

CHASEN HOLDINGS LIMITED
(Company Registration No. 199906814G)
Incorporated in the Republic of Singapore

**RESPONSE TO SGX'S QUERY ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2014**

The Board of Directors (the "Board") of Chasen Holdings Limited (the "Company") refers to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") in its email of 22 July 2014 relating to the Company's Annual Report for the financial year ended 31 March 2014 ("Annual Report"). The Company wishes to provide clarification as follows:

SGX QUERY 1:

Paragraph 9.2 of the Code states that the Company "should fully disclose the remuneration of each individual director and the CEO on a named basis." We note that on page 34 of the Annual Report 2014, the explanation given was "due to the highly competitive market, the Company believes it is unwise to disclose the **breakdown** of the remuneration of the Directors." It is noted that a breakdown of the remuneration was given in % terms, but the exact amount of remuneration given to each director was not provided.

As the Company is required under Listing Rule 1207(12) to make disclosure as recommended in the Code or otherwise disclose and explain any deviation from the recommendation, please make the disclosure accordingly, or otherwise explain why the Company did not provide the exact remuneration of each Director as recommended by the Code.

COMPANY'S RESPONSE:

The remuneration details for our directors are disclosed at page 34 (breakdown in percentage terms and on a named basis), in bands of S\$250,000, for competitive reasons. 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 top professional talent is a key priority for the Group which operates in a highly competitive industry.

SGX QUERY 2:

Paragraph 9.4 of the Code of Corporate Governance 2012 (the "Code") states that for transparency, the annual remuneration report should disclose the **details of the remuneration** of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a **named basis** with clear indication of the employee's **relationship with the relevant director or the CEO**. Disclosure of remuneration should be in incremental bands of S\$50,000. The company need only show the applicable bands (with upper limits).

On page 34 of the Annual Report 2014, we note that the band disclosed by the Company for employees who are immediate family members states "exceeds S\$150,000", instead of in incremental bands of S\$50,000. As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 9.4 of the Code **or otherwise explain** the reason(s) for the deviation from the following Code recommendations.

COMPANY'S RESPONSE:

The details of the remuneration of employees (including their names) who are immediate family members of the Director or CEO of the Company and whose remuneration exceeds S\$50,000 during the year are disclosed on page 34 of the Annual Report.

The Company confirms that save for the following employee, there is no other employee who is an immediate family member of a Director, and whose remuneration exceeds S\$50,000 during the financial year ended 31 March 2014: -

Name of Employee	Relationship with relevant Director
Cheong Tuck Nang	Spouse of Yap Beng Geok Dorothy, Alternate Director

SGX QUERY 3:

On page 45 of the Annual Report 2014, we note that the Company had issued warrants on 6 May 2010 and 21 March 2014. Please provide a status report on the use of proceeds (if any) pursuant to Listing Rule 1207(20).

COMPANY'S RESPONSE:

The Board of Directors refers to the issue of 36,373,444 warrants pursuant to rights shares cum warrants issue ("Rights Shares cum Warrants Issue") and 100,566,756 warrants pursuant to a warrants issue ("Warrants Issue") on 6 May 2010 and 21 March 2014 respectively.

The use of net proceeds from the rights shares ("Rights Proceeds") from the Rights Shares cum Warrants Issue was disclosed on page 37 of the annual report for the financial year ended 31 March 2011. The balance Rights Proceeds of S\$0.7million from the Rights Shares cum Warrants Issue was fully utilized as it was transferred to working capital as at 31 March 2011.

The Company wishes to provide an update on the utilization of the proceeds from the Rights Shares cum Warrants Issue and Warrants Issue as follows:

	Amount (S\$m)
Net proceeds from the exercise of warrants W150506 from the Rights Shares cum Warrants Issue	3.0
Amount utilized as working capital	(3.0)
Balance as at 14 July 2014	<u>-</u>
Net proceeds from the subscription of the Warrants Issue (after deducting professional fees and related expenses)	0.9
Net proceeds from the exercise of warrants W170320 from the Warrants Issue	0.7
Amount utilized as working capital	(1.0)
Balance as at 14 July 2014	<u>0.6</u>

The Company will continue to make periodic announcements on the use of the proceeds from the Rights Shares cum Warrants Issue and Warrants Issue as and when the funds from the Rights Shares cum Warrants Issue and Rights Issue are materially disbursed.

By order of the Board of
CHASEN HOLDINGS LIMITED

Low Weng Fatt
Managing Director and CEO
24 July 2014