,315	5.91
4	Yeo Seck Cheong	15,186,165	3.97
5.	Lim Chin Hock	14,479,565	3.78
6.	Siah Boon Hock	10,824,901	2.83
7.	Lim Wui Liat	9,907,704	2.59
8.	OCBC Securities Private Limited	8,046,214	2.10
9.	Cheong Tuck Nang (Zhang Deneng)	7,945,912	2.07
10.	UOB Kay Hian Private Limited	6,677,150	1.74
11.	Teo Chor Kok	5,623,200	1.47
12.	Poh Yong Heng	4,472,000	1.17
13.	Raffles Nominees (Pte) Limited	4,385,375	1.15
14.	Lim Jit Sing, Jackson (Lin Risheng, Jackson)	4,188,553	1.09
15.	Ng Aik Cheng	4,183,000	1.09
16.	Phillip Securities Pte Ltd	3,638,272	0.95
17.	Liew Jiunn Yih	3,633,400	0.95
18.	Buk Mum Fatt	3,460,800	0.90
19.	Tay Hui San	3,012,500	0.79
20.	Chua Ah Kee	2,752,600	0.72
	Total	220,930,917	57.70

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Low Weng Fatt (1)	50,883,708	13.29	662,500	0.17
Yap Koon Bee @ Louis Yap	35,002,583	9.14	–	–

Notes:

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

The percentage of shareholding above is computed based on the total issued and paid-up ordinary share capital of 382,976,608 Shares (excluding 1,841,107 treasury shares).

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 22 June 2018, approximately 68.03% of the Company's total number of issued shares excluding treasury shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **CHASEN HOLDINGS LIMITED** (the "**Company**") will be held at Fu Lin Men Upper Hall (aka Par3, level 2) @ Raffles Country Club, 450 Jalan Ahmad Ibrahim, Singapore 639932, on the 27th day of July 2018 at 10.30 a.m. for the purpose of considering and if thought fit, passing the following resolutions as Ordinary Resolutions, with or without any modifications:

AS ORDINARY BUSINESS

1. To receive and adopt the Statement by Directors and the Audited Financial Statements of the Company and of the Group for the financial year ended 31 March 2018 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final tax exempt (one-tier) dividend of S$0.003 per share for the financial year ended 31 March 2018. (2017: S$0.001 per share) **(Resolution 2)**

3. To re-elect Mr Siah Boon Hock, a Director of the Company retiring pursuant to Regulation 110 of the Constitution of the Company.
[See Explanatory Note (i)] **(Resolution 3)**

4. To re-elect Mr Tan Sin Huat, Dennis, a Director of the Company retiring pursuant to Regulation 110 of the Constitution of the Company.
[See Explanatory Note (ii)] **(Resolution 4)**

5. To approve the payment of Directors' fees up to S$500,000 for the financial year ending 31 March 2019, with payment to be made quarterly in arrears. (2018: S$400,000) **(Resolution 5)**

6. To re-appoint Messrs Mazars LLP as the Auditors of the Company and to authorize the Directors of the Company to fix their remuneration. **(Resolution 6)**

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

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to allot and issue shares in the capital of the Company – Share Issue Mandate**

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit;

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force; and

(c) complete and do all such acts and things, including without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Resolution;

provided that:

(1) the aggregate number of Shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculations as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under sub-paragraph (1) above, the number of issued shares and Instruments shall be based on the number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

 (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

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

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

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

[See Explanatory Note (iii)] **(Resolution 7)**

9. **Renewal of Share Buyback Mandate**

That:

(a) for the purposes of the Companies Act, Chapter 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

 (i) on-market purchases, transacted on the SGX-ST or through one or more duly licensed stockbrokers appointed by the Company for the purpose (each a "**Market Purchase**"); and/or

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

 (the "**Share Buyback Mandate**")

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM is held or required by law to be held;

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

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

(c) In this Resolution:

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

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

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase : 105% of the Average Closing Price;

(ii) in the case of an Off-Market Purchase : 120% of the Highest Last Dealt Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) The Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

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

10. **Authority to issue shares under the Chasen Performance Share Plan 2017**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant performance shares under the Chasen Performance Share Plan 2017 (the "**Plan 2017**") and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of share awards under the Plan 2017, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Plan 2017 and any other share option schemes/share-based incentive schemes of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

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

11. **Grant of performance shares under the Plan 2017 to Mr Low Weng Fatt, an Executive Director and a controlling shareholder of the Company**

    That subject to and contingent upon the passing of Ordinary Resolution 9, the proposed grant to Mr Low Weng Fatt, an Executive Director and a controlling shareholder of an award of up to a maximum of 200,000 shares for the year ending 31 March 2019, in the share capital of the Company, in accordance with the Plan 2017 be and is hereby approved.

    [See Explanatory Note (vi)] **(Resolution 10)**

By Order of the Board

CHEW KOK LIANG
Company Secretary
Singapore, 12 July 2018

Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified.)

3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 18 Jalan Besut, Singapore 619571, not less than seventy-two (72) hours before the time appointed for holding of the AGM.

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

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

6. An investor who buys shares using Central Provident Fund Investment Scheme ("**CPF Investor**") and/or Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

*A Relevant Intermediary is:

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

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

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

Explanatory Notes:

(i) Mr Siah Boon Hock, if re-elected, will remain as an Executive Director of the Company.

(ii) Mr Tan Sin Huat, Dennis, if re-elected, will remain as the Chairman of the Remuneration Committee and as a member of the Audit and Nominating Committees, will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

(iii) Resolution 7, if passed, will empower the Directors of the Company, from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or if such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in aggregate 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a *pro-rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

(iv) Resolution 8, if passed, will empower the Directors of the Company to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the AGM at which this Ordinary Resolution is passed. The rationale for, the authority and limitation on, the sources of the funds to be used for the purchase or acquisition, including the amount of financing and financial effects of the purchase or acquisition of the ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 March 2018 are set out in greater detail in the Addendum despatched together with the Annual Report 2018.

(v) Resolution 9, if passed, will empower the Directors of the Company, from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of performance shares granted or to be granted pursuant to the Plan 2017, up to an aggregate (together with any other share option schemes/share-based incentive schemes of the Company) not exceeding in total 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(vi) Resolution 10, if passed, will empower the Directors to grant to Mr Low Weng Fatt, who is an Executive Director and a Controlling Shareholder (as defined in the Listing Manual of the SGX-ST), an award of up to a maximum of 200,000 shares in the share capital of the Company. Mr Low Weng Fatt is the Managing Director and CEO of the Company and is responsible for the overall management and strategic growth direction of the Group.

Details of the grant

(a)	Proposed date of grant of awards to Mr Low Weng Fatt	:	Within 3 months upon approval at the AGM
(b)	Release and vesting of the awards	:	<u>After the first anniversary of the date of grant</u> Maximum of 40% of award granted <u>After the second anniversary of the date of grant</u> Maximum of 70% of award granted <u>After the third anniversary of the date of grant</u> 100% of award granted
(c)	Any other material details pertaining to the grant of awards	:	The relevant information on the Plan 2017 is disclosed in the shareholders' circular dated 13 July 2017.

Rationale for the grant

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-add services to meet the total relocation needs of customers. The development of this comprehensive range of services to meet the customers' relocation logistics needs also enabled the Group to replicate our services capabilities overseas in particular the People's Republic of China, Malaysia, Vietnam and in 2015, the United States of America.

Since the Company was listed on SGX in February 2007, Mr Low continues to play an instrumental role in charting the Group's business development, growth and expansion into the region including extending its core business higher up the supply chain to include technical and engineering services to complement its logistics capability. This competitive advantage enabled the Company to generate revenue well past $100 million annually. The Directors are of the view that the remuneration package of Mr Low which includes awards under the Plan 2017, is fair given his contributions to the Group. The extension of the Plan 2017 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 2017 to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long term commitment to the Group.

The participation of Mr Low Weng Fatt under the Plan 2017 has been approved by shareholders when they approved the Plan 2017 at the Extraordinary General Meeting held on 28 July 2017. This resolution seeks for the above-stated reasons, shareholders' approval for the Directors to grant an award of up to a maximum of 200,000 shares to Mr Low Weng Fatt for the current award in accordance with the Plan 2017.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Please note that transport arrangement from Lakeside MRT Station (taxi stand) to the AGM Venue is available upon request. Kindly contact the Company at Tel: 6266 5978 extn.126 for the necessary arrangement.

BRIEF INFORMATION ON THE CHASEN PERFORMANCE SHARE PLAN 2017 (THE "PLAN 2017")

The Plan 2017 contemplates the award of fully paid shares, free of any payment by the awardee, when and after predetermined performance or service-conditions are accomplished and/or due recognition has been given to any good work performance and/or contribution to the Company.

The aggregate number of new Shares over which the Committee may grant awards on any date, when added to the number of new Shares issued and issuable in respect of all Shares granted under this Plan 2017 and any other existing share schemes or share option schemes implemented or to be implemented by the Company, shall not exceed 15% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date (the "**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 2017 exceed 25% 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 2017 exceed 10% of the Plan Limit.

The eligibility of employees to participate in the Plan 2017 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 2017 shall be determined at the absolute discretion of the Remuneration Committee which shall take into account the performance of the participant and such other general criteria as the Remuneration Committee may consider appropriate, subject to the following limits as well as other limitations set forth under the rules of the Listing Manual of the SGX-ST and these Rules:

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

(b) Executive Directors (other than the Managing Director/CEO) and Executive Officers – 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 2017, 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 2017 can be referred to in the Circular dated 13 July 2017, a copy of which can be inspected at the registered office at 18 Jalan Besut, Singapore 619571.

CHASEN HOLDINGS LIMITED

(Company Registration No. 199906814G)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____________________ (Name) ____________________ (NRIC/Passport No.)

of ____

being a member/members of **Chasen Holdings Limited** (the "**Company**"), hereby appoint:

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting ("**Meeting**") of the Company to be held at Fu Lin Men Upper Hall (aka Par3, level 2) @ Raffles Country Club, 450 Jalan Ahmad Ibrahim, Singapore 639932 on Friday, 27 July 2018 at 10.30 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.

**If you wish to exercise all your votes 'For' or 'Against', please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

No.	Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*
1	Statement by Directors and Audited Financial Statements for the financial year ended 31 March 2018		
2	Payment of proposed first and final tax exempt (one-tier) dividend of S$0.003 per share for the financial year ended 31 March 2018		
3	Re-election of Mr Siah Boon Hock as a Director		
4	Re-election of Mr Tan Sin Huat, Dennis as a Director		
5	Approval of Directors' fees for the financial year ending 31 March 2019, with payment to be made quarterly in arrears		
6	Re-appointment of Messrs Mazars LLP as Auditors and authority to Directors to fix their remuneration		
7	Authority to allot and issue shares in the Capital of the Company – Share Issue Mandate		
8	Renewal of Share Buyback Mandate		
9	Authority to issue shares under the Chasen Performance Share Plan 2017		
10	Grant of performance shares under the Plan 2017 to Mr Low Weng Fatt		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM for the full purpose and intent of the Resolutions to be passed.

Dated this __________ day of ______________ 2018

Total number of Shares held

____

Signature of Shareholder(s)
and/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 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member (other than a Relevant Intermediary*) appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).

5. Subject to note 9, 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.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 18 Jalan Besut, Singapore 619571 not less than 72 hours before the time appointed for the Meeting.

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

8. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorized shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who buys shares using Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

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

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

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

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 July 2018.

CHASEN HOLDINGS LIMITED
18 Jalan Besut
Singapore 619571
Tel.: (65) 6266 5978
Fax: (65) 6262 4286
www.chasen.com.sg