Annual Reports and Related Documents::

Issuer & Securities

Issuer/ Manager	CHASEN HOLDINGS LIMITED
Securities	CHASEN HOLDINGS LIMITED - SG1X55941717 - 5NV
Stapled Security	No

Announcement Details

Announcement Title	Annual Reports and Related Documents
Date & Time of Broadcast	05-Jul-2016 18:08:14
Status	New
Report Type	Annual Report
Announcement Reference	SG160705OTHRMDH2
Submitted By (Co./ Ind. Name)	Low Weng Fatt
Designation	Managing Director and CEO
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please refer to the Annual Report 2016 attached.

Additional Details

Period Ended	31/03/2016

Attachments	Chasen AR 2016 - SGX.pdf Total size =2261K

Profit-Mindedness

Management Excellence

CHASEN™

Teamwork

Integrity

ANNUAL REPORT 2016

Progressing Our Business Model

Respect

Commitment

OUR VISION

A Global Integrated Service Provider

OUR MISSION

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

CONTENTS

WHAT WE DO

- **SPECIALIST RELOCATION SOLUTIONS**
- **THIRD PARTY LOGISTICS SERVICES**
- **TECHNICAL & ENGINEERING SERVICES**

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

The Company changed its name from China Entertainment Sports Ltd to Chasen Holdings Limited on 17 May 2007 following the completion of the reverse takeover exercise 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 and Thailand. The Group diversified revenue sources cover industries such as wafer fabrication, TFT display panel production, semi-conductor, chip testing & assembly, solar panel assembly, consumer electronics, telecommunications, marine, ordnance and construction sectors in the following business segments:

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

"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 OEM (Original Equipment Manufacturer) specifications utilizing specialized packaging material before they are transported to their new locations. Our warehouses are air conditioned and humidity controlled, with floor level space for heavy equipment/machinery or racked for palletized goods storage.

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

The Group's diversified revenue base and 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,

Last year I informed shareholders that management at various loss making subsidiaries have been reorganized and turnaround was expected this year. While that was largely achieved, most of the regional economies had slowed down where the Group operated in. Although the revenue achieved this year was 5% lower than the nearly S$100 million achieved last year, margin was a casualty in the Group's effort to retain market share.

The slowing Chinese economy resulted in the reduced pace of implementation of several large relocation projects from new plant construction and plant capacity expansion in the local LCD TFT panel manufacturing industry. This increased pressure on the operating margin as workforce had to be maintained even as pace of work (hence revenue generation) slowed. The operating loss incurred in the PRC market weighed substantially on the overall performance of the Group.

Notwithstanding the adverse business environment that our operating subsidiaries faced during the year, the Group still operated profitably although not at the level hoped for at the start of the financial year. However, the collection of receivables faced considerable challenges as customers cash flow tightened, especially in the construction sectors of Singapore and Malaysia.

Your Board has thus decided to adopt a conservative approach in making provisions for doubtful collectability of receivables from certain projects resulting in the announced loss before tax in excess of S$3 million. Efficient receivables management would be a high priority at all business units within the Group.

In the light of the challenging economic environment in which the Group would operate in the current financial year, the Board adopted a twin strategy of further consolidation of current business units to lower costs and derive better operational synergies as well as seeking new growth markets, geography and service wise, for our existing business segments.

A marketing office was established in the USA to promote the Group's service capability to the head offices of MNC customers whose regional management have high regards for the quality, delivery and efficiency of the services we rendered them over the years. Our Third Party Logistics ("3PL") business segment's focus on cross-border land freight led to the establishment of our Thai operation that now enable us to freight cargo between South-East Asia and China. The Group would also explore extending our capability into 4PL.

Meantime, within Singapore there would be further rationalization of our business operations that would synergize the capability and capacity of related business units to achieve better results from the combined operations.

Towards the end of the financial year reported on, our China specialist relocation business unit relocated away from Shanghai, which it operated from since the Company entered the Chinese market in 2004. It is now based in Chuzhou, Anhui Province to benefit from its much lower operating cost. The benefit of this cost reduction should flow through the result of this subsidiary's performance in the current financial year.

Your Board is confident that the Group's overall performance would improve this new financial year when these strategies and action plans are fully implemented.

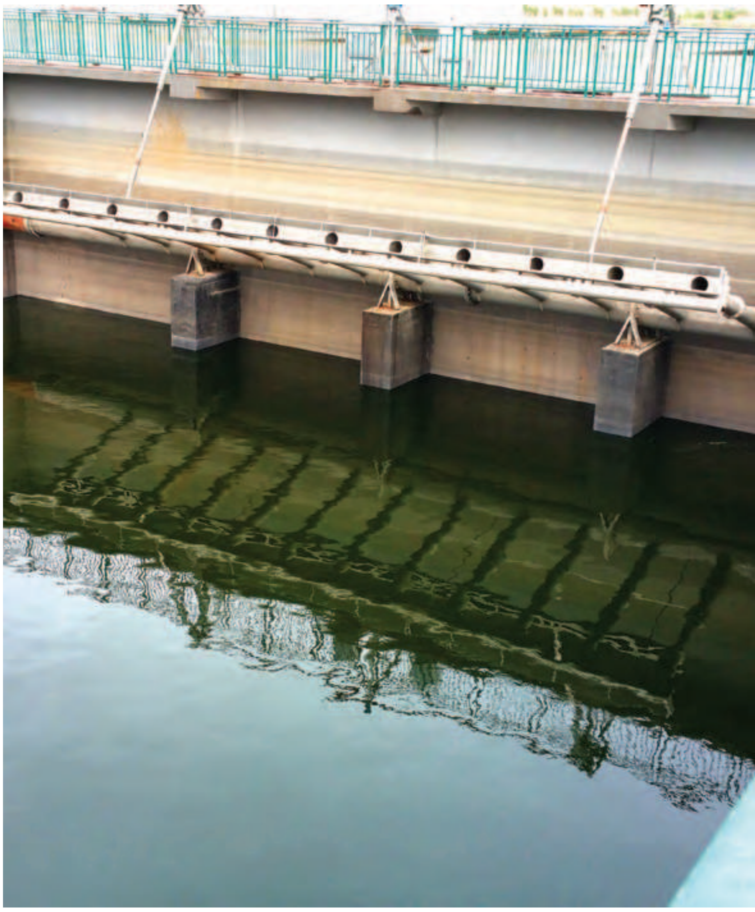
On a negative note, shareholders would be dismayed to learn that our Company was put into the SGX Watchlist on account of our shares not trading above the Minimum Trading Price ("MTP") of 20 cents for the six months period between 1st September 2015 and 29th February 2016. The price at which our share trades is determined by the market and beyond the control of the Board. With less than 300 million issued shares in the market before the rights cum warrants issue, your Directors are of the view that any share consolidation exercise would only aggravate the current illiquidity of our stock.

The rights cum warrants issue did not attract the level of support from shareholders that your Board had hoped for that would have increased the number of issued shares substantially to improve trading liquidity. We are now exploring various options to unlock shareholders' value from the Group's current structure. Hopefully that might encourage the shares to trade above the MTP to enable the Company to exit the SGX Watchlist. As trading price is subject to market conditions and beyond our control, the Board gives no assurance that the shares would trade above the MTP.

Finally, it is with regret for me to announce that Mr Louis Yap, who founded the original business, would retire as a Non-Executive Director at the close of the coming AGM. We wish him the very best in his retirement.

The Directors and Shareholders would like to take this opportunity to express our gratitude to Mr Yap for having found and nurture the business till it was listed and since being a public company, and for rendering sound advice and guidance to the management. I also would like to thank all shareholders for your continuous support to the Company and the Board.

ERIC J P NG
Non-Executive Chairman



REPORT TO **SHAREHOLDERS**

LOW WENG FATT
Managing Director and CEO

Dear Shareholders,

FY2015/2016 ("FY2016") had been a challenging year for the Chasen Group as it continued to weather the economic slowdown in the local and regional markets. This resulted in reduced demand growth in the electronic manufacturing industries particularly, with consequential effects on the various economies that the Group operates in.

In the last 18 months, the IMF (International Monetary Fund), the World Bank as well as the OECD (Organization for Economic Cooperation & Development) have all been revising global growth downwards each time they reviewed their economic forecasts. The Singapore economy was no exception. Its weak economic data, China's slowing economic growth and uncertainty over the US interest rate hike had weighed heavily on business sentiments and our year-end results.

Like any SME operating in this very competitive business environment, Chasen's operating margin took a hit in the slow or non-growing economic pie. The FY2016 Group revenue was 5% lower than that achieved in the previous FY2015. With the reduced margin the Group was only able to report minimal operating profits. In view of the deteriorating business environment and tight cash flow experienced by many of our customers especially from the Technical & Engineering business segment, the Board adopted a conservative approach toward the collectability of receivables from several projects in the construction sector in Singapore and Malaysia. As a result the Group reported a substantial negative bottom line in excess of S$3 million for the year under review.

In the current financial year the Group would diversify our revenue base further, industry and geography wise. Our San Jose-based marketing office is making progress marketing of our integrated service capabilities directly to the US and European head offices of multi-national companies ("MNC") that currently operate or intend to operate in our region. It successfully managed a project for TESLA in the US by synergizing the operations of Chasen subsidiaries in Singapore and China.

During the year in review a fire broke out in the warehouse of one of our Singapore subsidiaries in our Third Party Logistics ("3PL") business segment. Its operation was adversely affected due to investigations by the relevant authorities and relocation of goods to replacement warehouses. Its revenue was negatively impacted when several customers did not renew their warehouse lease after some of their goods were damaged in the fire.

In Malaysia, our 3PL subsidiary continued to gain market share with increased trucking capacity in cross-border freight between Thailand and Malaysia and between

Malaysia and Singapore. In the new financial year, it will extend its cross-border land freight capability from South-East Asia to China. To serve its customers more effectively it established a presence in Thailand, thus adding another country to the Group's regional operations.

The subsidiaries in our Technical & Engineering business segment performed better after management reorganization. They secured more projects in a highly competitive industry both in terms of margins and trading terms. As cash flow tightened in the industry generally, collection poses increasing challenge even after successful adjudication under the Security of Payment Act. Hence, for greater financial prudency, higher provisions for doubtful collectability of receivables were made for certain projects conducted in earlier financial years. Management would place greater emphasis on credit worthiness of potential clients when pitching for projects going forward.

Since it was initiated last year, the Group's program to inculcate a Chasen corporate culture began filtering through the rank and file via the 'Shared Values' workshops conducted in-house by selected executives trained to present these values. We believe that when these Shared Values are embraced by all employees, it would make a difference in the way each employee project the values and image of the Company to our customers and the public.

After having completed a series of workshops for the managerial, executive/supervisory and office staff in 2015, we have begun engaging our general workers with these Shared Values in 2016. The schedule is targeted at ensuring that our general workers would be imbued with this corporate culture by the end of the current financial year.

We like to refresh our shareholders with the Group Shared Values as follows:

- *Profit-Mindedness* – recognizing and maximizing the effective use of resources
- *Management Excellence* – art in achieving all stakeholders' needs from outside-in to inside-out to attain a competitive edge
- *Teamwork* – to work with utmost co-operation to complete tasks promptly and efficiently
- *Integrity* – possessing strong moral values and principles to differentiate between right and wrong
- *Respect* – positive feeling of esteem or deference for a person or entity
- *Commitment* – responsibility of individual/entity to put in extra efforts in the completion/achievement of common goals/tasks

In this report, I shall further provide an update on the developments that have taken place in the year under review. At the same time, I shall make known our action plans for each business segment going forward to overcome challenges and thrive when growth opportunities present themselves to improve our business results in the new financial year.

FINANCIAL PERFORMANCE

For FY2016, our group revenue suffered a 5% contraction year-on-year from S$98.8 million to S$93.5 million. The shortfall was attributed largely, for the first time, to the reduction in revenue from the Specialist Relocation business segment by S$4.8 million or 10% from S$47.5 million to S$42.7 million. Meanwhile, Technical & Engineering recorded minimal increase of S$113,000 or 0.3% and Third Party Logistics reported a marginal drop of S$0.6 million or 3.6%.

Loss After Tax for FY2016 was S$3.3 million compared to a positive bottom line of S$2.2 million in FY2015. Loss was largely due to higher provision for and write-off of trade and non-trade doubtful debts. The negative bottom line was also the result of loss in foreign exchange from the depreciating Malaysian Ringgit and Renminbi.

SPECIALIST RELOCATION BUSINESS SEGMENT

For the first time since the inception of the company, the Specialist Relocation business, which has been the mainstay of the Group, recorded a drop in its revenue. This has been attributed partly to the global slowdown of the electronics manufacturing industry that had translated into reduced job orders from the recurring contracts and slower implementation of new plant projects that we have in the secured the PRC.

There has been no new entrants to the semi-conductor or solar panel manufacturing industry in Singapore for some time, hence the non-availability of mega projects for Chasen Logistics Services Limited ("CLSG") and Liten Logistics Services Pte Ltd ("LLS") to bid for. These subsidiaries sustain their operations through recurring business in the form of maintenance contracts from existing customers. At the same time, both subsidiaries have also been diversifying their specialist relocation services into other industries where they have to compete with other general logistics players.

In line with the Group's operating strategy to synergise resources of related business units, the operations of CLSG and LLS would be amalgamated to provide a cutting edge in a more competitive and price sensitive environment.

After having moved to its new premises to better service its customers, Penang-based Chasen Logistics Sdn Bhd ("CLSB") was faced with a new challenge when some of its customers in the solar panel and semi-conductor manufacturing industry either relocated or downsized their Malaysian operations. Management at CLSB was nifty enough to quickly fill its warehouse capacity by moving to serve other industries such as the large retailers who need to store their FMCG inventory. In addition, CLSB has also started production of wooden pallets for customers in the different industries from manufacturing to automotive to retail. This high volume pallets production would utilize the additional floor space available at its new premises to help sustain its operations and grow its bottom line in the current financial year.

Together with the technical capability at Chasen Engineering Sdn Bhd ("CESB") and Towards Green Sdn Bhd ("TGSB") CLSB would also be able to supplement its logistics services with complementary technical services to customers in the heavy plant industries such as oil and gas, in line with the Group's integrated service business model.

Our Vietnam entity, Chasen Transport Logistics Co., Ltd ("CTL") continues its rapid growth path consistent with the higher growth rate of the Vietnamese economy. Besides incorporating logistics engineering into its portfolio of services, it has also diversify into pallet manufacturing to meet the needs of its specialist relocation customers, replicating the successful business model of CLSG.

The much publicized slowdown of China's economy has also affected the growth of Group's Shanghai-based Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd ("Hi-Tech"). While it continued to be successful in securing specialist relocation projects from the growing LCD TFT panel manufacturing industry in the last financial year, the implementation and completion of these projects were intermittent and created a cost burden that adversely affected its bottom line. The regular stop/go work rate caused the company to maintain a workforce that is sometimes idle for sustained period. Yet the Company could not reduce its work force as the project would resume at short notice.

To sustain its viability the Company has relocated from Shanghai to Chuzhou in Anhui Province with its much lower operating cost, in terms of property rental and minimum wage policy. In addition, it received preference investment terms from the local authority. The lower cost profile would enable Hi-Tech to price itself more competitively in the slower economic growth period as the Chinese economy restructures.

THIRD PARTY LOGISTICS (3PL) BUSINESS SEGMENT

This business segment experienced a negligible drop of S$0.6 million or 3.6% in their annual revenue. Despite Singapore-based DNKH Logistics Pte Ltd experiencing a most painful year due to a fire incident at its Tuas premises, this segment has shown marked improvement. This has largely been attributed to our Penang-based subsidiary, City Zone Express Sdn Bhd ("CZE"), which has maintained its steady business growth in both revenue and profitability.

In the current FY2017, on the initiative of CZE, the Group has through Singapore-registered City Zone Express Pte Ltd ("CZE-S"), extended its Malaysian operation into Thailand through a joint venture with experienced Thai logistics businesses. This Thailand-registered joint venture company, City Zone Express Company Limited ("CZE-T") has set-up its operating offices in Bangkok and Songkla. The objective of this joint venture initiative is to capture a larger share of the inland and cross-border transport business within Indo-China. Eventually, both CZE and CZE-T would be covering overland routes within South-East Asia (from as far south as Singapore) to China (as far north as Shanghai).

TECHNICAL & ENGINEERING BUSINESS SEGMENT

Though they are small players in their respective industrial sectors, the operating subsidiaries in this business segment were able to maintain their market share in a non-growing if not declining economic sector by posting a very marginal increase of S$113,000 or 0.3% over last year's revenue. Despite the challenges in the local construction industry, Hup Lian Engineering Pte Ltd ("HLE") and Goh Kwang Heng Scaffolding Pte Ltd ("GKHS") continued to maintain their foothold to sustain their operations and hope to increase their market share in the current financial year. With several major projects secured and efficient execution they would contribute positively to the Group results in the current financial year.

While the Singapore entity of the REI Promax Group is struggling with orders from its customers to breakeven its Singapore operation, its China-based subsidiary, Suzhou Promax Communication Technology Co., Ltd ("SZPMX") continued its operational growth with steady stream of orders from their telecommunication customers. It will be relocating to new premises out of the more expensive Suzhou Industrial Park to house its growing operational capacity in a more economical operating cost model. It hoped to receive its first direct export orders from a US company in the current financial year.

The Group's China-based wastewater treatment and industrial water production entity, Eons Global Water (Jilin) Co., Ltd ("EGW") continues to encounter slow revenue growth due to local bureaucratic issues in the Jilin Economic & Technological Development Zone ("ETDZ"). In this regard, the Group has engaged a local entity, Jilin BiYuan ShuiWu Co., Ltd ("JBS") to help resolve the issues. JBS has the relevant resources and capacities to provide the relevant services to EGW to resolve all operational issues relating to the successful commercial operation of EGW's Industrial Water Purification Plant and Sewage Plant within specific target dates. If successful, JBS, through a partnership framework agreement with EGW would participate in the operation of this business. EGW is hopeful that it can overcome these challenges in the current financial year and record an improvement to its revenue by the end of FY2017.

CHALLENGES

In the current financial year the Group expects the global economic landscape to continue to pose challenges to our business operations. The current economic climate will also not spare our customers and invariably, they will respond. We are anticipating that the reactions and actions of our customers may impact our financial performance moving ahead.

Analysts' reports have indicated that payment performance had worsened generally as partial and slow payments increased. The decline in payment performance came as no surprise given that payment delays have slowed down strongly towards the end of 2015. However, in times of economic uncertainties, a partial deferment of payment may offer a viable alternative for firms to circumvent cash flow issues.

The resultant effect is that Chasen would face increasing costs without corresponding consideration from our customers who are themselves caught in a similar bind. Since the Company was founded in 1995, it has faced such economic cycles and our resilience and experience will enable us to meet these economic challenges without compromising our commitment to customers. We shall continue to service our customers with the same standards that they have come to know us for.

I would like to assure all our stakeholders that we are committed to delivering higher shareholder value and I hope you will continue to give us your support.

OPPORTUNITIES

Worldwide, the demand for electronics has been on the wane due to competition and other available substitutes over the last few years. The growth of the semi-conductor and electronics manufacturing industries have slowed down in Singapore. This has impacted on the earnings of our relocation business. However, we remain as committed in providing support to our MNC customers through our services as one of the appointed in-house relocation specialists.

The Group had in the financial year under review, established a global marketing office, Chasen (USA)., Inc ("CSJ") based in San Jose within California's Silicon Valley with a view to project our integrated service capability to the head offices of MNCs whose regional operations are familiar with the Group's capability. It would also manage specialist relocation projects secured in the western hemisphere. The Group hopes to benefit from the recent trend encouraged by the Obama Administration as well as the lower US operating cost environment afforded by the changed energy cost situation, which saw US companies relocating production facilities back home. CSJ presence in the US would enable us to court our prospects through business networking events and maintaining contacts with the decision makers in the HQ of US MNCs.

In its maiden business, CSJ managed a relocation project for TESLA synergizing the resources of CLSG and Hi-Tech (Shanghai). This successful start gave the Group an opportunity to be considered for the next phase of the TESLA project. CSJ is also sourcing for opportunities in the aviation and power plant industries as relocation projects in these industries utilize the same skill-set. The success of CSJ would enable the Chasen Group to realize its vision of becoming a global integrated service provider.

For the 3PL business segment, the extension of CZE's capability in cross-border trucking from Singapore to Thailand to beyond the Thai border eastward opened the door to a *'new business model for an old business'* in land freight transportation. The key thrust of CZE's new Thai operation is land freight or road trucking cargo from South-East Asia stretching all the way from Singapore into Indo-China and beyond. It can even link-up with the China promoted New Silk Road to freight cargo all the way to Russia and Western Europe by train. If successful it would be a new growth sector for the Group as there are currently very few players in this door-to-door delivery sector competing against the very expensive air freight and the less expensive sea freight.

We are confident that the inherent advantages of land freight and the safe and reliable door-to-door delivery service provided by CZE, it is poised to secure substantial revenue when this cross-border freight operation takes off in the current financial year.

APPRECIATION

On the Group's behalf, I would like to thank our customers, vendors, advisors, bankers, partners and business associates whose support have been most invaluable in this challenging year. My heartfelt appreciation also goes out to our shareholders who had patiently and trustingly stayed with us throughout this period. Finally, I would like to thank my directors, management team and employees who have worked closely with me on this journey. In the midst of these developments, we shall regroup, reorganize, reflect and continue in *progressing our business model* in building an even stronger Chasen in FY2017.

LOW WENG FATT
Managing Director and Chief Executive Officer

GEOGRAPHICAL **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")

2001

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

2004

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

2007

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

2008

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

2009

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

CORPORATE **MILESTONES**

2016

- Established a joint venture 3PL company, City Zone Express Company Limited (Thailand) with operating offices in Bangkok and Songkhla

2015

- Established a global marketing office in San Jose, California, USA

2014

- Surpassed S$100 million revenue mark for the rst time in its corporate history
- Adoption of Shared Values @ Chiang Rai business meeting as the basis to develop our corporate culture and growth strategy

2013

- Chasen Holdings Limited transferred from Catalist to the Main Board of the SGX-ST on 26 February 2013
- Ho Chi Minh City-based CTL awarded rst major move-in and installation project valued at US$880,000 (S$1.1 million) for a Japanese tyre manufacturer in Hai Phong, Vietnam
- Singapore-based CLSG secured its maiden relocation project from the Middle East to Singapore valued at US$4.25 million (approximately S$5.4 million)
- CLSG and REI Technologies collaborated in building 100k cleanroom to house a Facilitized Refurbishment & Testing Centre ("FRTC") and supporting logistics services for the refurbishment of wafer fab machine tools for a Japanese OEM (original equipment manufacturer)

2012

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

2011

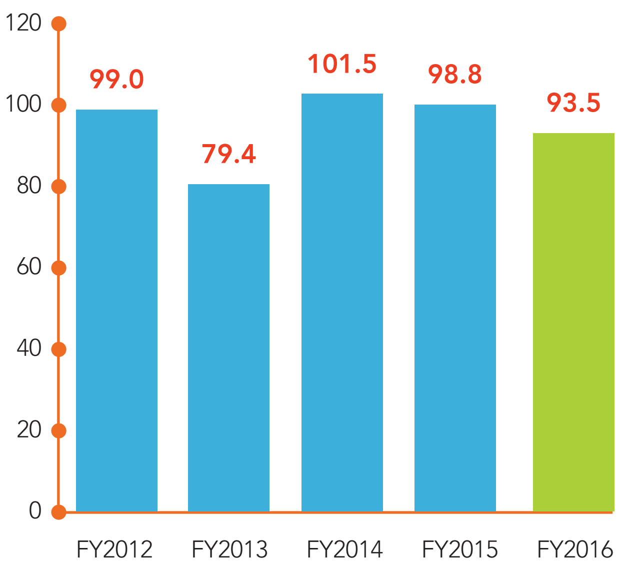
- Chasen Hi-Tech awarded rst major Korean project to relocate an OLED (organic light-emitting diode) production line from Busan, South Korea to Shanwei, Guangdong Province, PRC
- CHL was awarded the Certi cate of Excellence in "Best Investor Relations by a SGX-Catalist Company" at the IR Magazine South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

2010

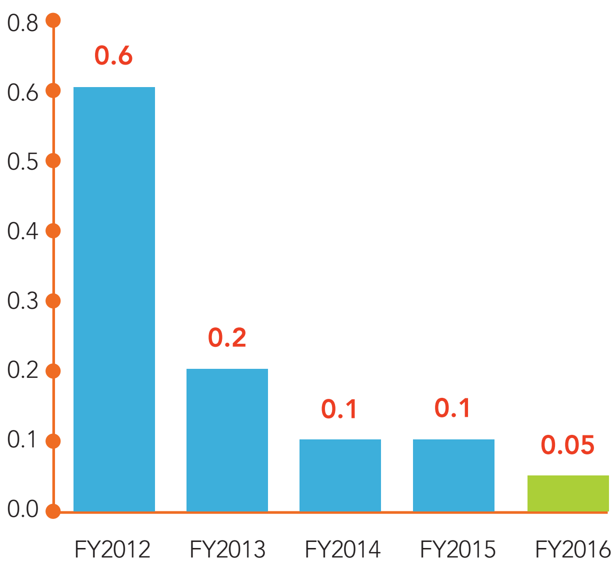
- Acquisition of "green" companies, Global Technology Synergy Pte Ltd ("GTS") and Towards Green Sdn Bhd ("TGSB")

FINANCIAL **HIGHLIGHTS**

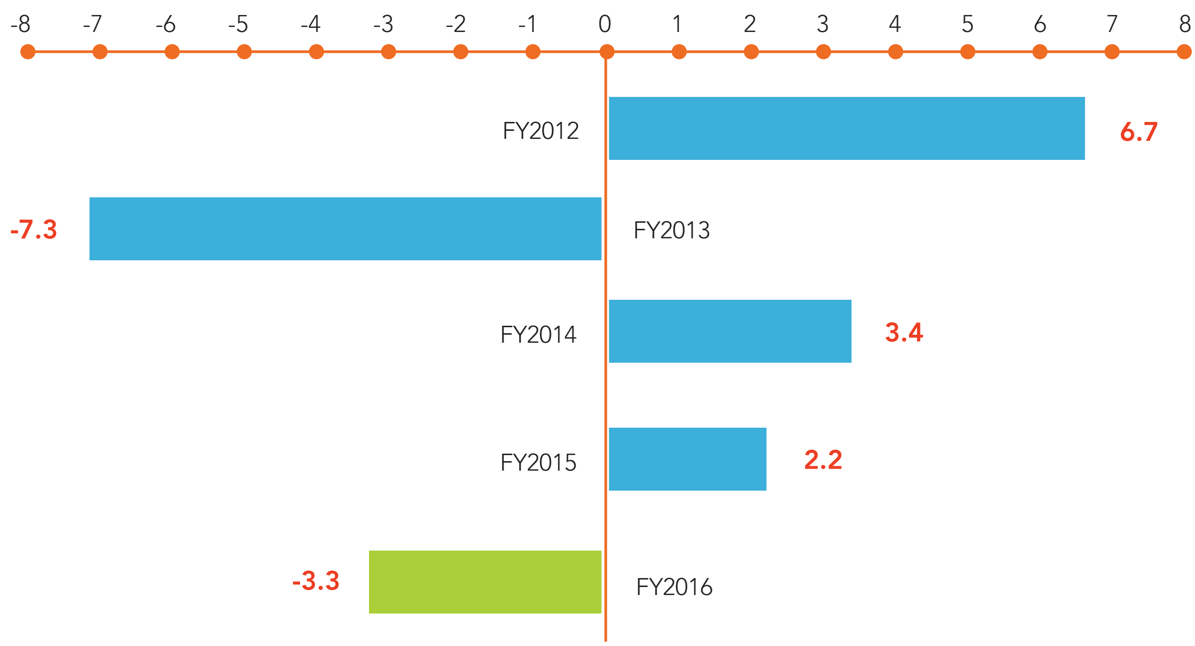
REVENUE ANALYSIS
(S$'MIL)



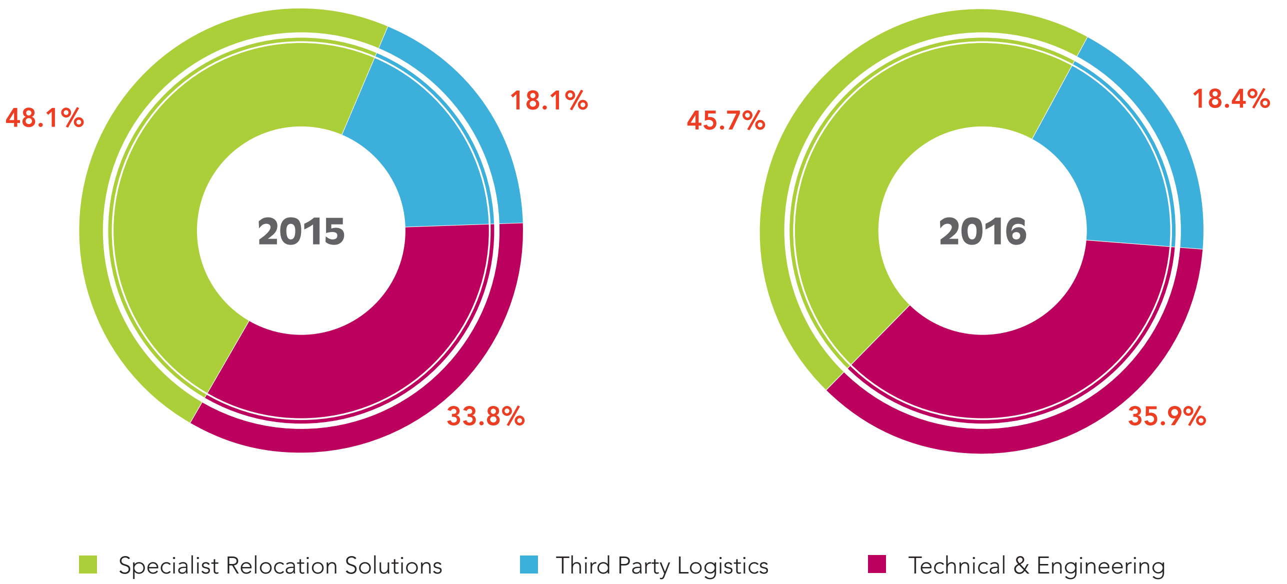
DIVIDEND PER
(CENTS)



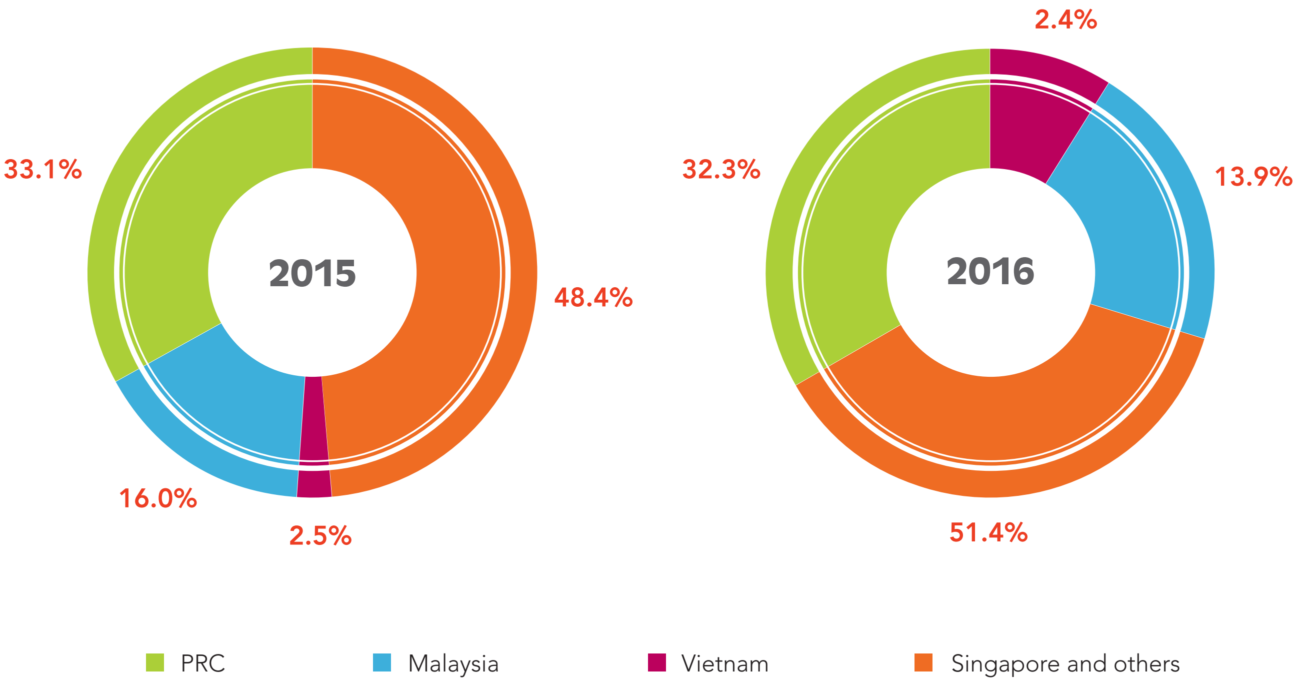
PROFIT/ (LOSS) AFTER TAX
(S$'MIL)



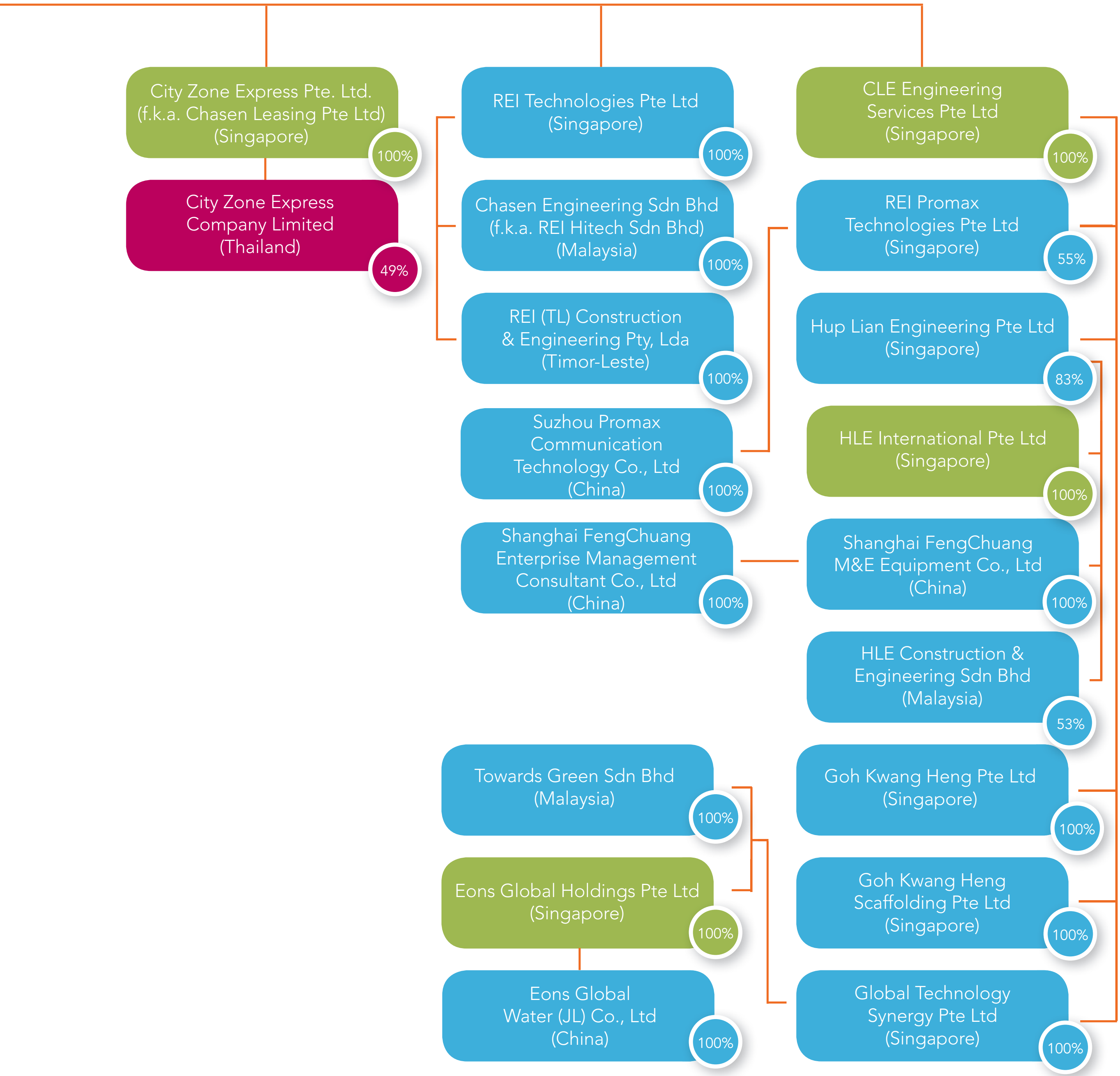
REVENUE BREAKDOWN
BY BUSINESS SEGMENT



REVENUE BREAKDOWN
BY GEOGRAPHICAL



CORPORATE **STRUCTURE**


City Zone Express Pte. Ltd.
(f.k.a. Chasen Leasing Pte Ltd)
(Singapore)
100%
City Zone Express
Company Limited
(Thailand)
49%
REI Technologies Pte Ltd
(Singapore)
100%
Chasen Engineering Sdn Bhd
(f.k.a. REI Hitech Sdn Bhd)
(Malaysia)
100%
REI (TL) Construction
& Engineering Pty, Lda
(Timor-Leste)
100%
Suzhou Promax
Communication
Technology Co., Ltd
(China)
100%
Shanghai FengChuang
Enterprise Management
Consultant Co., Ltd
(China)
100%
Towards Green Sdn Bhd
(Malaysia)
100%
Eons Global Holdings Pte Ltd
(Singapore)
100%
Eons Global
Water (JL) Co., Ltd
(China)
100%
CLE Engineering
Services Pte Ltd
(Singapore)
100%
REI Promax
Technologies Pte Ltd
(Singapore)
55%
Hup Lian Engineering Pte Ltd
(Singapore)
83%
HLE International Pte Ltd
(Singapore)
100%
Shanghai FengChuang
M&E Equipment Co., Ltd
(China)
100%
HLE Construction &
Engineering Sdn Bhd
(Malaysia)
53%
Goh Kwang Heng Pte Ltd
(Singapore)
100%
Goh Kwang Heng
Scaffolding Pte Ltd
(Singapore)
100%
Global Technology
Synergy Pte Ltd
(Singapore)
100%

BOARD OF **DIRECTORS**

LOW WENG FATT

Managing Director and CEO

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

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

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

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

SIAH BOON HOCK

Executive Director

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

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

Mr Siah brings with him 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.

YAP KOON BEE @ LOUIS YAP

Non-Executive Director

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

NG JWEE PHUAN @ FREDERICK (ERIC)

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

BOARD OF **DIRECTORS**

TAN SIN HUAT, DENNIS
Independent Director

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

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

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

CHEW MUN YEW
Independent Director

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

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

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

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

CHAN CHENG FEI

Chief Financial Officer

Mr Chan Cheng Fei joined Chasen Holdings Limited in September 2014 and is responsible in providing leadership and direction for all aspects of finance, internal control compliance, tax and reporting functions of the Group.

Prior to joining Chasen Holdings Limited, Mr Chan has held several Finance leadership roles in DeClout Limited, Popular Holdings Limited and Eu Yan Sang International Ltd.

Mr Chan obtained both his Master of Business Administration and Bachelor in Accountancy degree from the Nanyang Technological University. He is also a Chartered Accountant (non-practising member) of the Institute of Singapore Chartered Accountants.

YAP BENG GEOK DOROTHY

Administration Manager

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

Ms Yap joined Chasen Logistics Services in 1995 and over the past 20 years she has been with the Group, she has acquired in-depth knowledge of many aspects of the Group's business, including its operation and administration.

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

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

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 operation in our region.

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

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

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 director of several subsidiaries of the Group. He is responsible for the general management, sales and marketing of the artefact digitization, packaging and transportation for both domestic and international art exhibitions and cultural exchanges in the PRC market.

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

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

CHIANG MUN HOE ALVIN
General Manager
REI (TL) Construction & Engineering Pty, Lda ("REI-TL")

Mr Chiang Mun Hoe Alvin is currently the General Manager of the Group's subsidiary in Timor-Leste. He is responsible for the operation and growth of the business in Timor-Leste where REI-TL is in the business of rental of construction equipment to companies involved in infrastructural projects and in financing the construction of roads.

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

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

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

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

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

LIM JIT SING JACKSON

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

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

Mr Lim joined LLS soon after completing his National Service, where he was responsible for sales, operations and administration in LLS. He has more than 10 years of experience in the specialist relocation solutions, general logistics, freight forwarding, packing and crating of machineries for MNC customers.

Mr Lim has 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.

WEE TECK WEE

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

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

S. PIRITHIVARAJ SELVARAJOO

Executive Director
City Zone Express Sdn Bhd ("CZE")
City Zone Express Company Limited - Thailand ("CZE-T")

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

Mr Raj continues to work on strengthening CZE's cross-border logistics service capability to broaden the Company's revenue base and enhancing its profitability. He also assists the Group in identifying business opportunities to grow the Group's business in Malaysia and Thailand to capture a larger share of the inland and cross-border transport business within Indo-China. In this respect, on Mr Raj's initiative, the Group has set-up a joint venture company with a Thai logistics partner. This company, CZE-T has established operating offices in Bangkok and Songkhla.

NG SONG HENG

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

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

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

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

CORPORATE **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)*
Yap Koon Bee @ Louis Yap *(Non-Executive Director)*
Tan Sin Huat, Dennis *(Independent Director)*
Chew Mun Yew (*Independent Director)*
Yap Beng Geok Dorothy (*Alternate Director to Yap Koon Bee @ Louis Yap)*

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

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

COMPANY SECRETARY

Chew Kok Liang

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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

AUDITORS

Mazars LLP
Chartered Accountants of Singapore
135 Cecil Street
#10-01 MYP Plaza
Singapore 069536
Partner in charge: Chan Hock Leong
(a member of the Institute of Singapore Chartered Accountants)
(appointed with effect from the financial year ended 31 March 2012)

PRINCIPAL BANKER

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

CORPORATE SOCIAL **RESPONSIBILITY**

Corporate Social Responsibility (the "CSR") plays an essential role in the long-term success of our business. It is important that we align our interests with that of the communities in which we operate in order to have the support of the local communities and government agencies. We believe that our initiatives and emphasis on returning to the community and looking after the welfare of our 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 a CSR policy which included the review of the following areas of the Group's activities:

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

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

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

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

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

CORE VALUES OF THE CSR FRAMEWORK

The Company aims to be recognized as an organization that is transparent and ethical in all its dealings as well as making a positive contribution to the community 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

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

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

BOARD MATTERS

Board's Conduct of its Affairs

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

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

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

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

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

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

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.

Formal Board meetings are held at least four times a year to approve the quarterly results announcements and to oversee the business affairs of the Group. The Board is free to seek clarification and information from Management on all matters within their purview. Ad-hoc meetings are convened when the circumstances require. In the course of the financial year under review, 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	5*	1	1	1	1*
Siah Boon Hock	4	4	5	5*	1	1*	1	1*
Yap Koon Bee @ Louis Yap	4	1	5	1	1	1*	1	0
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	4	5	5*	1	1*	1	1*

(1) Alternate Director to Yap Koon Bee @ Louis Yap
* 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 2016. 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, one Non-Executive Director 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

<u>Non-Executive Director</u>
Yap Koon Bee @ Louis Yap
Yap Beng Geok Dorothy, Alternate Director to Yap Koon Bee @ Louis Yap

<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 Directors has served on the Board beyond nine years from the date of his/her appointment.

The Board (save for Ng Jwee Phuan @ Frederick (Eric)) has considered the following factors when reviewing the independence of Ng Jwee Phuan @ Frederick (Eric) who has served on the Board for more than 9 years from date of his first appointment:-

(a) the considerable amount of experience, required expertise in the relevant industry and wealth of knowledge that the Independent Director brings to the Company;

(b) the attendance and participation of the Independent Director in the proceedings and decision making process of the Board and Board Committees meetings;

(c) the qualification and expertise of the Independent Director to provide reasonable checks and balances for the Management to act as safeguard for the protection of the Company's assets and shareholders' interest;

(d) the Independent Director has provided adequate attention and sufficient time has been devoted to the proceedings and business of the Company; and

(e) the Independent Director is able to act independently and provides overall guidance to the Management.

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

The Board takes into account the scope and nature of the Company's operations and is of the opinion that the size is ideal to facilitate effective deliberations and decision making of the Board. The Non-Executive and 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 Non-Executive and 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.

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, of whom three 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 independent. 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 re-election by shareholders at the next Annual General Meeting.

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

The Nominating Committee has recommended the re-election of Tan Sin Huat, Dennis and re-appointment of Yap Koon Bee @ Louis Yap who are retiring at the forthcoming Annual General Meeting to be held on 29 July 2016 (the "**forthcoming AGM**"). The Board has accepted the recommendations and the retiring Directors would be offering themselves for re-election, save for Yap Koon Bee @ Louis Yap who had indicated that he would not seek re-appointment at the forthcoming AGM.

Where a vacancy arises, 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. Under the Constitution of the Company, a newly-appointed Director shall retire at the AGM following his appointment and he shall be eligible for re-election.

Key information regarding the Directors is set out below:

Name of Director	Date of First Appointment	Date of Last Re-election	Directorship and Chairmanship in Other Listed Companies and Major Appointments (Present and held over preceding 3 years)
Ng Jwee Phuan @ Frederick (Eric)	6 February 2007	29 July 2014	Listed Companies - Present 1. GBM Gold Limited (formerly known as Greater Bendigo Gold Mines Limited) 2. Richfield International Limited 3. Ephraim Resources Ltd Listed Companies - Preceding 3 Years Nil Major Appointments Nil
Low Weng Fatt	6 February 2007	Not Applicable	Nil
Siah Boon Hock	6 February 2007	29 July 2015	Nil
Yap Koon Bee @ Louis Yap	6 February 2007	29 July 2015*	Nil
Tan Sin Huat, Dennis	31 July 2009	26 July 2013	Listed Companies - Present 1. Renewable Energy Asia Group Ltd 2. P99 Holdings Limited Listed Companies - Preceding 3 Years 1. Swing Media Technology Group Ltd Major Appointments Nil
Chew Mun Yew	5 August 2013	29 July 2014	Nil
Yap Beng Geok Dorothy [1]	29 May 2008	Nil	Nil

[1] Alternate Director to Yap Koon Bee @ Louis Yap

* Re-appointment as a Director pursuant to Section 153(6) of the Companies Act, Chapter 50 which was repealed with effect from 3 January 2016

Board Performance

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

In line with the principles of good corporate governance, the Nominating Committee had implemented and continued with an annual performance evaluation for assessing the effectiveness of the Board as a whole and has completed the assessment. The purpose of the evaluation process is to increase the overall effectiveness of the Board. The assessment of the Board Committees was incorporated into the assessment of the Board as a whole. The NC would take into consideration the recommendation under the Code to have separate assessment of the Board Committees to the effectiveness of the Board.

The Nominating Committee had decided unanimously, that the Directors will not be evaluated individually. The Nominating Committee, in considering the re-nomination of any Director, had considered but not limited to the extent of their attendance, participation and contribution in the proceedings of the meetings.

Each Director was requested to complete evaluation forms to assess the overall effectiveness of the Board as a whole. The appraisal process focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, communication with 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 FY2016.

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. 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 four members, of whom three are Independent Directors:

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

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

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

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

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

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

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

The Remuneration Committee has full authority to engage any external 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 annual general meeting.

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 2016 are as follows:

Remuneration Band	Number of Directors	
	2016	2015
Directors		
S$500,000 and above	–	1
S$250,000 to below S$500,000	2	1
Below S$250,000	4	4
Total	6	6
Key Management Personnel		
Below S$250,000	5	5
Total	5	5

A breakdown of each individual Director's and key management personnel's remuneration, in percentage terms showing the level and mix for the financial year ended 31 March 2016, is as follows:

	Fees %	Salary %	Bonus %	Other benefits %	Total %
Directors					
S$250,000 to below S$500,000					
Low Weng Fatt	10.1	82.2	7.7	–	100
Siah Boon Hock	18.0	75.2	6.8	–	100
Below S$250,000					
Yap Koon Bee @ Louis Yap	100	–	–	–	100
Ng Jwee Phuan @ Frederick (Eric)	100	–	–	–	100
Tan Sin Huat, Dennis	100	–	–	–	100
Chew Mun Yew	100	–	–	–	100
Yap Beng Geok Dorothy	–	–	–	–	–
Key Management Personnel					
Below S$250,000					
Chan Cheng Fei	–	86.0	7.8	6.2	100
DixzyQuo Nurman	–	91.6	8.4	–	100
Cheong Tuck Nang	–	91.6	8.4	–	100
Yeo Seck Cheong	–	79.8	–	20.2	100
Lim Jit Sing, Jackson	–	76.0	11.6	12.4	100
Yap Beng Geok Dorothy	–	81.5	7.2	11.3	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 2016 is approximately S$1,158,680.

None of the Directors (including the Managing Director and CEO) and the top five key management personnel (who are not Directors or the Managing Director and CEO) of the Company has received any termination, retirement, post-employment benefits for the financial year ended 31 March 2016.

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 2016. Mr Cheong Tuck Nang's remuneration for the financial year ended 31 March 2016 was between S$200,000 to S$250,000.

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.

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

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

The Directors have received the management representation letters from the Executive Directors 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 2016.

For the financial year ended 31 March 2016, 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 internal auditors and external auditors (to the extent as required by them to form an audit opinion on the statutory financial statements), representation letters from the Management, periodic reviews by the Management, the Board with the concurrence of the Audit Committee is of the opinion that the system of internal controls addressing financial, operational, compliance and information technology risks, and risk management systems, maintained by the Company during the year are adequate 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 judgment in decision making, human error, losses, and/or other irregularities.

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

Audit Committee

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

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

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

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

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

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

(a) Financial Reporting

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

(b) External Audit

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

(c) Internal Audit

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

(d) Internal Controls

The Audit Committee reviews and evaluates with internal and external auditors on the adequacy and effectiveness of the Company's system of internal controls, including financial, operational, compliance and information technology controls. The 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 ("**Interested Person Transactions**") and if it does, to ensure that the Group complies with the requisite rules under Chapter 9 of the Listing Manual of the SGX-ST.

(f) Whistle-blowing

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

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

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

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

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

The Audit Committee has full access to the Management and also full discretion to invite any Director or key management 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 Accounting and Corporate Regulatory Authority ("**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 also undertaken a review of the independence and objectivity of the external auditors. The Company has paid S$264,500 to Messrs Mazars LLP, the external auditors, for the financial year ended 31 March 2016. The non-audit fee paid to Mazars LLP was S$2,500. The Audit Committee is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors. The external auditors had also provided a confirmation of their independence to the Audit Committee.

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 nomination of the external auditors for re-appointment at the forthcoming AGM.

During the financial year ended 31 March 2016, the Audit Committee met with the external auditors and internal 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 and internal 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 Interested Person Transactions during the financial year ended 31 March 2016, 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 Interested Person Transactions arise.

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

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

Internal Audit

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

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

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.

The internal auditors also recommend enhancements to each subsidiary's internal controls and risk management procedures, should the internal audit identifies weaknesses, if any. Management will either accept the recommendations or offer alternative measures to meet the objectives of the internal auditors' recommendations. The internal auditors will subsequently follow-up to ensure that the recommended procedures or alternatives offered are 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 annual general meetings ("**AGMs**") 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 AGMs. 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 is allowed to 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 Investo**r") 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.

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

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

The Company will put all resolutions to vote by poll at its forthcoming AGM. 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.

[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.

DEALINGS IN SECURITIES

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

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

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

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

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

INTERESTED PERSON TRANSACTIONS

Details of Interested Person Transactions, if any, for the financial year ended 31 March 2016 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 interested person transactions, the Board and Audit Committee regularly reviews if the Company will be entering into any interested person transaction and if it does, to ensure that the Company complies with the requisite rules under Chapter 9 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 Interested Person Transactions 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 2016.

UPDATE ON USE OF RIGHTS ISSUE (2014) PROCEEDS AND PROCEEDS FROM EXERCISED WARRANTS

The net proceeds from the subscription of the Warrants Issue of $0.9 million and net proceeds from the exercise of warrants W170320 of $0.8 million from the date of issuance up to 31 March 2016 were deposited into the Company's common bank account used for all of the Company's expenses, including the payment of administrative expenses incurred in the ordinary course of business.

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

	S$' million
Net proceeds from subscription of the Warrants Issue (after deducting professional fees and related expenses)	0.9
Net proceeds from exercise of W170320 warrants	0.8
	1.7
Amount utilised as working capital:	
Operating payables	(0.8)
Listing and compliance expenses	(0.2)
Professional fee and annual report expenses	(0.1)
Warehouse rental	(0.3)
Insurance	(0.2)
Utilities	(0.1)
Balance as at 31 March 2016	–

The Company will make further announcement on the use of the net proceeds from the exercise of warrants W170320 should further funds be received and materially disbursed.

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 $0.3 million from the date of issuance up to 31 March 2016 were not utilised yet and deposited into the Company's common bank account and be used in accordance with the Offer Information Statement dated 5 January 2016.

	S$' million
Net proceeds from subscription of Rights Shares cum Warrants Issue (after deducting professional fees and related expenses)	1.3
Net proceeds from exercise of W180201 warrants	0.3
Balance as at 31 March 2016	1.6

The Company will make further announcement on the use of the net proceeds from the subscription of Rights Shares cum Warrants Issue and exercise of warrants W180201 as and when the funds are materially disbursed.

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 2016.

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 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 2016 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; 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

Non-Executive directors
Yap Koon Bee @ Louis Yap
Yap Beng Geok Dorothy (Alternate director to Yap Koon Bee @ Louis Yap)

Independent directors
Tan Sin Huat, Dennis
Chew Mun Yew

3. Arrangements to enable directors to acquire shares or debentures

Except as disclosed in paragraphs 4, 5 and 6 of this statement, 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.

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 Singapore Companies Act, Chapter 50 (the "Act"), except as disclosed below:

	Direct interest		Deemed interest	
Name of the directors and respective companies in which interests are held	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year
<u>The Company</u>	← Number of ordinary shares →			
Ng Jwee Phuan @ Frederick (Eric) (1)	56,000	56,000	615,650	923,475
Low Weng Fatt (2)	50,883,708	50,883,708	265,000	397,500
Siah Boon Hock (3)	10,824,901	10,824,901	–	–
Yap Koon Bee @ Louis Yap (4)	35,002,583	35,002,583	–	–
Tan Sin Huat, Dennis (5)	10,500	10,500	79,500	79,500
Chew Mun Yew	–	–	–	–
Yap Beng Geok Dorothy (6)	179,250	200,000	7,945,912	7,945,912

By virtue of Section 7 of the Act, Low Weng Fatt is deemed to have an interest in all related corporations of the Company.

There was no change in any of the above-mentioned interest in the Company between the end of the financial year and 21 April 2016.

Notes:

(1) Ng Jwee Phuan @ Frederick (Eric) is deemed to be interested in the 923,475 shares and 615,650 warrants pursuant to Rights cum Warrants Issue at the exercise price of S$0.025, held by Bank of Singapore Nominees Pte Ltd.

(2) Low Weng Fatt holds 5,742,417 warrants, pursuant to Chasen Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of S$0.110 each. He is deemed to be interested in the 397,500 shares, 115,636 warrants pursuant to Chasen Warrants Issue at the exercise price of S$0.110, and 265,000 warrants pursuant to Rights cum Warrants Issue at the exercise price of S$0.025, held by his spouse.

(3) Siah Boon Hock holds 2,181,818 warrants, pursuant to Chasen Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of S$0.110 each.

(4) Yap Koon Bee @ Louis Yap holds 1,090,909 warrants, pursuant to Chasen Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of S$0.110 each.

(5) Tan Sin Huat, Dennis holds 14,181 warrants, pursuant to Chasen Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of S$0.110 each. He is deemed to be interested in the 79,500 shares held by DBS Nominees Pte Ltd.

(6) Yap Beng Geok Dorothy holds 1,297,418 warrants, pursuant to Chasen Warrants Issue, entitling her to subscribe for an equivalent number of shares at the exercise price of S$0.110 each, and 41,500 warrants pursuant to Rights cum Warrants Issue at the exercise price of S$0.025. She 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 (the "Plan") was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 16 May 2007.

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

5. Chasen Performance Share Plan (Continued)

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

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

From the commencement of the Plan to 31 March 2016, awards comprising an aggregate of 5,314,562 shares have been granted.

As at 31 March 2016, details of performance shares awarded under the Plan are set out as below:

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

Note: As at 31 March 2016, the total number of share awards granted to the Directors and employees of the Company and its subsidiaries since the commencement of the Plan to the end of the financial year ended 31 March 2016 is 5,314,562.

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

Name of participant	Awards granted during financial year under review	Aggregate Awards granted since commencement of Plan to end of financial year under review	Aggregate Awards vested since commencement of Plan to end of financial year under review	AggregateAwards 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
Yap Koon Bee @ Louis Yap *	Nil	160,000	(160,000)	Nil
Tan Sin Huat, Dennis	Nil	90,000	(90,000)	Nil
Yap Beng Geok Dorothy	Nil	160,000	(160,000)	Nil

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

6. Warrants

On 25 March 2014, the Company issued 100,566,756 warrants, pursuant to Chasen Warrants Issue, at an issue price of S$0.010 for each warrant, each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at the exercise price of S$0.120 during the period commencing on and including the date of issue of the warrants and expiring on the date immediately preceding the third (3rd) anniversary of such date of issue.

On 29 January 2016, pursuant to Rights Cum Warrant Issue, 8,506,657 of Chasen Warrants Issue, was issued in accordance with Condition 5(B)(iv) of the Offer Information Statement dated 26 February 2014. The exercise price of all the unexercised warrants has been adjusted downward accordingly to S$0.110.

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 (2nd) 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.

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

Date of issue	At 1 April 2015	Warrants issued	Adjusted for Rights cum Warrants Issue	Warrants exercised	At 31 March 2016	Exercise price per share	Expiry date
						S$	
21 March 2014	93,578,810	–	8,506,657	–	102,085,527	0.110	20 March 2017
2 February 2016	–	62,098,630	–	(12,054,600)	50,044,030	0.025	1 February 2018
	93,578,870	62,098,630	8,506,657	(12,054,600)	152,129,557		

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 four 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
Yap Koon Bee @ Louis Yap

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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
24 June 2016

INDEPENDENT AUDITORS' REPORT

To the Members of Chasen Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 March 2016, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 49 to 124.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the Group and statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 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.

Report on Other Legal and Regulatory Requirements

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

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
24 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2016

	Note	Group 2016 S$'000	Group 2015 S$'000
Revenue	4	93,511	98,800
Cost of sales		(76,431)	(78,108)
Gross profit		17,080	20,692
Other operating income	5	3,813	3,688
Distribution and selling expenses		(5,384)	(6,539)
Administrative expenses		(11,988)	(13,303)
Other operating expenses		(4,529)	(603)
Finance expenses	6	(1,342)	(1,246)
Share of results of associates		31	(361)
(Loss)/Profit before income tax	7	(2,319)	2,328
Income tax expense	9	(1,010)	(96)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(3,329)	2,232
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss			
Net gain/(loss) on fair value changes of available-for-sale financial assets	18	382	(812)
Exchange differences on translating foreign operations		(1,810)	1,910
Other comprehensive (loss)/income for the financial year, net of tax		(1,428)	1,098
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		(4,757)	3,330
(Loss)/Profit for the financial year attributable to:			
Owners of the Company		(1,469)	2,240
Non-controlling interests		(1,860)	(8)
(Loss)/Profit for the financial year		(3,329)	2,232
Total comprehensive (loss)/income for the financial year attributable to:			
Owners of the Company		(2,644)	3,200
Non-controlling interests		(2,113)	130
Total comprehensive (loss)/income for the financial year		(4,757)	3,330
(Loss)/Earnings per share for (loss)/profit attributable to owners of the Company (cents per share)			
Basic	10	(0.49)	0.83
Diluted	10	(0.47)	0.78

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 2016

	Note	Group 2016 S$'000	Group 2015 S$'000	Company 2016 S$'000	Company 2015 S$'000
ASSETS					
Non-current assets					
Investment property	11	950	950	–	–
Property, plant and equipment	12	32,372	28,079	–	–
Investments in subsidiaries	13	–	–	38,075	38,075
Investments in associates	14	1,116	1,085	200	200
Goodwill on consolidation	15	10,559	10,638	–	–
Intangible assets	16	340	547	–	–
Club membership	17	7	8	–	–
Available-for-sale financial assets	18	625	243	625	243
Other receivables, deposits and prepayments	22	414	408	221	214
Deferred tax assets	30	1,163	1,416	–	–
Total non-current assets		47,546	43,374	39,121	38,732
Current assets					
Inventories	19	4,009	4,243	–	–
Gross amount due from customers on contract work-in-progress	20	2,000	2,043	–	–
Trade receivables	21	38,212	40,606	–	–
Other receivables, deposits and prepayments	22	15,380	16,663	50	150
Amounts due from subsidiaries	23	–	–	43,694	39,920
Cash and cash equivalents	24	11,800	13,130	2,406	530
Total current assets		71,401	76,685	46,150	40,600
Total assets		118,947	120,059	85,271	79,332
EQUITY AND LIABILITIIES					
Equity					
Share capital	25	50,876	49,995	80,404	79,523
Treasury shares	26	(116)	(93)	(116)	(93)
Other reserves	27	(1,332)	(861)	(3,108)	(4,194)
Retained profits		12,047	16,384	2,478	1,164
Equity attributable to owners of the Company		61,475	65,425	79,658	76,400
Non-controlling interests		3,945	4,895	–	–
Total equity		65,420	70,320	79,658	76,400
Non-current liabilities					
Bank loans	28	7,096	4,831	3,153	1,462
Finance lease payables	29	2,576	2,271	–	–
Deferred tax liabilities	30	846	902	–	–
Total non-current liabilities		10,518	8,004	3,153	1,462
Current liabilities					
Bank overdrafts	28	1,072	661	–	–
Bank loans	28	19,905	18,855	1,496	365
Finance lease payables	29	2,231	1,587	–	–
Trade payables	31	12,398	11,370	–	–
Other payables and accruals	32	6,591	7,962	964	1,105
Income tax payable		812	1,300	–	–
Total current liabilities		43,009	41,735	2,460	1,470
Total liabilities		53,527	49,739	5,613	2,932
Total equity and liabilities		118,947	120,059	85,271	79,332

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

2016 Group	Note	Equity, total	Equity attributable to owners of the Company, total	Share capital	Treasury shares	Retained profits	Other reserves, total	Capital reserve	Warrants reserve	Foreign currency translation reserve	Performance share plan reserve	Fair value adjustment reserve	Non-controlling interests
			← Attributable to owners of the Company →										
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2015		70,320	65,425	49,995	(93)	16,384	(861)	1,848	783	1,485	–	(4,977)	4,895
Loss for the financial year		(3,329)	(1,469)	–	–	(1,469)	–	–	–	–	–	–	(1,860)
Other comprehensive loss													
Net gain on fair value changes of available-for-sale financial assets	18	382	382	–	–	–	382	–	–	–	–	382	–
Exchange differences on translating foreign operations		(1,810)	(1,557)	–	–	–	(1,557)	–	–	(1,557)	–	–	(253)
Other comprehensive loss for the financial year, net of tax		(1,428)	(1,175)	–	–	–	(1,175)	–	–	(1,557)	–	382	(253)
Total comprehensive loss for the financial year		**(4,757)**	**(2,644)**	**–**	**–**	**(1,469)**	**(1,175)**	**–**	**–**	**(1,557)**	**–**	**382**	**(2,113)**

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

2016 Group (Continued)	Note	Equity, total S$'000	Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Warrants reserve S$'000	Foreign currency translation reserve S$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
			← Attributable to owners of the Company →										
Contributions by and distributions to owners													
Shares issued pursuant to exercise of warrants	25, 27	301	301	471	–	–	(170)	–	(170)	–	–	–	–
Shares issued pursuant to Rights cum Warrants issue	25	1,552	1,552	678	–	–	874	–	874	–	–	–	–
Rights cum Warrants issue expenses	25	(268)	(268)	(268)	–	–	–	–	–	–	–	–	–
Purchase of treasury shares	26	(23)	(23)	–	(23)	–	–	–	–	–	–	–	–
Dividends paid	41	(332)	(292)	–	–	(292)	–	–	–	–	–	–	(40)
Total contributions by and distributions to owners		1,230	1,270	881	(23)	(292)	704	–	704	–	–	–	(40)
Changes in ownership interests in subsidiaries													
Acquisition of non-controlling interests without a change in control	13(b)	(1,373)	(1,181)	–	–	(1,181)	–	–	–	–	–	–	(192)
Effect on change in parent's ownership interest in subsidiary		–	(1,395)	–	–	(1,395)	–	–	–	–	–	–	1,395
Total changes in ownership interests in subsidiaries		(1,373)	(2,576)	–	–	(2,576)	–	–	–	–	–	–	1,203
Total transactions with owners in their capacity as owners		**(143)**	**(1,306)**	**881**	**(23)**	**(2,868)**	**704**	**–**	**704**	**–**	**–**	**–**	**1,163**
Balance at 31 March 2016		**65,420**	**61,475**	**50,876**	**(116)**	**12,047**	**(1,332)**	**1,848**	**1,487**	**(72)**	**–**	**(4,595)**	**3,945**

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

2015 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$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
Balance at 1 April 2014		61,463	56,618	43,688	(146)	14,404	(1,328)	1,848	866	(287)	410	(4,165)	4,845
Profit for the financial year		2,232	2,240	–	–	2,240	–	–	–	–	–	–	(8)
Other comprehensive income													
Net loss on fair value changes of available-for-sale financial assets	18	(812)	(812)	–	–	–	(812)	–	–	–	–	(812)	–
Exchange differences on translating foreign operations		1,910	1,772	–	–	–	1,772	–	–	1,772	–	–	138
Other comprehensive income for the financial year, net of tax		1,098	960	–	–	–	960	–	–	1,772	–	(812)	138
Total comprehensive income for the financial year		**3,330**	**3,200**	**–**	**–**	**2,240**	**960**	**–**	**–**	**1,772**	**–**	**(812)**	**130**

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

2015 Group (Continued)	Note	Equity, total S$'000	Equity attributable to owners of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Capital reserve S$'000	Warrants reserve S$'000	Foreign currency translation reserve S$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000	Non-controlling interests S$'000
			← Attributable to owners of the Company →										
Contributions by and distributions to owners													
Shares issued pursuant to exercise of warrants	25, 27	839	839	897	–	–	(58)	–	(58)	–	–	–	–
Shares issued for acquisition of a property	25	5,000	5,000	5,000	–	–	–	–	–	–	–	–	–
Warrants issue expenses	27	(25)	(25)	–	–	–	(25)	–	(25)	–	–	–	–
Transfer of treasury shares from performance share plan reserve	26	–	–	–	53	–	(53)	–	–	–	(53)	–	–
Vesting of performance share plan		–	–	410	–	–	(410)	–	–	–	(410)	–	–
Cost of share-based payments		53	53	–	–	–	53	–	–	–	53	–	–
Dividends paid	41	(340)	(260)	–	–	(260)	–	–	–	–	–	–	(80)
Total contributions by and distributions to owners		5,527	5,607	6,307	53	(260)	(493)	–	(83)	–	(410)	–	(80)
Total transactions with owners in their capacity as owners		5,527	5,607	6,307	53	(260)	(493)	–	(83)	–	(410)	–	(80)
Balance at 31 March 2015		70,320	65,425	49,995	(93)	16,384	(861)	1,848	783	1,485	–	(4,977)	4,895

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

2016 Company	Note	Equity, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Warrants reserve S$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000
Balance at 1 April 2015		76,400	79,523	(93)	1,164	(4,194)	783	–	(4,977)
Profit for the financial year		1,606	–	–	1,606	–	–	–	–
<u>Other comprehensive income</u>									
Net gain on fair value changes of available-for-sale financial assets	18	382	–	–	–	382	–	–	382
Other comprehensive income for the financial year, net of tax		382	–	–	–	382	–	–	382
Total comprehensive income for the financial year		1,988	–	–	1,606	382	–	–	382
<u>Contributions by and distributions to owners</u>									
Shares issued pursuant to exercise of warrants	25, 27	301	471	–	–	(170)	(170)	–	–
Shares issued pursuant to Rights cum Warrants issue	25	1,552	678	–	–	874	874	–	–
Rights cum Warrants issue expenses	25	(268)	(268)	–	–	–	–	–	–
Purchase of treasury shares	26	(23)	–	(23)	–	–	–	–	–
Dividends paid	41	(292)	–	–	(292)	–	–	–	–
Total transactions with owners in their capacity as owners		**1,270**	**881**	**(23)**	**(292)**	**704**	**704**	**–**	**–**
Balance at 31 March 2016		**79,658**	**80,404**	**(116)**	**2,478**	**(3,108)**	**1,487**	**–**	**(4,595)**

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

2015 Company	Note	Equity, total S$'000	Share capital S$'000	Treasury shares S$'000	Retained profits S$'000	Other reserves, total S$'000	Warrants reserve S$'000	Performance share plan reserve S$'000	Fair value adjustment reserve S$'000
Balance at 1 April 2014		70,588	73,216	(146)	407	(2,889)	866	410	(4,165)
Profit for the financial year		1,017	–	–	1,017	–	–	–	–
Other comprehensive loss									
Net loss on fair value changes of available-for-sale financial assets	18	(812)	–	–	–	(812)	–	–	(812)
Other comprehensive loss for the financial year, net of tax		(812)	–	–	–	(812)	–	–	(812)
Total comprehensive income for the financial year		**205**	**–**	**–**	**1,017**	**(812)**	**–**	**–**	**(812)**
Contributions by and distributions to owners									
Vesting of performance share plan		–	410	–	–	(410)	–	(410)	–
Transfer of treasury shares from performance share plan reserve	26	–	–	53	–	(53)	–	(53)	–
Shares issued pursuant to exercise of warrants	25, 27	839	897	–	–	(58)	(58)	–	–
Warrants issue expenses	27	(25)	–	–	–	(25)	(25)	–	–
Shares issued for acquisition of a property	25	5,000	5,000	–	–	–	–	–	–
Cost of share-based payments		53	–	–	–	53	–	53	–
Dividends paid	41	(260)	–	–	(260)	–	–	–	–
Total transactions with owners in their capacity as owners		**5,607**	**6,307**	**53**	**(260)**	**(493)**	**(83)**	**(410)**	**–**
Balance at 31 March 2015		**76,400**	**79,523**	**(93)**	**1,164**	**(4,194)**	**783**	**–**	**(4,977)**

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 2016

	Note	Group 2016 S$'000	Group 2015 S$'000
Operating activities			
(Loss)/Profit before income tax		(2,319)	2,328
Adjustments for:			
Allowance for doubtful gross amount due from customers on contract work-in-progress	20	318	–
Allowance for doubtful trade receivables	21	1,146	99
Allowance for doubtful other receivables	22	612	–
Amortization of club membership	17	1	1
Amortization of intangible assets	16	198	196
Bad debts written off (trade)	7	502	55
Bad debts written off (non-trade)	7	27	–
Depreciation of property, plant and equipment	12	6,408	5,688
Interest income	5	(38)	(82)
Interest expense	6	1,342	1,246
Inventory obsolescence/written off	7	–	7
Impairment loss on goodwill on consolidation	15	79	–
Net fair value gains on investment property	5, 11	–	(542)
Net gain on disposal of property, plant and equipment	5, 7	(66)	(741)
Property, plant and equipment written-off	7	14	58
Share-based payment expenses		–	53
Share of results of associates	14	31	361
Written back of allowance for doubtful other receivables	5	(3)	(24)
Operating cash flows before movements in working capital		8,252	8,703
Changes in working capital:			
Inventories		234	(1,097)
Gross amount due from customers on contract work-in-progress		(275)	1,773
Trade and other receivables		1,386	(10,163)
Trade and other payables		(343)	70
Cash generated from/(used in) operations		9,254	(714)
Income taxes paid		(1,304)	(592)
Net cash generated from/(used in) operating activities		7,950	(1,306)
Investing activities			
Acquisition of non-controlling interests in a subsidiary	13(b)	(1,373)	–
Interest received		38	82
Proceeds from disposal of property, plant and equipment		123	1,116
Purchase of property, plant and equipment	12	(7,865)	(2,308)
Effect of foreign currency re-alignment on investing activities		(1,380)	1,161
Net cash (used in)/generated from investing activities		(10,457)	51

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 2016

	Note	Group 2016 S$'000	Group 2015 S$'000
Financing activities			
Dividends paid to owners of the Company	41	(292)	(260)
Dividends paid to non-controlling interests		(40)	(80)
Interest paid		(1,342)	(1,246)
Proceeds from issuance of Rights cum Warrants issue	25	1,552	–
Rights cum Warrants issue expenses	25	(268)	–
Proceeds from exercise of warrants	25	301	839
Warrants issue expenses	27	–	(25)
Purchase of treasury shares	26	(23)	–
Proceeds from bank loans		78,385	140,424
Repayment of bank loans		(74,831)	(137,795)
Repayment of finance lease payables		(2,405)	(2,414)
Release of pledged fixed deposits with banks		2,512	1,116
Net cash generated from financing activities		3,549	559
Net increase/(decrease) in cash and cash equivalents		1,042	(696)
Effect of exchange rate changes on cash and cash equivalents		(271)	300
Cash and cash equivalents at beginning of financial year		8,573	8,969
Cash and cash equivalents at end of financial year	24	9,344	8,573

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 2016 were authorized for issue by the Board of Directors on 24 June 2016.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for annual periods beginning on or after 1 April 2015. 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 amounts reported for the current or prior financial years.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective

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

	Description	*Effective date (annual periods beginning on or after)*
FRS 1	Amendments to FRS 1: *Disclosure Initiative*	1 January 2016
FRS 7	Amendments to FRS 7: *Disclosure Initiative*	1 January 2017
FRS 12	Amendments to FRS 12: *Recognition of Deferred Tax Assets for Unrealized Losses*	1 January 2017
FRS 16, 38	Amendments FRS 16 and FRS 38: *Clarification of Acceptance Methods of Depreciation and Amortisation*	1 January 2016
FRS 16, 41	Amendments to FRS 16 and FRS 41: *Agriculture: Bearer Plants*	1 January 2016
FRS 27	Amendments to FRS 27: *Equity Method in Separate Financial Statements*	1 January 2016
FRS 109	Financial Instruments	1 January 2018
FRS 110, 28	Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
FRS 110, 112, 28	Amendments to FRS 110, FRS 112 and FRS 28: *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 111	Amendments to FRS 111: *Accounting Acquisitions of Interest in Joint Operations*	1 January 2016
FRS 114	*Regulatory Deferral Accounts*	1 January 2016
FRS 115	*Revenue from Contracts with Customers*	1 January 2018
FRS 115	Amendments to FRS 115: *Clarifications to FRS 115 Revenue from Contracts with Customers*	1 January 2018
Various	Improvements to FRSs (November 2014)	Various

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 2016. Management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Group's and the Company's significant accounting policies and presentation of the financial information will result.

FRS 109 *Financial Instruments*

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* 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.

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.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRS 109 *Financial Instruments* (Continued)

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 recognized lifetime expected credit losses on the affected assets.

The Group does not intend to early adopt FRS 109. The Group is still assessing the potential impact of FRS 109 on its financial statements in the initial year of 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; (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 does not intend to early adopt FRS 115. The Group is still assessing the potential impact of FRS 115 on its financial statements in the initial year of adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including 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.

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.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries 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* are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognized and measured at the lower of cost and fair value less costs to sell.

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 *Non-Current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

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

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

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

2.4 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;
- servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold;
- 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 2.20).

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 2.22).

Dividend income

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

Interest income

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

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalized by applying a 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.

2. Summary of significant accounting policies (Continued)

2.7 Employee leave entitlements

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

2.8 Share-based payments

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

2.9 Income tax

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

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

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

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

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

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

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.

2. Summary of significant accounting policies (Continued)

2.9 Income tax (Continued)

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

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

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

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognized as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

2.10 Dividends

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

2.11 Foreign currency transactions and translation

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

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in 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 dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

2. Summary of significant accounting policies (Continued)

2.11 Foreign currency transactions and translation (Continued)

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

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

2.12 Investment property

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

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

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

2.13 Property, plant and equipment

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

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

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

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

Leasehold building / 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 these assets are not yet in use as at the end of the financial year.

2. Summary of significant accounting policies (Continued)

2.13 Property, plant and equipment (Continued)

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

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

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

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

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

2.14 Club membership

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

2.15 Intangible assets

Goodwill on acquisition

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

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units 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.

2. Summary of significant accounting policies (Continued)

2.15 Intangible assets (Continued)

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 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 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. 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. Summary of significant accounting policies (Continued)

2.17 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.

2.18 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.

2. Summary of significant accounting policies (Continued)

2.18 Financial instruments (Continued)

Financial assets (Continued)

Loans and receivables

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

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

Impairment of financial assets

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

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

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

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.

2. Summary of significant accounting policies (Continued)

2.18 Financial instruments (Continued)

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.

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.

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).

2. Summary of significant accounting policies (Continued)

2.18 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Other financial liabilities (Continued)

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.

2.19 Inventories

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

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

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

2.20 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 has been agreed with the customer.

Where the outcome of a revenue contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognized as expenses in the period in which 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.

2. Summary of significant accounting policies (Continued)

2.20 Revenue contracts (Continued)

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".

2.21 Cash and cash equivalents

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

2.22 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. Summary of significant accounting policies (Continued)

2.23 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 it arises.

2.24 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 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Government grants

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

2.26 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. Summary of significant accounting policies (Continued)

2.27 Related parties

A related party is defined as follows:

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

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

(ii) Has significant influence over the Company; or

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

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

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

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

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

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

(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); or

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

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

Key management personnel

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

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

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.

Impairment of available-for-sale equity instrument

At the end of each financial year, an assessment is made on whether there is objective evidence that an available-for-sale equity instrument is impaired. A significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the asset is impaired. Judgement is used in determining what a significant or prolonged decline is. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. Refer to Note 18 to the financial statements.

Determination of control over subsidiaries

The directors of the Company assessed whether or not the Group has control over its subsidiaries based on whether the Group has the practical ability to direct the relevant activities of its subsidiaries unilaterally. In making their judgement, the directors considered the Group's absolute size of holding in its subsidiaries and the relative size of and dispersion of the shareholdings owned by the other shareholders in accordance with FRS 110 *Consolidated Financial Statements*. After assessment, the directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of its subsidiaries and therefore the Group has control over its subsidiaries. The definition of control is defined in Note 2.2.

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 20 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 2016 and 2015.

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 values require the use of estimates such as future cash flows from the assets and discount rates applicable to those assets. 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 2016 was S$950,000 (2015: 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 2016 was S$32,372,000 (2015: S$28,079,000) (Note 12).

Impairment of investments in subsidiaries and associates

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 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 2016 was S$38,075,000 (2015: S$38,075,000) (Note 13). The carrying amounts of the Group's and the Company's investments in associates as at 31 March 2016 were S$1,116,000 (2015: S$1,085,000) and S$200,000 (2015: S$200,000) respectively (Note 14).

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 2016 was S$10,559,000 (2015: S$10,638,000) (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 2016 was S$4,009,000 (2015: S$4,243,000). There was no allowance made on inventory for the financial years ended 31 March 2016 and 2015 (Note 19).

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

3.2 Key sources of estimation uncertainty (Continued)

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 2016 were S$57,752,000 (2015: S$61,518,000) and S$46,107,000 (2015: S$40,552,000) respectively (Note 39).

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses 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. The carrying amount of the Group's recognized tax losses as at 31 March 2016 was S$6,841,000 (2015: S$8,329,000) and the unrecognized tax losses as at 31 March 2016 was S$6,962,000 (2015: S$4,490,000) (Note 30).

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 2016 was S$812,000 (2015: S$1,300,000).

4. Revenue

	Group	
	2016	2015
	S$'000	S$'000
Sales of goods	16,968	12,300
Rendering of services	69,413	76,360
Contract revenue	7,130	10,140
	93,511	98,800

5. Other operating income

	Note	Group 2016 S$'000	Group 2015 S$'000
Compensation received		204	79
Gain on disposal of property, plant and equipment		98	752
Gain on foreign exchange differences		1,407	905
Grants received from government		758	412
Interest income from banks		38	60
Interest income from third party		–	22
Insurance claims		315	–
Net fair value gains on investment property	11	–	542
Rental income from investment property	11	50	50
Rental income from leasing of working tools		198	84
Reimbursement of costs		33	121
Sale of scrap materials		77	176
Written back of allowance for doubtful other receivables	22	3	24
Miscellaneous income		632	461
		3,813	3,688

6. Finance expenses

	Group 2016 S$'000	Group 2015 S$'000
Bank loans interest	1,026	899
Bank overdrafts interest	49	51
Factoring interest and charges	6	65
Finance lease interest	261	231
	1,342	1,246

7. (Loss)/Profit before income tax

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

	Note	Group 2016 S$'000	Group 2015 S$'000
Audit fees paid to auditors:			
- Auditors of the Company		265	262
- Other auditors		70	71
Non-audit fees paid to auditors:			
- Auditors of the Company		2	–
- Other auditors		2	–
Amortization of club membership	17	1	1
Amortization of intangible assets	16	198	196
Depreciation of property, plant and equipment	12	6,408	5,688
Directors' fees	36	400	400
Inventories recognized as an expense in cost of sales		5,905	4,948
Key management personnel remuneration	36	1,774	1,882
Operating lease expense			
- land and building		5,299	5,580
- equipment		3,015	4,027
- motor vehicles		2,000	2,064
Staff costs (including key management personnel remuneration)	8	36,247	37,299
Included in other operating expenses:			
Allowance for doubtful gross amount due from customers on contract work-in-progress	20	318	–
Allowance for doubtful trade receivables	21	1,146	99
Allowance for doubtful other receivables	22	612	–
Bad debts written off (trade)		502	55
Bad debts written off (non-trade)		27	–
Impairment loss on goodwill on consolidation	15	79	–
Inventory obsolescence/written off		–	7
Loss on foreign exchange differences		1,824	373
Loss on disposal of property, plant and equipment		32	11
Property, plant and equipment written off		14	58

8. Staff costs (including key management personnel remuneration)

	Group 2016 S$'000	Group 2015 S$'000
Salaries and bonuses	28,184	28,490
Employers' contribution to defined contribution plan	5,098	4,561
Other related staff costs	3,929	4,248
	37,211	37,299
Less: Reversal of over-provision of bonuses	(964)	–
	36,247	37,299

9. Income tax expense

	Group	
	2016	2015
	S$'000	S$'000
Current income tax		
- Current	773	1,696
- Under/(Over)-provision in prior financial years	18	(145)
	791	1,551
Deferred income tax (Note 30)		
- Current	(64)	(1,422)
- Under/(Over)-provision in prior financial years	283	(33)
Total tax expense	1,010	96

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2015: 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	
	2016	2015
	S$'000	S$'000
(Loss)/Profit before income tax	(2,319)	2,328
Income tax at statutory rate	(394)	396
Tax effect of:		
- Expenses not deductible for tax purposes	1,742	632
- Income not subject to tax	(1,224)	(1,251)
- Different tax rates of overseas operations	(122)	294
- Corporate Income Tax rebates	–	(84)
- Enhanced allowance	(139)	(24)
- Unrecognized deferred tax benefits	473	574
- Utilization of tax losses and capital allowances brought forward	–	(594)
- Under/(Over)-provision in prior financial years	301	(178)
- Share of results of associates	5	61
- Others	368	270
Total tax expense	1,010	96

The Singapore Government has announced that, for the Years of Assessment ("YA") 2016 and 2017, companies will receive 50% Corporate Income Tax ("CIT") rebate that is subject to a cap of S$20,000 for each YA.

At the end of the reporting period, the aggregate amount of temporary differences associated with the undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognized is approximately S$1,052,000 (RMB 5,018,000) [2015: S$1,189,000 (RMB5,330,000)]. 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 (loss)/earnings per share

Basic (loss)/earnings per share

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

	Group	
	2016	2015
(Loss)/Profit for the financial year attributable to owners of the Company (S$'000)	(1,469)	2,240
Weighted average number of ordinary shares outstanding for basic (loss)/earnings per share ('000)	297,172	268,720
Basic (loss)/earnings per share (cents)	(0.49)	0.83

Diluted (loss)/earnings per share

Diluted (loss)/earnings per share are calculated by dividing (loss)/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 (loss)/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	
	2016	2015
(Loss)/Profit for the financial year attributable to owners of the Company (S$'000)	(1,469)	2,240
Weighted average number of ordinary shares in calculation of basic (loss)/earnings per share ('000)	297,172	268,720
Effect of dilution - number of unexercised warrants ('000)	14,522	19,615
Weighted average number of ordinary shares outstanding (diluted) ('000)	311,694	288,335
Fully diluted (loss)/earnings per share (cents)	(0.47)	0.78

11. Investment property

	Group	
	2016	2015
	S$'000	S$'000
At beginning of financial year	950	–
Transfer from property, plant and equipment (Note 12)	–	408
Net gains from fair value adjustments recognized in profit or loss (Note 5)	–	542
At end of financial year	950	950

The following amounts are recognized in profit or loss:

	Group	
	2016	2015
	S$'000	S$'000
Rental income from investment property (Note 5)	50	50
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 valuations performed as at the end of the financial year. The valuation was performed by ECG Consultancy 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.

On 1 April 2014, the Group transferred one of its owner-occupied properties to investment property. On that date, the property was leased out to third party for generating rental income.

As at 31 March 2016, the investment property amounting to S$950,000 (2015: S$950,000) is mortgaged to secure bank loans (Note 28).

As at 31 March 2016, the investment property held by the Group is 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	50 years and 9 months

12. Property, plant and equipment

Group	Building under construction	Leasehold building / Renovation	Transportation equipment	Tools and equipment	Furniture, fittings, and office equipment	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Cost						
At 31 March 2014	–	9,200	16,108	22,923	2,858	51,089
Additions	192	5,599	2,862	1,275	127	10,055
Disposals / Written-off	–	(22)	(1,126)	(2,580)	(283)	(4,011)
Transfer to investment property (Note 11)	–	(440)	–	–	–	(440)
Exchange translation differences	–	31	501	1,138	72	1,742
At 31 March 2015	192	14,368	18,345	22,756	2,774	58,435
Additions	1,761	2,538	4,215	2,457	422	11,393
Disposals / Written-off	–	–	(577)	(99)	(109)	(785)
Exchange translation differences	–	(58)	(814)	(796)	(93)	(1,761)
At 31 March 2016	1,953	16,848	21,169	24,318	2,994	67,282
Accumulated depreciation						
At 31 March 2014	–	2,304	9,330	13,879	1,752	27,265
Depreciation	–	623	1,958	2,723	384	5,688
Disposals / Written-off	–	(22)	(728)	(2,553)	(275)	(3,578)
Transfer to investment property (Note 11)	–	(32)	–	–	–	(32)
Exchange translation differences	–	30	334	584	65	1,013
At 31 March 2015	–	2,903	10,894	14,633	1,926	30,356
Depreciation	–	725	2,347	2,960	376	6,408
Disposals / Written-off	–	–	(522)	(87)	(105)	(714)
Exchange translation differences	–	(51)	(491)	(524)	(74)	(1,140)
At 31 March 2016	–	3,577	12,228	16,982	2,123	34,910
Carrying amount						
At 31 March 2016	1,953	13,271	8,941	7,336	871	32,372
At 31 March 2015	192	11,465	7,451	8,123	848	28,079

Property, plant and equipment of the Group with carrying amount of S$6,523,000 (2015: S$5,361,000) were acquired under financial lease arrangements (Note 29).

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of S$11,393,000 (2015: S$10,055,000) of which S$3,528,000 (2015: S$2,747,000) were acquired by means of finance leases. Cash payments of S$7,865,000 (2015: S$2,308,000) and shares consideration of S$Nil (2015: S$5,000,000) (Note 25) were made to purchase property, plant and equipment.

In addition, the Group's leasehold building with a carrying amount of S$10,768,000 (2015: S$11,093,000) are mortgaged to secure the Company's bank loans (Note 28) 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 2016 are set out below:

Company	Description and location	Tenure	Unexpired lease term
Chasen Logistics Services Limited	Factory cum office building located at 18 Jalan Besut Singapore 619571	21 years	8 years
Chasen Logistics Services Limited	Factory located at 6 Tuas Avenue 20 Singapore 638820	60 years	37 years
Hup Lian Engineering Pte Ltd	Factory cum office located at 56 Senoko Road Woodlands East Industrial Estate Singapore 758120	28 years	24 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	54 years and 11 months

13. Investments in subsidiaries

	Company	
	2016	2015
	S$'000	S$'000
Unquoted equity share, at cost	38,075	38,075

The details of the subsidiaries are as follows:

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Proportion of ownership interest	
			2016	2015
			%	%
<u>Held by the Company</u>				
Chasen Logistics Services Limited [i]	Singapore	Relocation services, industrial packing, warehousing, transportation, freight forwarding and shipping	100	100
Chasen Logistics & Engineering Services Pte Ltd [i]	Singapore	Investment holding	100	100
Ruiheng International Pte Ltd [i]	Singapore	Investment holding	100	100
REI Technologies Pte Ltd [i]	Singapore	Engineering services	100	100
CLE Engineering Services Pte Ltd [i]	Singapore	Investment holding	100	100
City Zone Express Pte Ltd (f.k.a. Chasen Leasing Pte Ltd) [i]	Singapore	Investment holding and freight forwarding, logistics, relocation, warehousing and general contractors	100	100

13. Investments in subsidiaries (Continued)

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Proportion of ownership interest 2016 %	2015 %
Held by Chasen Logistics Services Limited				
DNKH Logistics Pte Ltd [(i)]	Singapore	Provider of freight forwarding, logistics, transportation and general warehousing services	60	60
Chasen (USA)., Inc [(ix)]	United States of America	Promoting of marketing services of the Group's integrated service business	100 (Note a)	–
Held by Chasen Logistics & Engineering Services Pte Ltd				
Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd [(ii)]	People's Republic of China ("PRC")	General activities relating to high value machinery and equipment	100	100
Chasen Sino-Sin (Beijing) Hi-Tech Services Pte Ltd [(iv)]	PRC	General activities relating to high tech machinery and equipment, and relocation services	100	100
Chasen Logistics (Shanghai) Co.,Ltd [(ii)]	PRC	Provision of relocation, packaging and warehousing services	100	100
Chasen Sinology (Beijing) Logistics Co., Ltd [(iv)]	PRC	Provision of artifact packaging and transportation services	100	100
Held by Ruiheng International Pte Ltd				
Chasen Logistics Sdn Bhd [(iii)]	Malaysia	Provider of logistics and transportation services	100	100
City Zone Express Sdn Bhd [(iii)]	Malaysia	Provider of third party logistics services, transporting and warehousing service	72	72
Liten Logistics Services Pte Ltd [(i)]	Singapore	Machinery and equipment moving, general warehouse and logistics management	100	100
Chasen Transport Logistics Co., Ltd [(viii)]	Vietnam	Provider of third party logistics services and warehousing	49	49

13. Investments in subsidiaries (Continued)

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Proportion of ownership interest 2016 %	2015 %
Held by REI Technologies Pte Ltd				
Chasen Engineering Sdn Bhd (iii)	Malaysia	Providing services on cryogenic pump	100	100
REI (TL) Construction & Engineering Pty, Lda (i)	Timor-Leste	Construction and engineering services	100	100
Held by CLE Engineering Services Pte Ltd				
Goh Kwang Heng Pte Ltd (i)	Singapore	Scaffolding service provider to marine and construction industries	100	100
Goh Kwang Heng Scaffolding Pte Ltd (i)	Singapore	Scaffolding equipment services	100	100
Global Technology Synergy Pte Ltd (i)	Singapore	General building engineering service, process engineering and construction	100	100
Hup Lian Engineering Pte Ltd (i)	Singapore	Engineering and structural steel fabrication supplier and installer	83 (Note b)	51
REI Promax Technologies Pte Ltd (i)	Singapore	Precision manufacturing of machine tool accessories	55	55
Held by Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd				
Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd (ix)	PRC	General activities related to high value machinery and equipment	100 (Note c)	–
Held by Hup Lian Engineering Pte Ltd				
HLE International Pte Ltd (i)	Singapore	Investment holding	100	100
HLE Construction & Engineering Sdn Bhd (iii) #	Malaysia	Construction and engineering, projects and general trading	53	53
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (vi)	PRC	Management consultancy	100	100
Shanghai FengChuang M & E Equipment Co., Ltd (vi)	PRC	Design, engineering, installation of machinery and equipment	100	100

13. Investments in subsidiaries (Continued)

Name of subsidiary	Place of business / Country of incorporation	Principal activities	Proportion of ownership interest 2016 %	Proportion of ownership interest 2015 %
<u>Held by Liten Logistics Services Pte Ltd</u>				
Liten Holdings Pte Ltd (i)	Singapore	Investment holding	– (Note d)	100
<u>Held by REI Promax Technologies Pte Ltd</u>				
Suzhou Promax Communication Technology Co., Ltd (v)	PRC	Contract manufacturing	100	100
<u>Held by Global Technology Synergy Pte Ltd</u>				
Towards Green Sdn Bhd (iii)	Malaysia	Engineering and contracting work	100	100
Eons Global Holdings Pte Ltd (i)	Singapore	Provision of management consultancy services	100	100
Eons Global Water (JL) Co., Ltd (viii)	PRC	Operate the purified water treatment plant and waste water treatment plant	100	100

(i) Audited by Mazars LLP, Singapore.

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

(iii) Audited by Grant Thornton, Malaysia.

(iv) Audited by Beijing HengChengYongXin Certified Public Accountants, PRC for local statutory audit.

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

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

(vii) Audited by Mazars Vietnam for consolidation purposes.

(viii) Audited by Jilin Shi XiangXin Certified Public Accountants Co., Ltd, PRC.

(ix) No auditors have been appointed yet.

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

13. Investments in subsidiaries (Continued)

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

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

Name of subsidiary	Proportion of ownership interest held by NCI		Profit/(Loss) allocated to NCI during the financial year		Accumulated NCI at the end of financial year		Dividends paid to NCI	
	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
City Zone Express Sdn Bhd	28	28	170	165	747	637	–	–
Chasen Transport Logistics Co., Ltd	51	51	234	384	973	783	–	–
DNKH Logistics Pte Ltd	40	40	(144)	(16)	984	1,168	40	80
Hup Lian Engineering Pte Ltd	17	49	(2,459)	(581)	(723)	796	–	–
REI Promax Technologies Pte Ltd	45	45	335	40	1,953	1,705	–	–

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group.

Summarized financial information about subsidiaries with material NCI

Summarized financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

	City Zone Express Sdn Bhd		Chasen Transport Logistics Co., Ltd		DNKH Logistics Pte Ltd		Hup Lian Engineering Pte Ltd		REI Promax Technologies Pte Ltd	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Assets:										
Non-current assets	1,737	1,452	333	292	1,223	1,297	3,555	3,047	2,561	2,804
Current assets	3,316	4,511	1,935	2,000	3,176	3,654	4,596	9,193	1,762	1,765
Liabilities:										
Non-current liabilities	839	823	–	–	467	525	20	1	–	–
Current liabilities	1,545	2,866	360	757	1,472	1,506	6,430	10,898	3,518	3,460
Net assets	2,669	2,274	1,908	1,535	2,460	2,920	1,701	1,341	805	1,109
Results:										
Revenue	10,088	9,182	2,228	2,439	7,992	9,092	7,047	9,772	2,502	2,136
Profit/(Loss) before income tax	803	800	589	977	(356)	(22)	(3,379)	(1,396)	(314)	(386)
Profit/(Loss) for the financial year	609	591	459	753	(360)	(41)	(3,298)	(396)	(304)	(321)

13. Investments in subsidiaries (Continued)

<u>Note</u>:

(a) Incorporation of a subsidiary – Chasen (USA)., Inc.

On 30 June 2015, Chasen Logistics Services Limited has incorporated a wholly-owned subsidiary, namely Chasen (USA)., Inc., in United States of America, to promote marketing services of the Group's integrated service business.

(b) Acquisition of non-controlling interests and additional investment in a subsidiary – Hup Lian Engineering Pte Ltd

On 1 September 2015, the Company's wholly-owned subsidiary company, CLE Engineering Services Pte Ltd, acquired an additional 15% equity interest in Hup Lian Engineering Pte Ltd ("HLE") from its non-controlling interests for a cash consideration of S$1,373,000. As a result of this acquisition, HLE is 66% owned subsidiary of the Group. The carrying value of the net assets of HLE as at 1 September 2015 was S$1,177,000 and the carrying value of the additional interest acquired was S$192,000. The difference of S$1,181,000 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 HLE on the equity attributable to owners of the Company:

	S$'000
Consideration paid for acquisition of non-controlling interests	1,373
Decrease in equity attributable to non-controlling interests	(192)
Decrease in equity attributable to owners of the Company	1,181

On 31 March 2016, the Company's wholly-owned subsidiary company, CLE Engineering Services Pte Ltd, has subscribed 2,500,000 ordinary shares in the share capital of its subsidiary, Hup Lian Engineering Pte Ltd ("HLE"), by capitalising the amount of S$3,658,000 due to Chasen Logistics Services Limited, a wholly-owned subsidiary of the Company. As a result, HLE is 83% owned subsidiary of the Group.

(c) Incorporation of a subsidiary – Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd

On 13 November 2015, Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd has incorporated a wholly-owned subsidiary, namely Chasen (Chuzhou) Hi-Tech Machinery Services Pte Ltd, in Chuzhou, Anhui Province, PRC, to provide relocation of sophisticated equipment, handling and installation services, industrial packaging, warehousing, transportation, freight forwarding and shipping.

(d) Strike off of a subsidiary – Liten Holdings Pte Ltd

On 3 March 2016, the wholly-owned subsidiary, Liten Holdings Pte Ltd, has been struck off from the Register of Companies pursuant to Section 344 of the Singapore Companies Act, Chapter 50.

14. Investments in associates

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Unquoted equity share, at cost	1,409	1,409	200	200
Exchange translation differences	37	37	–	–
Share of results of associates	(330)	(361)	–	–
Carrying amount	1,116	1,085	200	200

The details of the associates are as follows:

Name of associate	Place of business / Country of incorporation	Principal activities	Proportion of ownership interest 2016 %	Proportion of ownership interest 2015 %
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) Audited by Kit Yee & Co., Singapore.

(ii) Audited by Beijing ZhongTianGuangHua Certified Public Accountants Co., Ltd, PRC.

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:

	2016	2015
	S$'000	S$'000
Assets and liabilities:		
Non-current assets	67	65
Current assets	1,020	1,163
Total assets	1,087	1,228
Non-current liabilities	–	–
Current liabilities	(1,219)	(1,475)
Total liabilities	(1,219)	(1,475)
Net liabilities	(132)	(247)

14. Investments in associates (Continued)

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

	2016 S$'000	2015 S$'000
Group's share of associate's net liabilities	(40)	(74)
Goodwill on acquisition	371	371
Other adjustments	(215)	(212)
Carrying amount of the investment	116	85
Results:		
Revenue	2,284	429
Profit/(Loss) for the financial year	104	(1,204)
Group's share of associate's profit/(loss) for the financial year	31	(361)

Aggregate information about the Group's investments in associates that are not individually material is as follows:

	2016 S$'000	2015 S$'000
Profit for the financial year	–	–

15. Goodwill on consolidation

	Group	
	2016 S$'000	2015 S$'000
At cost		
At beginning of financial year	10,638	10,638
Impairment loss	(79)	–
At end of financial year	10,559	10,638

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

15. Goodwill on consolidation (Continued)

	Specialist Relocation services S$'000	Technical & Engineering services S$'000	Total S$'000
2016			
Singapore	4,186	6,224	10,410
People's Republic of China	66	–	66
Vietnam	83	–	83
	4,335	6,224	10,559
2015			
Singapore	4,186	6,224	10,410
People's Republic of China	66	79	145
Vietnam	83	–	83
	4,335	6,303	10,638

Impairment testing of goodwill

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

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

Key assumptions used in the value-in-use calculations

	Group 2016	Group 2015
Gross margin (i)	4% - 54%	10% - 28%
Growth rate (ii)	1% - 1.8%	1.8% - 3%
Discount rate (iii)	6.3% - 7%	9% - 14%

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

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

(iii) Discount rates – The discount rate used is based on the weighted average cost of the Group'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.

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

15. Goodwill on consolidation (Continued)

Impairment loss recognized

During the current financial year ended 31 March 2016, an impairment loss of S$79,000 recognized in profit or loss under "Other operating expenses" for goodwill relating to Technical & Engineering services segment.

No impairment loss was recognized during the financial year ended 31 March 2015.

16. Intangible assets

Group	Know-how*	Non-contractual customer relationship**	Total
	S$'000	S$'000	S$'000
Cost			
At 31 March 2014	435	966	1,401
Exchange translation differences	17	–	17
At 31 March 2015	452	966	1,418
Exchange translation differences	(9)	–	(9)
At 31 March 2016	443	966	1,409
Accumulated amortization			
At 1 April 2014	214	461	675
Amortization charge for the financial year	57	139	196
At 31 March 2015	271	600	871
Amortization charge for the financial year	59	139	198
At 31 March 2016	330	739	1,069
Carrying amount			
At 31 March 2016	113	227	340
At 31 March 2015	181	366	547

* 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.

Impairment testing of intangible assets

The recoverable amount of the intangible assets was determined based on value-in-use calculation. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 1% (2015: 1.8%) per annum. The growth rate used is based on management expectation of growth in the marine, construction and logistics industry in which the subsidiary companies operate. The discount rate is 6.3% (2015: 9% to 14%) and has been applied to the cash flow projections.

17. Club membership

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Carrying amount				
At beginning of financial year	8	9	–	–
Less: Amortization charge for the financial year	(1)	(1)	–	–
At end of financial year	7	8	–	–

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

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

18. Available-for-sale financial assets

	Group and Company	
	2016	2015
	S$'000	S$'000
Quoted at fair value		
At beginning of financial year	243	1,055
Gain/(Loss) on fair value changes recognized in other comprehensive income	382	(812)
At end of financial year	625	243

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

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

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

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

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

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 2016, GBM's issued number of ordinary shares increased to 945,784,944 (2015: 834,784,944) and the Company's shareholding in GBM is 8.00% (2015: 9.06%).

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

* AU$: Australian dollars

19. Inventories

	Group	
	2016	2015
	S$'000	S$'000
Raw materials	500	1,173
Work-in-progress	2,026	1,968
Finished goods	1,214	857
Consumables	269	245
	4,009	4,243

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

	Group	
	2016	2015
	S$'000	S$'000
Aggregate costs incurred and recognized profits (less recognized losses) to date on uncompleted construction contract	10,306	4,540
Less: Progress billings	(7,988)	(2,497)
	2,318	2,043
Less: Allowance for doubtful receivables	(318)	–
	2,000	2,043
Contract work-in-progress:		
Gross amount due from customers	2,228	2,085
Gross amount due to customers	(228)	(42)
	2,000	2,043
Retention sums on construction contracts included in trade receivables	881	1,286

20. Gross amount due from customers on contract work-in-progress (Continued)

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.

Movements in the allowance for doubtful receivables are as follows:

	Group	
	2016	2015
	S$'000	S$'000
At beginning of financial year	–	–
Allowance charged to profit or loss	318	–
At end of financial year	318	–

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

	Group	
	2016	2015
	S$'000	S$'000
Singapore dollar	1,898	1,855
Malaysian Ringgit	102	188
	2,000	2,043

21. Trade receivables

	Group	
	2016	2015
	S$'000	S$'000
Third parties	38,728	40,972
Retention receivables	881	1,286
Less: Allowance for doubtful trade receivables	(1,397)	(1,652)
	38,212	40,606

Trade receivables are non-interest bearing and the average credit period on sale of goods is range from 30 to 90 (2015: 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	
	2016	2015
	S$'000	S$'000
Past due more than 90 days	1,397	1,652

21. Trade receivables (Continued)

Movements in the allowance for doubtful receivables are as follows:

	Group 2016 S$'000	Group 2015 S$'000
At beginning of financial year	1,652	1,488
Allowance charged to profit or loss	1,146	99
Allowance written off during the financial year	(1,291)	(45)
Exchange translation differences	(110)	110
At end of financial year	1,397	1,652

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

	Group 2016 S$'000	Group 2015 S$'000
Singapore dollar	17,975	15,580
Chinese Renminbi	13,620	17,540
Euro	29	29
Thai Baht	58	4
Malaysian Ringgit	4,611	5,686
United States dollar	1,387	1,501
Vietnamese Dong	532	266
	38,212	40,606

22. Other receivables, deposits and prepayments

	Group 2016 S$'000	Group 2015 S$'000	Company 2016 S$'000	Company 2015 S$'000
Non-current				
Loan to an associate	414	408	221	214
Current				
Advances to suppliers	1,066	1,739	–	–
Deposits paid	1,611	1,849	1	1
Other receivables	3,681	2,165	6	101
Less: Allowance for doubtful other receivables	(618)	(14)	–	–
	3,063	2,151	6	101
Prepayments for concession rights	6,211	6,605	–	–
Prepayments for marketing expenses	2,113	3,358	–	–
Other prepayments	1,316	961	43	48
	9,640	10,924	43	48
	15,380	16,663	50	150
Total	15,794	17,071	271	364

22. Other receivables, deposits and prepayments (Continued)

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

Other receivables that are individually determined to be impaired at the end of the reporting 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	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
At beginning of financial year	14	38	–	–
Allowance charged to profit or loss	612	–	–	–
Allowance written back to profit or loss	(3)	(24)	–	–
Exchange translation differences	(5)	–	–	–
At end of financial year	618	14	–	–

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

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	2,124	2,350	271	364
Chinese Renminbi	11,790	11,642	–	–
Malaysian Ringgit	710	1,938	–	–
United States dollar	1,105	1,105	–	–
Vietnamese Dong	65	36	–	–
	15,794	17,071	271	364

23. 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 dollars at reporting date, except for certain amounts due from subsidiaries amounting to S$6,455,000 (2015: S$3,599,000) which bears effective interest rate at 4.25% (2015: 4.25%) per annum.

24. Cash and cash equivalents

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Cash and bank balances	9,188	9,234	2,406	530
Fixed deposits placed with banks	2,612	3,896	–	–
	11,800	13,130	2,406	530

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

The fixed deposits of S$1,384,000 (2015: S$3,896,000) 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 4.43% (2015: 0.05% to 0.25%) per annum with average maturity period ranging from one to twelve months (2015: 2 weeks to twelve months) at the end of the financial year.

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

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	6,336	7,995	1,724	404
Chinese Renminbi	769	1,073	–	–
Japanese Yen	–	11	–	–
Malaysian Ringgit	1,551	1,278	–	–
United States dollar	1,802	1,152	682	126
Vietnamese Dong	1,342	1,621	–	–
	11,800	13,130	2,406	530

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	
	2016	2015
	S$'000	S$'000
Cash and bank balances	11,800	13,130
Bank overdrafts (Note 28)	(1,072)	(661)
Fixed deposits pledged	(1,384)	(3,896)
Cash and cash equivalents	9,344	8,573

25. 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 31 March 2014	252,244	43,688	252,244	73,216
Issued for exercise of warrants (1)	6,987	839	6,987	839
Transferred from warrants reserve	–	58	–	58
Vesting of performance share plan	1,425	410	1,425	410
Issued for acquisition of a property (2)	31,847	5,000	31,847	5,000
At 31 March 2015	292,503	49,995	292,503	79,523
Issued for exercise of warrant (3)	12,055	301	12,055	301
Transferred from warrant reserve	–	170	–	170
Issued for warrants (4)	1	–*	1	–*
Issued for Rights cum Warrants issue (5)	31,049	1,552	31,049	1,552
Rights cum Warrants issue expenses	–	(268)	–	(268)
Transferred to warrants reserve	–	(874)	–	(874)
At 31 March 2016	335,608	50,876	335,608	80,404

* Less than S$1,000

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

(1) Issue of 6,987,886 consideration shares at S$0.12 per share upon exercise of warrants. All issued ordinary shares are fully paid.

(2) Issue of 31,847,133 consideration shares at S$0.157 per share for acquisition of the remaining 49% rights title of a property located at No. 6 Tuas Avenue 20 Singapore 638820 (Note 12). All issued ordinary shares are fully paid.

(3) Issue of 12,054,600 consideration shares at S$0.025 per share upon exercise of warrants. All issued ordinary shares are fully paid.

(4) Issue of 1,105 consideration shares at S$0.30 per share. All issued ordinary shares are fully paid.

(5) Issue of 31,049,315 consideration shares at S$0.05 pursuant to Rights cum Warrants issue. All issued 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 "Plan")

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

25. Share capital (Continued)

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

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

From the commencement of the Plan to 31 March 2016, awards comprising an aggregate of 5,314,562 shares have been granted.

As at 31 March 2016, details of performance shares awarded under the Plan are set out as below:

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

The Group and the Company recognized total expenses of S$Nil (2015: S$53,000) related to the transactions for this Plan during the financial year.

26. Treasury shares

	Group and Company			
	2016		2015	
	No. of shares		No. of shares	
	'000	S$'000	'000	S$'000
At beginning of financial year	525	93	827	146
Repurchased during the financial year	566	23	–	–
Transferred during the financial year	–	–	(302)	(53)
At end of financial year	1,091	116	525	93

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

During the financial year ended 31 March 2016, the Company has released Nil (2015: 301,395) shares pursuant to the vesting of Nil (2015: 301,395) out of the 5,314,562 (2015: 5,314,562) performance shares awarded by transferring of treasury shares to the eligible participants.

During the financial year ended 31 March 2016, the Company acquire 566,000 (2015: Nil) its own shares through purchase on the SGX-ST during the financial year. The total amount paid to acquire the share was S$23,000 (2015: S$Nil) and this was presented as a component within shareholders' equity.

27. Other reserves

Capital reserve

	Group	
	2016	2015
	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
	1,848	1,848

(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.

Warrants reserve

	Group and Company	
	2016	2015
	S$'000	S$'000
At beginning of financial year	783	866
Issuance of warrants (net of issue expenses)	874	–
Warrants conversion to ordinary shares	(170)	(58)
Warrants issue expenses	–	(25)
At end of financial year	1,487	783

On 25 March 2014, the Company issued 100,566,756 warrants, pursuant to Chasen Warrants Issue, at an issue price of S$0.010 for each warrant, each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at the exercise price of S$0.120 during the period commencing on and including the date of issue of the warrants and expiring on the date immediately preceding the third (3rd) anniversary of such date of issue.

On 29 January 2016, pursuant to Rights Cum Warrant Issue, 8,506,657 of Chasen Warrants Issue, was issued in accordance with Condition 5(B)(iv) of the Offer Information Statement dated 26 February 2014. The exercise price of all the unexercised warrants has been adjusted downward accordingly to S$0.110.

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 (2nd) 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.

During the financial year ended 31 March 2016, 12,054,600 (2015: 6,987,886) warrants have been exercised.

27. Other reserves (Continued)

Foreign currency translation reserve

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

Performance share plan reserve

Performance share plan reserve represents the conferred rights by the Company on shares to be issued or transferred ("Awards") to the employees whom are not required to pay for the grant of Awards or for the shares allocated pursuant to an Award. Refer to Note 25 to the financial statements.

Fair value adjustment reserve

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

28. Bank overdrafts and loans

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Bank overdrafts	1,072	661	–	–
Bank loans	27,001	23,686	4,649	1,827
	28,073	24,347	4,649	1,827

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

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Within one year	19,905	18,855	1,496	365
After one year but within five years	5,884	4,744	3,153	1,462
After five years	1,212	87	–	–
	27,001	23,686	4,649	1,827

The effective interest rates per annum are as follows:

	Group		Company	
	2016	2015	2016	2015
Bank overdrafts	4.25% to 5.00%	5.00% to 7.50%	–	–
Bank loans	1.68% to 9.00%	1.68% to 8.00%	5.64% to 7.26%	3.51% to 5.65%

28. Bank overdrafts and loans (Continued)

The banking facilities are secured by the following:

(a) legal mortgage of the Group's investment property and leasehold buildings;

(b) corporate guarantee by the Company and its subsidiaries, Chasen Logistics Services Limited and Hup Lian Engineering Pte Ltd;

(c) pledge of fixed deposits amounting to about S$1,384,000 (2015: S$3,896,000) (Note 24);

(d) personal guarantee from directors of certain subsidiaries that are not wholly-owned by the Group; and

(e) assignment of contract proceeds from specific projects undertaken by a subsidiary.

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

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

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	23,102	20,256	4,649	1,827
Chinese Renminbi	3,365	3,507	–	–
Malaysia Ringgit	1,606	228	–	–
United States dollar	–	356	–	–
	28,073	24,347	4,649	1,827

29. 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			
	2016		2015	
	S$'000		S$'000	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within one year	2,428	2,231	1,746	1,587
After one year but within five years	2,705	2,576	2,419	2,271
Total minimum lease payments	5,133	4,807	4,165	3,858
Less: Future finance charges	(326)	–	(307)	–
Present value of minimum lease payments	4,807	4,807	3,858	3,858

29. Finance lease payables (Continued)

The finance lease terms range from 1 to 9 years.

The effective interest rates charged during the financial year range from 1.39% to 7.77% (2015: 1.30% to 7.77%) per annum. 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	
	2016	2015
	S$'000	S$'000
Singapore dollar	2,643	1,745
Chinese Renminbi	473	545
Malaysian Ringgit	1,691	1,494
United States dollar	–	74
	4,807	3,858

30. Deferred tax

	Group	
	2016	2015
	S$'000	S$'000
Deferred tax assets	1,163	1,416
Deferred tax liabilities	(846)	(902)

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

Deferred tax assets

	Group	
	2016	2015
	S$'000	S$'000
At beginning of financial year	1,416	–
Credited to profit or loss	92	1,416
Over-provision in prior financial years	(336)	–
Exchange translation differences	(9)	–
At end of financial year	1,163	1,416

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

30. Deferred tax (Continued)

Deferred tax assets (Continued)

Unrecognized deferred income tax assets

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

	Group	
	2016 S$'000	2015 S$'000
Unabsorbed tax losses	6,962	4,490
Unutilized capital allowances	544	236
	7,506	4,726
Unrecognized deferred tax benefits	1,276	803

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.

Deferred tax liabilities

	Group	
	2016 S$'000	2015 S$'000
At beginning of financial year	(902)	(881)
(Charged)/Credited to profit or loss	(28)	6
Over-provision in prior financial years	53	33
Exchange translation differences	31	(60)
At end of financial year	(846)	(902)

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

31. Trade payables

	Group	
	2016 S$'000	2015 S$'000
Third parties	12,398	11,370

Trade payables are non-interest bearing and the average credit period on purchases of goods is 30 (2015: 30) days according to the terms agreed with the suppliers.

31. Trade payables (Continued)

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

	Group	
	2016	2015
	S$'000	S$'000
Singapore dollar	4,901	3,405
Chinese Renminbi	5,965	6,417
Malaysian Ringgit	1,250	1,468
Thai Baht	32	42
United States dollar	102	21
Vietnamese Dong	148	17
	12,398	11,370

32. Other payables and accruals

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Amounts due to directors	484	486	–	–
Deposits received	191	237	–	–
Accruals	4,453	5,339	750	1,049
Other payables	1,463	1,900	214	56
	6,591	7,962	964	1,105

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

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Singapore dollar	3,999	4,753	964	1,105
Chinese Renminbi	1,706	1,950	–	–
Malaysian Ringgit	841	1,086	–	–
Vietnamese Dong	45	173	–	–
	6,591	7,962	964	1,105

33. Operating lease commitments

The Group as lessee

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

	Group	
	2016	2015
	S$'000	S$'000
Future minimum lease payments payable:		
Within one year	7,013	4,128
After one year but within five years	3,931	6,670
After five years	5,064	5,241
	16,008	16,039

The leases have its tenure from 1 year to 40 years, with an option to renew the lease for another 1 to 30 years subject to certain conditions being met. Lease payments are increased upon renewal to reflect market rentals. There are no restrictions placed upon the Company by entering into these leases. The lease expenditure charged to profit or loss during the financial year is disclosed in Note 7 to the financial statements.

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 1 year. 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	
	2016	2015
	S$'000	S$'000
Future minimum lease payments receivable:		
Within one year	743	1,597
After one year but within five years	–	288
	743	1,885

34. Capital commitments

	Group	
	2016	2015
	S$'000	S$'000
Capital commitments contracted but not provided for:		
Plant and equipment	218	279
Building under construction (aggregate investment on plant, machinery, building and civil work)	1,194	2,954

35. Contingencies

Financial guarantees

As at 31 March 2016, the Company has given corporate guarantees amounting to S$59,136,000 (2015: S$69,480,000) 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 (Note 13) to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.

36. 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	
	2016 S$'000	2015 S$'000
Subsidiaries		
Dividend income	1,900	1,800
Interest income	216	131
Management fee income	1,785	2,210
Loan to subsidiaries	981	1,527

36. Significant related party transactions (Continued)

Key management personnel remuneration

	Group	
	2016	2015
	S$'000	S$'000
Salaries and bonuses	1,572	1,458
Employers' contribution defined contribution plan	109	90
Share-based payment	93	262
Other allowances	–	72
	1,774	1,882
Comprise amounts paid to:		
Directors of the Company	614	766
Other key management personnel	1,160	1,116
	1,774	1,882
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.

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

(b) Third Party Logistics services – being the provision of packing services and the supply of packaging and crating materials, the provision of warehousing of customers' new or replaced machinery and equipment in our premises or open yard prior to installation in the customers' premises or shipping out of the country and land transportation services using specialized conveyance vehicles and material handling equipment; and

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

37. Segment information (Continued)

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

The Group's reportable segments are strategic business units that are organized based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance expenses) and income taxes are managed on a group basis and are not allocated to operating segments.

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 2.24.

37. Segment information (Continued)

Analysis by business segment

	Specialist Relocation services		Thirty Party Logistics services		Technical & Engineering services		Total	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Revenue:								
External sales	42,744	47,502	17,227	17,871	33,540	33,427	93,511	98,800
Results:								
Gross profit	11,058	16,098	2,132	3,671	3,890	923	17,080	20,692
Unallocated other operating income							3,775	3,064
Unallocated expenses							(12,689)	(14,406)
Allowance for doubtful receivables							(2,076)	(99)
Bad debts written off							(529)	(55)
Depreciation and amortization							(6,607)	(5,885)
Interest income							38	82
Interest expense							(1,342)	(1,246)
Net fair value gains on investment property							–	542
Share of results of associates							31	(361)
(Loss)/Profit before income tax							(2,319)	2,328
Segment assets:								
Trade receivables	14,524	17,009	10,330	4,841	13,358	18,756	38,212	40,606
Property, plant and equipment	21,501	19,058	1,210	2,732	9,661	6,289	32,372	28,079
Unallocated assets							48,363	51,374
Total assets							118,947	120,059
Segment liabilities:								
Trade payables	3,308	2,523	2,006	763	7,084	8,084	12,398	11,370
Bank loans	15,186	16,892	–	–	7,166	4,967	22,352	21,859
Unallocated liabilities							18,777	16,510
Total liabilities							53,527	49,739
Other material non-cash items:								
Depreciation and amortization	3,472	3,339	967	753	2,137	1,730	6,576	5,822
Unallocated depreciation and amortization							31	63
							6,607	5,885
Capital expenditure	6,023	4,379	1,302	4,462	4,068	1,214	11,393	10,055

37. Segment information (Continued)

Analysis by geographical segment

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

	Revenue		Non-current assets		Capital expenditure	
	2016	2015	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Singapore	48,106	47,847	34,463	31,815	4,991	7,483
People's Republic of China	30,203	32,710	8,295	9,195	2,886	1,279
Malaysia	12,974	15,804	4,460	2,072	3,383	1,230
Vietnam	2,228	2,439	328	292	133	63
	93,511	98,800	47,546	43,374	11,393	10,055

Information about a major customer

Revenue from one major customer amounted to S$6,765,000 (2015: S$5,980,000) arising from sales in the Technical & Engineering services business segment (2015: Specialist Relocation services business segment).

38. 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 28), non-current and current finance lease payables at prevailing market rate (Note 29), 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.

38. Fair value of assets and liabilities (Continued)

The Group holds its financial assets carried at fair value or at valuation (Level 1) as follows:

	Group	
	2016	2015
	S$'000	S$'000
Financial assets:		
Available-for-sale financial assets (Note 18)	625	243

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* guidance.

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

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

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

39. Financial instruments and financial risks

The Group's activities expose it to credit risks, market risks (including foreign currency risks, interest rate risks and equity price risks) and liquidity risks. The Group's overall risk management strategy seeks to minimize adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no 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 risks exposure are measured using sensitivity analysis indicated below.

Credit risks

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and generally do not require a collateral. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

39. Financial instruments and financial risks (Continued)

Credit risks (Continued)

The Group's and Company's major classes of financial assets are bank deposits and trade and other receivables.

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

The age analysis of trade receivables is as follows:

	Group	
	2016	2015
	S$'000	S$'000
Not past due	15,225	10,962
Past due for 0 to 30 days	7,773	9,516
Past due for 31 to 60 days	4,850	4,115
Past due for 61 to 90 days	3,963	3,467
Past due more than 90 days	6,401	12,546
Total	38,212	40,606

The movements in the allowance for impairment in respect of trade receivables during the financial year are disclosed in Note 21 to the financial statements.

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Based on past experience, except for certain trade receivables balances that impaired, the Group believes that no impairment allowance is necessary in respect of the remaining trade receivables due to the good payment track record of its customers.

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	
	2016	2015
	S$'000	S$'000
By country:		
Singapore	19,140	17,830
People's Republic of China	13,724	16,650
Malaysia	4,817	5,860
Vietnam	531	266
	38,212	40,606
By industry sectors:		
Specialist Relocation services	14,524	16,328
Third Party Logistics services	10,330	10,642
Technical & Engineering services	13,358	13,636
	38,212	40,606

39. Financial instruments and financial risks (Continued)

Credit risks (Continued)

At the end of the reporting date, approximately:

- 27% (2015: 49%) of the Group's trade receivables were due from 18 (2015: 9) major customers who are providing Technical & Engineering services located in Singapore, Malaysia and People's Republic of China.
- 56% (2015: 52%) of the Group's trade and other receivables were due from related parties while almost all of the Company's receivables were balances with related parties.

Market risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risks

The Group transacts business in various foreign currencies, including, Chinese Renminbi, Euro, Japanese Yen, 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.

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

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Monetary assets				
Singapore dollar	149	151	–	–
Chinese Renminbi	1,187	2,172	–	–
Euro	29	29	–	–
Japanese Yen	–	11	–	–
Thai Baht	58	4	–	–
Malaysian Ringgit	76	76	–	–
United States dollar	4,294	3,758	682	126
Monetary liabilities				
Singapore dollar	–	4	–	–
Malaysian Ringgit	27	23	–	–
Thai Baht	32	42	–	–
United States dollar	148	323	–	–

The Company has a number of investments in foreign operations, whose net assets are exposed to foreign exchange translation risk.

39. Financial instruments and financial risks (Continued)

Market risks (Continued)

Foreign currency risks (Continued)

Foreign currency sensitivity analysis

The Group is mainly exposed to Chinese Renminbi ("RMB"), Euro, Japanese Yen, Malaysian Ringgit ("MYR"), Thai Baht, United States dollar and Vietnamese Dong ("VND").

The following table details the Group's sensitivity to a 10% change in various foreign currencies against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 10% change in the foreign currency exchange rates from the end of the financial year, with all variables held constant.

	Increase/(Decrease) in Equity	
	2016	2015
	S$'000	S$'000
Group		
Strengthens/weakens against SGD		
Chinese Renminbi	2,050	2,400
Malaysian Ringgit	280	420
Vietnamese Dong	191	153

	Increase/(Decrease) in Profit or Loss	
	2016	2015
	S$'000	S$'000
Group		
Strengthens/weakens against SGD		
Chinese Renminbi	117	217
Japanese Yen	1	1
Malaysian Ringgit	10	5
United States dollar	332	218
Strengthens/weakens against RMB		
Euro	3	3
United States dollar	109	120
Strengthens/weakens against MYR		
Singapore dollar	15	16
Thai Baht	9	4
United States dollar	1	3
Strengthens/weakens against VND		
United States dollar	3	2
Company		
Strengthens/weakens against SGD		
United States dollar	68	13

39. Financial instruments and financial risks (Continued)

Market risks (Continued)

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Group's interest rate risks relate to interest-bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings.

The Group's interest rate risks arise primarily from the floating rate borrowings with financial institutions.

The Group's and Company's exposure to interest rate risks are disclosed in the Note 28 to the financial statements.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risks for both derivatives and non-derivative instruments at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 1% change in the interest rates from the end of the financial year, with all variables held constant.

	Increase/(Decrease) in Profit or Loss			
	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Bank loans	85	99	–	–

Equity price risks

The Group is exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Group does not actively trade in available-for-sale investments.

Further details of these equity investments can be found in Note 18 to the financial statements.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the financial year.

The sensitivity analysis assumes an instantaneous 10% change in the equity prices from the balance sheet date, with all variables held constant.

Group and Company	Increase/(Decrease) in Profit or Loss / Equity	
	2016	2015
	S$'000	S$'000
Available-for-sale financial assets	63	24

39. Financial instruments and financial risks (Continued)

Liquidity risks

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company monitor their liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's operations are financed mainly through equity, retained profits and borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

The repayment terms of the finance lease payables, bank loans and overdrafts are disclosed in Notes 28 and 29 to these financial statements respectively.

The Group has access to credit facilities as follows:

	Group	
	2016	2015
	S$'000	S$'000
Unutilized credit facilities		
Bank overdraft facilities	2,371	1,560
Trade facilities	15,367	22,254

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	1 to 5 years	Over 5 years	Total
	S$'000	S$'000	S$'000	S$'000
2016				
Financial assets:				
Gross amount due from customers on contract work-in-progress	2,000	–	–	2,000
Trade and other receivables	43,952	–	–	43,952
Cash and cash equivalents	11,800	–	–	11,800
	57,752	–	–	57,752
Financial liabilities:				
Bank overdrafts	1,072	–	–	1,072
Bank loans	20,294	6,531	1,344	28,169
Finance lease payables	2,428	2,705	–	5,133
Trade and other payables	18,989	–	–	18,989
	42,783	9,236	1,344	53,363
Total net undiscounted financial assets/ (liabilities)	14,969	(9,236)	(1,344)	4,389

39. Financial instruments and financial risks (Continued)

Liquidity risks (Continued)

Group (Continued)	1 year or less S$'000	1 to 5 years S$'000	Over 5 years S$'000	Total S$'000
2015				
Financial assets:				
Gross amount due from customers on contract work-in-progress	2,043	–	–	2,043
Trade and other receivables	46,345	–	–	46,345
Cash and cash equivalents	13,130	–	–	13,130
	61,518	–	–	61,518
Financial liabilities:				
Bank overdrafts	661	–	–	661
Bank loans	19,604	5,287	90	24,981
Finance lease payables	1,746	2,419	–	4,165
Trade and other payables	19,332	–	–	19,332
	41,343	7,706	90	49,139
Total net undiscounted financial assets/(liabilities)	20,175	(7,706)	(90)	12,379

Company	1 year or less S$'000	1 to 5 years S$'000	Total S$'000
2016			
Financial assets:			
Other receivables	7	–	7
Amounts due from subsidiaries	43,694	–	43,694
Cash and cash equivalents	2,406	–	2,406
	46,107	–	46,107
Financial liabilities:			
Bank loans	1,756	3,357	5,113
Other payables and accruals	964	–	964
	2,720	3,357	6,077
Total net undiscounted financial assets/(liabilities)	43,387	(3,357)	40,030
2015			
Financial assets:			
Other receivables	102	–	102
Amounts due from subsidiaries	39,920	–	39,920
Cash and cash equivalents	530	–	530
	40,552	–	40,552
Financial liabilities:			
Bank loans	398	1,597	1,995
Other payables and accruals	1,105	–	1,105
	1,503	1,597	3,100
Total net undiscounted financial assets/(liabilities)	39,049	(1,597)	37,452

39. Financial instruments and financial risks (Continued)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 18 to the financial statements, except for the following:

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Loan and receivables	57,752	61,518	46,107	40,552
Financial liabilities at amortized cost	51,869	47,537	5,613	2,932

40. 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 28 and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed in Notes 25, 26, 27.

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 2015.

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	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Total borrowings	50,797	46,876	5,613	2,932
Less: Cash and cash equivalents	(9,344)	(8,573)	(2,406)	(530)
Net debt	41,453	38,303	3,207	2,402
Total equity	65,420	70,320	79,658	76,400
Total capital	106,873	108,623	82,865	78,802
Gearing ratio	0.39	0.35	0.04	0.03

The Group and the Company are not subject to any externally imposed capital requirements during the financial years ended 31 March 2016 and 2015.

41. Dividends

	Group and Company	
	2016	2015
	S$'000	S$'000
Declared and paid during the financial year		
Dividend on ordinary shares:		
Final exempt (one-tier) dividend for 2015: S$0.001 (2014: S$0.001) per share	292	260

42. Event subsequent to the reporting date

On 10 May 2016, City Zone Express Pte Ltd (fka. Chasen Leasing Pte Ltd) ("CZE") has incorporated a subsidiary, namely City Zone Express Company Limited ("CZE-T") with three Thai Nationals ("JV Partners") holding equity interests of 15%, 15% and 21% respectively, to offer third party logistics services such as land cargo freight forwarding within Thailand, between Thailand and Malaysia as well as between South East Asia and China. CZE holds 49% equity interest in CZE-T.

STATISTICS OF SHAREHOLDINGS

As at 17 June 2016

SHAREHOLDERS' INFORMATION

Class of equity securities	Number of equity securities	Voting Rights
Ordinary Shares	333,967,211*	One vote per share (excluding treasury shares)
Treasury Shares	1,641,107	Nil

Excludes non-voting treasure shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 - 99	570	10.19	11,867	0.00
100 - 1,000	1,979	35.38	1,001,579	0.30
1,001 - 10,000	1,955	34.95	8,184,703	2.45
10,001 - 1,000,000	1,060	18.95	95,947,497	28.73
1,000,001 and above	30	0.53	228,821,565	68.52
	5,594	100.00	333,967,211	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Low Weng Fatt	50,883,708	15.24
2.	Yap Koon Bee @ Louis Yap	35,002,583	10.48
3.	Hong Leong Finance Nominees Pte Ltd	19,907,667	5.96
4.	Yeo Seck Cheong	15,186,165	4.55
5.	Lim Chin Hock	14,479,565	4.34
6.	OCBC Securities Private Limited	10,941,815	3.28
7.	Siah Boon Hock	10,824,901	3.24
8.	UOB Kay Hian Private Limited	9,274,950	2.78
9.	Cheong Tuck Nang (Zhang Deneng)	7,945,912	2.38
10.	Lim Jit Sing, Jackson (Lin Risheng, Jackson)	7,542,816	2.26
11.	DBS Nominees (Private) Limited	5,621,279	1.68
12.	Maybank Kim Eng Securities Pte Ltd	5,200,682	1.56
13.	Ng Aik Cheng	4,183,000	1.25
14.	Phillip Securities Pte Ltd	3,226,949	0.97
15.	Low Chin Yee	3,050,100	0.91
16.	Poon Wai Ling	2,685,045	0.80
17.	Raffles Nominees (Pte) Limited	2,381,875	0.71
18.	Poh Yong Heng	2,366,000	0.71
19.	United Overseas Bank Nominees (Private) Limited	2,336,033	0.70
20.	CIMB Securities (Singapore) Pte Ltd	2,092,093	0.63
	Total:	215,133,138	64.43

STATISTICS OF SHAREHOLDINGS

As at 17 June 2016

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Low Weng Fatt [(1)]	50,883,708	15.24	397,500	0.12
Yap Koon Bee @ Louis Yap	35,002,583	10.48	–	–

Notes:

(1) Mr Low Weng Fatt is deemed to be interested in the 397,500 shares held by his spouse.

The percentage of shareholding above is computed based on the total issued and paid-up ordinary share capital of 333,967,211 Shares (excluding 1,641,107 treasury shares).

STATISTICS OF WARRANTHOLDINGS – W170320

As at 17 June 2016

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholding	Number of Warrantholders	%	Number of Warrants	%
1 - 99	2	0.23	67	0.00
100 - 1,000	40	4.58	23,179	0.02
1,001 - 10,000	433	49.54	2,008,811	1.97
10,001 - 1,000,000	369	42.22	27,445,187	26.88
1,000,001 and above	30	3.43	72,608,283	71.13
	874	100.00	102,085,527	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	Number of Warrants	%
1.	Cho Kim Seng	6,000,000	5.88
2.	Low Weng Fatt	5,742,417	5.63
3.	Lim Shao-Lin	5,041,090	4.94
4.	United Overseas Bank Nominees (Private) Limited	4,385,254	4.30
5.	OCBC Securities Private Limited	4,325,448	4.24
6.	Zhou JinShou	4,209,818	4.12
7.	Cheng Wa Sing	3,960,109	3.88
8.	Tan Eng Chua Edwin	3,450,545	3.38
9.	Ang Soon Guan Francis	3,419,599	3.35
10.	Lim Kay Yim	2,847,272	2.79
11.	Lim Chin Hock	2,371,501	2.32
12.	Eio Hock Chuar	2,241,818	2.20
13.	Siah Boon Hock	2,181,818	2.14
14.	Karuppiah Palaniappan	2,007,272	1.97
15.	DBS Nominees (Private) Limited	1,882,908	1.84
16.	Tan Eng Hong	1,639,636	1.61
17.	Thiam Kok Yong	1,527,272	1.50
18.	Phillip Securities Pte Ltd	1,417,625	1.39
19.	Lim Wui Liat	1,363,984	1.34
20.	Lim Chor Ghee	1,298,181	1.27
	Total:	61,313,567	60.09

STATISTICS OF WARRANTHOLDINGS – W180201

As at 17 June 2016

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholding	Number of Warrantholders	%	Number of Warrants	%
1 - 99	11	4.53	196	0.00
100 - 1,000	7	2.88	5,224	0.01
1,001 - 10,000	61	25.10	311,974	0.63
10,001 - 1,000,000	153	62.96	21,014,632	41.99
1,000,001 and above	11	4.53	28,712,004	57.37
	243	100.00	50,044,030	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name of Warrantholders	Number of Warrants	%
1.	UOB Kay Hian Private Limited	8,949,900	17.88
2.	OCBC Securities Private Limited	4,450,000	8.89
3.	Fok Chee Cheong @ Fok Chee Chiong	3,714,700	7.42
4.	Cheng Wa Sing	2,468,600	4.93
5.	Tan Eng Hong	1,884,800	3.77
6.	Poh Yong Heng	1,600,000	3.20
7.	DBS Nominees (Private) Limited	1,325,000	2.65
8.	Maybank Kim Eng Securities Pte Ltd	1,106,004	2.21
9.	Diana Sng Siew Khim	1,102,000	2.20
10.	Ng Whee Siang	1,100,000	2.20
11.	Raffles Nominees (Pte) Limited	1,011,000	2.02
12.	Kam Keng Seng	816,700	1.63
13.	Phillip Securities Pte Ltd	814,014	1.63
14.	Soh Boon Kui	800,000	1.60
15.	Bank of Singapore Nominees Pte Ltd	615,650	1.23
16.	Goh Gek Keow	611,904	1.22
17.	Wong Kok Huat	600,000	1.20
18.	Karuppiah Palaniappan	450,000	0.90
19.	Poh Hock Chye	450,000	0.90
20.	Tan Eng Ann	450,000	0.90
	Total:	34,320,272	68.58

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 17 June 2016, approximately 63.61% 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 IS HEREBY GIVEN that the Annual General Meeting of **CHASEN HOLDINGS LIMITED** (the "**Company**") will be held at Violet Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961, on the 29th day of July 2016 at 10.00 a.m. for the purpose of considering and if thought fit, passing the following resolutions as Ordinary Resolutions, with or without any modifications:

AS ORDINARY BUSINESS

1. To receive and adopt the Statement by Directors and the Audited Financial Statements of the Company and of the Group for the financial year ended 31 March 2016 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a first and final tax exempt (one-tier) dividend of $0.0005 per share for the financial year ended 31 March 2016. (2015: $0.001 per share). **(Resolution 2)**

3. 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 (i)] **(Resolution 3)**

4. To note the retirement of Mr Yap Koon Bee @ Louis Yap as a Non-Executive Director of the Company.

5. To approve the payment of Directors' fees of $400,000 for the financial year ended 31 March 2016. (2015: $400,000). **(Resolution 4)**

6. To approve the payment of Directors' fees of up to $400,000 for the financial year ending 31 March 2017, with payment to be made in arrears. **(Resolution 5)**

7. To re-appoint Messrs Mazars LLP as the Auditors of the Company and to authorize the Directors of the Company to fix their remuneration. **(Resolution 6)**

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

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

9. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST")**

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

   (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

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

Provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

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

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

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

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

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting ("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 (ii)] **(Resolution 7)**

10. **Renewal of Share Buyback Mandate**

That:

(a) for the purposes of the Companies Act, Chapter 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchases, transacted on the SGX-ST or through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or

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

(the "**Share Buyback Mandate**")

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

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

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

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(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 authorized to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

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

By Order of the Board

CHEW KOK LIANG
Company Secretary
Singapore, 7 July 2016

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. A Relevant Intermediary may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified.)

3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 18 Jalan Besut, Singapore 619571, not less than forty-eight (48) 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) The effect of Resolution 3 is to re-elect Mr Tan Sin Huat, Dennis as a Director of the Company. Mr Tan Sin Huat, Dennis will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee, a member of the Audit and Nominating Committees, and will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

(ii) Resolution 7, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

(iii) Resolution 8, if passed, will empower the Directors of the Company from the date of this AGM until the earliest of (i) the date on which the next AGM of the Company or the date by which the next AGM of the Company is held or required by law to be held; (ii) the date on which the share buybacks are carried out to the full extent mandated, or (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in general meeting, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company as at the date of the AGM at which this Ordinary Resolution is passed. The rationale for, the authority and limitation on, the sources of the funds to be used for the purchase or acquisition, including the amount of financing and financial effects of the purchase or acquisition of the ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 March 2016 are set out in greater detail in the Letter to Shareholders dated 7 July 2016 attached to this Annual Report.

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.

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 Investors") (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 (the "**Meeting**") of the Company to be held at Violet Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961 on Friday, 29 July 2016 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

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 2016		
2	Payment of proposed first and final tax exempt (one-tier) dividend of $0.0005 per share for financial year ended 31 March 2016		
3	Re-election of Mr Tan Sin Huat, Dennis as a Director		
4	Approval of Directors' fees for the financial year ended 31 March 2016		
5	Approval of Directors' fees for the financial year ending 31 March 2017, with payment to be made in arrears		
6	Re-appointment of Messrs Mazars LLP as Auditors and authority to Directors to fix their remuneration		
7	Authority to issue additional shares pursuant to Section 161 of the Companies Act, Chapter 50		
8	Renewal of Share Buyback Mandate		

* *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.*

Dated this __________ day of _______________ 2016

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

____

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

* Delete where inapplicable

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 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 48 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 authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. An investor who buys shares using Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (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 7 July 2016.

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

cre8
Tel: (65) 63278398